
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-40371

BOWMAN CONSULTING GROUP LTD.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

54-1762351
(I.R.S. Employer
Identification No.)

12355 Sunrise Valley Drive, Suite 520
Reston, Virginia
(Address of principal executive offices)

20191
(Zip Code)

Registrant's telephone number, including area code: (703) 464-1000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	BWMN	The Nasdaq Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 7, 2024, the registrant had 17,529,821 shares of common stock outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

BOWMAN CONSULTING GROUP LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands except per share data)

	September 30, 2024	December 31, 2023
	<i>(Unaudited)</i>	
ASSETS		
<u>Current Assets</u>		
Cash and equivalents	\$ 11,660	\$ 20,687
Accounts receivable, net	105,406	87,565
Contract assets	43,838	33,520
Notes receivable - officers, employees, affiliates, current portion	1,146	1,199
Prepaid and other current assets	10,869	11,806
Total current assets	172,919	154,777
<u>Non-Current Assets</u>		
Property and equipment, net	43,983	27,601
Operating lease, right-of-use assets	41,271	40,743
Goodwill	134,084	96,393
Notes receivable	903	903
Notes receivable - officers, employees, affiliates, less current portion	1,110	1,119
Other intangible assets, net	59,524	46,294
Deferred tax asset, net	41,682	33,780
Other assets	1,481	1,175
Total Assets	\$ 496,957	\$ 402,785
LIABILITIES AND EQUITY		
<u>Current Liabilities</u>		
Revolving credit facility	\$ 32,332	\$ 45,290
Accounts payable and accrued liabilities	43,983	44,394
Contract liabilities	8,905	7,481
Notes payable, current portion	15,134	13,989
Operating lease obligation, current portion	10,635	9,016
Finance lease obligation, current portion	9,817	6,586
Total current liabilities	120,806	126,756
<u>Non-Current Liabilities</u>		
Other non-current obligations	51,971	42,288
Notes payable, less current portion	20,251	13,738
Operating lease obligation, less current portion	36,681	37,660
Finance lease obligation, less current portion	18,829	14,408
Pension and post-retirement obligation, less current portion	5,213	4,654
Total liabilities	\$ 253,751	\$ 239,504
Shareholders' Equity		
Preferred Stock, \$0.01 par value; 5,000,000 shares authorized, no shares issued and outstanding as of September 30, 2024 and December 31, 2023.	\$ -	\$ -
Common stock, \$0.01 par value; 30,000,000 shares authorized as of September 30, 2024 and December 31, 2023; 21,242,813 shares issued and 17,738,740 outstanding, and 17,694,495 shares issued and 15,094,278 outstanding as of September 30, 2024 and December 31, 2023, respectively	212	177
Additional paid-in-capital	323,255	215,420
Accumulated other comprehensive income	559	590
Treasury stock, at cost; 3,504,073 and 2,600,217, respectively	(51,489)	(26,410)
Stock subscription notes receivable	(42)	(76)
Accumulated deficit	(29,289)	(26,420)
Total shareholders' equity	\$ 243,206	\$ 163,281
TOTAL LIABILITIES AND EQUITY	\$ 496,957	\$ 402,785

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BOWMAN CONSULTING GROUP LTD.
CONDENSED CONSOLIDATED INCOME STATEMENTS
(Amounts in thousands except per share data)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Gross Contract Revenue	\$ 113,932	\$ 94,434	\$ 313,341	\$ 253,290
Contract costs: (exclusive of depreciation and amortization below)				
Direct payroll costs	41,713	33,383	118,471	94,287
Sub-consultants and expenses	12,569	12,310	32,308	29,811
Total contract costs	<u>54,282</u>	<u>45,693</u>	<u>150,779</u>	<u>124,098</u>
Operating Expenses:				
Selling, general and administrative	51,903	41,735	145,795	113,717
Depreciation and amortization	7,395	4,500	20,572	12,785
(Gain) on sale	(81)	(110)	(393)	(347)
Total operating expenses	<u>59,217</u>	<u>46,125</u>	<u>165,974</u>	<u>126,155</u>
Income (loss) from operations	<u>433</u>	<u>2,616</u>	<u>(3,412)</u>	<u>3,037</u>
Other expense	1,572	1,495	6,000	3,852
(Loss) income before tax benefit	<u>(1,139)</u>	<u>1,121</u>	<u>(9,412)</u>	<u>(815)</u>
Income tax (benefit)	(1,910)	(62)	(6,543)	(1,901)
Net income (loss)	<u>\$ 771</u>	<u>\$ 1,183</u>	<u>\$ (2,869)</u>	<u>\$ 1,086</u>
Earnings allocated to non-vested shares	\$ 53	\$ 146	\$ –	\$ 140
Net income (loss) attributable to common shareholders	<u>\$ 718</u>	<u>\$ 1,037</u>	<u>\$ (2,869)</u>	<u>\$ 946</u>
Earnings (loss) per share				
Basic	\$ 0.04	\$ 0.08	\$ (0.18)	\$ 0.08
Diluted	\$ 0.04	\$ 0.08	\$ (0.18)	\$ 0.07
Weighted average shares outstanding:				
Basic	16,537,472	12,814,971	15,559,279	12,304,751
Diluted	16,835,337	13,793,120	15,559,279	13,437,841

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BOWMAN CONSULTING GROUP LTD.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Amounts in thousands except per share data)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (loss)	\$ 771	\$ 1,183	\$ (2,869)	\$ 1,086
Other comprehensive loss				
Pension and post-retirement adjustments	(10)	(11)	(31)	(32)
Other comprehensive loss	(10)	(11)	(31)	(32)
Income tax provision related to items of other comprehensive loss	–	–	–	–
Other comprehensive loss, net of tax	(10)	(11)	(31)	(32)
Comprehensive income (loss), net of tax	\$ 761	1,172	\$ (2,900)	1,054

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BOWMAN CONSULTING GROUP LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Three Months Ended September 30, 2024 and 2023
(Amounts in thousands except per share data)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Other Comprehensive Income	Stock Subscription Notes Receivable	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount		Shares	Amount				
Balance at June 30, 2023	17,130,179	\$ 171	\$ 189,351	(2,529,886)	\$ (24,417)	\$ 557	\$ (125)	\$ (19,893)	\$ 145,644
Issuance of new common shares	–	–	7	–	–	–	–	–	7
Purchase of treasury stock	–	–	–	(300)	(8)	–	–	–	(8)
Issuance of new common shares under stock compensation plan	25,849	–	–	–	–	–	–	–	–
Cancellation of shares under stock compensation plan	(31,632)	–	–	–	–	–	–	–	–
Issuance of new common shares under employee stock purchase plan	16,391	–	393	–	–	–	–	–	393
Stock based compensation	–	–	6,645	–	–	–	–	–	6,645
Collection on stock subscription notes receivable	–	–	–	–	–	–	13	–	13
Exercises of conversion feature of convertible note	24,001	–	335	–	–	–	–	–	335
Other comprehensive loss, net of tax	–	–	–	–	–	(11)	–	–	(11)
Net income	–	–	–	–	–	–	–	1,183	1,183
Balance at September 30, 2023	17,164,788	\$ 171	\$ 196,731	(2,530,186)	\$ (24,425)	\$ 546	\$ (112)	\$ (18,710)	\$ 154,201
Balance at June 30, 2024	20,570,916	\$ 206	\$ 303,453	(2,971,867)	\$ (38,531)	\$ 569	\$ (53)	\$ (30,060)	\$ 235,584
Issuance of new common shares	400,738	4	12,841	–	–	–	–	–	12,845
Purchase of treasury stock	–	–	–	(35,578)	(1,093)	–	–	–	(1,093)
Issuance of new common shares under stock compensation plan	211,528	2	(2)	–	–	–	–	–	–
Cancellation of common shares under stock compensation plan	(5,285)	–	–	–	–	–	–	–	–
Issuance of new common shares under employee stock purchase plan	24,399	–	499	–	–	–	–	–	499
Stock based compensation	–	–	5,793	–	–	–	–	–	5,793
Collections on stock subscription notes receivable	–	–	–	–	–	–	11	–	11
Exercises of conversion feature of convertible note	40,517	–	671	–	–	–	–	–	671
Other comprehensive loss, net of tax	–	–	–	–	–	(10)	–	–	(10)
Repurchases of common stock	–	–	–	(496,628)	(11,865)	–	–	–	(11,865)
Net income	–	–	–	–	–	–	–	771	771
Balance at September 30, 2024	21,242,813	\$ 212	\$ 323,255	(3,504,073)	\$ (51,489)	\$ 559	\$ (42)	\$ (29,289)	\$ 243,206

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BOWMAN CONSULTING GROUP LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Nine Months Ended September 30, 2024 and 2023
(Amounts in thousands except per share data)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Other Comprehensive Income	Stock Subscription Notes Receivable	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount		Shares	Amount				
Balance at January 1, 2023	15,949,805	\$ 159	\$ 162,922	(2,393,255)	\$ (20,831)	\$ 578	\$ (173)	\$ (19,796)	\$ 122,859
Issuance of new common shares	504,637	5	14,878	–	–	–	–	–	14,883
Purchase of treasury stock	–	–	–	(136,931)	(3,594)	–	–	–	(3,594)
Issuance of new common shares under stock compensation plan	646,488	6	(6)	–	–	–	–	–	–
Cancellation of shares under stock compensation plan	(31,632)	–	–	–	–	–	–	–	–
Issuance of new common shares under employee stock purchase plan	47,488	–	1,155	–	–	–	–	–	1,155
Stock based compensation	–	–	17,111	–	–	–	–	–	17,111
Collection on stock subscription notes receivable	–	–	–	–	–	–	61	–	61
Exercises of conversion feature of convertible note	48,002	1	671	–	–	–	–	–	672
Other comprehensive loss, net of tax	–	–	–	–	–	(32)	–	–	(32)
Net income	–	–	–	–	–	–	–	1,086	1,086
Balance at September 30, 2023	17,164,788	\$ 171	\$ 196,731	(2,530,186)	\$ (24,425)	\$ 546	\$ (112)	\$ (18,710)	\$ 154,201
Balance at January 1, 2024	17,694,495	\$ 177	\$ 215,420	(2,600,217)	\$ (26,410)	\$ 590	\$ (76)	\$ (26,420)	\$ 163,281
Issuance of new common shares in common stock offering	1,502,942	15	47,136	–	–	–	–	–	47,151
Issuance of new common shares	1,078,465	11	35,337	–	–	–	–	–	35,348
Purchase of treasury stock	–	–	–	(340,335)	(11,130)	–	–	–	(11,130)
Issuance of new common shares under stock compensation plan	750,587	7	(8)	–	–	–	–	–	(1)
Cancellation of common shares under stock compensation plan	(32,491)	–	–	–	–	–	–	–	–
Issuance of new common shares under employee stock purchase plan	56,745	–	1,431	–	–	–	–	–	1,431
Stock based compensation	–	–	20,573	–	–	–	–	–	20,573
Collections on stock subscription notes receivable	–	–	–	–	–	–	34	–	34
Exercises of conversion feature of convertible note	192,070	2	3,366	–	–	–	–	–	3,368
Other comprehensive loss, net of tax	–	–	–	–	–	(31)	–	–	(31)
Repurchases of common stock	–	–	–	(563,521)	(13,949)	–	–	–	(13,949)
Net loss	–	–	–	–	–	–	–	(2,869)	(2,869)
Balance at September 30, 2024	21,242,813	\$ 212	\$ 323,255	(3,504,073)	\$ (51,489)	\$ 559	\$ (42)	\$ (29,289)	\$ 243,206

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BOWMAN CONSULTING GROUP LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands except per share data)
(Unaudited)

	For the Nine Months Ended September 30,	
	2024	2023
Cash Flows from Operating Activities:		
Net (loss) income	\$ (2,869)	\$ 1,086
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization - property, plant and equipment	9,722	7,172
Amortization of intangible assets	10,850	5,613
Gain on sale of assets	(393)	(347)
Credit losses	1,043	630
Stock based compensation	20,272	18,280
Accretion of discounts on notes payable	486	459
Deferred taxes	(18,351)	(11,134)
Changes in operating assets and liabilities, net of acquisition of businesses		
Accounts receivable	(10,830)	(14,581)
Contract assets	(5,229)	(8,118)
Prepaid expenses and other assets	2,909	(4,370)
Accounts payable and accrued expenses	6,438	19,752
Contract liabilities	(1,666)	(2,171)
Net cash provided by operating activities	12,382	12,271
Cash Flows from Investing Activities:		
Purchases of property and equipment	(819)	(2,081)
Fixed assets converted to lease financing	17	-
Proceeds from sale of assets and disposal of leases	399	347
Payments received under loans to shareholders	61	115
Acquisitions of businesses, net of cash acquired	(23,327)	(15,442)
Collections under stock subscription notes receivable	33	62
Net cash used in investing activities	(23,636)	(16,999)
Cash Flows from Financing Activities:		
Proceeds from common stock offering, net of underwriting discounts and commissions and other offering costs	47,151	-
(Repayments) Borrowings under revolving credit facility	(12,958)	22,379
Repayments under fixed line of credit	(345)	(381)
Proceeds from notes payable	6,209	-
Repayment under notes payable	(10,951)	(8,715)
Proceeds from finance leases	4,567	-
Payments on finance leases	(6,462)	(4,989)
Payment of contingent consideration from acquisitions	(1,357)	-
Payments for purchase of treasury stock	(11,130)	(3,594)
Repurchases of common stock	(13,950)	-
Proceeds from issuance of common stock	1,453	1,177
Net cash provided by financing activities	2,227	5,877
Net (decrease) increase in cash and cash equivalents	(9,027)	1,149
Cash and cash equivalents, beginning of period	20,687	13,282
Cash and cash equivalents, end of period	\$ 11,660	\$ 14,431
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 5,073	\$ 2,815
Cash paid for income taxes	\$ 7,792	\$ 900
Non-cash investing and financing activities:		
Property and equipment acquired under finance lease	\$ (9,558)	\$ (6,724)
Note payable converted to common shares	\$ (3,368)	\$ (672)
Issuance of notes payable for acquisitions	\$ (15,291)	\$ (6,277)
Issuance of contingent considerations	\$ (1,722)	\$ (8,599)
Settlement of contingent consideration	\$ 1,202	\$ -

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BOWMAN CONSULTING GROUP LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Nature of Business and Basis of Presentation

Nature of Business

Bowman Consulting Group Ltd. (along with its consolidated subsidiaries, “Bowman” or “we” or the “Company”) was incorporated in the Commonwealth of Virginia on June 5, 1995 and reincorporated in the State of Delaware on November 13, 2020. The Company’s headquarters is located in Reston, VA and the Company has over 100 offices throughout the United States and two offices in Mexico. Bowman is a professional services firm delivering innovative solutions to the marketplace of customers who own, develop and maintain the built environment. Within that arena, we provide planning, design, engineering, geospatial, survey, construction management, environmental consulting and land procurement services to markets that encompass the buildings in which people live, work and learn in; as well as the systems that provide water, electricity and other vital services, and the roads, bridges, and transportation systems used to get from place to place. We provide services to customers through fixed-price and time-and-material based contracts containing multiple milestones and independently priced deliverables. Typically, contract awards are on a negotiated basis, ranging in value from a few thousand dollars to multiple millions of dollars and can have varying durations depending on the size, scope, and complexity of the project.

The Company’s workforce typically provides the full scope of engineering and other contract services. However, with respect to certain specialty services or other compliance requirements within a particular contract, we may engage third-party sub-consultants.

Common Stock Offering

On April 1, 2024, the Company closed on an offering of common stock in which it issued and sold 1,323,530 shares at an offering price of \$34.00 per share, resulting in net proceeds of \$42.0 million after deducting underwriting discounts and commissions, but before expenses of the offering.

On April 1, 2024, the underwriters exercised their option to purchase an additional 179,412 shares of the Company’s common stock at an offering price of \$34.00 per share, resulting in additional gross proceeds of approximately \$6.1 million. After giving effect to this exercise of the over-allotment option, the total number of shares sold by the Company in this common stock offering increased to 1,502,942 shares with gross proceeds of approximately \$51.1 million. The exercise of the over-allotment option closed on April 1, 2024, at which time the Company received net proceeds of \$5.7 million after underwriting discounts and commissions.

Deferred offering costs consist primarily of accounting, legal and other fees related to the common stock offering. Prior to the offering, all deferred costs were capitalized within prepaid and other current assets in the consolidated balance sheet. We capitalized \$0.2 million of deferred offering costs within prepaid and other current assets in the consolidated balance sheet as of December 31, 2023. No deferred offering costs were capitalized in the condensed consolidated balance sheet as of September 30, 2024.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements and footnotes of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) and applicable regulations of the Securities and Exchange Commission (“SEC”) regarding interim financial information. In the opinion of management, the interim financial information includes all adjustments of a normal recurring nature necessary for a fair presentation of the results of operations, financial position, changes in shareholders’ equity and cash flows. The results of operations for the current period are not necessarily indicative of the results for the full year or the results for any future periods.

The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related footnotes included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC on March 12, 2024.

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

2. Significant Accounting Policies

The following is a summary of the significant accounting policies and principles used in the preparation of the condensed consolidated financial statements:

Emerging Growth Company

Section 102(b)(1) of the Jumpstart Our Business Startups Act (“JOBS Act”) exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company’s financial statements with another public company that is either not an emerging growth company or, an emerging growth company that has opted out of using the extended transition period, difficult or impossible because of the potential differences in accounting standards used.

Revenue Recognition

As discussed in Note 1, the Company provides a variety of engineering and related professional services to customers located throughout the United States. The Company enters into agreements with clients that create enforceable rights and obligations and for which it is probable that the Company will collect the consideration to which it will be entitled as services transfer to the customer. It is customary practice for the Company to have written agreements with its customers and revenue on oral or implied arrangements is generally not recognized. The Company recognizes revenue based on the consideration specified in the applicable agreement. Excluded from the transaction price are amounts collected on behalf of third parties for sales and similar taxes.

Long-term contracts typically contain billing terms that provide for invoicing once a month and payment on a net 30-day basis. Exceptions to monthly billing are to ensure that the Company performs satisfactorily and do not represent a significant financing component. For example, certain fixed price contracts provide for milestone billings based upon the attainment of specific project objectives to ensure the Company meets its contractual requirements rather than monthly billing. Another example is, contracts that include retentions or holdbacks paid at the end of a project to ensure that the Company meets the contract requirements. The Company does not assess whether a contract contains a significant financing component if the Company expects, at contract inception, that the period between payment by the customer and the transfer of promised services to the customer will be less than one year.

As a professional services engineering firm, the Company generally recognizes revenue over time as control transfers to a customer based upon the extent of progress towards satisfaction of the performance obligation.

For services delivered under fixed price contracts, the Company uses the ratio of actual costs incurred to total estimated costs since costs incurred (an input method) represents a reasonable measure of progress towards the satisfaction of a performance obligation in order to estimate the portion of revenue earned. This method faithfully depicts the transfer of value to the customer when the Company is satisfying a performance obligation that entails a number of interrelated tasks or activities for a combined output that requires the Company to coordinate the work of employees and sub-consultants. Contract costs typically include direct labor, subcontract and consultant costs, materials and indirect costs related to contract performance. Changes in estimated costs to complete these obligations result in adjustments to revenue on a cumulative catch-up basis, so that revised estimates are recognized in the current period. Changes in estimates can routinely occur over the contract term for a variety of reasons including, changes in scope, unanticipated costs, delays or favorable or unfavorable progress that differ from original expectations. In situations where the remaining estimated costs to perform exceed the consideration to be received, the Company accrues the entire estimated loss during the period the loss becomes known.

When a performance obligation is billed using a time-and-material type contract, the Company measures its progress to complete based upon the hours incurred for the period times contractually agreed upon billing rates plus any materials delivered or consumed in the project. When applicable, the Company will recognize revenue under these contracts as invoiced under the practical expedient.

In certain situations, it is possible that two or more contracts should be combined and accounted for as a single contract, or a single contract should be accounted for as multiple performance obligations. This requires significant judgment and could impact the amount and timing of revenue recognition. Such determinations are made using management's best estimate and knowledge of contracts and related performance obligations.

The Company's contracts may contain variable consideration in the form of unpriced or pending change orders or claims that either increase or decrease the contract price. Variable consideration is generally estimated using the expected value method but may from time to time be estimated using the most likely amount method depending on the circumstance. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur or when the uncertainty associated with the variable consideration is resolved. Estimates of variable consideration are based upon historical experience and known trends.

The Company recognizes claims against vendors, sub-consultants, and others as a reduction in costs when the contract establishes enforceability, and the amounts of recovery are reasonably estimable and probable. Reduction in costs are recognized at the lesser of the amount management expects to recover or costs incurred.

Contract related assets and liabilities are classified as current assets and current liabilities. Significant balance sheet accounts related to the revenue cycle are as follows:

Accounts receivables, net:

Accounts receivable, net (contract receivables) includes amounts billed under the contract terms. The amounts are stated at their net realizable value. The Company maintains an allowance for doubtful accounts to provide for the estimated number of receivables that will not be collected. The Company considers several factors in its estimated expected credit losses including knowledge of a client's financial condition, its historical collection experience, and other factors relevant to assessing the collectability of such receivables. No single client accounted for more than 10% of the Company's outstanding receivables at September 30, 2024 and December 31, 2023.

Contract Assets:

Contract Assets are recorded when progress to completion revenue earned on contracts exceeds amounts billed under the contract. It may also include contract retainages that can be billed once contract stipulations are satisfied.

Contract Liabilities:

Contract Liabilities are recorded when amounts billed under a contract exceeds the progress to completion revenue earned under the contract.

Allowance for Doubtful Accounts and Expected Credit Losses

The Company records accounts receivable net of an allowance for doubtful accounts. The allowance is determined based upon management's review of the estimated collectability of the specific accounts receivable, client type, client credit worthiness, plus a general provision based upon the historical loss experience and existing economic conditions. The Company charges off uncollectible amounts against the allowance for doubtful accounts once management determines the amount, or a portion thereof, to be worthless. Upon determination that a specific receivable is uncollectible, the receivable is written off against the allowance for expected credit losses. As of September 30, 2024 and December 31, 2023, the balance in the allowance for expected credit losses was \$2.8 million and \$2.2 million, respectively.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates and assumptions that were used.

Concentration of Credit Risk and other Concentrations

The Company's financial instruments that are exposed to concentrations of credit risk consist of cash and accounts receivable.

Cash balances at various times during the year may exceed the amount insured by the Federal Deposit Insurance Corporation. The Company's cash deposits are held in institutions whose credit ratings are monitored by management, and the Company has not incurred any losses related to such deposits.

The Company can, at times, be subject to a concentration of credit risk with respect to outstanding accounts receivable. However, the Company believes no such concentration existed during the nine months ended September 30, 2024, or the year ended December 31, 2023. The Company's customers are located throughout the United States across diverse market sectors. Although the Company generally grants credit without collateral, management believes that its contract acceptance, billing, and collection policies are adequate to minimize material credit risk. Also, for non-governmental customers, the Company can often place mechanics liens against the real property associated with the contract in the event of non-payment.

Fair Value Measurements

Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures* ("ASC Topic 820") provides the framework for measuring and reporting financial assets and liabilities at fair value. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The codification establishes a three-level disclosure hierarchy to indicate the level of judgment used to estimate fair value measurements:

Level 1: Quoted prices in active markets for identical assets or liabilities as of the reporting date;

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices (such as interest rate and yield curves);

Level 3: Uses inputs that are unobservable, supported by little or no market activity and reflect significant management judgment.

As of September 30, 2024 and December 31, 2023:

- The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to the relatively short duration of these instruments;
- The carrying amounts of debt obligations approximate their fair values as the terms are comparable to terms currently offered by local financial institutions for arrangements with similar terms to industry peers with comparable credit characteristics. Accordingly, the debt obligations involve Level 3 fair value inputs;

Fair value measurements relating to our business combinations are made primarily using Level 3 inputs including discounted cash flow and to the extent applicable, Monte Carlo simulation techniques. Fair value for the identified intangible assets is generally estimated using inputs primarily for the income approach using the multiple period excess earnings method. The significant assumptions used in estimating fair value include (i) revenue projections of the business, including profitability, (ii) attrition rates and (iii) the estimated discount rate that reflects the level of risk associated with receiving future cash flows. Other personal property assets, such as property, plant and equipment, are valued using the cost approach, which is based on replacement or reproduction costs of the asset less depreciation. The fair value of the contingent consideration is estimated using published treasury rates in the Wall St. Journal and discounting the present value along with other significant assumptions which include projections of revenue, and probabilities of meeting those projections, as well as Monte Carlo simulation techniques.

The following is a summary of change in contingent consideration:

<i>(in thousands)</i>	For the Nine Months Ended September 30, 2024	For the Year Ended December 31, 2023
Balance at beginning of period	\$ 10,567	\$ 487
Fair value of contingent consideration issuances	1,874	10,379
Change in fair value of contingent consideration	321	(299)
Settlement of contingent consideration	(3,518)	—
Balance at end of period	<u>\$ 9,244</u>	<u>\$ 10,567</u>

The change in fair value consideration is included in *Other Expense* in the Condensed Consolidated Income Statement.

Income Taxes

The Company recognizes deferred income tax assets or liabilities for expected future tax consequences of events recognized in the condensed consolidated financial statements or tax returns. Under this method, deferred income tax assets or liabilities are determined based upon the difference between the financial statement and income tax bases of assets and liabilities using enacted tax rates expected to apply when the differences settle or become realized. Valuation allowances are provided when it is more likely than not that a deferred tax asset is not realizable or recoverable in the future. As of September 30, 2024, no valuation allowances are required, and all deferred tax assets are realizable.

The Company assesses uncertain tax positions to determine whether income tax positions will more likely than not be sustained upon examination by the Internal Revenue Service or other taxing authorities. If the Company cannot reach a more-likely-than-not determination, no benefit is recorded. If the Company determines that the tax position is more likely than not to be sustained, the Company records the largest amount of benefit that is more likely than not to be realized when the tax position is settled. The Company recognizes interest and penalties, if any, related to uncertain tax positions in income tax expense. Beginning January 1, 2022, the Tax Cuts and Jobs Act (TCJA) of 2017 eliminated the option to deduct research and development expenditures in the current year and now requires taxpayers to capitalize and amortize research and development costs pursuant to Internal Revenue Code Section 174. The capitalized expenses are amortized over a 5-year period for domestic expenses and a 15-year period for foreign expenses. As of December 31, 2023, the Company recorded an uncertain tax return of \$42.5 million related to its position regarding Section 174 costs. During the second quarter of 2024, the Company made a determination to change its accounting method for Section 174 costs, and accordingly, released an uncertain tax position reserve of \$47.9 million associated with the previously established position. While this method change is a timing difference between current and deferred taxes, the effect of this release generated an income tax benefit of \$4.0 million as a result of a decrease in accrued tax penalties and interest. In October 2024, the Company reevaluated its previous determination in this matter and concluded there was a reasonable basis to file the 2023 income tax return under its historical accounting method for Section 174 costs. Accordingly, the Company has re-established the aforementioned uncertain tax position, and determined that accrued penalties are no longer necessary based on the tax filing position and disclosure. As of the quarter ended September 30, 2024, the Company's uncertain tax position reserve for Section 174 costs was \$51.1 million.

The Company recognizes the effect of a change in tax rates on deferred tax assets and liabilities in income in the period that includes the enactment date. The Company's effective tax rate for the nine months ended September 30, 2024 and 2023 was 69.5% and 233.4%, respectively. The change in the Company's effective tax rate is predominantly due to changes in the estimated annual effective tax rate and certain non-recurring discrete events, as discussed below. The most prominent factors impacting the estimated annual effective tax rate include an increase in projected R&D credits generated for 2024, an increase in the projected limitations of the deductible executive compensation for 2024, and an overall reduction in forecasted income for 2024 relative to 2023. With respect to the projected R&D credit, the Company anticipates the 2024 generated R&D credit to be \$3.5 million as of September 30, 2024, as compared to the projected R&D credit to be generated of \$2.9 million as of September 30, 2023. Similarly, the Company anticipates the annual projected limitation on the deductibility of executive compensation to be \$21.3 million for 2024 as compared to \$7.9 million for 2023.

Further, the Company also recognized a net discrete benefit of \$7.0 million for the nine months ended September 30, 2024, as compared to a net discrete benefit of \$1.5 million for the nine months ended September 30, 2023. The net discrete benefit is predominantly the result of a windfall tax benefit for restricted stock awards, penalties and interest recorded for uncertain tax positions, and other non-recurring adjustments. More specifically, the windfall tax adjustment for restricted stock awards recognized at a value higher than the grant date fair value is \$4.4 million for the nine months ended September 30, 2024, and \$2.1 million for the nine months ended September 30, 2023. Penalties and interest accrued for uncertain tax positions was \$1.4 million for the nine months ended September 30, 2024, and \$0.4 million for the nine months ended September 30, 2023. In addition, there was a one-time \$4.0 million decrease in accrued penalties and interest for the reversal of the uncertain tax position for Section 174 costs for the nine months ended September 30, 2024, as discussed above. Further, for the nine months ended September 30, 2023, the Company recognized a non-recurring \$0.2 million reduction to the state income tax payable. These factors increased the rate by 74.4% for the quarter ended September 30, 2024, and increased the rate by 186.6% for the quarter ended September 30, 2023.

The Company files income tax returns in the U.S. federal jurisdiction and certain states in which it operates. Based on the timing of the filing of certain tax returns, the Company's federal income tax returns for tax years 2020 and thereafter

remain subject to examination by the U.S. Internal Revenue Service. The statute of limitations on the Company's state income tax returns generally conforms to the federal three-year statute of limitations.

Segments

The Company operates in one segment based upon the financial information used by its chief operating decision maker in evaluating the financial performance of its business and allocating resources. The single segment represents the Company's core business of providing engineering and related professional services to its customers.

Recently Issued Accounting Guidance

Accounting guidance not yet adopted

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-07, *Improvements to Reportable Segment Disclosures*, which requires disclosure of significant segment expenses and other segment items in annual and interim periods. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and requires retrospective application to all prior periods presented in the financial statements. We are currently evaluating the potential impact of the new standard.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*, which requires disaggregated information about an entity's effective tax rate reconciliation as well as information on income taxes paid. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, and should be applied prospectively. Retrospective application is permitted. We are currently evaluating the potential impact of the new standard.

Other than those noted above, which are still being evaluated, the Company does not believe that any other recently issued standards will have a material effect on its condensed consolidated financial statements.

3. Earnings (loss) Per Share and Certain Related Information

Basic earnings (loss) per share is calculated by dividing net income (loss) attributable to the Company available to common stockholders by the weighted average number of common shares outstanding for the three and nine months ended September 30, 2024 and 2023. Diluted earnings (loss) per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were either exercised or converted into common stock or resulted in the issuance of common stock that would share in the earnings (loss) of the Company. The dilutive effect of options is reflected in diluted earnings (loss) per share by application of the treasury stock method. The dilutive effect of shares to be purchased under the Company's Employee Stock Purchase Plan is reflected in diluted earnings (loss) per share by the weighted-average number of shares outstanding that would have been outstanding during the period. The dilutive effect of convertible debt is reflected in diluted earnings (loss) per share by application of the if-converted method. The Company uses the two-class method to determine earnings (loss) per share.

For calculating basic earnings (loss) per share, for the three and nine months ended September 30, 2024, the weighted average number of shares outstanding exclude 1,225,485 and 1,329,013 non-vested restricted shares and 2,291 and 3,561 unexercised substantive options. The computation of diluted earnings per share for the three and nine months ended September 30, 2024 did not assume the effect of restricted shares or substantive options because the effects were antidilutive.

For calculating basic earnings per share, for the three and nine months ended September 30, 2023, the weighted average number of shares outstanding exclude 1,795,553 and 1,806,070 non-vested restricted shares and 7,273 and 8,501 unexercised substantive options. The computation of diluted earnings per share for the three and nine months ended September 30, 2023 did not assume the effect of restricted shares or substantive options because the effects were antidilutive.

The following table represents a reconciliation of the net income (loss) and weighted average shares outstanding for the calculation of basic and diluted earnings (loss) per share for the three and nine months ended September 30, 2024 and 2023 (in thousands, except share data):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Numerator				
Net income (loss)	\$ 771	\$ 1,183	\$ (2,869)	\$ 1,086
Earnings allocated to non-vested shares	53	146	–	140
Total	\$ 718	\$ 1,037	\$ (2,869)	\$ 946
Denominator				
Weighted average common shares outstanding	16,537,472	12,814,971	15,559,279	12,304,751
Effect of dilutive nominal options	–	–	–	–
Effect of dilutive contingently earned shares	297,865	978,149	–	1,133,090
Dilutive average shares outstanding	16,835,337	13,793,120	15,559,279	13,437,841
Basic income (loss) per share	\$ 0.04	\$ 0.08	\$ (0.18)	\$ 0.08
Dilutive income (loss) per share	\$ 0.04	\$ 0.08	\$ (0.18)	\$ 0.07

Share Repurchases

On November 17, 2023, the board of directors authorized a \$10 million share repurchase program under which the Company may repurchase up to \$10 million of our common stock. On August 16, 2024, the Board of Directors authorized an increase to this repurchase authorization from \$10 million to \$25 million (collectively referred to as the "2023 Repurchase Authorization"). The authorization is effective through August 31, 2025. The execution of the repurchase program is expected to be consistent with the Company's strategic initiatives which prioritize investments in organic and acquisitive growth. The timing and amount of any share repurchases will be determined by management at its discretion based on several factors including share price, market conditions and capital allocation priorities. Shares may be repurchased from time to time through open market purchases, in privately negotiated transactions or by other means, including the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act, in accordance with applicable securities laws and other restrictions. The share repurchase program does not obligate Bowman to acquire a specific number of shares of common stock and may be suspended, modified, or discontinued at any time without notice.

During the nine months ended September 30, 2024, the Company repurchased 563,521 shares of common stock at an average price per share of \$24.75, and has \$11.1 million remaining under the 2023 Repurchase Authorization.

4. Acquisitions

Business Combinations

Surdex Corporation

On April 2, 2024, the Company entered into a merger agreement with Surdex Corporation ("Surdex"), a St. Louis-based geospatial and engineering services firm providing low, medium and high-altitude digital orthoimagery, advanced high-resolution LiDAR, intelligent digital mapping, 3D hydrography, and disaster mapping. The Company paid total consideration of \$43.3 million, which was comprised of cash, promissory note, common stock and assumed liabilities. The shares are subject to a six-month lock up. The promissory note bears a simple interest rate fixed at 6.50%, and is payable in equal quarterly payments of principal and interest beginning July 2024 and ending July 2027. The merger agreement contains a contingent consideration feature which affords the sellers the opportunity to earn additional consideration in the form of the Company's common stock, depending on the average trading price of the Company's common stock for the 90 trading days post-acquisition. For tax purposes, the Surdex transaction is considered a tax-free merger, in which the assets have been recorded at their respective carrying values. As a result, there is no corresponding tax goodwill, and therefore no tax goodwill to be amortized or otherwise deductible.

The following summarizes the preliminary calculations of the fair values of Surdex assets acquired and liabilities assumed as of the acquisition date (in thousands):

<i>(in thousands)</i>	Surdex
Assets:	
Accounts receivable, net	\$ 4,052
Contract assets	3,210
Prepaid and other current assets	1,956
Property and equipment, net	15,085
Operating lease, right-of-use assets	1,030
Goodwill	17,685
Other intangible assets	12,810
Total assets acquired:	\$ 55,828
Liabilities:	
Accounts payable and accrued liabilities, current portion	\$ 3,937
Contract liabilities	685
Other non-current obligations	10,689
Operating lease obligation, less current portion	1,030
Deferred tax liability	7,067
Total liabilities assumed:	\$ 23,408
Net assets acquired:	\$ 32,420
Cash flow reconciling items:	
Issuance of common stock as partial consideration	\$ (16,536)
Cash paid for acquisitions, net of cash acquired	\$ 15,884

The purchase price allocation, including the residual amount allocated to goodwill, is based on preliminary information and is subject to change as additional information concerning final asset and liability valuations are obtained and management completes its reassessment of the measurement period procedures based on the results of the preliminary valuation. During the applicable measurement period, the Company will adjust assets and liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date that, if known, would have resulted in revised estimated values of those assets or liabilities as of that date. The effect of measurement period adjustments to the estimated fair values will be reflected as if the adjustments had been completed on the acquisition date.

The condensed consolidated financial statements of the Company include the results of operations since the date Surdex was acquired. The following table presents the results of operations of Surdex since the date of acquisition for the three and nine months ended September 30, 2024 (in thousands):

	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2024
Gross Contract Revenue ¹	\$ 8,638	\$ 14,971
Pre-tax Net Income ²	\$ 863	\$ 2,064

¹ Gross contract revenue includes adjustments as required by ASC 606, Revenue from Contracts with Customers based on opening balance sheet provided by the acquired companies. There is no assurance these adjustments will be consistent in future periods. Opening balance sheet balances are subject to adjustment prior to being finalized.

² Pre-tax Net Income excludes corporate overhead allocation.

The following table presents the unaudited pro forma condensed consolidated results of operations for the three and nine months ended September 30, 2024 and 2023 assuming that the Surdex acquisition, discussed above, occurred on

January 1, 2023. The pro forma information provided below is compiled from pre-acquisition information and includes pro forma adjustments for amortization and depreciation. The unaudited pro forma results are presented for informational purposes only and are not meant to represent actual operating results that would have been achieved had the related events occurred on such date (in thousands):

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Gross Contract Revenue ³	\$ 113,932	\$ 104,205	\$ 319,358	\$ 276,130
Pre-tax Net (Loss) Income	\$ (1,011)	\$ 2,545	\$ (9,584)	\$ 5

³Gross contract revenue in these pro forma financials does not conform to GAAP as required by ASC 606, Revenue from Contracts with Customers, as it is impracticable to obtain the historical information necessary to apply this accounting standard. The historical estimates required to be able to accurately determine the percent complete accounting on the contracts that comprise the revenue is not available for the required periods.

Other 2024 Acquisitions

During the nine months ended September 30, 2024, the Company completed six additional acquisitions in diverse geographic regions and service lines. The Company paid total consideration of \$31.0 million through combinations of cash, promissory notes, shares of common stock and assumed liabilities. No cash was acquired with these acquisitions. Shares of common stock issued in connection with the acquisitions are subject to a six-month lock-up. Promissory notes bear a simple interest rate ranging from 5.00% to 6.75% and are payable in quarterly payments of principal and interest beginning May 2024 and ending in August 2027. For tax purposes, depending on the transaction, the acquisitions were treated either as an asset acquisition, in which case the assets have been stepped up and recorded at their respective fair values, or a tax-free merger, in which case the assets have been recorded at their respective carrying values. Goodwill results from an assembled workforce, which does not qualify for separate recognition, as well as expected future synergies from combining operations. For asset acquisitions, all the goodwill recognized is expected to be deductible for tax purposes. For three of the acquisitions, the purchase agreement includes a contingent consideration feature, which affords the sellers the opportunity to earn additional consideration in the form of the Company's common stock, cash and non-negotiable promissory notes, based on certain financial performance thresholds. The final settlement amount will depend on ongoing operations of the

acquired company. The payout amounts range between \$0 and \$1.0 million. See Note 2 *Fair Value Measurements* for additional information regarding the fair value of contingent consideration.

The following summarizes the preliminary calculations of the fair values of the other 2024 acquisition assets acquired and liabilities assumed as of the acquisition date (in thousands):

<i>(in thousands)</i>	2024
Assets:	
Accounts receivable, net	\$ 4,000
Contract assets	1,878
Prepaid and other current assets	140
Property and equipment, net	522
Operating lease, right-of-use assets	1,090
Goodwill	19,618
Other intangible assets	11,270
Other assets	116
Total assets acquired:	\$ 38,634
Liabilities:	
Accounts payable and accrued liabilities, current portion	\$ 925
Contract liabilities	2,405
Other non-current obligations	5,726
Operating lease obligation, less current portion	1,090
Deferred tax liability	3,382
Total liabilities assumed:	\$ 13,528
Net assets acquired:	\$ 25,106
Cash flow reconciling items:	
Issuance of common stock as partial consideration	\$ (17,780)
Cash paid for acquisitions, net of cash acquired	\$ 7,326

The purchase price allocation, including the residual amount allocated to goodwill, is based on preliminary information and is subject to change as additional information concerning final asset and liability valuations are obtained and management completes its reassessment of the measurement period procedures based on the results of the preliminary valuation. During the applicable measurement period, the Company will adjust assets and liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date that, if known, would have resulted in revised estimated values of those assets or liabilities as of that date. The effect of measurement period adjustments to the estimated fair values will be reflected as if the adjustments had been completed on the acquisition date.

The condensed consolidated financial statements of the Company include the results of operations from any business acquired from their respective dates of acquisitions (excluding Surdex). The following table presents the results of operations of the other companies acquired during 2024 (excluding Surdex) from their respective dates of acquisition for the three and nine months ended September 30, 2024 (in thousands):

	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2024
Gross Contract Revenue ¹	\$ 7,008	\$ 13,214
Pre-tax Net Income ²	\$ 1,852	\$ 4,412

¹ Gross contract revenue includes adjustments as required by ASC 606, Revenue from Contracts with Customers based on opening balance sheet provided by the acquired companies. There is no assurance these adjustments will be consistent in future periods. Opening balance sheet balances are subject to adjustment prior to being finalized.

² Pre-tax Net Income excludes corporate overhead allocation.

The following table presents the unaudited pro forma condensed consolidated results of operations for the three and nine months ended September 30, 2024 and 2023 assuming that the companies acquired in 2024 (excluding Surdex), discussed above, occurred on January 1, 2023. The pro forma information provided below is compiled from pre-acquisition information and includes pro forma adjustments for amortization and depreciation. The unaudited pro forma results are presented for informational purposes only and are not meant to represent actual operating results that would have been achieved had the related events occurred on such date (in thousands):

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Gross Contract Revenue ³	\$ 114,587	\$ 100,803	\$ 321,686	\$ 271,774
Pre-tax Net (Loss) Income	\$ (372)	\$ 881	\$ (7,457)	\$ 551

³Gross contract revenue in these pro forma financials does not conform to GAAP as required by ASC 606, Revenue from Contracts with Customers, as it is impracticable to obtain the historical information necessary to apply this accounting standard. The historical estimates required to be able to accurately determine the percent complete accounting on the contracts that comprise the revenue is not available for the required periods.

For the nine months ended September 30, 2024, for all of the 2024 acquisitions, the Company recorded measurement period adjustments of \$1.0 million increase to goodwill, \$0.3 million increase in intangible assets, offset by a \$0.1 million decrease to property and equipment, \$0.4 million increase to equity consideration, \$0.1 million increase to notes payable and \$0.7 million increase to deferred tax liabilities. If the change in provisional amounts have been recorded at the acquisition date, it would not have resulted in a change in operating income in the prior periods.

In connection with all of the 2024 acquisitions, the Company recognized \$0.4 million and \$1.1 million of acquisition related expenses within *Other Income and Expenses* in the condensed consolidated statement of income for each of the three and nine months ended September 30, 2024, respectively, including legal fees, consulting fees, and other miscellaneous expenses associated with acquisitions.

2023 Acquisitions

During 2023, the Company completed eleven acquisitions in diverse geographic regions and service lines. The Company paid total consideration of \$75.7 million through combinations of cash, promissory notes, convertible notes, shares of common stock and assumed liabilities. No cash was acquired with these acquisitions. Shares of common stock are subject to a six-month lock-up. Promissory notes bear a simple interest rate ranging from 5.00% to 11.00% and are payable in quarterly payments of principal and interest beginning February 2023 and ending in December 2026. Convertible notes bear a simple interest rate ranging from 7.00% to 8.00% and are payable in lump sum payments or quarterly payments of principal and interest beginning December 2024 and ending in September 2027; see Note 12 *Notes Payable* for additional information regarding the convertible notes payable. For tax purposes, dependent on the transaction, the acquisitions were treated either as an asset, stock or a merger. Goodwill results from an assembled workforce, which does not qualify for separate recognition, as well as expected future synergies from combining operations. Portions of the Goodwill recognized is expected to be deductible for tax purposes. For six of the acquisitions, the purchase agreement includes a contingent consideration feature, which affords the sellers the opportunity to earn additional consideration in the form of the Company's common stock, cash and non-negotiable promissory notes, based on certain financial performance thresholds. The final settlement amount will depend on ongoing operations of the acquired company. The payout amounts range

between \$0 and \$3.0 million; see Note 2 *Fair Value Measurements* for additional information regarding the fair value of contingent consideration.

For the nine months ended September 30, 2024, for the 2023 acquisitions, the Company recorded measurement period adjustments of \$0.4 million increase to goodwill offset by \$0.4 million increase to consideration. The change did not result in a change to operating income.

In connection with these acquisitions, the Company recognized \$0.2 million and \$0.7 million of acquisition related expenses within *Other Income and Expenses* in the condensed consolidated statement of income for each of the three and nine months ended September 30, 2023, respectively, including legal fees, consulting fees, and other miscellaneous expenses associated with acquisitions.

The purchase price allocations at fair value, for the 2023 acquisitions as of December 31, 2023 are presented below:

<i>(in thousands)</i>	2023
Assets:	
Accounts receivable, net	\$ 10,112
Contract assets	6,334
Prepaid and other current assets	361
Property and equipment, net	1,952
Operating lease, right-of-use assets	7,078
Goodwill	43,900
Other intangible assets	27,361
Other assets - non-current	44
Total assets acquired:	\$ 97,142
Liabilities:	
Accounts payable and accrued liabilities, current portion	\$ 3,228
Contract liabilities	4,891
Other non-current obligations	24,222
Operating lease obligation, less current portion	7,078
Deferred tax liability	5,787
Total liabilities assumed:	\$ 45,206
Net assets acquired:	\$ 51,936
Cash flow reconciling items:	
Issuance of common stock as partial consideration	\$ (26,133)
Cash paid for acquisitions, net of cash acquired	\$ 25,803

The amounts in the tables above represent the final purchase allocation for the 2023 acquisitions. The purchase price allocation has been completed and the amounts identified above are deemed final.

Definite-lived intangible assets that were acquired through asset acquisitions or business combinations include customer relationships, contract rights, and favorable leaseholds. These intangible assets are amortized over their estimated useful lives ranging from two to thirteen years using a straight-line method as it approximates the accelerated method.

The following table summarizes the purchase price allocation at fair value for identifiable intangible assets acquired in 2024 and 2023:

	2024	Weighted-Average Life	2023	Weighted-Average Life
Customer relationships	\$ 19,510	12.67	\$ 20,050	10.45
Contract rights	4,570	1.31	6,980	1.18
Favorable leaseholds	-	n/a	331	7.76
Total	\$ 24,080		\$ 27,361	

5. Disaggregation of Revenue and Contract Balances

The Company disaggregates revenues by contract type, see *Revenue Recognition in Note 2* for further details. For the three and nine months ended September 30, 2024, the Company derived 91.4% and 90.4% of its revenue from contracts classified as lump sum, and 8.6% and 9.6% of its revenue from time and material contracts, respectively. For the three and nine months ended September 30, 2023, the Company derived 87.9% and 88.7% of its revenue from contracts classified as lump sum, and 12.1% and 11.3% of its revenue from time and material contracts, respectively. The Company had approximately \$307.1 million in remaining performance obligations as of September 30, 2024 of which it expects to recognize approximately 84.6% within the next twelve months and the remaining 15.4% in the next twelve to twenty-four months.

Disaggregated revenues by contract type were as follows (in thousands):

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2024		2023		2024		2023	
Fixed fee	\$ 104,091	91.4 %	\$ 82,997	87.9 %	\$ 283,174	90.4 %	\$ 224,751	88.7 %
Time-and-materials	9,841	8.6 %	11,437	12.1 %	30,167	9.6 %	28,539	11.3 %
Gross contract revenue	\$ 113,932	100.0 %	\$ 94,434	100.0 %	\$ 313,341	100.0 %	\$ 253,290	100.0 %

The Company recognized \$0.3 million and \$3.4 million of revenue for the three and nine months ended September 30, 2024, respectively, which were included in the contract liabilities balance as of December 31, 2023, and \$0.2 million and \$2.9 million of revenue for the three and nine months ended September 30, 2023, respectively, which were included in the contract liabilities balance as of December 31, 2022.

6. Contracts in Progress

The following table reflects the calculation of the net balance of contract assets and contract liabilities. Costs and estimated earnings on contracts in progress consist of the following (in thousands):

	September 30, 2024	December 31, 2023
Costs incurred on uncompleted contracts	\$ 395,417	\$ 359,509
Estimated contract earnings in excess of costs incurred	613,797	541,851
Estimated contract earnings to date	1,009,214	901,360
Less: billed to date	(974,281)	(875,321)
Net contract assets	\$ 34,933	\$ 26,039

7. Notes Receivable

The Company has unsecured notes receivable from related parties, certain non-executive officers of the Company and an unrelated third party. The following is a summary of these notes receivable (in thousands):

	September 30, 2024	December 31, 2023
Officers, employees and affiliated entities - Interest accrues annually at rates ranging from 0.0% - 5.5%. The notes receivable mature through January 2026.	\$ 2,256	\$ 2,318
Unrelated third party - Currently no interest is being accrued on this note. The note receivable matures in December 2025. ¹	903	903
Total:	3,159	3,221
Less: current portion		
Officers, employees and affiliates	(1,146)	(1,199)
Noncurrent portion	\$ 2,013	\$ 2,022

¹Note issued prior to the Company's initial public offering.

Each borrower may prepay all or part of the outstanding balance at any time prior to the date of maturity. During the nine months ended September 30, 2024, interest accrued on the notes receivable at the stipulated rates between 0.0% and 5.50%.

8. Property and Equipment, Net

Property and equipment for fixed assets are as follows (in thousands):

	September 30, 2024	December 31, 2023
Computer equipment	\$ 2,887	\$ 2,321
Survey equipment	5,943	5,711
Vehicles	2,382	2,127
Furniture and fixtures	2,583	2,498
Leasehold improvements	9,321	8,870
Software	396	389
Camera Equipment	960	-
Aircraft	7,829	-
Engine & GPS	1,513	-
Fixed assets pending lease financing ¹	943	960
Total:	34,757	22,876
Less: accumulated depreciation	(17,407)	(14,818)
Property and Equipment, net of finance leased assets	\$ 17,350	\$ 8,058

¹ Assets acquired which will be re-financed under the Company's finance lease facilities

Depreciation expense for fixed assets for the three and nine months ended September 30, 2024 was \$1.0 million and \$2.7 million, respectively. Depreciation expense for fixed assets for the three and nine months ended September 30, 2023 was \$0.7 million and \$1.9 million, respectively.

Property and equipment for finance leased assets are as follows (in thousands):

	September 30, 2024	December 31, 2023
Equipment	\$ 32,211	\$ 20,435
Vehicles	9,686	8,540
Total:	41,897	28,975
Less: accumulated amortization on leased assets	(15,264)	(9,432)
Finance Leased Assets, net	<u>\$ 26,633</u>	<u>\$ 19,543</u>

Amortization expense for finance leased assets for the three and nine months ended September 30, 2024 was \$2.7 million and \$7.0 million, respectively. Amortization expense for finance leased assets for the three and nine months ended September 30, 2023 was \$1.8 million and \$5.3 million, respectively.

9. Goodwill

Changes in the carrying amount of goodwill were as follows (in thousands):

	Goodwill
Balance as of December 31, 2023	\$ 96,393
2024 Acquisitions - additions	37,302
2023 Acquisitions - adjustments	389
Balance as of September 30, 2024	<u>\$ 134,084</u>

There were no impairments of goodwill during the periods presented.

10. Intangible Assets

Total intangible assets consisted of the following at September 30, 2024 and December 31, 2023 (in thousands):

	September 30, 2024			December 31, 2023		
	Gross Amount	Accumulated Amortization	Net Balance	Gross Amount	Accumulated Amortization	Net Balance
Customer relationships	\$ 63,134	\$ (9,650)	\$ 53,484	\$ 43,644	\$ (5,643)	\$ 38,001
Contract rights	18,831	(14,804)	4,027	14,261	(8,036)	6,225
Leasehold	518	(160)	358	518	(105)	413
Domain name	281	–	281	281	–	281
Licensing rights	1,374	–	1,374	1,374	–	1,374
Total	<u>\$ 84,138</u>	<u>\$ (24,614)</u>	<u>\$ 59,524</u>	<u>\$ 60,078</u>	<u>\$ (13,784)</u>	<u>\$ 46,294</u>

The domain name and licensing rights acquired for a total of \$1.7 million, have indefinite useful lives.

The following table summarizes the weighted average useful lives of intangible assets by asset class used for straight-line expense purposes:

	September 30, 2024	December 31, 2023
Customer relationships	11.38	11.27
Contract rights	1.71	1.84
Leasehold	7.86	7.86

Amortization expense for the three and nine months ended September 30, 2024 was \$3.7 million and \$10.8 million, respectively. Amortization expense for the three and nine months ended September 30, 2023 was \$1.9 million and \$5.6 million, respectively.

Future amortization for the remainder of 2024 and for the succeeding years for intangible assets with definite useful lives is as follows (in thousands):

2024	3,055
2025	8,144
2026	6,370
2027	5,844
2028	5,407
Thereafter	29,049
Total	<u>\$ 57,869</u>

11. Revolving Credit Facility and Fixed Credit Facility

On May 2, 2024, the Company and certain of its subsidiaries as guarantors entered into a new credit agreement with lenders, Bank of America N.A., as Administrative Agent, the Swingline Lender and L/C Issuer, and TD Bank, N.A. as syndication agent (the "New Credit Agreement") for a new \$100 million revolving credit facility (the "Revolving Credit Facility 2024"). The Revolving Credit Facility 2024 replaced the Company's previous \$70.0 million revolving credit facility (the "2022 Revolving Credit Facility"), and its non-revolving fixed line of credit ("Fixed Line #2") with Bank of America, N.A. In connection with the New Credit Agreement, the Company and certain of its subsidiaries entered into a Security and Pledge Agreement dated May 2, 2024 with Bank of America, N.A., in its capacity as Administrative Agent. Under the New Credit Agreement, the Company is required to comply with certain covenants, including covenants on indebtedness, investments, liens and restricted payments, as well as maintain certain financial covenants, including a fixed charge coverage ratio and leverage ratio of debt to EBITDA (as defined in the New Credit Agreement). The Company recorded \$0.3 million of deferred financing costs which will be amortized over the term outlined in the New Credit Agreement.

On September 30, 2024, the interest rates on the Revolving Credit Facility 2024 ranged from 7.22% to 9.20%. All outstanding principal on the Revolving Credit Facility 2024 is due on May 2, 2029. As of September 30, 2024, the outstanding balance on the Revolving Credit Facility 2024 was \$32.3 million, and there was no outstanding balance as of December 31, 2023.

The Company secures its obligations under the New Credit Agreement with substantially all assets of the Company. Obligations of the Company to certain other shareholders of the Company are subordinated to the Company's obligations under the New Credit Agreement. The Company must maintain, on a combined basis, certain financial covenants defined in the New Credit Agreement.

On November 11, 2022, the Company and certain of its subsidiaries, as guarantors, entered into an Amended and Restated Credit Agreement with Bank of America, N.A. for the 2022 Revolving Credit Facility, as well as an Amended and Restated Pledge and Security. On August 2, 2023, the Company entered into a First Amendment to the Amended and Restated Credit Agreement whereby the maximum principal amount of the 2022 Revolving Credit Facility was increased to \$70 million. As of September 30, 2024, this 2022 Revolving Credit Facility was paid in full, and \$0.1 million of deferred financing costs were expensed along with the termination of the Amended and Restated Credit Agreement. On December 31, 2023, there was a balance of \$45.3 million outstanding under the 2022 Revolving Credit Facility.

Fixed Line #2 had a maximum advance of \$1.0 million, and did not allow for re-borrowings and was included in Notes Payable (see Note 12). Commencing on the earlier of i) the date no remaining amount is available under the Fixed Line or, ii) August 31, 2020, the Company was obligated to pay the then outstanding principal balance in sixty equal monthly installments through maturity in September 2025. As of September 30, 2024, Fixed Line #2 was paid in full and there was no outstanding balance. As of December 31, 2023, the outstanding balance on Fixed Line #2 was \$0.3 million.

Interest expense on the credit facilities totaled \$0.6 million and \$2.1 million during the three and nine months ended September 30, 2024. Interest expense on the credit facilities totaled \$0.5 million and \$0.7 million during the three and nine months ended September 30, 2023.

12. Notes Payable

Notes payable consist of the following (in thousands):

	September 30, 2024	December 31, 2023
Related parties:		
¹ Shareholders and Owners of Acquired Entities - Interest accrues at rates ranging from 3.25% - 11.00% annually. The notes payable mature on various dates through July 2027.	27,470	21,663
Convertible Notes Payable - Interest accrues at rates ranging from 4.75% - 8.00% annually. The convertible notes payable mature on various dates through September 2027.	3,118	6,631
Unrelated third parties:		
Note payable for purchase of software and vehicles	2	130
Note payable for purchase of aircraft	5,762	-
Fixed line notes payable - see note 11	-	344
Discounts on notes payable issued as consideration in acquisitions:		
¹ Shareholders and Owners of acquired entities	(935)	(1,041)
Purchase of aircraft	(32)	-
Total	35,385	27,727
Less: current portion	(15,134)	(13,989)
Noncurrent portion	\$ 20,251	\$ 13,738

¹Includes notes payable to all owners irrespective of current relationship with the Company

The Company's Chairman and Chief Executive Officer guarantees certain of the notes payable, and certain of the notes payable are subordinate to the terms of the Credit Agreement disclosed in Note 11.

Interest expense attributable to the notes payable totaled \$0.8 million and \$2.2 million for the three and nine months ended September 30, 2024, respectively. Interest expense attributable to the notes payable totaled \$0.5 million and \$1.5 million for the three and nine months ended September 30, 2023, respectively.

Future principal payments on notes payable for remainder of 2024 and succeeding years are as follows (in thousands):

2024	\$ 4,646
2025	14,030
2026	9,448
2027	6,216
2028	1,477
2029	535
Total	\$ 36,352

Convertible Notes Payable

In July 2022, the Company issued a \$4.0 million 4.75% unsubordinated convertible note with a maturity date in April 2027 as partial consideration for the acquisition of Project Design Consultants, LLC. The convertible note is convertible into shares of common stock at the option of the holders, at any time, at a conversion price of \$14.00 per share upon proper notice. Subject to the exercise of the conversion, the convertible note is payable in quarterly payments of principal, interest or both beginning in October 2022 and ending in April 2027. At any time, upon ten (10) business days' notice to the Company, the holders may request that a prepayment of the principal or all or part of a regularly scheduled quarterly payment of the principal be made in the form of common stock of the Company, with the number of shares of common stock equal to the amount of the requested prepayment divided by the stock conversion price. If the request is made with respect to a regularly scheduled quarterly payment of principal, then the accrued interest shall be paid in cash. Elections were made by the holders, and as of September 30, 2024, \$3.4 million of the note was converted to 240,005 shares of common stock at \$14.00 per share.

In August 2022, the Company issued a \$1.1 million 5.50% unsubordinated convertible note with a maturity date in May 2027 as partial consideration for the acquisition of Anchor Consultants, LLC. The convertible note is convertible into shares of common stock at the option of the holders, at any time, at a conversion price of \$18.00 per share upon proper notice. Subject to the exercise of the conversion, the convertible note has quarterly payments of principal, interest or both beginning in November 2022 and ending in May 2027. At any time, upon ten (10) business days' notice to the Company, the holders may request that a prepayment of the principal or all or part of a regularly scheduled quarterly payment of the principal be made in the form of common stock of the Company, with the number of shares of common stock equal to the amount of the requested prepayment divided by the stock conversion price. If the request is made with respect to a regularly scheduled quarterly payment of principal, then the accrued interest shall be paid in cash. As of September 30, 2024, there has been no election by the holders to convert any portions of the convertible note to common stock.

In December 2022, the Company issued a \$1.6 million 7.00% unsubordinated convertible note with a maturity date in September 2027 as partial consideration for the acquisition of H2H Geoscience Engineering, PLLC. The convertible note will be convertible into shares of common stock at the option of the holders, at any time, at a conversion price of \$18.00 per share upon proper notice. Subject to the exercise of the conversion, the convertible note has quarterly payments of principal, interest or both beginning in December 2024 and ending in September 2027. At any time, upon ten (10) business days' notice to the Company, the holders may request that a prepayment of the principal or all or part of a regularly scheduled quarterly payment of the principal be made in the form of common stock of the Company, with the number of shares of common stock equal to the amount of the requested prepayment divided by the stock conversion price. If the request is made with respect to a regularly scheduled quarterly payment of principal, then the accrued interest shall be paid in cash. As of September 30, 2024, there has been no election by the holders to convert any portions of the convertible note to common stock.

In November 2023, the Company issued a \$1.3 million 8.00% unsubordinated convertible note with a maturity date in May 2024 as partial consideration for the acquisition of High Mesa Consulting Group, Inc. (see Note 4 *Acquisitions*). The convertible note was convertible into shares of common stock at the option of the holders, at any time, at a conversion price of \$28.13 per share upon proper notice. Subject to the exercise of the conversion, the convertible note and the accrued interest were payable in May 2024. At any time, upon ten (10) business days' notice to the Company, the holders may have requested that a prepayment of all or part of the unpaid principal amount and accrued interest be made in the form of common stock of the Company, with the number of shares of common stock equal to the amount of the requested prepayment divided by the stock conversion price. As of September 30, 2024, the entire balance of the note was converted into 48,067 shares of common stock at \$28.13 per share, and there is no outstanding balance.

13. Related Party Transactions

The Company leased commercial office space from BCG Chantilly, LLC (BCC), an entity in which Mr. Bowman, Mr. Bruen and Mr. Hickey collectively own a 63.6% interest. As of September 30, 2024 and December 31, 2023 there were no amounts due to or receivables due from BCC. The lease terminated on April 19, 2024. Rent expense for each of

the three and nine months ended September 30, 2024 was \$0 and \$27,000, respectively. Rent expense for each of the three and nine months ended September 30, 2023 was \$21,000 and \$0.1 million, respectively.

Bowman Lansdowne Development, LLC (BLD) is an entity in which Mr. Bowman has an ownership interest. On September 30, 2024 and December 31, 2023, the Company's notes receivable included \$0.5 million from BLD, with a maturity date of January 31, 2026.

Lansdowne Development Group, LLC (LDG) is an entity in which BLD has a minority ownership interest. On each of September 30, 2024 and December 31, 2023, our accounts receivable included \$0.1 million, due from LDG. On September 30, 2024 and December 31, 2023, notes receivable included \$0.4 million and \$0.4 million, respectively from LDG, with a maturity date of January 31, 2026.

Bowman Realty Investments 2010, LLC (BR10) is an entity in which Mr. Bowman has an ownership interest. On September 30, 2024 and December 31, 2023, the Company's notes receivable included \$0.2 million, from BR10, with a maturity date of January 31, 2026.

Alwington Farm Developers, LLC (AFD) is an entity in which BR10 has a minority ownership interest. On each of September 30, 2024 and December 31, 2023, notes receivable included \$1.2 million, from AFD, with a maturity date of December 31, 2024.

MREC Shenandoah VA, LLC ("MREC Shenandoah") is an entity in which Lake Frederick Holdings, LLC ("Lake Frederick Holdings") owns a 92% interest and Shenandoah Station Partners LLC, an entity owned in part by BLD and in part by Bowman Realty Investments 2013 LLC "Bowman Realty" (BR13), owns an 8% interest. Mr. Bowman owns a 100% interest in, and is the manager of, Lake Frederick Holdings. Mr. Bowman is the sole member of Bowman Realty 2013 (BR13). Since 2020, the Company has provided engineering services to MREC Shenandoah in exchange for cash payments. During the nine months ended September 30, 2024, the Company invoiced \$0.2 million, and received payments of \$0.1 million. During the nine months ended September 30, 2023, the Company invoiced \$0.2 million, and received payments of \$0.2 million.

During the nine months ended September 30, 2024 and 2023, the Company provided administrative, accounting and project management services to certain of the related party entities. The cost of these services was \$48,000 and \$42,000, respectively. These entities were billed \$48,000 and \$44,000, respectively.

Gregory Bowman, the son of Mr. Bowman, is a full-time employee of the Company. Gregory Bowman was paid \$0.1 million and \$0.1 million for the nine months ended September 30, 2024 and 2023, respectively.

On September 30, 2024 and December 31, 2023, the Company was due \$28,000 and \$48,000, respectively, from shareholders under the terms of stock subscription notes receivable.

On September 30, 2024 and December 31, 2023, the Company owed \$21,000 and \$0.1 million, respectively, to the estate of a retired shareholder and former director in connection with a 2015 acquisition.

In August 2022, the Company agreed to reimburse Mr. Bowman at a fixed hourly rate for the business use of an aircraft owned by Sunrise Asset Management, a company owned 100% by Mr. Bowman. The Company paid \$0.3 million and \$0.1 million for the nine months ended September 30, 2024 and 2023, respectively.

14. Employee Stock Purchase and Stock Incentive Plans

Employee Stock Purchase Plan

Effective April 30, 2021, the Company established the Bowman Consulting Group Ltd. 2021 Employee Stock Purchase Plan ("ESPP"). Under the ESPP, eligible employees who elect to participate are granted the right to purchase shares of common stock at a 15% discount of the weighted average selling price of the Company stock for the 30 days prior to the last day of the offering period.

The following table summarizes the stock issuance activity under the ESPP for the nine months ended September 30, 2024 (in thousands, except share data):

	September 30, 2024
Total purchase price paid by employees for shares sold	\$ 1,431
Number of shares sold	56,745

Stock Options

Effective May 11, 2021 the Company established the Bowman Consulting Group Ltd. 2021 Omnibus Equity Incentive Plan (“the Plan”). The plan is administered by the board of directors (the “Board”), who on its own action or through its designee may make grants of restricted stock options, including Incentive Stock Options (“ISO”), and non-qualified stock options (“NQSO”). The purpose of the Plan is to grant equity incentive awards to eligible participants to attract, motivate and retain key personnel. The Plan supersedes and replaces any prior plan for stock options except that the prior plan shall remain in effect with respect to options granted under such prior plan until such options have been exercised, expired or canceled.

The number of shares for which each option shall be granted, whether the option is an ISO or NQSO, the option price, the exercisability of the option, and all other terms and conditions of the option are determined by the Board at the time the option is granted. The options generally vest over a period between two and five years.

For the nine months ended September 30, 2024, no new options were granted.

A summary of the status of stock options exercised, including the substantive options discussed in Note 3, is as follows:

	Number of shares	Weighted Average Exercise Price
Outstanding at December 31, 2023	5,133	\$ 6.02
Granted	–	–
Exercised	(3,629)	5.98
Expired or cancelled	–	–
Outstanding at September 30, 2024	1,504	\$ 6.13

The following summarizes information about options outstanding and exercisable at December 31, 2023 and September 30, 2024:

	Options Outstanding and Exercisable				
	Exercise Price	Total Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Total Exercisable
December 31, 2023	\$ 6.28	5,133	5.0	\$ 6.02	5,133
September 30, 2024	\$ 6.28	1,504	5.0	\$ 6.13	1,504

The intrinsic value of these options on September 30, 2024 and December 31, 2023 was \$17.80 and \$29.24, respectively.

The Company received cash payments of \$21,341 from the exercise of options under the Stock Option Plan in the nine months ended September 30, 2024.

The Company did not record any compensation costs related to stock options during the three and nine months ended September 30, 2024.

As of September 30, 2024, there is no unrecognized compensation costs related to non-vested share-based compensation arrangements granted under the Stock Option Plan. The remaining unexercised shares are from substantive options in which the non-recourse notes may be pre-paid, therefore the Company recognized the total calculated compensation expense at the time of issuance.

Stock Bonus Plan

Effective May 11, 2021, the Company established the Bowman Consulting Group Ltd. 2021 Omnibus Equity Incentive Plan (“the Plan”). The Plan is administered by the Board through which they can issue restricted stock awards. As of September 30, 2024, 4,883,271 shares of common stock are authorized and reserved for issuance under the Plan. This reserve automatically increases on each January 1, for the duration of the Plan, in an amount equal to 5% of the total number of shares outstanding on December 31st of the preceding calendar year. The Plan supersedes and replaces any prior plan for stock bonus grants to employees of the Company except that the prior plan shall remain in effect with respect to awards granted under such prior plan until such awards have been forfeited or fully vested.

During the nine months ended September 30, 2024, the Board granted 489,745 shares of restricted stock under the Plan. The shares have a vesting period of up to four years during which there are certain restrictions as described in the Plan and Stock Bonus Agreements. The grant date fair value of the award is the closing price of the shares on such date, or if there are no sales on such date, on the next preceding day on which there were sales.

Effective April 2003, the Company adopted the Bowman Consulting Group Ltd. Stock Bonus Plan (“the Stock Bonus Plan”), which allowed for the awarding of restricted stock to employees. The Stock Bonus Plan was superseded by the Bowman Consulting Group Ltd. 2021 Omnibus Equity Incentive Plan except that the Stock Bonus Plan shall remain in effect with respect to awards granted under it until such awards have been forfeited or fully vested.

During the nine months ended September 30, 2024 no new restricted stock awards were granted under the Stock Bonus Plan.

The following table summarizes the activity of restricted shares subject to forfeiture:

	Number of shares	Weighted Average Grant Price
Outstanding at January 1, 2024	1,719,619	18.78
Granted	489,745	31.69
Vested	(965,967)	18.90
Cancelled	(32,491)	20.27
Outstanding at September 30, 2024	1,210,906	24.01

On November 10, 2021 the Company’s Board adopted the 2021 Executive Officers Long Term Incentive Plan (the “Officers LTIP”). The Officers LTIP is established under the Plan and is subject to the terms and conditions thereof. The purpose of this plan is to attract, retain and motivate key officers and employees through the grant of equity-based awards that reward Company performance over a period greater than one year and align their interests with long-term stockholder value.

During the nine months ended September 30, 2024, the compensation committee approved the grants of 237,421 performance-based stock units to certain executive officers of the Company under the Officers LTIP. The performance based restricted stock units are subject to a market condition, with vesting periods ranging from 2.91 years to 4.00 years. The number of units earned is based on total shareholder return (“TSR”) of the Company’s common stock relative to the TSR of the components of a custom peer group during the performance period ranging from February 9, 2024 to June 30, 2028. The performance stock units are valued using a Monte Carlo simulation with model inputs of opening average share value, valuation date stock price, expected volatilities, correlation coefficient, risk-free interest rate, and expected dividend yield for the Company and the custom peer group.

The following table summarizes the activity of performance stock units subject to forfeiture:

	Number of shares	Weighted Average Grant Price
Outstanding at January 1, 2024	693,139	16.49
Granted	237,421	27.72
Vested	(260,842)	13.81
Cancelled	—	—
Outstanding at September 30, 2024	669,718	21.52

The Company recognizes forfeitures as they occur.

As of September 30, 2024, the Company had 1,210,906 shares underlying unvested stock awards that vest between October 1, 2024 and December 31, 2028.

The future expense of the unvested awards for the remainder of 2024 and succeeding years is as follows (in thousands):

2024	\$	4,368
2025		14,070
2026		6,150
2027		2,432
2028 and thereafter		965
Total	\$	<u>27,985</u>

15. Leases

We lease certain office space, equipment and vehicles. These leases are either non-cancelable, cancellable only by the payment of penalties or cancellable upon notice provided. All lease payments are based on the lapse of time and certain leases are subject to annual escalations for increases in base rents. The Company's lease terms includes options to extend or terminate the lease when it is reasonably certain that the option will be exercised.

The Company recognizes a right-of-use asset and lease liability for its operating leases at the commencement date equal to the present value of the contractual minimum lease payments over the lease term. The present value is calculated using the rate implicit in the lease, if known, or the Company's incremental borrowing rate. The discount rate used for operating leases is primarily determined based on an analysis of the Company's borrowing rate, while the discount rate used for finance leases is primarily determined by the rate specified in the lease.

Operating and Finance Leases

The Company's operating leases primarily include material leases of buildings (consisting primarily of office lease commitments) and equipment. These leases are classified as operating leases and are recognized as right-of-use assets and operating lease liabilities on the condensed consolidated balance sheets.

The Company's finance leases primarily include equipment and vehicles in certain contracts with payment terms on the lease agreements that range between 30 and 50 months.

The following tables present our balance sheet information related to leases:

<i>(Amounts in thousands)</i>	Balance Sheet Classification	As of	
		September 30, 2024	December 31, 2023
Assets:			
Operating lease assets	Operating lease, right-of-use assets	\$ 41,271	\$ 40,743
Finance lease assets	Property and equipment, net	\$ 26,633	\$ 19,543
Total lease assets		<u>\$ 67,904</u>	<u>\$ 60,286</u>
Liabilities:			
<i>Current:</i>			
Operating lease liabilities	Operating lease obligation, current portion	\$ (10,635)	\$ (9,016)
Finance lease liabilities	Finance lease obligation, current portion	\$ (9,817)	\$ (6,586)
Total current lease liabilities		<u>\$ (20,452)</u>	<u>\$ (15,602)</u>
<i>Non-current:</i>			
Operating lease liabilities	Operating lease obligation, less current portion	\$ (36,681)	\$ (37,660)
Finance lease liabilities	Finance lease obligation, less current portion	\$ (18,829)	\$ (14,408)
Total non-current lease liabilities		<u>\$ (55,510)</u>	<u>\$ (52,068)</u>

The following tables present selected financial information:

<i>(Amounts in thousands)</i>	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<i>Operating lease cost</i>				
Amortization of right-of-use assets	\$ 3,376	\$ 2,973	\$ 9,692	\$ 8,179
<i>Finance lease cost:</i>				
Amortization of right-of-use assets	2,737	1,826	7,024	5,273
Interest on lease liabilities	470	367	1,245	1,090
Sublease Income	(27)	(27)	(80)	(49)
Total lease cost	<u>\$ 6,556</u>	<u>\$ 5,139</u>	<u>\$ 17,881</u>	<u>\$ 14,493</u>

<i>(Amounts in thousands)</i>	Nine Months Ended	
	September 30, 2024	September 30, 2023
Cash paid for amounts included in the measurements of lease liabilities		
Operating cash flows from operating leases	\$ 9,642	\$ 7,521
Operating cash flows from finance leases	1,244	1,089
Financing cash flows from finance leases	6,462	4,944
Right-of-use assets obtained in exchange for new operating leases	7,870	14,226
Right-of-use assets obtained in exchange for new finance leases	14,159	6,716

	As of September 30, 2024	As of December 31, 2023
Weighted average remaining lease term (in years):		
Operating leases	4.84	5.28
Finance leases	2.58	2.73
Weighted average discount rates:		
Operating leases	6.8 %	7.1 %
Finance leases	6.8 %	7.4 %

Future minimum commitments under leases for the succeeding years are as follows (in thousands):

(Amounts in thousands)

Year ending December 31,	Operating Lease	Finance Lease
2024 (three months remaining)	\$ 3,525	\$ 2,915
2025	12,838	11,231
2026	10,972	7,767
2027	9,506	3,562
2028	8,494	867
Thereafter	10,233	–
Total lease payments	\$ 55,568	\$ 26,341
Less: Amounts representing interest	\$ (8,371)	\$ (2,885)
Total lease liabilities	\$ 47,197	\$ 23,455

The above table is exclusive of \$0.1 million sub-lease income associated with the \$47.3 million total liability of operating leases as presented on the condensed consolidated balance sheet.

The above table is exclusive of the \$5.2 million purchase price associated with the \$28.6 million total liability of finance leases as presented on the condensed consolidated balance sheet.

16. Subsequent Events

On November 7, 2024, the Company completed the acquisition of Exeltech Consulting, Inc. and paid total consideration of \$5.1 million, subject to adjustments, through combinations of cash, promissory notes, convertible promissory note and assumed liabilities. No cash was acquired with this acquisition. Promissory notes bear a simple interest rate of 5.00% with payments of principal and interest beginning February 2025 and ending February 2028. The convertible note bears a simple interest rate of 5.00% and may be convertible in whole or in part at any time to Bowman common stock at a conversion price of \$32.32 per share and is subject to a six-month lock-up.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q. This discussion contains "forward-looking statements" reflecting our current expectations, estimates and assumptions concerning events and financial trends that may affect our future operating results or financial position. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to several factors. Factors that could cause or contribute to such differences include, but are not limited to, economic and competitive conditions, regulatory changes, and other uncertainties, as well as those factors discussed in the Risk Factors section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the "Annual Report on Form 10-K") filed with the US Securities and Exchange Commission and elsewhere in this Quarterly Report on Form 10-Q, particularly in "Cautionary Statement about Forward-Looking Statements," all of which are difficult to predict. Considering these risks, uncertainties and assumptions, the forward-looking events discussed may not occur. We assume no obligation to update any of these forward-looking statements, except to the extent required by applicable laws or rules. Unless the context otherwise requires, references to "Bowman," the "company," the "Company," "we," "us," and "our" refer to Bowman Consulting Group Ltd., its wholly owned subsidiaries and combined entities under common control, or either or all of them as the context may require.

Overview

Bowman is a professional services firm delivering innovative engineering solutions to customers who own, develop and maintain the built environment. We provide planning, engineering, construction management, commissioning, environmental consulting, geospatial, survey, land procurement and other technical services to customers operating in a diverse set of end markets. We work as both a prime and sub-consultant for a broad base of public and private sector customers that generally operate in highly regulated environments.

We have a diversified business that is not dependent on any one service line, geographic region, or end market. We are deliberate in our efforts to balance our sources of revenue and avoid reliance on any one significant customer, service line, geography or end market concentration. Our strategic focus is on penetrating and expanding our presence in markets which best afford us opportunities to secure assignments that provide reoccurring revenue and multi-year engagements thus resulting in dependable and predictable revenue streams and high employee utilization. We limit our exposure to risk by providing professional and related services exclusively. We do not engage in general contracting activities either directly, or through joint ventures, and therefore have no related exposure. We are not a partner in any design-build construction projects. We carry no heavy equipment inventory, and our risk of contract loss is generally limited to time associated with fixed fee professional services assignments.

Gross contract revenue for the three months ended September 30, 2024 and 2023 was \$113.9 million and \$94.4 million, respectively, representing year over year growth of 20.7%. Gross contract revenue derived from our workforce represented 89.0% and 87.0% of gross contract revenue for the three months ended September 30, 2024 and 2023, respectively (*see Net service billing – non-GAAP below*). Our net income for the three months ended September 30, 2024 and 2023 was \$0.8 million and \$1.2 million, respectively. Our Adjusted EBITDA for the three months ended September 30, 2024 and 2023 was \$17.0 million on net income of \$0.8 million and \$15.1 million on net income of \$1.2 million, respectively. (*see Adjusted EBITDA – non-GAAP below*)

Gross contract revenue for the nine months ended September 30, 2024 and 2023 was \$313.3 million and \$253.3 million, respectively, representing year over year growth of 23.7%. Gross contract revenue derived from our workforce represented 89.7% and 88.2% of gross contract revenue for the nine months ended September 30, 2024 and 2023, respectively (*see Net service billing – non-GAAP below*). Our net (loss) income for the nine months ended September 30, 2024 and 2023 was (\$2.9) million and \$1.1 million, respectively. Our Adjusted EBITDA for the nine months ended September 30, 2024 and 2023 was \$42.5 million on net loss of (\$2.9) million and \$35.8 million on net income of \$1.1 million, respectively. (*see Adjusted EBITDA – non-GAAP below*)

Subsequent Events

On November 7, 2024, the Company completed the acquisition of Exeltech Consulting, Inc. and paid total consideration of \$5.1 million, subject to adjustments, through combinations of cash, promissory notes, convertible promissory note and assumed liabilities. No cash was acquired with this acquisition. Promissory notes bear a simple interest rate of 5.00% with payments of principal and interest beginning February 2025 and ending February 2028. The

convertible note bears a simple interest rate of 5.00% and may be convertible in whole or in part at any time to Bowman common stock at a conversion price of \$32.32 per share and is subject to a six-month lock-up.

Common Stock Offering

On April 1, 2024, the Company closed on an offering of common stock in which it issued and sold 1,323,530 shares at an offering price of \$34.00 per share, resulting in net proceeds of \$42.0 million after deducting underwriting discounts and commissions, but before expenses of the offering. On April 1, 2024, the underwriters exercised their option to purchase an additional 179,412 shares of the Company's common stock at the public offering price, resulting in additional gross proceeds of approximately \$6.1 million. After giving effect to this exercise of the over-allotment option, the total number of shares sold by the Company in this common stock offering increased to 1,502,942 shares with total gross proceeds of approximately \$51.1 million. The exercise of the over-allotment option closed on April 1, 2024, at which time the Company received net proceeds of \$5.7 million after underwriting discounts and commissions.

Methods of Evaluation

We use a variety of financial and other information in monitoring the financial condition and operating performance of our business. Some of the information we use to evaluate our operations is financial information that is in accordance with generally accepted accounting principles (GAAP), while other information may be financial in nature and either built upon GAAP results or may not be in accordance with GAAP (Non-GAAP). We use all this information together for planning and monitoring our operations, as well as determining certain management and employee compensation.

The Company operates as a single business segment represented by our core business of providing multi-disciplinary professional engineering solutions to customers. While we evaluate revenue and other key performance indicators relating to various divisions of labor, our leadership neither manages the business nor deliberately allocates resources by service line, geography, or end market. Our financial statements present results as a single operating segment.

Components of Income and Expense

Revenue

We generate revenue from services performed by our employees, pass-through fees from sub-consultants, and reimbursable contract costs. On our condensed consolidated financial statements, we report gross revenue, which represents total revenue billed to customers excluding taxes collected from customers. Gross revenue less revenue derived from pass-through sub-consultant fees, reimbursable expenses and other direct expenses represents our net service billing, or that portion of our gross revenue attributable to services performed by our employees. Our peers use the calculation underlying net service billing to normalize peer performance assessments and provide meaningful insight into trends over time. Refer to — *Other Financial Data, Non-GAAP measurements and Key Performance Indicators* below for further discussion of the use of this non-GAAP financial measure.

We generally do not generate profit from the pass-through of sub-consultants and reimbursable expenses. As such, contract profitability is most heavily impacted by the mix of labor utilized to complete the tasks and the efficiency of those resources in completing the tasks. Our largest direct contract cost is consistently our labor. To grow our revenue and maximize overall profitability we carefully monitor and manage our cost of labor and the utilization thereof. Maintaining an optimal level of utilization on a balanced pool of growing labor resources represents our greatest prospect for delivering increasing profitability.

We enter into contracts that contain two types of pricing characteristics:

Hourly contracts, also referred to as time and materials, are common for professional and technical consulting assignments both short-term and multi-year in duration. Under these types of contracts, there is no predetermined maximum fee and we generally experience no risk associated with cost overruns. For hourly contracts, we negotiate billing rates and charge our customers based upon the actual hours expended toward a deliverable. These contracts may have not-to-exceed parameters requiring us to receive additional authorizations from our customer to continue working, but we likewise do not have to continue working without assurances of payment for such additional work. Hourly assignments represented approximately \$9.8 million and \$30.2 million or 9% and 10% of our gross contract revenue for each of the three and nine months ended September 30, 2024, respectively. For each of the three and nine months ended September 30, 2023, hourly assignments represented approximately \$11.4 million and \$28.5 million or 12% and 11% of our gross contract revenue, respectively.

Lump sum contracts, also referred to as fixed fee, typically require the performance of some, or all, of the obligations under the contract for a specified amount, subject to price adjustments only if the scope of the project changes or unforeseen requirements arise. Our fixed fee contracts generally include a specific scope of work and defined deliverables. Lump sum contracts can involve both hourly and fixed fee tasks. The majority of our assignments are lump sum in nature representing approximately \$104.1 million and \$283.1 million or 91% and 90% of our gross contract revenue for the three and nine months ended September 30, 2024, respectively. For each of the three and nine months ended September 30, 2023, assignments that are lump sum in nature represented approximately \$83.0 million and \$224.8 million or 88% and 89% of our gross contract revenue, respectively. Recognizing revenue from lump sum assignments requires management estimates of both total contract value when there are contingent compensation elements of the fee arrangement and expected cost at completion. We closely monitor our progress to completion and adjust our estimates when necessary. We do not recognize revenue from work that has no documented customer commitment and is performed at risk.

Contract Costs

Contract costs consist of direct payroll costs, sub-consultant costs and other direct expenses exclusive of depreciation and amortization.

Direct payroll costs represent the portion of salaries and wages incurred in connection with the production of deliverables under customer assignments and contracts. Direct payroll costs include allocated fringe costs (i.e. health benefits, employer payroll taxes, and retirement plan contributions), paid leave and incentive compensation.

Sub-consultants and direct expenses include both sub-consultants and other outside costs associated with performance under our contracts. Sub-consultant and direct costs are generally reimbursable by our customers under the terms of our contracts.

Performance under our contracts does not involve significant machinery or other long term depreciable assets. Most of the equipment we employ involves desktop computers and other shared ordinary course IT equipment. We present direct costs exclusive of depreciation and amortization and as such we do not present gross profit on our condensed consolidated financial statements.

Operating Expense

Operating expenses consist of selling, general and administrative costs, non-cash stock compensation, depreciation and amortization and settlements and other non-core expenses.

Selling, general and administrative expenses represent corporate and other general overhead expenses, salaries and wages not allocated to customer projects including management and administrative personnel costs, incentive compensation, personal leave, office lease and occupancy costs, legal, professional and accounting fees.

Non-cash stock compensation represents the expenses incurred with respect to shares and options issued by the Company, both vested and unvested, to employees as long-term incentives. Non-cash stock compensation cost will be the grant date fair value of the awards, or the Black-Scholes-Merton value of stock options on the grant date, recognized ratably over the vesting period(s) of each award. Future non-cash stock compensation expense for unvested shares is the cumulative total of the unvested portion of all issued and outstanding awards and their individual grant date fair values. Stock awards will continue to be an important part of our long-term retention and rewards philosophy.

Depreciation and amortization represent the depreciation and amortization expense of our property and general IT equipment, capital lease assets, tenant improvements and intangible assets.

(Gain) loss on sale represents gains or losses inclusive of foreign exchange and accumulated depreciation recapture resulting from the disposal of an asset upon the sale or retirement of such asset.

Other (Income) Expense

Other (income) expense consists of other non-operating and non-core expenses, including transaction related costs associated with acquisitions.

Tax (Benefit) Expense

Income tax (benefit) expense, current and deferred, includes estimated federal, state and local tax expense associated with our net income, as apportioned to the states in which we operate. Estimates of our tax expense include both current and deferred tax expense along with all available tax incentives and credits.

Other Financial Data, Non-GAAP Measurements and Key Performance Indicators

Backlog

We measure the value of our undelivered gross revenue in real time to calculate our backlog and predict future revenue. Backlog includes awarded, contracted, and otherwise secured commitments along with revenue we expect to realize over time for predictable long-term and reoccurring assignments. We report backlog quarterly as of the end of the last day of the reporting period. We use backlog to predict revenue growth and anticipate appropriate future staffing needs. Backlog definitions and methods of calculation vary within our industry. As such, backlog is not a reliable metric on which to evaluate us relative to our peers. Backlog neither derives from, nor reconciles to, any GAAP results.

Net Service Billing

In the normal course of providing services to our customers, we routinely subcontract services and incur direct third-party contract expenses that may or may not be reimbursable and may or may not be billed to customers with mark-up. Gross revenue less revenue derived from pass-through sub-consultant fees and reimbursable expenses represents our net service billing, which is a non-GAAP financial measure, and is the portion of our gross contract revenue attributable to services performed by our employees. Because the ratio of sub-contractor and direct expense costs to gross billing varies between contracts, gross revenue is not necessarily indicative of trends in our business. As a professional services company, we believe that metrics derived from net service billings more accurately demonstrate the productivity and profitability of our workforce than do those derived from gross revenue. Our industry uses the calculation of net service billing to normalize peer performance assessments and provide meaningful insight into trends over time.

Adjusted EBITDA

We view Adjusted EBITDA, which is a non-GAAP financial measure, as an important indicator of normalized performance. We define Adjusted EBITDA as net income before interest expense, income taxes and depreciation and amortization, plus discontinued expenses, non-core legal settlements and other costs not in the ordinary course of business, non-cash stock-based compensation, and other acquisition related adjustments such as professional fees, fair value adjustments and working capital adjustments. Our peers may define Adjusted EBITDA differently.

Adjusted EBITDA Margin, net

Adjusted EBITDA Margin, net, which is a non-GAAP financial measure, represents Adjusted EBITDA, as defined above, as a percentage of net service billings, as defined above.

Results of Operations

Combined results of operations

The following represents our condensed consolidated results of operations for periods indicated (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Gross contract revenue	\$ 113,932	\$ 94,434	\$ 313,341	\$ 253,290
Contract costs (exclusive of depreciation and amortization)	54,282	45,693	150,779	124,098
Operating expense	59,217	46,125	165,974	126,155
Income (loss) from operations	433	2,616	(3,412)	3,037
Other expense	1,572	1,495	6,000	3,852
Income tax (benefit)	(1,910)	(62)	(6,543)	(1,901)
Net income (loss)	\$ 771	\$ 1,183	\$ (2,869)	\$ 1,086
Net margin	0.7 %	1.3 %	(0.9)%	0.4 %
Other financial information ¹				
Net service billing	\$ 101,363	\$ 82,124	\$ 281,033	\$ 223,479
Adjusted EBITDA	16,970	15,057	42,511	35,783
Adjusted EBITDA margin, net	16.7 %	18.3 %	15.1 %	16.0 %

¹ Represents non-GAAP financial measures. See Other Financial Information and Non-GAAP key performance indicators below.

Three months ended September 30, 2024 as compared to the three months ended September 30, 2023

Gross Contract Revenue

Gross contract revenue for the three months ended September 30, 2024, increased \$19.5 million or 20.6% to \$113.9 million as compared to \$94.4 million for the three months ended September 30, 2023. For the three months ended September 30, 2024, gross contract revenue attributable to work performed by our workforce increased \$19.3 million, or 23.5% to \$101.4 million or 89.0% of gross contract revenue as compared to \$82.1 million or 87.0% for the three months ended September 30, 2023 (see Net service billing – non-GAAP). Of the \$19.5 million increase in gross contract revenue during the three months ended September 30, 2024, acquisitions represented \$23.3 million of the increase. To evaluate the Company's growth, revenue from acquisitions is treated as acquired for a period of four quarters post-closing, after which it is considered organic. For each measurement and comparison period, historical balances of acquired and organic revenue bases are adjusted to reflect revenue accordingly.

Changes in gross contract revenue disaggregated between our core and emerging end markets were as follows (in thousands other than percentages):

Consolidated Gross Contract Revenue	For the Three Months Ended September 30,					
	2024	%GCR	2023	%GCR	Change	% Change
Building Infrastructure ³	\$ 56,174	49.3 %	\$ 51,909	55.0 %	\$ 4,265	8.2 %
Transportation	21,851	19.2 %	19,769	20.9 %	2,082	10.5 %
Power & Utilities ³	20,041	17.6 %	18,586	19.7 %	1,455	7.8 %
Other Emerging Markets ¹	15,866	13.9 %	4,170	4.4 %	11,696	280.5 %
Total:	\$ 113,932	100.0 %	\$ 94,434	100.0 %	\$ 19,498	20.6 %
Acquired ²	\$ 23,332	20.5 %	\$ 15,431	16.3 %	\$ 7,901	51.2 %

¹ Represents environmental, mining, water resources, imaging and mapping and other.

² Acquired revenue in prior periods is as previously reported; four quarters post-closing, acquired revenue is reclassified as organic for the purpose of calculating organic growth rates.

³ Includes periodic reclassifications of revenue between categories from prior periods for consistency of presentation.

For the three months ended September 30, 2024, gross contract revenue from our building infrastructure market increased \$4.3 million or 8.2% as compared to the three months ended September 30, 2023. Building Infrastructure includes commercial, municipal and residential infrastructure. The increase in building infrastructure revenue is the result of acquisitions. Within the building infrastructure market, 39.3% of gross contract revenue was derived from residential assignments including single family, multi-family and mixed-use housing stock, 42.9% from commercial assignments including retail, hospitality and quick-serve restaurants (QSR), office and industrial, data centers and healthcare, and 17.7% from municipal assignments, including parks and schools. Within residential, 59.8% of gross contract revenue was derived from for-sale homebuilding assignments, 35.7% from residential multi-family and 4.5% from mixed use projects. While the homebuilding market shows signs of rebounding from prior year interest rate impacts, for-sale residential services represented just 11.6% of our total gross contract revenue for the three months ended September 30, 2024. Within commercial, 36.7% of revenue was derived from office and industrial assignments, 41.3% from retail, hospitality, and quick serve restaurants, 15.7% from data centers, and 6.2% from healthcare. We continue to experience strong demand for our building infrastructure services and maintain a positive outlook on this market as we continue to experience strength in markets including data centers, quick serve restaurants, industrial distribution facilities, schools, and build-for-rent communities.

For the three months ended September 30, 2024, revenue from transportation increased \$2.1 million or 10.5% as compared to the three months ended September 30, 2023. The increase was attributable to new contract awards in transportation both from public and private customers along with acquired transportation backlog which we were able to deliver to customers, within transportation, 64.5% of our gross contract revenue was derived directly from public sector customers including state and local departments of transportation ("DOTs"), tollway operators, transit authorities aviation operators and others with the remaining 35.5% derived from private sector customers. We expect to continue to increase our transportation revenue and improve the diversification of our revenue. We believe the transportation market continues to present significant opportunity for future growth and we remain committed to investing in leadership, technical expertise, business development and acquisitions for this market.

With the convergence of renewable energy with traditional transmission infrastructure and the continued growth we are projecting in the clean energy transition, we have consolidated renewable energy into the power and utilities category (sometimes referred to herein as the power, utilities and energy market) of our revenue mix and have adjusted historical balances accordingly. For the three months ended September 30, 2024, revenue from power and utilities increased \$1.5 million or 7.8% as compared to the three months ended September 30, 2023. The additional increase in gross contract revenue from the power and utilities market is principally attributable to acquisitions and increased revenue associated with the expansion of a multi-year utility undergrounding assignment in Florida, along with additional increases derived from gas pipeline and electric transmission projects nationally. Within the power and utilities market, 73.8% of our gross contract revenue was derived from customers operating traditional power operations and 26.2% was derived from customers focused on renewables, electric vehicle ("EV") infrastructure and energy transition operations. The power and utilities market continues to experience increasing infrastructure investment as changing weather patterns, energy transition mandates and other safety initiatives positively impact demand for the services we provide. Based on recent increases in program commitments within the gas pipeline replacement market, we believe trends in power and utilities provide meaningful opportunity for continued growth and we are committed to investing resources accordingly.

Our other emerging markets consist of mining, water resources, imaging and mapping, environmental consulting, and other natural resources services. Adjusted for the change, for the three months ended September 30, 2024, revenue from emerging markets increased \$11.7 million or 280.5% as compared to the three months ended September 30, 2023. This increase is primarily due to the acquisition of Surdex Corporation; see *Note 4 - Acquisitions* for additional information. Emerging market sectors represent lines of business that have not yet grown to a size whereby we would distinguish them as a separate market. Gross contract revenue within our emerging markets was 54.0% from imaging and mapping activities, 12.9% from mining activities where we have specialized in copper mining, 25.3% from water resources activities, and 7.8% from environmental and other natural resources consulting. Scarcities in water resources and the increasing need for water management gives us confidence that we will be able to increase revenue accordingly. With recent and future acquisitions, we expect to experience continued growth from investment in various emerging market services.

For the three months ended September 30, 2024 and 2023, public sector customers, defined as direct contracts with municipalities, public agencies, or governmental authorities, represented 32.3% and 14.8% of our gross contract revenue, respectively. A portion of that increase is due to the reclassification of contracts for the Pike Corporation from the private

sector to the public sector. This does not include work done indirectly on public sector projects. Gross contract revenue from projects for public sector clients are included in the end market most aligned with work performed.

Contract costs (exclusive of depreciation and amortization)

Total contract costs, exclusive of depreciation and amortization, increased \$8.6 million or 18.8% to \$54.3 million for the three months ended September 30, 2024, as compared to \$45.7 million for the three months ended September 30, 2023. For the three months ended September 30, 2024 and 2023, total contract costs represented 47.7% and 48.4% of total contract revenue, respectively. For the three months ended September 30, 2024 and 2023 total contract costs represented 53.6% and 55.6% of revenue attributable to our workforce, respectively (see *Net Service Billing*).

Direct payroll costs increased \$8.3 million or 24.9% to \$41.7 million for the three months ended September 30, 2024, as compared to \$33.4 million for the three months ended September 30, 2023. Direct payroll accounted for 76.8% of total contract costs for the three months ended September 30, 2024, an increase of 3.7 percentage points as compared to 73.1% for the three months ended September 30, 2023.

Direct labor, the component of direct payroll costs associated with the cost of labor relating to work performed on contracts increased \$5.8 million or 22.8% to \$31.2 million for the three months ended September 30, 2024 as compared to \$25.4 million for the three months ended September 30, 2023. The increase in direct labor is primarily due to an increase in staffing to accommodate growth. For the three months ended September 30, 2024 and 2023, direct labor costs represented 27.4% and 26.9% of gross contract revenue, respectively and represented 30.8% and 30.9% of the revenue attributable to our workforce, respectively.

Other direct payroll costs, the component of direct payroll costs associated with fringe and incentive compensation (cash and non-cash) increased by \$2.6 million or 32.5% to \$10.6 million as compared to \$8.0 million.

Sub-consultants and other direct expenses increased \$0.3 million or 2.4% to \$12.6 million for the three months ended September 30, 2024 as compared to \$12.3 million for the three months ended September 30, 2023. For the three months ended September 30, 2024 and 2023, sub-consultant and other direct expenses represented 11.1% and 13.0% of gross contract revenue, respectively. This decrease is not indicative of an anticipated long-term shift in the composition of our gross contract revenue, and we expect to experience periodic volatility in concentration of sub-consultant utilization.

Operating Expense

Total operating expense increased \$13.1 million or 28.4% to \$59.2 million for the three months ended September 30, 2024 as compared to \$46.1 million for the three months ended September 30, 2023.

Selling, general and administrative expenses increased \$10.2 million or 24.5% to \$51.9 million for the three months ended September 30, 2024, as compared to \$41.7 million for the three months ended September 30, 2023. Indirect labor increased \$4.5 million or 23.6% to \$23.6 million as compared to \$19.1 million primarily due to an increase in staffing to accommodate growth. General overhead increased \$4.3 million or 32.6% to \$17.5 million as compared to \$13.2 million due to increased costs associated with the overall growth of the Company.

Depreciation and amortization increased \$2.9 million or 64.4% to \$7.4 million for the three months ended September 30, 2024 as compared to \$4.5 million for the three months ended September 30, 2023. This increase is primarily due to an increase in intangible assets and assets leased under financing arrangements. We continue to increase the use of our finance lease facility as we continue to grow. Intangible assets have increased due to multiple acquisitions. Gains on the sale of certain IT equipment and automobiles remained \$0.1 million for the three months ended September 30, 2024, as compared to the three months ended September 30, 2023.

Other (Income) Expense

Other expense increased by \$0.1 million to \$1.6 million of expense for the three months ended September 30, 2024 as compared to \$1.5 million for the three months ended September 30, 2023.

Income Tax Benefit

Income tax benefit for the three months ended September 30, 2024, increased \$1.8 million to a \$1.9 million benefit, as compared to \$0.1 million benefit for the three months ended September 30, 2023, see note 2, *Income Taxes*. Our effective tax rate for the three months ended September 30, 2024, is 167.7% as compared to (5.5)% for the three months ended September 30, 2023.

Income (Loss) Before Tax and Net Income (Loss)

Loss before tax increased by \$2.2 million for the three months ended September 30, 2024, to (\$1.1) million of loss compared to \$1.1 million of income for the three months ended September 30, 2023. Net income decreased by \$0.4 million to \$0.8 million for the three months ended September 30, 2024, as compared to \$1.2 million for the three months ended September 30, 2023.

Other financial information and Non-GAAP key performance indicators

Net service billing (non-GAAP)

Net service billing increased \$19.3 million or 23.5% to \$101.4 million for the three months ended September 30, 2024, as compared to \$82.1 million for the three months ended September 30, 2023. Net service billing reconciles to gross contract revenue as follows (in thousands):

	For the Three Months Ended September 30,	
	2024	2023
Gross contract revenue	\$ 113,932	\$ 94,434
Less: sub-consultants and other direct expenses	12,569	12,310
Net service billing	\$ 101,363	\$ 82,124

Because sub-consultants and reimbursable expenses are most often pass-through items with little or no mark-up, they generally have a dilutive effect on gross, operating, and net margins while having little accretive effect on profitability. As such, where possible, we focus our resources and business development efforts principally on increasing revenue derived from our own workforce. Management primarily focuses its internal performance metrics on net service billing.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA increased \$1.9 million or 12.7% to \$17.0 million for the three months ended September 30, 2024 as compared to \$15.1 million for the three months ended September 30, 2023. Adjusted EBITDA reconciles to net income as follows (in thousands):

	For the Three Months Ended September 30,		\$ Change	% Change
	2024	2023		
Net Service Billing	\$ 101,363	\$ 82,124	\$ 19,239	23.4 %
Net Income (Loss)	\$ 771	\$ 1,183	\$ (412)	(34.8)%
+ interest expense	1,938	1,538	400	26.0 %
+ depreciation & amortization	7,395	4,500	2,895	64.3 %
+ tax (benefit)	(1,910)	(62)	(1,848)	2980.6 %
EBITDA	\$ 8,194	\$ 7,159	\$ 1,035	14.5 %
+ non-cash stock compensation	6,448	7,158	(710)	(9.9)%
+ transaction related expenses	–	63	(63)	(100.0)%
+ settlements and other non-core expenses	1,954	560	1,394	248.9 %
+ acquisition expenses	374	117	257	219.7 %
Adjusted EBITDA	\$ 16,970	\$ 15,057	\$ 1,913	12.7 %
Adjusted EBITDA margin, net	16.7 %	18.3 %		

For the three months ended September 30, 2024 and 2023, Adjusted EBITDA includes add backs of \$6.4 million and \$7.2 million, respectively, relating to non-cash stock compensation expenses from restricted stock awards. For the three months ended September 30, 2024 and 2023, Adjusted EBITDA also includes \$0.4 million and \$0.1 million, respectively, relating to non-recurring acquisition expenses such as professional fees, fair value adjustments and working capital adjustments.

Adjusted EBITDA Margin, net (non-GAAP)

Adjusted EBITDA Margin, net represents Adjusted EBITDA (as defined above) as a percentage of net service billing (as defined above). For the three months ended September 30, 2024 and 2023, Adjusted EBITDA Margin, net was 16.7% and 18.3% respectively.

Nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023

Gross Contract Revenue

Gross contract revenue for the nine months ended September 30, 2024, increased \$60.0 million or 23.7% to \$313.3 million as compared to \$253.3 million for the nine months ended September 30, 2023. For the nine months ended September 30, 2024, gross contract revenue attributable to work performed by our workforce increased \$57.5 million, or 25.7% to \$281.0 million or 89.7% of gross contract revenue as compared to \$223.5 million or 88.2% for the nine months ended September 30, 2023 (see *Net service billing – non-GAAP*). Of the \$60.0 million increase in gross contract revenue during the nine months ended September 30, 2024, acquisitions represented \$49.8 million of the increase. To evaluate the Company's growth, revenue from acquisitions is treated as acquired for a period of four quarters post-closing, after which it is considered organic. For each measurement and comparison period, historical balances of acquired and organic revenue bases are adjusted to reflect revenue accordingly.

Changes in gross contract revenue disaggregated between our core and emerging end markets were as follows (in thousands other than percentages):

Consolidated Gross Contract Revenue	For the Nine Months Ended September 30,					
	2024	%GCR	2023	%GCR	Change	% Change
Building Infrastructure ³	\$ 165,709	52.9 %	\$ 144,862	57.2 %	\$ 20,847	14.4 %
Transportation	60,145	19.2 %	51,658	20.4 %	8,487	16.4 %
Power & Utilities ³	56,229	17.9 %	47,481	18.7 %	8,748	18.4 %
Other Emerging Markets ¹	31,258	10.0 %	9,289	3.7 %	21,969	236.5 %
Total:	\$ 313,341	100.0 %	\$ 253,290	100.0 %	\$ 60,051	23.7 %
Acquired²	\$ 49,767	15.9 %	\$ 27,050	10.7 %	\$ 22,717	84.0 %

¹ Represents environmental, mining, water resources, imaging and mapping and other.

² Acquired revenue in prior periods is as previously reported; four quarters post-closing, acquired revenue is reclassified as organic for the purpose of calculating organic growth rates.

³ Includes periodic reclassifications of revenue between categories from prior periods for consistency of presentation.

For the nine months ended September 30, 2024, gross contract revenue from our building infrastructure market increased \$20.9 million or 14.4% as compared to the nine months ended September 30, 2023. Building infrastructure includes commercial, municipal and residential infrastructure. The increase in building infrastructure revenue is the result of acquisitions. Within the building infrastructure market, 34.8% of gross contract revenue was derived from residential assignments including single family, multi-family and mixed-use housing stock, 45.3% from commercial assignments including retail, hospitality and quick-serve restaurants (QSR), office and industrial, data centers and healthcare, and 19.9% from municipal assignments including, parks and schools. Within residential, 53.3% of gross contract revenue was derived from for-sale homebuilding assignments, 40.3% from residential multi-family and 6.4% from mixed use projects. While the homebuilding market shows signs of rebounding from prior year interest rate impacts, for-sale residential services represented just 9.8% of our total gross contract revenue for the nine months ended September 30, 2024. Within commercial, 35.8% of revenue was derived from office and industrial assignments, 40.6% from retail, hospitality, and quick serve restaurants, 14.5% from data centers, and 9.1% from healthcare. We continue to experience strong demand for our building infrastructure services and maintain a positive outlook on this market as we continue to experience strength in markets including data centers, quick serve restaurants, industrial distribution facilities, schools, and build-for-rent communities.

For the nine months ended September 30, 2024, revenue from transportation increased \$8.5 million or 16.4% as compared to the nine months ended September 30, 2023. The increase was attributable to new contract awards in transportation both from public and private customers along with acquired transportation backlog which we were able to deliver to customers, within transportation, 62.0% of our gross contract revenue was derived directly from public sector customers including state and local departments of transportation ("DOTs"), tollway operators, transit authorities, aviation operators and others with the remaining 38.0% derived from private sector customers. We expect to continue to increase our transportation revenue and improve the diversification of our revenue. We believe the transportation market continues to present significant opportunity for future growth and we remain committed to investing in leadership, technical expertise, business development and acquisitions for this market.

With the convergence of renewable energy with traditional transmission infrastructure and the continued growth we are projecting in the clean energy transition, we have consolidated renewable energy into the power and utilities category (sometimes referred to herein as the power, utilities and energy market) of our revenue mix and have adjusted historical balances accordingly. For the nine months ended September 30, 2024, revenue from power and utilities increased \$8.8 million or 18.4% as compared to the nine months ended September 30, 2023. The additional increase in gross contract revenue from the power and utilities market is principally attributable to acquisitions and increased revenue associated with the expansion of a multi-year utility undergrounding assignment in Florida, and to increases derived from gas pipeline and electric transmission projects nationally. Within the power and utilities market, 75.6% of our gross contract revenue was derived from customers operating traditional power operations and 24.4% was derived from customers focused on renewables, electric vehicle ("EV") infrastructure and energy transition operations. The power and utilities market continues to experience increasing infrastructure investment as changing weather patterns, energy transition mandates and other safety initiatives positively impact demand for the services we provide. Based on recent increases in program

commitments within the gas pipeline replacement market, we believe trends in power and utilities provide meaningful opportunity for continued growth and we are committed to investing resources accordingly.

Our other emerging markets consist of mining, water resources, imaging and mapping, environmental consulting, and other natural resources services. Adjusted for the change, for the nine months ended September 30, 2024, revenue from emerging markets increased \$22.0 million or 236.5% as compared to the nine months ended September 30, 2023. This increase is primarily due to the acquisition of Surdex Corporation; see *Note 4 - Acquisitions* for additional information. Emerging market sectors represent lines of business that have not yet grown to a size whereby we would distinguish them as a separate market. Gross contract revenue within our emerging markets was 43.8% from imaging and mapping activities, 19.7% from mining activities where we have specialized in copper mining, 27.6% from water resources activities, and 8.9% from environmental and other natural resources consulting. Scarcities in water resources and the increasing need for water management gives us confidence that we will be able to increase revenue accordingly. With recent and future acquisitions, we expect to experience continued growth from investment in various emerging market services.

For the nine months ended September 30, 2024 and 2023, public sector customers, defined as direct contracts with municipalities, public agencies, or governmental authorities, represented 26.0% and 12.8% of our gross contract revenue, respectively. A portion of that increase is due to the reclassification of contracts for the Pike Corporation from the private sector to the public sector. This does not include work done indirectly on public sector projects. Gross contract revenue from projects for public sector clients are included in the end market most aligned with work performed.

Contract costs (exclusive of depreciation and amortization)

Total contract costs, exclusive of depreciation and amortization, increased \$26.7 million or 21.5% to \$150.8 million for the nine months ended September 30, 2024, as compared to \$124.1 million for the nine months ended September 30, 2023. For the nine months ended September 30, 2024 and 2023, total contract costs represented 48.1% and 49.0% of total contract revenue, respectively. For the nine months ended September 30, 2024 and 2023 total contract costs represented 53.7% and 55.5% of revenue attributable to our workforce, respectively (see *Net Service Billing*).

Direct payroll costs increased \$24.2 million or 25.7% to \$118.5 million for the nine months ended September 30, 2024, as compared to \$94.3 million for the nine months ended September 30, 2023. Direct payroll accounted for 78.6% of total contract costs for the nine months ended September 30, 2024, an increase of 2.6 percentage points as compared to 76.0% for the nine months ended September 30, 2023.

Direct labor, the component of direct payroll costs associated with the cost of labor relating to work performed on contracts increased \$17.5 million or 24.8% to \$88.1 million for the nine months ended September 30, 2024 as compared to \$70.6 million for the nine months ended September 30, 2023. The increase in direct labor is primarily due to an increase in staffing to accommodate growth. For the nine months ended September 30, 2024 and 2023, direct labor costs represented 28.1% and 27.9% of gross contract revenue, respectively and represented 31.4% and 31.6% of the revenue attributable to our workforce, respectively.

Other direct payroll costs, the component of direct payroll costs associated with fringe and incentive compensation (cash and non-cash) increased by \$6.6 million or 27.8% to \$30.3 million as compared to \$23.7 million. This increase includes a \$1.6 million increase in non-cash stock compensation as several new stock awards were granted to Company leadership as well as employees in connection with acquisitions. Also, stock compensation has become a larger part of our employee incentive plans.

Sub-consultants and other direct expenses increased \$2.5 million or 8.4% to \$32.3 million for the nine months ended September 30, 2024 as compared to \$29.8 million for the nine months ended September 30, 2023. For the nine months ended September 30, 2024 and 2023, sub-consultant and other direct expenses represented 10.3% and 11.8% of gross contract revenue, respectively. This decrease is not indicative of an anticipated long-term shift in the composition of our gross contract revenue, and we expect to experience periodic volatility in concentration of sub-consultant utilization.

Operating Expense

Total operating expense increased \$39.8 million or 31.5% to \$166.0 million for the nine months ended September 30, 2024 as compared to \$126.2 million for the nine months ended September 30, 2023.

Selling, general and administrative expenses increased \$32.1 million or 28.2% to \$145.8 million for the nine months ended September 30, 2024, as compared to \$113.7 million for the nine months ended September 30, 2023. Indirect labor

increased \$14.8 million or 29.2% to \$65.4 million as compared to \$50.6 million primarily due to an increase in staffing to accommodate growth. General overhead increased \$12.4 million or 33.6% to \$49.3 million as compared to \$36.9 million due to increased costs associated with the overall growth of the Company.

Depreciation and amortization increased \$7.8 million or 60.9% to \$20.6 million for the nine months ended September 30, 2024 as compared to \$12.8 million for the nine months ended September 30, 2023. This increase is primarily due to an increase in intangible assets and assets leased under financing arrangements. We continue to increase the use of our finance lease facility as we continue to grow. Intangible assets have increased due to multiple acquisitions. Gains on the sale of certain IT equipment and automobiles increased \$0.1 million for the nine months ended September 30, 2024, as compared to the nine months ended September 30, 2023.

Other (Income) Expense

Other expense increased by \$2.1 million to \$6.0 million of expense for the nine months ended September 30, 2024 as compared to \$3.9 million for the nine months ended September 30, 2023. This increase is primarily attributable to an increase in interest expense of \$2.3 million due to an increase in finance leases and notes payable.

Income Tax Benefit

Income tax benefit for the nine months ended September 30, 2024, increased \$4.6 million to a \$6.5 million benefit, as compared to \$1.9 million benefit for the nine months ended September 30, 2023, see note 2, *Income Taxes*. Our effective tax rate for the nine months ended September 30, 2024, is 69.5% as compared to 233.3% for the nine months ended September 30, 2023.

Income (Loss) Before Tax and Net Income (Loss)

Loss before tax increased by \$8.6 million for the nine months ended September 30, 2024, to (\$9.4) million of loss compared to (\$0.8) million of loss for the nine months ended September 30, 2023. Net loss increased by \$4.0 million to (\$2.9) million for the nine months ended September 30, 2024, as compared to \$1.1 million of income for the nine months ended September 30, 2023.

Other financial information and Non-GAAP key performance indicators

Net service billing (non-GAAP)

Net service billing increased \$57.5 million or 25.7% to \$281.0 million for the nine months ended September 30, 2024, as compared to \$223.5 million for the nine months ended September 30, 2023. Net service billing reconciles to gross contract revenue as follows (in thousands):

	For the Nine Months Ended September 30,	
	2024	2023
Gross contract revenue	\$ 313,341	\$ 253,290
Less: sub-consultants and other direct expenses	32,308	29,811
Net service billing	\$ 281,033	\$ 223,479

Because sub-consultants and reimbursable expenses are most often pass-through items with little or no mark-up, they generally have a dilutive effect on gross, operating, and net margins while having little accretive effect on profitability. As such, where possible, we focus our resources and business development efforts principally on increasing revenue derived from our own workforce. Management primarily focuses its internal performance metrics on net service billing.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA increased \$6.7 million or 18.8% to \$42.5 million for the nine months ended September 30, 2024 as compared to \$35.8 million for the nine months ended September 30, 2023. Adjusted EBITDA reconciles to net income as follows (in thousands):

	For the Nine Months Ended September 30,		\$ Change	% Change
	2024	2023		
Net Service Billing	\$ 281,033	\$ 223,479	\$ 57,554	25.8 %
Net (Loss) Income	\$ (2,869)	\$ 1,086	\$ (3,955)	(364.2)%
+ interest expense	5,844	3,545	2,299	64.9 %
+ depreciation & amortization	20,572	12,785	7,787	60.9 %
+ tax (benefit)	(6,543)	(1,901)	(4,642)	244.2 %
EBITDA	\$ 17,004	\$ 15,515	\$ 1,489	9.6 %
+ non-cash stock compensation	20,386	18,480	1,906	10.3 %
+ transaction related expenses	–	186	(186)	(100.0)%
+ settlements and other non-core expenses	2,767	674	2,093	310.5 %
+ acquisition expenses	2,354	928	1,426	153.7 %
Adjusted EBITDA	\$ 42,511	\$ 35,783	\$ 6,728	18.8 %
Adjusted EBITDA margin, net	15.1 %	16.0 %		

For the nine months ended September 30, 2024 and 2023, Adjusted EBITDA includes add backs of \$20.4 million and \$18.5 million, respectively, relating to non-cash stock compensation expenses from restricted stock awards. For the nine months ended September 30, 2024 and 2023, Adjusted EBITDA also includes \$2.4 million and \$0.9 million, respectively, relating to non-recurring acquisition expenses such as professional fees, fair value adjustments and working capital adjustments.

Adjusted EBITDA Margin, net (non-GAAP)

Adjusted EBITDA Margin, net represents Adjusted EBITDA (as defined above) as a percentage of net service billing (as defined above). For the nine months ended September 30, 2024 and 2023, Adjusted EBITDA Margin, net was 15.1% and 16.0% respectively.

Backlog (other key performance metrics)

Our backlog increased \$74.1 million or 24.2% to \$379.8 million during the nine months ended September 30, 2024, as compared to \$305.7 million at December 31, 2023. At September 30, 2024 and December 31, 2023 our backlog was comprised as follows:

	September 30, 2024	December 31, 2023
Building Infrastructure	46 %	55 %
Transportation	29 %	24 %
Power & Utilities	15 %	17 %
Other Emerging Markets	10 %	4 %

Liquidity and Capital Resources

Our principal sources of liquidity are our cash and cash equivalents balances, cash flow from operations, borrowing capacity under our Revolving Credit Facility (as defined below), lease financing, proceeds from stock sales and other structured debt securities. Our principal uses of cash are operating expenses, working capital requirements, capital

expenditures, repayment of debt, acquisitions, and acquisition related payments. On September 30, 2024, we maintained a \$100.0 million Revolving Credit Facility with Bank of America N.A., our primary lender. See *"Credit Facilities and Other Financing"* below for more information on our Revolving Credit Facility. Under the terms of our Revolving Credit Facility, available cash in our primary operating account sweeps against the outstanding balance every evening. Our cash on hand therefore generally consisted of petty cash and other non-operating funds not included in the nightly sweep. Cash on hand included the cash we kept in short-term investment accounts along with deposits and payments in transit in our operating sweep account. Our cash on hand decreased by \$9.0 million on September 30, 2024 as compared to December 31, 2023.

We regularly monitor our capital requirements and believe our sources of liquidity, including cash flow from operations, existing cash, and borrowing availability under our credit and lease facilities will be sufficient to fund our projected cash requirements and strategic initiatives for the next year. To the extent we experience any potential liquidity or capital shortfalls relating to growth and acquisition, we currently expect to rely on debt financing to meet those shortfalls. We use our equity as a component of consideration in acquisitions. In addition, depending on market conditions, we may opportunistically access the public debts and equity markets.

We are actively pursuing acquisitions as part of our strategic growth initiative. At any given time, we are assessing multiple opportunities at varying stages of due diligence. These acquisition opportunities range in size, timing of closing, valuation, and composition of consideration. In connection with acquisitions, we use a combination of cash, bank financing, seller financing, and equity to satisfy the purchase price. Currently, we have several acquisitions under consideration. There can be no assurance that any opportunity in the process of being reviewed will close but we expect over time to utilize a meaningful portion of our current liquidity and capital resources for acquisitions.

Cash Flows

The following table summarizes our cash flows for the periods presented:

Condensed Consolidated Statements of Cash Flows (amounts in thousands)	For the Nine Months Ended September 30,	
	2024	2023
Net cash provided by operating activities	\$ 12,382	\$ 12,271
Net cash used in investing activities	(23,636)	(16,999)
Net cash provided by financing activities	2,227	5,877
Change in cash, cash equivalents and restricted cash	(9,027)	1,149
Cash and cash equivalents, end of period	11,660	14,431

Operating Activities

During the nine months ended September 30, 2024, net cash provided by operating activities was \$12.4 million, which primarily consisted of (\$2.9) million net loss, adjusted for stock-based compensation expense of \$20.3 million and depreciation and amortization expense of \$20.6 million, offset by deferred taxes of (\$18.4) million and a net cash outflow of (\$8.4) million from changes in operating assets and liabilities. The net outflow from changes in operating assets and liabilities was primarily due to a \$10.8 million increase in accounts receivable resulting from a combination of acquired accounts receivable from acquisitions and an increased billing to our clients, a \$6.9 million increase in contract assets and liabilities, and a \$6.4 million increase in accounts payable and accrued expenses partially offset by a \$2.9 million increase in prepaid expenses and other assets.

During the nine months ended September 30, 2023, net cash provided by operating activities was \$12.3 million, which primarily consisted of our \$1.1 million net income, adjusted for stock-based compensation expense of \$18.3 million, depreciation and amortization expense of \$12.8 million, and deferred taxes of (\$11.1) million, offset by a net cash outflow of (\$9.5) million from changes in operating assets and liabilities. Cash provided by operating activities before changes in operating assets and liabilities was \$21.8 million. The net outflow from changes in operating assets and liabilities was primarily due to a \$14.6 million increase in accounts receivable resulting from increased billing to our clients, a \$4.4 million increase in prepaid expenses and other assets, and \$10.3 million increase in contract assets and liabilities, partially offset by a \$19.8 million increase in accounts payable and accrued expenses.

Investing Activities

Net cash used in investing activities increased by \$6.6 million to \$23.6 million for the nine months ended September 30, 2024 as compared to \$17.0 million for the nine months ended September 30, 2023. The increase in net cash used for investing is primarily attributable to acquisitions that occurred in the first three quarters of 2024.

Financing Activities

Net cash provided by financing activities during the nine months ended September 30, 2024 was \$2.2 million compared to \$5.9 million for the nine months ended September 30, 2023, a decrease of \$3.7 million. The decrease in net cash provided by financing is primarily attributable to the net proceeds of \$47.2 million from the common stock offering, \$4.6 million from finance leases, \$1.5 million from issuance of common stock, offset by the \$13.0 million used for repayment of the revolving line of credit and the fixed line, \$11.0 million used for repayment of notes and \$11.1 million used to purchase treasury shares.

Credit Facilities and Other Financing

On May 2, 2024 the Company and certain of its subsidiaries as guarantors entered into a new credit agreement with lenders, Bank of America N.A. as Administrative Agent, the Swingline Lender and L/C Issuer, and TD Bank, N.A. as syndication agent (the "New Credit Agreement") which provides for a new \$100 million revolving credit facility (the "Revolving Credit Facility"). The Revolving Credit Facility replaced the Company's previous \$70.0 million revolving credit facility (the "2022 Revolving Credit Facility"), and its non-revolving fixed line of credit ("Fixed Line #2") with Bank of America, N.A. In addition, the Company and certain of its subsidiaries entered into a Security and Pledge Agreement, dated as of May 2, 2024, with Bank of America, N.A., in its capacity as Administrative Agent. The New Credit Agreement is secured by all the assets of the Company and the subsidiary guarantors.

Under the New Credit Agreement, the Company is required to comply with certain covenants, including covenants on indebtedness, investments, liens and restricted payments, as well as maintain certain financial covenants, including a fixed charge coverage ratio and leverage ratio of debt to EBITDA (as defined in the New Credit Agreement). At September 30, 2024, we were in compliance with all covenants.

All outstanding principal on the Revolving Credit Facility is due on May 2, 2029. On September 30, 2024, the interest rates on the Revolving Credit Facility ranged from 7.22% to 9.20%. As of September 30, 2024, the outstanding balance on the Revolving Credit Facility was \$32.3 million.

We utilize master lease facilities primarily with Honour Capital LLC ("Honour") and Enterprise Leasing ("Enterprise"). The Honour Capital lease facility finances our acquisition of IT infrastructure, geospatial and survey equipment, aircraft cameras and related equipment, furniture and other long-lived assets. On May 3, 2024, the Company's wholly owned subsidiary, Surdex Corporation, entered into an Aircraft Loan and Security Agreement, Promissory Note and related transaction documents, with Wingspire Finance LLC pursuant to which Surdex borrowed approximately \$6.3 million secured by a pledge of its aircraft, aircraft engines and other equipment. The Company guaranteed the obligations of Surdex under the financing agreements.

The Enterprise lease facility finances the acquisition of field trucks and other service vehicles. At September 30, 2024, we maintained a fleet of approximately 600 vehicles. All our leasing facilities allow for both operating and finance leasing. We allocate finance lease payments between amortization and interest. The payment terms on the lease agreements range between 30 and 50 months with payments totaling approximately \$1.0 million per month. We utilize a third party valuation specialist to formulate the incremental borrowing rates for the Company, to calculate the present value on new leases.

We regularly evaluate our options with respect to capital and our requirements for operations and growth. We do not limit our consideration to traditional bank financing, but rather include other structured debt and equity as option for additional capital.

For more information about our credit facilities, see Note 11 – Revolving Credit Facility and Fixed Credit Facilities.

Registration Statement

We have filed with the Securities and Exchange Commission (the "SEC") a shelf registration statement on Form S-3 (the "Shelf Registration Statement"), which enables us to issue shares of our common stock and preferred stock, warrants

and rights to purchase any of such securities and/or debt securities, either individually or in units, in one or more offerings. We will file a prospectus supplement containing the amount and type of securities each time we issue securities under our Shelf Registration Statement. On April 1, 2024, we sold 1,502,942 shares of common stock for gross proceeds of approximately \$51.1 million pursuant to the Shelf Registration Statement, as supplemented by the prospectus supplement dated March 26, 2024. The selling stockholders in the Offering sold an aggregate of 188,234 shares of common stock. The Company did not receive any proceeds from the sale of shares of common stock by the selling stockholders in the Offering See “Overview” above for more details.

Off-Balance Sheet Arrangements

We have no material off-balance sheet arrangements, no special purpose entities, and no activities that include non-exchange-traded contracts accounted for at fair value.

Critical Accounting Policies and Estimates

We use estimates in the determination of certain financial results. Estimates used in financial reporting utilize only information available to us at the time of formulation. These estimates are subject to change as new information becomes available.

There have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies relating to the use of estimates described in our Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K filed with the SEC dated March 12, 2024.

Cautionary Statement about Forward-Looking Statements

Our disclosure and analysis in this Quarterly Report on Form 10-Q, contains forward-looking statements. Such forward-looking statements include those that express plans, anticipation, intent, contingencies, goals, targets or future development and/ or otherwise are not statements of historical fact. In some cases, you can identify forward-looking statements by terminology, such as “expects,” “anticipates,” “intends,” “estimates,” “plans,” “believes,” “seeks,” “may,” “should,” “could” or the negative of such terms or similar expressions. The absence of these words does not mean that a statement is not forward-looking. Accordingly, these statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, our expectations regarding our recent and future acquisitions; our expectations regarding the impact of any completed or planned acquisition; our intentions regarding our growth strategies and investment of resources, including the markets in which we intend to focus our growth initiatives; our expectations regarding trends and opportunities for future growth and expansion, including our projections of growth in energy transitions; our expectations regarding the use of our current liquidity and capital resources for acquisitions; or expectations to experience periodic volatility in concentration of sub-consultant utilization; and our belief that our sources of liquidity will be sufficient to fund our projected cash requirements and strategic initiatives for the next year. Any forward-looking statements are qualified in their entirety by reference to the factors discussed in the Risk Factors section of our Annual Report on Form 10-K and throughout this Quarterly Report on Form 10-Q.

These forward-looking statements are based on our current expectations and projections about future events and they are subject to risks and uncertainties known and unknown that could cause actual results and developments to differ materially from those expressed or implied in such statements. Important factors that could cause such differences include:

- our ability to retain the continued service of our key professionals and to identify, hire, retain and utilize additional qualified personnel;
- changes in demand from the clients that we serve;
- any material outbreak or material escalation of international hostilities, including developments in the conflict involving Russia and the Ukraine, or the Middle East and the economic consequences of related events such as the imposition of economic sanctions and resulting market volatility;
- changes in general domestic and international economic conditions such as inflation rates, interest rates, tax rates, higher labor and healthcare costs, recessions, and changing government policies, laws and regulations;
- the U.S. government and other governmental and quasi-governmental budgetary and funding approval process;

- our ability to execute our acquisitions strategy, including successful completion of acquisitions and the integration of new acquisitions into our operations and financial reporting;
- the possibility that our contracts may be terminated by our clients;
- our ability to win new contracts and renew existing contracts;
- competitive pressures and trends in our industry and our ability to successfully compete with our competitors;
- our dependence on a limited number of clients;
- our ability to complete projects timely, in accordance with our customers' expectations, or profitability;
- our ability to successfully manage our growth strategy;
- our ability to raise capital in the future;
- the credit and collection risks associated with our clients;
- our ability to comply with procurement laws and regulations;
- changes in laws, regulations, or policies;
- weather conditions and seasonal revenue fluctuations may adversely impact our financial results;
- the enactment of legislation that could limit the ability of local, state and federal agencies to contract for our privatized services;
- our ability to complete our backlog of uncompleted projects as currently projected;
- the risk of employee misconduct or our failure to comply with laws and regulations;
- our ability to control, and operational issues pertaining to, business activities that we conduct with business partners and other third parties;
- our need to comply with a number of restrictive covenants and similar provisions in our credit facility that generally limit our ability to (among other things) incur additional indebtedness, create liens, make acquisitions, pay dividends and undergo certain changes in control, which could affect our ability to finance future operations, acquisitions or capital needs;
- significant influence by our principal stockholder and the existence of certain anti-takeover measures in our governing documents; and
- the factors identified in our Annual Report on Form 10-K, including those discussed under the heading "Risk Factors", and in our other filings with the SEC.

Any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except to the extent required by applicable laws or rules. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor of our business or to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all information presented in this Quarterly Report on Form 10-Q, and particularly our forward-looking statements, by these cautionary statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to certain market risks from transactions that are entered into during the normal course of business. We have not entered into derivative financial instruments for trading purposes. We have no significant market risk exposure to interest rate changes related to the promissory notes issued as partial consideration for acquisitions since these contain fixed interest rates. Our only debt subject to interest rate risk is the New Credit Agreement under which rates are tied to Term SOFR (Secured Overnight Financing Rate), plus an applicable rate which varies between 2.10% and 2.60% based on our ratio of Funded Debt to EBITDA (as each is defined in the New Credit Agreement). As of September 30, 2024, there was \$32.3 million outstanding on the Credit Agreement. A one percentage point change in the assumed interest rate of the New Credit Agreement would change our annual interest expense by approximately \$0.3 million in 2024.

Our finance lease obligations with Honour and Enterprise were \$28.6 million as of September 30, 2024. These finance lease obligations bear interest at a fixed rate. Accordingly, there is no exposure to market risk related to these obligations.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, our management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Our disclosure controls and procedures are designed to reasonably assure that information required to be disclosed by the Company in reports it files or submits under the Exchange Act is accumulated and communicated to management, recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(e) and 15d-15(e) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are subject to various legal proceedings that arise in the normal course of our business activities. As of the date of this Quarterly Report on Form 10-Q, we are not party to any litigation, the outcome of which if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect on our results of operations or financial position.

Item 1A. Risk Factors

There have been no material changes to any of the principal risks that we believe are material to our business, results of operations and financial condition, from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sales of Unregistered Securities

On July 11, 2024, we issued 47,720 shares of common stock at \$33.45 per share as partial consideration for our acquisition of Element Engineering.

On July 17, 2024, we issued 280,701 shares of common stock at \$34.55 per share as partial consideration for our acquisition of FCS Group.

On August 15, 2024, we issued 17,581 shares of common stock at \$23.28 per share as additional consideration for our acquisition of Speece Lewis Engineers.

On August 21, 2024, we issued 20,494 shares of common stock at \$24.47 per share as partial consideration for our acquisition of Robau and Associates.

On August 28, 2024, we issued 26,821 shares of common stock at \$23.68 per share as additional consideration for our acquisition of Surdex Corporation.

For a description of these acquisitions, see Note 4, *Acquisitions*, appearing in Part I of this Quarterly Report on Form 10-Q.

The offer, sale and issuance of the securities described above were deemed to be exempt from registration under Section 4(a)(2) of the Securities Act as a transaction by an issuer not involving a public offering. The recipients of securities in the above transactions acquired the securities for investment only and not with a view to, or for sale in connection with any, distribution thereof and appropriate legends were affixed to the securities issued in the transactions. The transactions did not involve any underwriters, underwriting discounts or commissions, or any public offering. The recipients had adequate access, through employment, business, or other relationships, to information about us.

Issuer Purchase of Equity Securities

The following table summarizes the purchases of our common stock made by us during the three months ended September 30, 2024:

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (2)
7/1/24 - 7/31/24	34,908	31.12	22,048	7,217,562
8/1/24 - 8/31/24	-	23.52	320,912	14,670,880
9/1/24 - 9/30/24	670	23.58	153,668	11,050,270

(1) This column reflects shares owned and tendered by employees to satisfy the required withholding taxes related to share-based payment awards, which are not deducted from shares available to be purchased under publicly announced programs.

(2) On November 17, 2023, our board of directors authorized a \$10 million share repurchase program under which the Company may repurchase up to \$10 million of our common stock. On August 16, 2024, the board of directors authorized an increase to this repurchase authorization from \$10 million to \$25 million (collectively referred to as the "2023 Repurchase Authorization"). The authorization is effective through August 31, 2025. The execution of the repurchase program is expected to be consistent with the Company's strategic initiatives which prioritize investments in organic and acquisitive growth. The timing and amount of any share repurchases will be determined by management at its discretion based on several factors including share price, market conditions and capital allocation priorities. Shares may be repurchased from time to time through open market purchases, in privately negotiated transactions or by other means, including the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act in accordance with applicable securities laws and other restrictions. The share repurchase program does not obligate Bowman to acquire a specific number of shares of common stock and may be suspended, modified, or discontinued at any time without notice. As of September 30, 2024, we have repurchased 563,521 shares of our common stock under the 2023 Repurchase Authorization.

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures.

None

Item 5. Other Information.

During the quarter ended September 30, 2024, the following actions were taken with respect to trading arrangements for the sale of securities of the Company's common stock (each, a "10b5-1 Plan") intended to satisfy the affirmative defense conditions of the Securities Exchange Rule Act 10b5-1(c):

1. On August 23, 2024, Bruce Labovitz, the Company's Chief Financial Officer, amended the 10b5-1 Plan previously adopted on June 12, 2024. The amended 10b5-1 Plan provides for the sale of up to 30,000 shares of the Company's common stock pursuant to the terms of the 10b5-1 Plan from November 25, 2024 through January 2025.
2. On August 26, 2024, Raymond Vicks, Jr., a Director of the Company, adopted a 10b5-1 Plan that provides for the sale of up to 1,230 shares of the Company's common stock in May 2025 pursuant to the terms of the 10b5-1 Plan.

Item 6. Exhibits.

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

Exhibit Number	Description
Rider 1	
10.1+	First Amendment to Executive Employment Agreement dated August 16, 2024 between Bowman Consulting Group Ltd. and Gary P. Bowman
10.2+	Executive Employment Agreement dated July 8, 2024 between Bowman Consulting Group Ltd. and Bruce Labovitz (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-40371), filed with the SEC on July 10, 2024).
10.3+	Amended and Restated Executive Employment Agreement dated August 22, 2024 between Bowman Consulting Group Ltd and Robert Hickey.
10.4+	Letter Agreement dated October 1, 2024 between Michael Bruen and Bowman Consulting Group Ltd. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-40371), filed with the SEC on October 7, 2024).
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*+	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*+	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101:	XBRL.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

*+ This certificate is being furnished solely to accompany the report pursuant to 18 U.S.C. 1350 and is not being “filed” for purposes of Section 18 of the Securities and Exchange Act of 1934.

† This exhibit is a management contract or a compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BOWMAN CONSULTING GROUP LTD.

Date: November 7, 2024

By: /s/ Gary Bowman

Gary Bowman
President, CEO and Chairman
(Principal Executive Officer)

Date: November 7, 2024

By: /s/ Bruce Labovitz

Bruce Labovitz
Chief Financial Officer
(Principal Financial Officer)

FIRST AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT

This FIRST AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT (this “Amendment”) is made and entered into as of the 16th day of August 2024, by and between Bowman Consulting Group Ltd. (the “Company”), and Gary P. Bowman (the “Executive”).

WHEREAS, the Company and the Executive entered into an Executive Employment Agreement dated April 27, 2021 (the “Employment Agreement”); and

WHEREAS, the Company and the Executive desire to amend the Employment Agreement in part as specifically set forth herein and to ratify and reaffirm the Employment Agreement in all other respects.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the Company and Executive hereby agree as follows.

Section 1. Definitions. Capitalized terms not otherwise defined in this Amendment shall have the meaning set forth in the Employment Agreement.

Section 2. Amendment to Section 4. Subsection 4 (a) of the Employment Agreement is hereby amended by deleting the second sentence thereof in its entirety, and substituting the following second sentence in lieu thereof:

“During the Initial Term, Executive’s Base Salary shall be increased annually by the greater of (i) 3% of Executive’s then current Base Salary, or (ii) such amount as may be determined by the Compensation Committee.”

Section 3. Ratification and Reaffirmation. All other provisions of the Employment Agreement are hereby ratified and reaffirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

BOWMAN CONSULTING
GROUP LTD.

/s/ Robert Hickey

Robert A. Hickey
Secretary and Chief Legal
Officer

EXECUTIVE

/s/ Gary Bowman

Gary P. Bowman

AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this “Agreement”) is made and entered into as of this 22nd day of August 2024, by and between Bowman Consulting Group Ltd. (the “Company”), and Robert Hickey (the “Executive”).

WHEREAS, Executive currently serves as Executive Vice President and Chief Legal Officer of the Company;

WHEREAS, the Company and the Executive desire to amend and restate all prior agreements, whether verbal or written, regarding the terms of employment of Executive, including without limitation the Executive Employment Agreement between Company and Executive dated April 27, 2021.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the Company and Executive hereby agree as follows.

Section 1. Definitions. Capitalized terms not otherwise defined in this Agreement shall have the meaning set forth on Appendix A, attached hereto.

Section 2. Acceptance and Term of Employment. The Company agrees to employ Executive, and Executive agrees to serve the Company, on the terms and conditions set forth herein. The term of employment commenced on May 11, 2021 (the “Effective Date”) and continues until December 31, 2024 (the “Initial Term”). The term of employment shall automatically renew for one-year periods beginning on December 31, 2024 (each, a “Renewal Term”), unless either the Executive or the Company delivers a written notice of nonrenewal to the other party at least ninety (90) days prior to such Renewal Term (the Initial Term together with each Renewal Term, are referred to as the “Term of Employment”).

Section 3. Position, Duties and Responsibilities; Performance; Place of Performance.

(a) Position, Duties, and Responsibilities. Executive shall be employed and serve as Executive Vice President and Chief Legal Officer of the Company (together with such other position or positions consistent with Executive’s title as the Board shall specify from time to time) and shall have such duties and responsibilities commensurate with such title and as the Board may designate from time to time.

(b) Performance. Executive shall devote his business time, attention, skill, and best efforts to the performance of his duties under this Agreement and shall not engage in any other business or occupation during the Term of Employment that (i) conflicts with the interests of the Company, (ii) interferes with the proper and efficient performance of Executive’s duties for the Company, or (iii) interferes with Executive’s exercise of judgment in the Company’s best interests. Nothing herein, however, shall preclude Executive from (A) serving on the boards of directors or similar governing body of charitable or civic organizations, (B) with the prior written

consent of the Board, serving on the board of directors, trustees or similar governing body of a for-profit entity and (C) managing his personal investments, business and affairs, including those listed on Schedule I, *provided, however*, that such activities shall be limited by Executive so as not to materially interfere, individually or in the aggregate, with the performance of his duties and responsibilities hereunder.

(c) Place of Performance. Executive shall be based at the Company's corporate headquarters in Reston, Virginia.

Section 4. Compensation. During the Term of Employment, Executive shall be entitled to the following compensation:

(a) Base Salary. The Company shall pay Executive a base salary at a rate of not less than \$473,531 per year, payable in accordance with the regular payroll practices of the Company (the "Base Salary"). During the Initial Term, Executive's Base Salary shall be increased annually by the greater of (i) 3% of Executive's then current Base Salary or (ii) such amount as may be determined by the Compensation Committee. After the Initial Term, Executive's Base Salary shall be reviewed by the Compensation Committee who may (but is not obligated to) adjust such Base Salary in its sole discretion; *provided* that Base Salary shall not be decreased without the prior written consent of Executive. Any increase in Base Salary shall be Executive's "Base Salary" for all purposes under this Agreement.

(b) Annual Bonus. Executive shall be eligible to earn an annual bonus award under the 2021 Executive Officers Short-Term Incentive Plan, as amended (the "Annual Bonus") based on the achievement level (threshold, target or maximum) of performance on objectives adopted by the Compensation Committee. Such performance objectives generally will correspond to those established for other members of senior management. During each fiscal year, if the threshold level of performance on objectives is achieved, Executive's Annual Bonus will be 25% of Executive's Base Salary, if the target level of performance on objectives is achieved, Executive's Annual Bonus will be 50% of Executive's Base Salary (which number is the "Target Annual Bonus") and if maximum level of performance on objectives is achieved, Executive's Annual Bonus will be 100% of Base Salary. If the level of performance falls between achievement levels (that is, threshold, target or maximum), lineal interpolation shall be used to determine the amount of Executive's Annual Bonus for such year. Any earned Annual Bonus for a fiscal year may be paid in cash, stock, or a combination of stock and cash as determined by the Compensation Committee under the terms of the 2021 Executive Officers Short-Term Incentive Plan, as amended.

(c) Annual Equity Awards.

(i) Executive will be eligible to participate in any long-term equity incentive plan(s) adopted by the Company from time to time under the Company's 2021 Omnibus Equity Incentive Plan or any successor plan (as applicable, the "Equity Plan"), including without limitation, the Bowman Consulting Group Ltd. 2021 Executive Officers Long Term Incentive Plan (together with any successor plan thereto the "LTIP"). For each fiscal year, Executive shall be entitled to receive a long-term equity award under the Equity Plan and/or

LTIP then in effect, subject to such vesting, other performance terms, including Company business objectives, and other conditions as the Compensation Committee shall determine. Such award shall have a value equal to 35% of Executive's Base Salary at the threshold level, 75% of Executive's Base Salary at the target level, and 150% of Executive's Base Salary at the maximum level. The number of shares underlying any such equity award shall be determined by dividing the dollar value of the award by the Fair Market Value of the Company's common stock as defined under the Equity Plan. If the level of Company business objectives and other performance terms set by the Compensation Committee falls between achievement levels (that is, threshold, target or maximum), lineal interpolation shall be used to determine the amount of Executive's long term equity award for such year.

(ii) Executive shall not directly or indirectly, pledge, hypothecate, or otherwise encumber shares of the Company's common stock awarded under the Equity Plan as collateral for indebtedness, including but not limited to, holding such shares in a margin account or any other account that could cause the common stock to be subject to a margin call or otherwise be available as collateral for a margin loan.

(d) Executive acknowledges that the Annual Equity Awards and all other compensation that qualifies as "Incentive-Based Compensation" under the Company's Executive Officer Claw-Back Policy is subject to the terms of such policy.

Section 5. Employee Benefits. During the Term of Employment, Executive shall be entitled to the following benefits:

(a) Executive shall be entitled to participate in such 401(k) and employee health, welfare and benefit plans and programs of the Company as are made available to the Company's senior level executives or employees generally, as such plans and programs may be in effect from time to time.

(b) Executive shall be entitled to (i) a vehicle allowance of \$1,500 monthly together with such other benefits related to vehicles as are made available to the Company's senior level executives generally, and (ii) the maximum permitted Company contribution to Executive's health savings account, if Executive is eligible for such contribution. In addition, the Company shall continue to maintain and pay for a term life insurance policy for Executive in the amount of \$1.5 million through January 2027.

Section 6. Reimbursement of Expenses. Executive is authorized to incur reasonable business expenses in carrying out his duties and responsibilities under this Agreement, and the Company shall promptly reimburse Executive for all such reasonable business expenses, subject to documentation in accordance with the Company's policies, as in effect from time to time.

Section 7. Termination of Employment.

(a) General. The Term of Employment shall terminate earlier than as provided in Section 2 upon the earliest to occur of (i) Executive's death, (ii) a termination by reason of a Disability, (iii) a termination by the Company with or without Cause, and (iv) a termination by Executive

with or without Good Reason. Upon any termination of Executive's employment for any reason, except as may otherwise be requested by the Company in writing and agreed upon in writing by Executive, Executive shall resign from any and all directorships, committee memberships, fiduciary and any other positions Executive holds with the Company or any Subsidiary or with respect to any of its benefit plans.

(b) Termination Due to Death or Disability. Executive's employment shall terminate automatically upon his death. The Company may terminate Executive's employment immediately upon the determination of a Disability by a Determining Physician, such termination to be effective upon Executive's receipt of written notice of such termination. Upon Executive's death or if Executive's employment is terminated due to Disability, Executive, his estate, or his beneficiaries, as applicable, shall be entitled to:

(i) The Accrued Rights;

(ii) An amount equal to the greater of (x) the sum of Executive's Base Salary for the years remaining in his Term of Employment, or (y) the sum of (A) one year of Executive's then current Base Salary and (B) the Executive's Target Annual Bonus;

(iii) Fully accelerated vesting and immediate lapse of restrictions on shares associated with any equity awards granted prior to the date hereof, and accelerated vesting and immediate lapse of restrictions on shares underlying subsequent awards consistent with the terms set forth in the applicable plan award agreements.

Following Executive's death or a termination of Executive's employment by reason of a Disability, except as set forth in this Section 7(b) and Section 14, Executive shall have no further rights to any compensation or any other benefits under this Agreement.

(c) Termination by the Company for Cause.

(i) The Company may terminate Executive's employment at any time for Cause relying on clauses (iii) and (iv) of the definition of Cause effective upon Executive's receipt of written notice of termination. A termination of employment for Cause under this Section (c)(i) shall require the affirmative vote of not less than two-thirds of the Board (not including Executive) at a meeting of the Board called and held for this purpose. The Board shall identify the conduct of Executive constituting grounds for Cause and specify the particulars thereof in reasonable detail. Executive shall have been provided notice of the meeting and an opportunity, together with counsel, to address the Board at any such meeting.

(ii) With respect to any termination of Executive for Cause relying on clauses (i), (ii) or (v) of the definition of Cause, the Board of the Company shall provide Executive with written notice of its intention to terminate Executive for Cause. Such notice shall state in detail the act or acts or failure or failures to act that constitute the grounds on which the proposed termination for Cause is based, and Executive shall be given at least thirty days (30) days to cure such acts or failures to act. A termination of employment for Cause under this Section (c)(ii) shall be effective at the expiration of the 30-day cure period (or such longer period as the Board may determine in its reasonable, good faith

discretion) unless Executive has cured such act or acts or failure or failures to act that give rise to Cause, as determined by the Board in its reasonable, good faith discretion at a meeting called and held for this purpose. Executive shall be provided with notice of the meeting and an opportunity, together with counsel, to address the Board. Any actions by the Board at such meeting shall require the affirmative vote of not less than two-thirds of the Board (not including Executive).

(iii) In the event of a termination for Cause, Executive shall be entitled only to the Accrued Rights, excluding Executive's Pro Rata Bonus. Following such termination of Executive's employment for Cause, Executive shall have no further rights to any compensation or any other benefits under this Agreement.

(d) Termination by the Company without Cause. The Company may terminate Executive's employment at any time without Cause, effective upon Executive's receipt of written notice of such termination. If Executive's employment is terminated by the Company without Cause and Executive complies with Section 7(h) hereof, Executive shall be entitled to:

(i) The Accrued Rights;

(ii) An amount equal to the greater of (x) the sum of the Executive's Base Salary for the years remaining in his Term of Employment, or (y) the sum of (A) one year of Executive's then current Base Salary and (B) one year of Executive's Target Annual Bonus;

(iii) Fully accelerated vesting and immediate lapse of restrictions on shares associated with any equity awards granted prior to the date hereof, and accelerated vesting and immediate lapse of restrictions on shares underlying subsequent awards consistent with the terms set forth in the applicable plan award agreements;

(iv) Subject to Executive's election of COBRA continuation coverage under the Company's group health plan, the Company shall cover the premium cost of such coverage monthly for the lesser of eighteen months following the Date of Termination or until the Executive no longer qualifies for COBRA continuance coverage. The Company's obligation to cover the premium cost will terminate if the Executive becomes eligible to obtain benefits under a subsequent employer's benefit plan, and

(v) At the Company's expense, continuation of the benefits in Section 5(b) until the later of (A) one year from the Date of Termination or (B) the end of the Term of Employment.

The payments and benefits described in clauses (ii), (iii), (iv), and (v) above shall immediately terminate, and the Company shall have no further obligations to Executive with respect thereto, if Executive materially breaches any provision of the Restrictive Covenants contained in Appendix B attached hereto. Following the Date of Termination of Executive pursuant to this Section 7 (d), except as set forth in Section 7(d) and Section 14, Executive shall have no further rights to any compensation or any other benefits under this Agreement.

(e) Termination by Executive with Good Reason. Executive may terminate his employment with Good Reason by providing the Company written notice setting forth in reasonable specificity the event that constitutes Good Reason, and in the case of Good Reason as defined in subsection (p)(i) of Appendix A such notice to be received within thirty (30) days' following the date that the Executive became aware of such event. Upon receipt of such notice, the Company shall have thirty (30) days to cure. If not cured within such period, Executive's termination shall be effective no later than thirty (30) days following the expiration of such cure period, and Executive shall be entitled to the same payments and benefits as provided in Section 7(d) hereof for a termination by the Company without Cause, subject to the same conditions on payment and benefits as described in Section 7(d) and Section 7(h) hereof. Following the Date of Termination of Executive pursuant to this Section 7(e), except as set forth in this Section 7(e) and Section 14, Executive shall have no further rights to any compensation or any other benefits under this Agreement.

(f) Termination related to Change in Control. If at any time during the period beginning 90 days prior to a Change in Control and ending one (1) year after a Change in Control (the "Change in Control Period"), the Executive's employment is terminated by the Company without Cause or by the Executive with Good Reason and Executive complies with Section 7(h) hereof, Executive shall be entitled to:

(i) The Accrued Rights;

(ii) An amount equal to the greater of (x) the sum of the Executive's Base Salary for the years remaining in his Term of Employment, or (y) two times the sum of (A) one year of Executive's then current Base Salary and (B) one year of Executive's Target Annual Bonus;

(iii) Fully accelerated vesting and immediate lapse of restrictions on shares associated with any equity awards granted prior to the date hereof, and accelerated vesting and immediate lapse of restrictions on shares underlying subsequent awards consistent with the terms set forth in the applicable plan award agreements;

(iv) Subject to Executive's election of COBRA continuation coverage under the Company's group health plan, the Company shall cover the premium cost of such coverage on a monthly basis for the lesser of eighteen months following the Date of Termination or until the Executive no longer qualifies for COBRA continuance coverage. The Company's obligation to cover the premium cost will terminate if the Executive becomes eligible to obtain benefits under a subsequent employer's benefit plan; and

(v) At the Company's expense, continuation of the benefits in Section 5(b) until the later of (A) one year from the Date of Termination or (B) the end of the Term of Employment.

The payments and benefits described in clauses (ii), (iii), (iv) and (v) above shall immediately terminate, and the Company shall have no further obligations to Executive with respect thereto, if Executive breaches any provision of the Restrictive Covenants contained in Appendix B attached hereto. Following such termination and except as set forth in this Section 7(f) and Section 14, Executive shall have no further rights to any compensation or any other benefits under this Agreement.

(g) Termination by Executive without Good Reason. Executive may terminate his employment without Good Reason by providing the Company thirty (30) days' prior written notice of such termination. In the event of a termination of employment by Executive under this Section 7(g) Executive shall be entitled only to Accrued Rights through the date of termination. In the event of termination of Executive's employment under this Section 7(g), the Company may, in its sole and absolute discretion, by written notice accelerate such date of termination or remove him from any officer or director positions without changing the characterization of such termination as a termination by Executive without Good Reason. Following the Termination Date of Executive pursuant to this Section 7(g) and Section 14, Executive shall have no further rights to any compensation or any other benefits under this Agreement.

(h) Release. Notwithstanding any provision herein to the contrary, the payment of any amount or provision of any benefit pursuant to subsection (b) (Disability only), (d), (e) or (f) of this Section 7 (other than the Accrued Rights) (collectively, the "Severance Benefits") shall be conditioned upon Executive's execution, delivery to the Company, and non-revocation of the Release of Claims (and the expiration of any revocation period contained in such Release of Claims) within sixty (60) days following the date of Executive's Date of Termination. Within fifteen (15) business days after the condition in the preceding sentence is satisfied, amounts owed as Severance Benefits shall be payable in a single lump sum to Executive. If Executive fails to execute the Release of Claims in such a timely manner so as to permit any revocation period to expire prior to the end of such sixty (60) day (or shorter) period, or timely revokes his acceptance of such release following its execution, Executive shall not be entitled to any of the Severance Benefits.

(i) Termination Procedures.

(i) *Notice of Termination.* Any written notice of termination given under Section 7 of this Agreement shall be provided to the other party in accordance with Section 18. In addition, any written notice pertaining to a termination by the Company for Cause or by Executive for Good Reason shall meet the requirements of a Notice of Termination. A "Notice of Termination" means a written notice which (A) indicates the specific termination provision in this Agreement relied upon, to the extent applicable, (B) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, and (C) the Date of Termination.

(ii) Date of Termination. “Date of Termination” means (A) if Executive’s employment is terminated by the Company for Cause, the date of expiration of the cure period set forth in Section 7(c), (B) if Executive’s employment is terminated by Executive for Good Reason, thirty (30) days following the date of expiration of the cure period specified in Section 7(e), (C) if Executive’s employment is terminated by the Company other than for Cause, death or Disability, the date on which the Company notifies Executive of such termination, (D) if Executive voluntarily resigns without Good Reason or terminates his employment for Good Reason related to a Change in Control, the date at least thirty (30) days after Executive notifies the Company, subject to the Company’s right to accelerate such date of termination without changing the characterization of such termination, and (E) if Executive’s employment is terminated by reason of death, the date of death of Executive, or if Executive’s employment is terminated by the Company due to Disability, the date that written notice of determination of Executive’s Disability is made by the Determining Physician.

Section 8. Certain Payments.

(a) In the event that any payment or benefit received or to be received by Executive pursuant to this Agreement or otherwise (“Payments”) would (i) constitute a “parachute payment” within the meaning of Section 280G of the Code and (ii) but for this section, be subject to the excise tax imposed by Section 4999 of the Code, any successor provisions, or any comparable federal, state, local or foreign excise tax (“Excise Tax”), then, subject to the provisions of this Section 8, such Payments shall be either (A) provided in full pursuant to the terms of this Agreement or any other applicable agreement, or (B) provided as to such lesser extent which would result in no portion of such Payments being subject to the Excise Tax (“Reduced Amount”), whichever of the foregoing amounts, taking into account the applicable federal, state, local and foreign income, employment and other taxes and the Excise Tax (including, without limitation, any interest or penalties on such taxes), results in the receipt by Executive, on an after-tax basis, of the greatest amount of payments and benefits provided for hereunder or otherwise, notwithstanding that all or some portion of such Payments may be subject to the Excise Tax.

(b) Unless the Company and Executive otherwise agree in writing, any determination required under this Section 8 shall be made by an independent advisor designated by the Company and reasonably acceptable to Executive (“Independent Advisor”), whose determination shall be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required under this Section, the Independent Advisor may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code; provided that the Independent Advisor shall assume that Executive pays all taxes at the highest marginal rate. The Company and Executive shall furnish to the Independent Advisor such information and documents as the Independent Advisor may reasonably request in order to make a determination under this Section. The Company shall bear all costs that Independent Advisor may incur in connection with any calculations contemplated by this Section. Any reduction of the Payments payable hereunder, if applicable, shall be made by first reducing the

cash payments under Section 7, second by reducing COBRA reimbursement and lastly by reducing any other Payments in a manner determined by the Company, in consultation with Executive in accordance with Code Section 409A.

(c) If Executive is determined to be entitled to a Reduced Amount pursuant to Section 8(a) and, notwithstanding any reduction described in this Section 8 (or in the absence of any such reduction), the Internal Revenue Service (“IRS”) determines that Executive is liable for the Excise Tax as a result of the receipt of one or more Payments, then Executive shall be obligated to surrender or pay back to the Company, within one hundred twenty (120) days after a final IRS determination, an amount of such payments or benefits equal to the “Repayment Amount.” The Repayment Amount with respect to such Payments shall be the smallest such amount, if any, as shall be required to be surrendered or paid to the Company so that Executive’s net proceeds with respect to such Payments (after taking into account the payment of the excise tax imposed on such Payments) shall be maximized. Notwithstanding the foregoing, the Repayment Amount with respect to such Payments shall be zero if a Repayment Amount of more than zero would not eliminate the Excise Tax imposed on such Payments or if a Repayment Amount of more than zero would not maximize the net amount received by Executive from the Payments. If the Excise Tax is not eliminated pursuant to this Section 8, Executive shall pay the Excise Tax.

Section 9. Restrictive Covenants. Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and accordingly agrees, as a condition of Executive’s continued employment with the Company, to be bound by and comply with the Restrictive Covenants contained in Appendix B attached hereto and incorporated by reference herein. Executive acknowledges and agrees that the Company’s remedies at law for a breach or threatened breach of any of the provisions of Section 1 of Appendix B or a material breach or material threatened breach of any of the provisions of Section 2 of Appendix B of this Agreement would be inadequate and the Company would suffer irreparable damages as a result of such breach or threatened breach. In recognition of this fact, Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

Section 10. Representation and Warranty of Executive. Executive represents and warrants to the Company that Executive has had the opportunity to consult with, and is represented by, his own tax and legal advisor(s) in connection with the negotiation and preparation of this Agreement.

Section 11. Taxes. The Company may withhold from any payments made under this Agreement all applicable taxes, including but not limited to income, employment, and social insurance taxes, as shall be required by law. Executive acknowledges and represents that the Company has not provided any tax advice to him in connection with this Agreement and that he has been advised by the Company to seek tax advice from his own tax advisors regarding this Agreement and payments that may be made to him pursuant to this Agreement, including specifically, the application of the provisions of Section 409A of the Code to such payments.

Section 12. Additional Section 409A Provisions.

Notwithstanding any provision in this Agreement to the contrary:

(a) Any payment otherwise required to be made hereunder to Executive at any date as a result of the termination of Executive's employment shall be delayed for such period of time as may be necessary to meet the requirements of Section 409A(a)(2)(B)(i) of the Code (the "Specified Employee Delay Period"). On the first business day following the expiration of the Specified Employee Delay Period, Executive shall be paid, in a single cash lump sum, an amount equal to the aggregate amount of all payments delayed pursuant to the preceding sentence, and any remaining payments not so delayed shall continue to be paid pursuant to the payment schedule set forth herein.

(b) Each payment in a series of payments hereunder shall be deemed to be a separate payment for purposes of Section 409A of the Code.

(c) To the extent that any right to reimbursement of expenses or payment of any benefit in-kind under this Agreement constitutes nonqualified deferred compensation (within the meaning of Section 409A of the Code), (i) any such expense reimbursement shall be made by the Company no later than the last day of the taxable year following the taxable year in which such expense was incurred by Executive, (ii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; *provided*, that the foregoing clause shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

(d) The payments and benefits provided hereunder are intended to be structured in a manner to avoid the implication of any penalty taxes under Section 409A of the Code and shall be interpreted consistent with such intent. Notwithstanding the foregoing, in no event whatsoever shall the Company be liable for any additional tax, interest, or penalties that may be imposed on Executive as a result of Section 409A of the Code or any damages for failing to comply with Section 409A of the Code (other than for withholding obligations or other obligations applicable to employers, if any, under Section 409A of the Code). If any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause Executive to incur any additional tax or interest under Section 409A of the Code, the Company shall, after consulting with and receiving the approval of Executive, reform such provision in a manner intended (but not guaranteed by the Company) to avoid the incurrence by Executive of any such additional tax or interest.

Section 13. Successors and Assigns; No Third-Party Beneficiaries.

(a) The Company. This Agreement shall inure to the benefit of the Company and its respective successors and assigns. Neither this Agreement nor any of the rights, obligations, or interests arising hereunder may be assigned by the Company to a Person without Executive's prior written consent (which shall not be unreasonably withheld, delayed, or conditioned); *provided, however*, that in the event of a sale of all or substantially all of the assets of the Company, the Company may provide that this Agreement will be assigned to, and assumed by, the acquiror of such assets without Executive's consent.

(b) Executive. Executive's rights and obligations under this Agreement shall not be transferable by Executive by assignment or otherwise, without the prior written consent of the Company, except that Executive may assign benefits payable in the event of Executive death under Section 7(b) of this Agreement to a trust of which he is the sole beneficiary during his lifetime. In the event of Executive's death, all amounts then payable to Executive under this Agreement shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, trust, or other designee, or if there be no such designee, to Executive's estate.

(c) No Third-Party Beneficiaries. Except as otherwise set forth in Section 7(b) or Section 13(b) hereof, nothing expressed or referred to in this Agreement will be construed to give any Person other than the Company and Executive any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement.

Section 14. Disputes.

Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively in the courts of the State of Delaware or if appropriate, a federal court located in the Eastern District of Virginia, Alexandria Division (which courts, for purposes of this Agreement and the Release of Claims, are the only courts of competent jurisdiction). The parties hereto irrevocably agree to submit to the jurisdiction and venue of the courts of the State of Delaware or federal court in the Eastern District of Virginia in any action or proceeding brought with respect to or in connection with this Agreement. In the event of any material contest or dispute relating to this Agreement or the termination of Executive's employment hereunder, each of the parties shall bear its own costs and expenses, except that the Company agrees to promptly reimburse Executive for his costs and expenses (including reasonable attorneys' fees and expenses) incurred by Executive in connection with such contest or dispute, in the event that Executive substantially prevails in such contest or dispute. Any reimbursements that become payable pursuant to the preceding sentence shall be paid within 15 days following receipt of an appropriately detailed invoice.

Section 15. Waiver and Amendments. Any waiver, alteration, amendment, or modification of any of the terms of this Agreement shall be valid only if made in writing and signed by each of the parties; *provided, however*, that any such waiver, alteration, amendment, or modification must be consented to on the Company's behalf by the Compensation Committee and the Board. No waiver by either of the parties hereto of their rights hereunder shall be deemed to

constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

Section 16. Severability. If any covenants or such other provisions of this Agreement are found to be invalid or unenforceable by a final determination of a court of competent jurisdiction, (a) the remaining terms and provisions hereof shall be unimpaired, and (b) the invalid or unenforceable term or provision hereof shall be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision hereof.

Section 17. Governing Law; Waiver of Jury Trial.

THIS AGREEMENT IS GOVERNED BY AND IS TO BE CONSTRUED UNDER THE LAWS OF THE STATE OF DELAWARE WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAWS. EACH PARTY TO THIS AGREEMENT ALSO HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY SUIT, ACTION, OR PROCEEDING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

Section 18. Notices.

(a) Place of Delivery. Every notice or other communication relating to this Agreement shall be in writing, and shall be delivered by Overnight Mail to or directly hand delivered to the party for whom or which it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; *provided*, that unless and until some other address be so designated, all notices and communications by Executive to the Company shall be delivered by Overnight Mail to or directly hand delivered to the Company at its principal executive office to the attention of the Chief Legal Officer, and all notices and communications by the Company to Executive shall be directly hand delivered to Executive personally or, if not so hand delivered, shall be delivered by Overnight Mail to Executive at Executive's last known address, as reflected in the Company's records.

(b) Date of Delivery. Any notice so addressed shall be deemed to be given (i) if delivered by hand, on the date of such delivery, and (ii) if delivered by Overnight Mail, on the first business day following the date of such mailing,

Section 19. Section Headings. The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof or affect the meaning or interpretation of this Agreement or of any term or provision hereof.

Section 20. Entire Agreement. This Agreement, together with any exhibits and appendices attached hereto and any equity award grants referenced herein to be made by the Company to Executive, constitutes the entire understanding and agreement of the parties hereto regarding the employment of Executive beginning on the date of this Agreement. This Agreement supersedes all prior negotiations, discussions, correspondence, communications, understandings, and

agreements (excluding any prior equity award grants made pursuant to the Equity Plan prior to the date of this Agreement) between the parties relating to the subject matter of this Agreement.

Section 21. Survival of Operative Sections. Upon any termination of Executive's employment, the provisions of Section 7 through Section 21 of this Agreement (together with any related definitions set forth in Appendix A hereof) and Appendix B shall survive to the extent necessary to give effect to the provisions thereof.

Section 22. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The execution of this Agreement may be by actual or facsimile signature.

* * *

[Signatures to appear on the following page.]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

BOWMAN CONSULTING
GROUP LTD.

/s/ Gary Bowman

Gary P. Bowman
Chief Executive Officer

and

EXECUTIVE

/s/ Robert Hickey

Robert Hickey

APPENDIX A

Definitions

(a) “Accrued Rights” shall mean (i) all accrued but unpaid Base Salary through the Date of Termination, to be paid within thirty (30) days following Date of Termination or such earlier date as required by applicable law, (ii) an amount equal to Executive’s Pro Rata Bonus, to be paid within thirty (30) days following Date of Termination, (iii) any unpaid or unreimbursed expenses incurred through the Date of Termination in accordance with Sections 5(b) or 6 hereof, to be paid within thirty (30) days following Date of Termination, and (iv) any benefits provided under the Company’s employee benefit plans or any incentive plans upon a termination of employment, including rights with respect to Company equity, in accordance with the terms contained in the agreement between the Company and the Executive governing the grant of such equity.

(b) “Agreement” shall have the meaning set forth in the preamble.

(c) “Annual Bonus” shall have the meaning set forth in Section 4(b).

(d) “Base Salary” shall mean the salary provided for in Section 4(a).

(e) “Board” shall mean the Board of Directors of the Company.

(f) “Cause” shall mean Executive’s (i) continued and willful failure, or refusal by Executive, to substantially perform his duties or responsibilities to the Company under this Agreement (other than as a result of Disability), (ii) engaging in gross negligence or willful misconduct that has a material adverse effect on the reputation or business of the Company, (iii) fraud or embezzlement committed by the Executive (or at his direction), or misappropriation (or attempted misappropriation) by Executive of any Company funds, (iv) conviction of, or pleading “guilty” or “no contest” to, (1) a felony or (2) any other criminal charge that has, or could be reasonably expected to have, an adverse impact on the performance of Executive’s duties to the Company or otherwise have an adverse impact on the reputation or business of the Company, or (v) material breach of this Agreement or material breach of the Restrictive Covenants contained in Appendix B.

For purposes of this Section (f), no act or failure to act by Executive shall be considered “willful” unless it is done, or omitted to be done, in bad faith and without reasonable belief that Executive’s action or omission was in the best interests of the Company. Any action or inaction of Executive taken in reliance on the advice of the Company’s Chief Legal Officer, outside counsel to the Company, or at the direction of the Board or any committee thereof shall be considered to have been taken or not taken in good faith, and not in bad faith.

(g) “Change in Control” shall have the meaning assigned to such term in the Equity Plan, as amended from time to time (or any successor plan).

(h) “Code” shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

(i) “Company” shall have the meaning set forth in the preamble.

(j) “Compensation Committee” shall mean the committee of the Board designated to make compensation decisions relating to senior executive officers of the Company.

(k) “Delay Period” shall have the meaning set forth in Section 12.

(l) “Determining Physician” shall mean a physician satisfactory to both the Executive and the Company who is appointed by the Company for the purpose of determining Executive’s Disability; provided, however, that if the Employee and the Company do not agree on a physician, the Employee and the Company shall each select a physician and these two together shall select a third physician who shall serve as the Determining Physician and whose determination as to Disability shall be final and conclusive for all purposes of this Agreement.

(m) “Disability” shall mean any physical or mental disability or infirmity of Executive that prevents, with reasonable accommodation to the extent required by applicable law, the performance of Executive’s duties for a period of (i) one hundred eighty (180) consecutive days or (ii) two hundred seventy (270) non-consecutive days during any twelve (12) month period. Any question as to the existence, extent, or potentiality of Executive’s Disability upon which Executive and the Company cannot agree shall be determined by a Determining Physician. The determination of any such Determining Physician shall be final and conclusive for all purposes of this Agreement.

(n) “Executive” shall have the meaning set forth in the preamble.

(o) “Excise Tax” shall have the meaning set forth in Section 8.

(p) “Good Reason” shall mean:

(i) without Executive’s written consent, (1) a material diminution in Executive’s title, duties, or responsibilities as set forth in Section 3, (2) a reduction in Base Salary set forth in Section 4(a), (3) a material diminution in Executive’s total overall compensation opportunity, which includes the sum of Executive’s Base Salary and Annual Bonus opportunity, (4) the relocation of Executive’s principal place of performance by more than twenty-five (25) miles from the Company’s headquarters or (5) in the event of a sale of all or substantially all the assets of the Company, a failure of the Company under Section 13 to have this Agreement assigned to, or assumed by, the acquiror within 15 business days of such sale; or

(ii) written notice by the Company to the Executive of nonrenewal of the Agreement under Section 2 without an offer to the Executive of at-will employment with substantially the same title, duties and responsibilities, total overall compensation opportunity and principal place of performance as in effect prior to receipt of the notice of nonrenewal.

(q) “Independent Advisor” shall have the meaning set forth in Section 8.

(r) “IRS” shall have the meaning set forth in Section 8.

(s) “Notice of Termination” shall have the meaning set forth in Section 7(i).

(t) “Overnight Mail” means express or priority mail with a delivery confirmation or an overnight service with an on-line tracking system.

(u) “Payments” shall have the meaning set forth in Section 8.

(v) “Person” shall mean any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust (charitable or non-charitable), unincorporated organization, or other form of business entity.

(w) “Pro Rata Bonus” shall mean an amount equal to Executive’s Target Annual Bonus for the current fiscal year (or such greater amount as may be determined by the Board of Directors) multiplied by a fraction, the numerator of which is the number of days in the fiscal year through Executive’s Date of Termination and the denominator of which is the 365.

(x) “Reduced Amount” shall have the meaning set forth in Section 8.

(y) “Release of Claims” shall mean Executive’s release of claims, substantially in the form attached hereto as Exhibit 1.

(z) “Repayment Amount” shall have the meaning set forth in Section 8.

(aa) “Restrictive Covenants” shall mean the restrictive covenants contained in Appendix B attached hereto.

(bb) “Severance Benefits” shall have the meaning set forth in Section 7(h).

APPENDIX B

Restrictive Covenants

1. Non-Competition; Non-Solicitation; Non-Disparagement.

(a) Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its Affiliates and accordingly agrees as follows:

(i) During Executive's employment with the Company or its Affiliates and for a period of 12 months following the date Executive ceases to be employed by the Company or its Affiliates (the "Restricted Period"), Executive will not, whether on Executive's own behalf or on behalf of or in conjunction with any person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise whatsoever ("Person"), directly or indirectly solicit or assist in soliciting in competition with the Restricted Group in the Business, the business of any then current or prospective client or customer with whom Executive (or his direct reports) had personal contact or dealings on behalf of the Company or its Affiliates during the two-year period preceding Executive's termination of employment.

(ii) During the Restricted Period, Executive will not directly or indirectly in any state or the District of Columbia where the Company maintains an office or offices and employees at least twenty employees within such state or the District of Columbia:

(A) enter the employ of a Competitor, except where such employment does not relate in any manner to the Business;

(B) without the prior written authorization of the Board, which consent may be withheld at the Board's sole and absolute discretion, render any services to a Competitor; except where such services do not relate in any manner to the Business; or

(C) acquire a financial interest in and otherwise become actively involved in the Business with any Person as, a general partner, shareholder, officer, director, principal, member, manager, agent, trustee or lender.

(iii) Executive may, directly or indirectly own, solely as an investment, securities of any Person engaged in a Business (including, without limitation, a Competitor) if Executive (A) is not a Controlling Person of, or a member of a group which Controls, such Person and (B) does not, directly or indirectly, own 2% or more of any class of securities of such Person.

(iv) During Executive's employment with the Company and during the Restricted Period, Executive will not, whether on Executive's own behalf or on behalf of or in conjunction with any Person, directly or indirectly:

(A) solicit or encourage any employee of the Restricted Group to leave the employment of the Restricted Group;

(B) hire any executive-level employee who was employed by the Restricted Group as of Executive's Date of Termination or who left the employment of the Restricted Group coincident with, or within one year prior to or after, the Executive's Date of Termination;

(C) encourage any material consultant of the Restricted Group to cease working with the Restricted Group; or

(D) intentionally and adversely interfere with, or attempt to adversely interfere with, business relationships between the members of the Restricted Group and any of their clients, customers, suppliers, partners, members or investors.

(v) For purposes of this Appendix B:

(A) "Affiliate" shall mean, with respect to any Person, any other Person which directly or indirectly through one or more intermediaries Controls, is controlled by, or is under common control with, such Person

(B) "Business" shall mean business of providing professional civil engineering, right-of-way acquisition, structural engineering, land surveying, land planning, mining engineering, environmental engineering and consulting, landscape architecture, traffic and transportation planning and engineering, construction engineering and inspection, construction management, mechanical, electrical and plumbing engineering, renewable energy consulting, and other services related to any of the foregoing.

(C) "Competitor" shall mean any Person engaged in the Business in direct competition with the Restricted Group, but excluding any Person that (i) has been in Business for at least one year and (ii) derived less than 10% of its gross revenue during its most recent fiscal year from activities, individually or in the aggregate, the same as or similar to the Business.

(D) "Control" (including the terms "controlling", "controlled by" or "under common control with") shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or by contract.

(F) "Restricted Group" shall mean, collectively, the Company and its Affiliates.

(G) "Timely" shall mean in a timely manner not in excess of 10 business days.

(b) Non-Disparagement. Executive will not at any time (whether during or after Executive's employment with the Company) make public statements or public comments of a defamatory or disparaging nature that are likely to be harmful to the business, business reputation or personal reputation of the Company or its Affiliates or any of their respective businesses, shareholders, members, partners, employees, officers, or directors (it being understood that

comments made in Executive's good faith performance of his duties hereunder shall not be deemed disparaging or defamatory for purposes of this paragraph).

The Company (via any official statement) shall not, and shall instruct its executive officers and directors to not, at any time make any public statements or public release of a defamatory or disparaging nature regarding Executive's reputation in the business community (it being understood that comments made by the Company in the good faith and in ordinary course of business shall not be deemed disparaging or defamatory for purposes of this paragraph).

Notwithstanding anything in this Section 1(b), either Executive or the Company (including its officers and directors) shall be permitted to (x) provide a reasonable and truthful response to or statement to defend itself or him/herself against any public statement made by the Company or Executive, as applicable, that is incorrect or disparages such person, to the extent necessary to correct or refute such public statement and (y) provide truthful testimony in any legal proceeding or process. For the avoidance of doubt, and notwithstanding the foregoing, nothing in this Agreement shall prohibit Executive from communicating with a government agency, regulator or legal authority concerning any possible violations of federal or state law or regulation prevent or limit Executive from discussing his terms and conditions of employment. Nothing in this Agreement, however, authorizes the disclosure of information Executive obtained through a communication that was subject to the attorney-client privilege, unless disclosure of the information (A) would otherwise be permitted by an applicable law or rule, or (B) is necessary in order to comply with an order from a court or other governmental body of competent jurisdiction and is in connection with compliance with such order.

(c) It is expressly understood and agreed that, although Executive and the Company consider the restrictions contained in this Section 1 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Appendix B is an unenforceable restriction against Executive, the provisions of this Appendix B shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Appendix B is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

(d) The period of time during which the provisions of this Section 1 shall be in effect shall be extended by the length of time during which Executive is in breach of the terms hereof as determined by any court of competent jurisdiction on the Company's application for injunctive relief.

(e) The provisions of Section 1 hereof shall survive the termination of Executive's employment for any reason, including but not limited to, any termination other than for Cause (except as otherwise set forth in Section 1 hereof).

2. Confidentiality; Intellectual Property.

(a) Confidentiality.

(i) Executive will not at any time (A) retain or use for the benefit, purposes or account of Executive or any other Person; or (B) disclose, divulge, reveal, communicate, share, transfer or provide access to any Person outside the Company (other than its professional advisers who are bound by confidentiality obligations or otherwise in performance of Executive's duties under Executive's employment and pursuant to customary industry practice), any non-public, proprietary or confidential information concerning the Company or its business, systems, operations, customers, procedures, manuals, software, equipment and other processes, as well as the Company's business and technical information including, without limitation, all brochures, flyers, promotional materials and literature, mailing lists, lists of customers and prospective customers, sales and marketing techniques, names and addresses of the Company's customers or clients, business plans, marketing materials or information, financial and marketing data, customer drawings and/or Computer Aided Designs ("CAD"), Company employee information (including but not limited to employee compensation, employee capabilities and abilities, and employee performance reviews), or any other information relating to the Company's customers, designs, processes, software, procedures, or business, all of which constitute valuable, special, and unique assets of the Company ("Confidential Information") without the prior written authorization of the Board.

(ii) "Confidential Information" shall not include any information that is (A) generally known to the industry or the public other than as a result of Executive's breach of this covenant; (B) made legitimately available to Executive by a third party without breach of any confidentiality obligation of which Executive has knowledge; or (C) required by law or by order from a court or other governmental body of competent jurisdiction to be disclosed; provided that with respect to subsection (C) Executive shall give prompt written notice to the Company of such requirement, disclose no more information than is so required, and reasonably cooperate with any attempts by the Company to obtain a protective order or similar treatment.

(iii) Upon termination of Executive's employment with the Company for any reason, Executive shall (A) cease and not thereafter commence use of any Confidential Information or intellectual property (including without limitation, any patent, invention, copyright, trade secret, trademark, trade name, logo, domain name or other source indicator) owned or used by the Company or its Affiliates; and (B) upon the request of the Company, Timely destroy, delete, or return to the Company, at the Company's option, all originals and copies in any form or medium (including memoranda, books, papers, plans, computer files, letters and other data) in Executive's possession or control (including any of the foregoing stored or located in Executive's office, home, laptop or other computer, whether or not Company property) that contain Confidential Information, except that Executive may retain only those portions of any personal notes, notebooks and diaries that do not contain any Confidential Information.

(b) Intellectual Property.

(i) If Executive has created, invented, designed, developed, contributed to or improved any works of authorship, inventions, intellectual property, materials, documents or other work product (including without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content, or audiovisual materials) (“Works”), either alone or with third parties, prior to Executive’s employment by the Company, that are relevant to or implicated by such employment and in which Executive has exclusive, unfettered ownership (“Prior Works”), Executive hereby grants the Company a perpetual, non-exclusive, royalty-free, worldwide, assignable, sublicensable license under all rights and intellectual property rights (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) therein for all purposes in connection with the Company’s current and future business.

(ii) If Executive creates, invents, designs, develops, contributes to or improves any Works, either alone or with third parties, at any time during Executive’s employment by the Company and within the scope of such employment and with the use of any Company resources (“Company Works”), Executive shall promptly and fully disclose same to the Company and hereby irrevocably assigns, transfers and conveys, to the maximum extent permitted by applicable law, all rights and intellectual property rights therein (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) to the Company to the extent ownership of any such rights does not vest originally in the Company.

(iii) Upon request by the Company, Executive shall Timely take all reasonably requested actions and execute all reasonably requested documents (including any licenses or assignments required by a government contract) at the Company’s expense (but without further remuneration) to assist the Company in validating, maintaining, protecting, enforcing, perfecting, recording, patenting or registering any of the Company’s rights in the Prior Works and Company Works. Executive also waives any moral rights to Prior Works and Company Works.

(iv) The provisions of Section 2 hereof shall survive Executive’s Date of Termination (except as otherwise set forth in Section 2(a)(iii) hereof).

SCHEDULE I

1. BCG Chantilly, LLC

EXHIBIT 1

FORM OF RELEASE OF CLAIMS

This Release of Claims (this “Release”), once executed, shall be incorporated into the Employment Agreement (as defined below).

In consideration of the “Severance Benefits” defined under Section 7(h) of the employment agreement dated by and between Bowman Consulting Group Ltd, a Delaware corporation (the “Company”), and (the “Undersigned”) (the “Employment Agreement”), with the promises and covenants that the Company and the Undersigned made thereunder, the Undersigned, on behalf of himself and his respective heirs, representatives, executors, family members, and assigns, hereby fully and forever releases and discharges the Company, and its past, present and future directors, officers, employees, agents, attorneys, investors, administrators, affiliates, divisions, subsidiaries, predecessors, successors, and assigns (collectively, the “Company Parties”) from and against, and agrees not to sue or otherwise institute or cause to be instituted any legal, alternative dispute resolution, or administrative proceeding concerning, any claim, duty, obligation, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that he may possess arising from any omissions, acts, or facts that have occurred through the date his employment terminates, including without limitation (individually a “Claim” and collectively “Claims”):

- (i) Any and all claims relating to or arising from his employment by the Company and the termination of such employment, including allegations that any of the Company Parties has violated its personnel policies, handbooks, contracts of employment, or covenants of good faith and fair dealing;
- (ii) Any and all claims under the Employment Agreement or any other agreement or understanding governing the service relationship between the Company and the undersigned;
- (iii) Any and all claims against any of the Company Parties for wrongful discharge, termination in violation of good policy, discrimination, breach of contract, both expressed or implied, covenants of good faith or fair dealing, both expressed or implied, promissory estoppel, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, unfair business practice, defamation,

libel, slander, negligence, personal injury, assault, battery, invasion of privacy, false imprisonment, or conversion;

- (iv) Any and all claims against any of the Company Parties alleging any of the Company Parties has discriminated against the Undersigned on the basis of age, race, color, sex (including sexual harassment), national origin, ancestry, disability, religion, sexual orientation, marital status, parental status, source of income, entitlement to benefits, any union activities or other protected category or has otherwise violated any federal, state or municipal statute, including, without limitation, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, the Fair Labor Standards Act, the Employee Retirement Income Security Act of 1974, the Worker Adjustment and Retraining Notification Act, the Equal Pay Act, the Genetic Information Nondiscrimination Act, the Family and Medical Leave Act, the Virginia Human Rights Act, the Older Workers Benefit Protection Act, the anti-retaliation provisions of the Sarbanes-Oxley Act, or any other federal or state law regarding whistleblower retaliation, the Lilly Ledbetter Fair Pay Act, the Uniformed Services Employment and Reemployment Rights Act, the Fair Credit Reporting Act, the National Labor Relations Act; and all amendments to each such Acts as well as the regulations issued there under;
- (v) Any and all claims based on the violation of the federal or any state constitution; and
- (vi) Any and all claims for attorneys' fees and costs.

Other than events expressly contemplated by this Release, the Undersigned does not waive or release rights or Claims:

- (i) that may arise from events that occur after the date this Release is executed;
- (ii) for indemnification and/or advanced expenses under applicable law, any directors' and officers' liability insurance, any indemnification agreement, the Employer's certificate of incorporation or by-laws;
- (iii) to enforce the Employment Agreement; or
- (iv) any Claims which cannot be waived by law, including, without limitation, any rights the Undersigned may have under applicable workers' compensation laws and his right, if applicable, to file or participate in an investigative proceeding of any federal, state or local governmental agency.

Nothing in this Release shall prevent the Undersigned from filing, cooperating with, or participating in any proceeding or investigation before the Equal Employment Opportunity Commission, United States Department of Labor, the National Labor Relations Board, the

Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal government agency, or similar state or local agency (“Government Agencies”), or exercising any rights pursuant to Section 7 of the National Labor Relations Act. The Undersigned further understands this Release does not limit his ability to voluntarily communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. While this Release does not limit the Undersigned’s right to receive an award for information provided to the Securities and Exchange Commission, the Undersigned understands and agrees that, he is otherwise waiving, to the fullest extent permitted by law, any and all rights he may have to individual relief based on any Claims that he has released and any rights he has waived by signing this Release. If any Claim is not subject to release, to the extent permitted by law, the Undersigned waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a Claim in which any of the Company Parties is a party. This Release does not abrogate the Undersigned existing rights under any Company benefit plan or any plan or agreement related to equity ownership in the Company; however, it does waive, release and forever discharge Claims existing as of the date the Undersigned executes this Release pursuant to any such plan or agreement.

The Undersigned acknowledges and agrees that (i) the consideration given to the Undersigned in exchange for the waiver and release in this Release is in addition to anything of value to which the Undersigned was already entitled, and (ii) that the Undersigned has been paid for all time worked, has received all the leave, leaves of absence and leave benefits and protections for which the Undersigned is eligible, and has not suffered any on-the-job injury for which the Undersigned has not already filed a Claim. The Undersigned affirms that all of the decisions of the Company Parties regarding his pay and benefits through the date of his execution of this Release were not discriminatory based on age, disability, race, color, sex, religion, national origin or any other classification protected by law. The Undersigned affirms that he has not filed or caused to be filed, and is not presently a party to, a Claim against any of the Company Parties. The Undersigned further affirms that he has no known workplace injuries or occupational diseases. The Undersigned acknowledges and affirms that he/she has not been retaliated against for reporting any allegation of corporate fraud or other wrongdoing by any of the Company Parties, or for exercising any rights protected by law, including any rights protected by the Fair Labor Standards Act, the Family Medical Leave Act or any related statute or local leave or disability accommodation laws, or any applicable state workers’ compensation law. The Undersigned expressly acknowledges and understands that this Release: (i) is not an admission of liability under any statute or otherwise by the Company or any of the Company Parties, and (ii) does not admit any violation of Employee’s legal rights.

The Undersigned acknowledges that

- (i) he has been advised by Company to consult a lawyer of his own choice prior to executing this Release and has done so, or voluntarily declined to seek such counsel;**

- (ii) he has read this Release and understands the terms and conditions hereof and the binding nature hereof;**
- (iii) he has had at least twenty-one (21) days within which to consider the terms of this Release and has been given sixty (60) days from his Date of Termination to return his execution of this Release;**
- (iv) he has executed this Release voluntarily and without duress or undue influence on the part of the Company;**
- (v) he has seven (7) days to revoke his execution of this Release by notifying Company of any such revocation in writing at the following address: 12355 Sunrise Valley Drive, Suite 520, Reston, VA 20191, Attention: Law Department;**
- (vi) he understands that execution of this Release shall not be effective until expiration of the seven (7) day revocation period; and**
- (vii) he understands that his right to receive Severance Benefits under Section 7(h) of the Employment Agreement is subject to and conditioned on the Undersigned's signing and delivering this Release to Company and the Release becoming effective prior to the expiration of the seven (7) day revocation period.**

In the event Undersigned breaches any terms of this Release, the Undersigned understands that he shall forfeit all rights to Severance Benefits, and in addition to any and all other remedies available under law or equity to the Company, the Undersigned shall be obligated to repay to the Company, all Severance Benefits previously paid under the Employment Agreement, as well as all reasonable attorneys' fees, expenses and costs incurred by Company Parties.

Capitalized terms used in this Release and defined in the Employment Agreement shall have the meanings given to such terms under the Employment Agreement.

Printed Name

Signature

Date: _____

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Gary Bowman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bowman Consulting Group Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2024

By: /s/ Gary Bowman

Gary Bowman

President, CEO and Chairman

(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Bruce Labovitz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bowman Consulting Group Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2024

By: /s/ Bruce Labovitz

Bruce Labovitz

Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Bowman Consulting Group Ltd. (the "Company") on Form 10-Q for the period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 7, 2024

By: /s/ Gary Bowman

Gary Bowman

President, CEO and Chairman

(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Bowman Consulting Group Ltd. (the "Company") on Form 10-Q for the period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 7, 2024

By: /s/ Bruce Labovitz

Bruce Labovitz

Chief Financial Officer

(Principal Financial Officer)