
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2024

OR

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

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

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

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"/>		

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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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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 June 30, 2024 (the last business day of the registrant's most recently completed second fiscal quarter), the aggregate market value of the common stock of the registrant (based upon the closing price of the registrant's common stock at that date as reported by the Nasdaq Global Market), excluding outstanding shares beneficially owned by directors and executive officers, was \$456.0 million.

As of March 12, 2025, the registrant had 17,263,666 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the 2025 definitive Proxy Statement, which Proxy Statement will be filed no later than 120 days after the close of the registrant's fiscal year ended December 31, 2024, are incorporated by reference into Part III of this Form 10-K

Auditor Firm Id: 00042

Auditor Name: Ernst & Young LLP

Auditor Location: Tysons, VA

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Cautionary Statement about Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Private Securities Litigation Reform Act of 1995. 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 Annual Report on Form 10-K include, but are not limited to, our expectations regarding our acquisitions and the anticipated impact on such acquisitions on our business, our intentions regarding integration of our acquired companies, including timing for such integrations; our intentions regarding our growth strategies and the focus of our acquisitions and resources, including the markets in which we intend to focus our growth initiatives; our expectations regarding opportunities for future growth and expansion; our expectations regarding organic growth in sales and strategies to expand our operating margins; our expectations regarding the use of our current liquidity and capital resources for acquisitions; our beliefs regarding our backlog growth as an indicator of our success; our belief regarding the resilience of our business; our belief that our sources of liquidity will be sufficient to fund our projected cash requirements and strategic initiatives for the next year; our beliefs regarding our positioning to make investments into leading-edge and proven technology tools that will enable faster production; our intention to increase the annual net service revenue for our acquisitions; and our beliefs regarding our competitive strengths. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this Annual Report on Form 10-K.

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, but are not limited to:

- 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 customers 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 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, tariffs, trade wars and changing government policies, laws and regulations;
- our ability to obtain financing to fund our growth strategy and working capital requirements at commercially reasonable rates or at all;
- uncertainty relating to the size and composition of the U.S. government and the impact of downsizing and cost-reduction efforts on other governmental and quasi-governmental budgetary and funding approval processes;
- 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 or delayed by our customers;
- our ability to win new contracts and renew existing contracts on commercially reasonable terms or at all;

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- competitive pressures and trends in our industry and our ability to successfully compete with our competitors;
- our dependence on a limited number of customers;
- our ability to complete projects timely, in accordance with our customers' expectations, or profitably;
- our ability to successfully manage our growth strategy;
- our ability to raise capital in the future on commercially reasonable terms or at all;
- the credit and collection risks associated with our customers;
- our ability to comply with procurement laws and regulations;
- changes in laws, regulations, or policies that directly or indirectly impact our business and operations;
- weather conditions and seasonal revenue fluctuations that 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 largest stockholder, Gary Bowman, our Chairman and Chief Executive Officer, and the existence of certain anti-takeover measures in our governing documents; and
- the factors identified throughout this Annual Report on Form 10-K, including those discussed under the headings "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Business" and in our other filings with the Securities and Exchange Commission (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 Annual Report on Form 10-K, and particularly our forward-looking statements, by these cautionary statements.

References in this Annual Report on Form 10-K to "Bowman", the "Company," "we," "us," and "our" refer to Bowman Consulting Group Ltd., a Delaware corporation, and its consolidated subsidiaries.

PART I

Item 1. Business

Bowman is a professional services firm delivering innovative engineering, technology and program management services to customers who own, develop, and maintain the built environment. We provide planning, engineering, construction management, commissioning, environmental consulting, geospatial imaging, surveying, land procurement and other technical services to customers operating in a diverse set of end markets.

Gary Bowman, our Chairman, Chief Executive Officer, and largest individual stockholder, founded Bowman in 1995. Over the past 10 years, we have experienced a roughly five-fold increase in gross contract revenue to \$427 million for the year ended December 31, 2024 (we interchangeably refer to gross contract revenue as "revenue" or "gross contract revenue"). We have achieved this increase in revenue through both organic growth and acquisitions. In 2024, we ranked 78th on the ENR Top 500 Design Firms list, up from 144th in 2021, the year of our initial public offering and 87th in 2023. As of December 31, 2024, we have a work force of over 2,200 employees that provides services to thousands of customer projects both big and small, as well as both short- and long-term, from more than 95 offices throughout the United States and two offices in Mexico. As of December 31, 2024, we have approximately 10,000 active projects in our backlog.

We work as both a prime and sub-consultant for a broad base of public and private sector customers that generally operate in regulated environments. Our public sector assignments originate from customers that are transportation departments, utilities, government agencies (federal, state, and local), military branches, school systems, water authorities and other general public infrastructure operators. Our private sector customers include owners and operators from multiple industries such as investor-owned utilities, oil & gas extractors and operators, participants in the renewable energy and decarbonization marketplace, data center developers and operators, wastewater treatment facilities, developers and owners of residential and commercial real estate, big-box and convenience retail chains including quick-serve restaurants, mine operators and others. During each of the years ended December 31, 2024 and 2023, approximately 29% and 21%, respectively of our revenue was derived from public sector customer assignments.

We develop and maintain loyal and long-standing relationships with our customers that result in repeat assignments. We believe these relationships benefit us through lower business development and customer acquisition expenses as compared to those associated with developing new customers. Our strategic focus is on expanding our presence in markets which best afford us opportunities to secure assignments that provide recurring revenue and multi-year customer assignments. These assignments typically produce dependable and predictable revenue streams resulting in high employee utilization which leads to increased profitability. Approximately 60% of our revenue for the year ended December 31, 2024 was derived from repeat customers, which we define as any customer from which revenue was earned in both the full years ended December 31, 2024 and 2023, excluding revenue derived from companies we acquired in 2024. Our customers are international, national, regional, and local in their focus. Our success in customer acquisition and retention is the result of our investment in relationships over time and the delivery of highly creative, technology-enabled and cost-effective solutions.

We are defined by our core values and purpose. Our culture revolves around a top to bottom commitment to the creation of opportunities for aspiring people to thrive and achieve their goals. We remain committed to promoting inclusion and engagement in our workplace, principles we believe are critical to our long-term success. We continue to focus on the hiring, retention, and advancement of a qualified representative workforce. We have focused our recent employee engagement efforts in five areas: inspiring innovation through an engaging culture; expanding our efforts to recruit and hire diverse talent; optimizing our total rewards profile with employees; advocating and facilitating employee-defined internal affinity groups; and identifying opportunities to implement sustainability initiatives.

We have a diversified business focus that is not dependent on any one customer, 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. As a result, we believe our business is resilient and less exposed to the impacts of political and economic cycles.

While we report our results of operations using General Accepted Accounting Principles (“GAAP”) including gross contract revenue and net income, we also utilize non-GAAP metrics to manage our business and provide what we believe are meaningful metrics to the investment community. These non-GAAP metrics include Net Service Billing (the amount of gross contract revenue generated by the direct efforts of our workforce), Adjusted EBITDA (our earnings before taxes, interest and depreciation and amortization with non-cash stock compensation and other non-recurring, non-core, and acquisition related costs added), and Backlog (the aggregate amount of undelivered gross contract revenue relating to assignment in place with customers) and Adjusted Earnings Per Share (net income after tax, adjusted for acquisition related expenses, amortization of intangibles, non-cash compensation associated with pre-IPO grants, other non-core expenses and associated tax expenses or benefits).

Competitive Strengths

We are an agile, growth-oriented consulting, technology and engineering services firm committed to providing essential technical and professional services to a broad base of project-specific, long-term and repeat customers. The recurring needs of our customers for technical services to monetize, operate and maintain their assets makes us a very important part of their ongoing operations. Our commitment to quality and reliability with respect to designs, plans and customer service has enabled us to create durable, long-term customer relationships. We focus many of our business pursuits in end markets where laws and regulations create a level of complexity that places a premium on the value of our services, thereby providing us openings to develop new customer loyalty through creative problem solving. Our base of repeat customers and multi-year contracts reduce customer acquisition expenses and provide increased visibility into future revenues, allowing us to make investments confidently to expand and take market share from competitors. We believe we have the following competitive strengths:

Scalable platform with differentiated capabilities and national reputation for operational excellence. Our national presence and strong operational foundation support our growth across geographic regions and service offerings. Our scale has helped to create a national brand within our industry associated with high quality and timely delivery of technical services. We believe the reputation of our brand allows us to extend existing customer relationships, efficiently attract new customers and recruit and retain a credentialed and representative workforce. As of December 31, 2024, we have a professional staff of more than 2,200 employees that operate out of more than 95 offices throughout the United States and two offices in Mexico and we are licensed in all states within the United States. The strategic locations of our offices support broad recruiting capabilities while the integrated nature of our technology enables efficient cross-utilization of both technical experience and production resources. Our diversified geography increases our sources of revenue and income, thereby helping insulate us from concentrated economic or political disruptions.

Commitment to technological innovation, investment and leadership. Our industry is adopting and integrating advanced technology solutions and services at a rapid rate. We believe that we are well positioned to make investments into leading-edge and proven technology tools that enable faster production through aided design, 3-D modelling, large-scale data collection and processing, predictive planning and accelerated iteration. We are committed to being an industry leader in the adoption of adaptive technology, geospatial mapping and orthoimaging tools and collaboration enabling systems. We endeavor to utilize technology applications and high resolutions capture devices to enhance our delivery timeframes, expand our service offerings, repurpose and monetize our inventory of collected information, improve customer capture and expand margins. Currently, the financial benefits of our technology solutions and investments are embedded indirectly in our production process efficiency and customer delivery routines. We do not develop software or produce hardware for resale.

Diversified portfolio across growing end-markets and broad array of engineering services. 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. As a result, we believe our business is resilient and less exposed to the impacts of political and economic cycles. For the year ended December 31, 2024, we did not have any individual customers that represented more than 5% of our gross contract revenue. Our operations encompass nearly every aspect of the U.S. domestic built environment. We provide planning, engineering, construction management, commissioning, environmental consulting, geospatial imaging, surveying, land procurement and other technical consulting services to customers that (i) develop and manage infrastructure supporting places where people live, work, play and learn; (ii) build and operate systems that collect, produce, manage and

distribute vital life services such as water, electricity, and other critical utilities; (iii) manage roads, bridges, ports, marine facilities and transportation systems used to transport people, goods and services from place to place; (iv) develop and advance technologies that provide clean energy, energy transition and decarbonization initiatives; (v) operate mission critical facilities where public and private data is stored, commercial transactions are processed, and communications are enabled; (vi) provide healthcare, education, military readiness and other public safety services every day; and (vii) protect and preserve the environment. Our services are aligned with attractive and growing market trends such as transportation systems and marine distribution infrastructure repair, replacement and expansion, utility pipeline rehabilitation and extension, electrical transmission and distribution grid capacity increases, data processing and mission critical facilities design, urban and suburban commercial and residential building development, decarbonization initiatives, outsourced program and project management, and other areas, which are providing notable organic growth and are expected to continue to be the focus of funding in the coming years.

Consistent commitment to organic growth and margin expansion. We have a history of delivering long-term organic growth. Our five-fold growth of revenue over the past ten years is derived from investments in organic and non-organic growth initiatives, including synergy driven organic growth derived over time from businesses we acquire. We have accelerated our growth organically through technology investments that enhance our capacity and ability to share work across our company, an increase in our breadth of services and expand our geographic footprint, and a wholesale commitment to cross-selling, revenue capture and collaborative business development. For the year ended December 31, 2024, we had an increase in organic gross contract revenue of \$37.9 million or 10.9%, compared to the year ended December 31, 2023. We have been able to achieve these growth rates while expanding our margin profile during this period. Our continued dedication to investment in our existing capabilities, coupled with our strong backlog of approximately \$400 million as of December 31, 2024, consistent book-to-bill ratio for net service billing of greater than 1.0 for full years 2024 and 2023, and deep customer relationships, gives us confidence in our ability to maintain significant organic growth and an attractive margin profile for the foreseeable future. We calculate book-to-bill as bookings of new work, net of sub-contractor costs, divided by net service billing during the same period. Our executive leadership and senior managers are personally invested in our success through both cash and equity incentives that are targeted to reward organic growth and successful execution resulting in profitable operations and increasing shareholder value over time. We believe this compensation philosophy and ownership orientation aligns our leadership interest with those of our shareholders.

Proven track record of successful acquisitions, with demonstrated ability to integrate systems and operations to maximize synergies. Since our initial public offering in May 2021, we have acquired 34 different operating companies and three non-operating licensing companies as of December 31, 2024. Through these acquisitions, we have expanded our geographic reach, added service lines, increased our depth of leadership, broadened our end markets, enhanced our portfolio of experience, added technical capabilities, and significantly increased our revenue and profitability. Fundamental to our successful acquisition strategy has been our leadership team's ability to identify, execute, and integrate strategic acquisitions of companies with workforces that align with our culture and are expected to provide synergies for our existing operations. Our complete acquisition integration approach rapidly facilitates cross-cultivation of experiences, employee collaboration and cross selling of services. Historically, we have been able to fully consolidate most of an acquired entity's operations into ours within one year. Our target for acquisitions has to date focused on companies with annual net service revenue of between \$3 million and \$30 million, with the largest being \$28 million. We intend to increase the size of our acquisition target in the future. Our disciplined acquisition objectives include earnings accretion, geographic and market diversification, scale, cross-selling and revenue synergy, technology advancement and talent acquisition.

Growing franchise in secular growth markets. Our growth initiatives are especially focused on markets that possess strong secular growth characteristics. We target growth opportunities related to renewable energy, energy transition, and energy efficiency activities; aging, failing and inadequate infrastructure in need of upgrade and replacement; economic vitality and attractive growth in geographic regions with both a critical mass of population and a growing workforce; and initiatives involving regulatory complexity that are supported by stable, long-term public sector funding. Our target market characteristics are fluid, and our adaptability enables us to adjust swiftly to evolving demand dynamics. We continuously evaluate opportunities in different markets and are responsive to evolving macro-economic trends. We believe we are well positioned to capitalize on U.S. federal government funded programs such as the Infrastructure Investment and Jobs Act, the

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Inflation Reduction Act, and the CHIPS and Science Act, to the extent legislative and funding commitments with respect to these programs remain intact, programs which in the aggregate provide for approximately \$1.6 trillion in funding and incentives that impact our current and target markets. Our operations infrastructure is designed to quickly scale our labor resources and optimize utilization to accommodate significant growth without a proportionate need to increase related corporate overhead expenses. We believe this positions us for responsive expansion within and into attractive growth markets while increasing margins through scale over time.

Experienced leadership team, aligned insider ownership, valuable technical workforce, and entrepreneurial culture. Gary Bowman has led our Company since its founding in 1995 and is our largest individual stockholder.

Our senior executive team is highly experienced, with extensive tenure in their respective areas of responsibility. The team has a proven record of accomplishment with respect to sustained revenue growth, executing, and integrating acquisitions, implementing internal controls, and managing regulatory compliance.

We have a highly technical workforce, of which approximately 33% hold professional certifications from various industry and regulatory bodies. Our dedication to growth of opportunity for our employees has enabled us to attract and retain exceptional talent. We have built an organization uniformly aligned in its mission, values, purpose, and goals. We embody a set of cultural values that promote entrepreneurship, personal growth, and responsible freedom. We remain committed to advancing diversity and inclusion in our workforce.

Industry Overview

Our operations engage with nearly every aspect of the U.S. domestic built environment. We provide planning, engineering, construction management, commissioning, environmental consulting, geospatial imaging, surveying, land procurement and other technical consulting services to customers that 1) develop and manage the infrastructure supporting places where people live, work, play and learn; 2) build and operate the systems that collect, produce, manage and distribute vital life services such as water, electricity, and other critical utilities; 3) manage the roads, bridges, and transportation systems used to transport people, goods and services from place to place; 4) maintain the ports and other marine facilities used to load, ship and distribute goods; 5) develop and advance technologies that provide clean energy, energy transition and decarbonization initiatives; 6) operate mission critical facilities where public and private data is stored, commercial transactions are processed, and communications are enabled; 7) provide healthcare, education, military readiness and other public safety services every day; and 8) protect and preserve the environment. Our public sector customers include government agencies (federal, state, and local), military branches, educational institutions, transportation departments, water authorities and other general infrastructure managers. Our private sector customers include owners and operators from multiple industries such as investor-owned utilities, oil & gas extractors and operators, participants in the renewable energy and decarbonization marketplace, data center developers and operators, wastewater treatment facilities, developers and owners of residential and commercial real estate, big-box and convenience retail chains including quick-serve restaurants, mine operators and others.

The market for engineering services in the United States is large, with an expected total revenue of \$312 billion in 2025, according to IBISWorld. With over 130,000 firms, a large proportion of whom are small-scale organizations focused on specific local markets or specialized niches, the industry is extremely fragmented. According to Horizon Grand View Research, the US domestic engineering services market will register a compound annual growth rate (CAGR) of 6.0% from 2024 to 2030.

As with most fragmented industries with extensive participation of privately held companies, there is an active market for ownership transition and consolidation activity with larger participants actively engaging in growth through acquisitions. The technical complexity and financial risks associated with designing a substantial number of projects performed in the industry effectively discourages the free flow of new entrants, limiting participation to those with demonstrated capacities across a range of projects. Qualifications, sophisticated technical skills, expertise, financial resources, and scale are prerequisites for successful industry participation. Participants aspiring to enter the market must have sufficient skilled human capital to complete complex projects, and the financial resources to cover working capital and provide adequate risk

management including professional liability, cyber liability and other insurance requirements. These factors serve as both a barrier to entry and a catalyst for consolidation.

Our Markets

We visualize our business as a grid with markets as the vertical columns and services as the horizontal intersects. Customer assignments are grouped by vertical, with each assignment consuming one or more of our services. Services are provided across verticals to all customers. This approach affords us the ability to efficiently manage across our platform with an emphasis on cross-selling and revenue capture.

We have strategically and deliberately diversified the markets that we serve to reduce our dependence on any single market segment and to dampen the effects of business cycles in our markets. While we are bullish on all the market spaces that we currently serve, we intend to especially focus our growth initiatives on markets that possess the following characteristics:

- High potential for reoccurring revenue and multi-year assignments
- Engagement with renewable energy, energy transitions and energy efficiency activities
- Aging and failing infrastructure in need of upgrade and replacement
- Transformational investment paradigms such as privatization
- Economic vitality and attractive growth in population and workforce
- Long-term public sector funding stability
- Prime for technology advancement with respect to delivery of our services
- Complex regulatory environments

The markets we serve typically require participants to engage with several of our services, affording us the opportunity to cross sell, optimize revenue potential, and differentiate ourselves as a single source supplier.

We have a significant presence in each of the following markets we currently serve:

Transportation

We believe the current and future utilization of transportation infrastructure within the domestic and global built environment far exceeds its intended capacity. The aging of the current installed transportation base and increasing load usage are forcing public and quasi-public authorities to invest in repairs, increase the capacity of their systems or privatize the operation of their roads, bridges, and tollways. The Federal Highway Administration has estimated that nearly a quarter of the nation's bridges are deficient and require replacement or rehabilitation. In recent years, the transportation market has experienced broad increases in federal funding from U.S. government and U.S. Department of Transportation infrastructure spending initiatives along with increased for-profit privatization referred to as private-public partnerships (PPPs).

We believe that economic and population growth will drive demand wholesale for spending on expanded roadway capacity. The *American Society of Civil Engineers ("ASCE") 2021 Infrastructure Report Card* rated the state of the U.S. Highway system as "D+" and estimated spending requirements of over \$2.5 trillion over ten years on U.S. surface transportation infrastructure. Providing construction management and design services to departments of transportation and toll authorities has been a proven and dependable source of multi-year and reoccurring revenue.

Within our transportation practice we serve customers that include state and local departments of transportation, tollway authorities, transit authorities, and private roadway owners. For the years ended December 31, 2024 and 2023, Transportation represented 20.6% and 21.0%, respectively, of our gross contract revenue.

Power, Utilities & Energy Services - orient to oil & gas /away from alternative energies

We believe that demand for power, gas, and energy services in the U.S. and the threats from increasingly more severe and frequent weather events result in the inability of the infrastructure supporting such resources to provide adequate supply of services. Major power outages due to increasingly severe weather events are a growing contributor to the problem which

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the Department of Energy estimates costs the U.S. economy at least \$150 billion per year. Grid resilience and fortification are significant drivers of investment.

Utilities, policy makers, and local governments have agreed for years that the aging electric transmission and distribution grid in the U.S. needs to be substantially upgraded to withstand the challenges of the future. The Electric Power Research Institute estimated the cost to move the U.S. to a smarter national grid with better protection against major outages to be somewhere between \$338 billion and \$476 billion. The proliferation of data centers, the internet of things, and artificial intelligence applications and the associated electrical demand are straining the U.S. power grid and creating a sense of urgency around maintenance and upgrade. Operators of the U.S. power grid have faced unrelenting pressure to increase resiliency and to integrate technologies such as electric vehicles, distributed generation, and battery storage, as well as to upgrade and replace aging infrastructure. According to the ASCE *Infrastructure 2021 Report Card*, the U.S. electric infrastructure will require capital investment of \$637 billion by 2031.

Degradation of the safety and sustainability of natural gas distribution systems is advancing the infusion of public investment and private, returns-driven capital. The entrance of private capital into the historically public utility market, and the associated timely demand for return on investment driven by rate adjustments, has catalyzed the pace of multi-year expenditures on critical infrastructure. According to the American Gas Association, the United States has over 2.6 million miles of natural gas pipeline delivering energy to 187 million customers daily. In 2022, natural gas produced one-third of the energy consumed in the United States. Examples of our multi-year reoccurring revenue assignments in the utilities space include undergrounding of electric distribution lines, procurement of rights-of-way and easements, land surveying and geomatics, gas distribution system mapping, and design for gas distribution pipeline replacement.

Renewable energy encompasses all activities supporting the energy sector's transition away from fossil-based systems of energy production in favor of renewable energy sources such as wind and solar, as well as lithium-ion batteries. According to Wood Mackenzie, the U.S. will need to invest one trillion dollars per year in new energy capacity over 20 years to meet the demands of economic growth and energy transition. In its report, *Renewables 2020—Analysis and forecast to 2025*, the International Energy Agency predicts that renewables are expected to account for 95% of the net increase in global power capacity through 2025. During that period, the share of renewables in electricity generation was forecast to grow from 27% in 2020 to 33% in 2025. Limited natural resources, increasing demand, and disruptive innovation are driving consequential private and public investment in the expansion of renewable energy facilities. Despite evolving U.S. domestic energy priorities away from non-traditional energy sources, we believe that increasing demand for industrial grade renewable infrastructure and expanded capacity within existing facilities presents opportunity for the sale of our services. Recent acquisitions have provided us the capability and reputation needed to serve the renewables energy market. Over the long-term, energy efficiency plays a pivotal role in advancing sustainable development within the global economy. Efforts to decarbonize the global energy system and advance the world's climate objectives are dependent on improving energy efficiency. We view the energy efficiency market as one that is synergistic with the renewable energy market as well as the power and utilities market—.

Within our power, utility and energy services practice we work for customers that include large electric transmission systems, gas utilities, and renewables and decarbonization providers. For the years ended December 31, 2024 and 2023, Power and Utilities represented 17.6% and 18.5%, respectively, of our gross contract revenues.

Building Infrastructure

Encompassing all the places we live, sleep, work, shop, interact, and play, the building infrastructure market is foundationally aligned with all day-to-day factors that are either influenced by or influence economic activity. Fueled by changing population demographics and evolving work dynamics, the market for design, construction and maintenance of new and renewed building infrastructure presents us with continually expanding opportunities. With respect to building infrastructure, we are agnostic as to the end use of the site we are planning. For residential homebuilders, our business is one of inventory creation, not of land development or construction of structures. Interest rate uncertainty, however, can introduce temporary disruptions into the market for residential, commercial and mixed-use building infrastructure. According to IBISWorld, the land development industry represented a market valued at roughly \$14.2 billion in 2024.

Commercial and Retail. Changes in shopping and consuming habits spurred by e-commerce have, in our belief, catalyzed a massive reconfiguration of commercial and retail physical plant along with the configuration of their surrounding site elements. Brands have been adapting their customer engagement models because of fundamental changes in consumption patterns that resulted from the pandemic experience. As an example, as part of an initiative to “increase convenience-led formats” in the U.S., a large coffee shop chain with both drive-thru and curbside pickup options closed 400 traditional locations in North America while adding 300 net new convenience-oriented locations throughout North America in their place. We believe that change can be good for our business. We believe savvy and well capitalized developers and operators in this market will continue to demand our services in response to evolving market forces. We serve national retailers, big box retailers, distribution center owners, office building owners and developers, convenience store operators, quick serve restaurant owners and others.

Residential. Post-pandemic, household formation has resumed in earnest with home sale prices at all-time highs. Within the residential market there are fundamentally three sub-markets in which our customers participate: 1) for-sale residential housing; 2) multi-family rental housing, and 3) mixed-use and urban cluster developments. Common to each of these sub-markets is the long lead time for the planning, design and approval of land inventory. The process of land inventory creation for residential use involves entitlement, environmental impact analysis, preliminary infrastructure planning and final layout. Each phase in the process involves public scrutiny and input along with regulatory review and approval. Land use entitlements for residential use are often flexible with respect to the ownership structure of the dwellings constructed, thereby allowing landowners to adapt to highest and best use throughout economic cycles and consumer preferences. Changes in interest rates can impact demand for fee-simple, for-sale and rental housing but they do not necessarily impact the demand for household formation and the need for new housing stock. Our history serving the residential market goes back to our beginning and we work for most of the large national homebuilders.

Institutional and Government. As our economy and population grows, the market to construct expand, and modernize government facilities, schools, state-of-the-art educational institutions, military installations, and mission critical complexes expands continuously. State and local governments experience increasing demand from their constituents for safe, efficient, and environmentally friendly facilities. Evolving demographics and associated demands for municipal and recreational services are increasing the need for new and updated government infrastructure. Communities are placing a growing emphasis of focus on environmental impact and sustainability as seen through the implementation of smart- and green-building technologies in new and retrofit facilities. As society adapts to a post-pandemic state and return-to-work mandates, we have experienced increased demand for retrofits of ventilation, air handling, air quality monitoring, and filtration systems to ensure healthier indoor environments necessary to mitigate the spread of infectious respiratory diseases. We have served institutional, government and quasi-public customers including large universities, state and local school systems, military branches, healthcare systems and others

For the years ended December 31, 2024 and 2023, Building infrastructure represented 51.5% and 56.3%, respectively, of our gross contract revenue.

We are also engaged in activities in the following markets which we consider to be emerging areas of opportunity for us. We refer to this collection of markets as our Emerging Markets.

Water, Environmental and Other Natural Resources

Water is essential to our lives and our communities, making it critical that we create a sustainable future for our water supply. Balancing the world’s needs for safe, reliable water with protection of this critical natural resource for the future requires a deep understanding of multiple interconnected systems. As water supplies become scarce and in increasing need of protection, and infrastructure needs increase contemporaneously, we collaborate with our customers to develop sustainable solutions to their water, wastewater, and water resources challenges. Our team of water professionals provides water supply distribution and treatment, wastewater collection and treatment, and asset management engineering and consulting services to customers. Rapid urbanization, industrial growth, suburban sprawl, and depleting sources of fresh water are increasing domestic demand for water and wastewater solutions. Expanding regulations governing the treatment, distribution and storage of water resources will intensify demand for adaptive water and wastewater treatment solutions. We assist

municipalities, county agencies, public utilities, and private customers in addressing their potable water and wastewater challenges. Our expertise with water solutions ranges from planning, design, construction management, and funding identification. We serve the water resource needs of a variety of customers.

Mining

Mining facilities require a variety of the general and specialty engineering services we provide. We serve the Southwest U.S. copper mining industry where we have developed specialized capabilities over time. Copper is buoyed by both near and long-term favorable fundamentals. Policy driven decarbonization targets are accelerating and copper is a critical component for electric vehicles, charging stations, high-efficiency motors, and renewable energy. According to the International Copper Association, electric vehicles use up to four times as much copper as internal combustion vehicles and renewable energy power generation uses four to five times as much copper as fossil fuel power generation. Copper is crucial for connecting and advancing development of core technologies and smart cities, including artificial intelligence, smart grids, 5G technologies, mobile phones and computers. Supply of copper is limited due to an aging base supply, limited numbers of in-progress and planned expansion projects, and the substantial time and entitlement challenges for execution of new projects. We also serve customers focused on mining of aggregates which are essential to the construction of roads and other transportation related infrastructure. The demand for mined aggregates is strongly correlated to transportation construction. According to the U.S. Geological Survey, 94% of the materials used in the construction of interstate highways are natural aggregates including crushed stone, sand and gravel. We expect the funding provided by the Infrastructure Investment and Jobs Act to stimulate increasing long-term demand for aggregates. We believe our customers are well positioned to benefit from supply constraints facing increasing copper and aggregates demand.

High Altitude Orthoimagery

In 2024, in connection with the Surdex acquisition, we included all revenue from aerial orthoimagery in our emerging markets. High altitude digital orthoimagery involves extremely high-resolution digital scanning of the earth's surface from manned, fixed-wing aircraft flying at a variety of altitudes. To capture these images, aircraft of different configurations are modified to accommodate precision imaging equipment being mounted inside the aircraft's fuselage pointing downward with clear visibility. The scanners and cameras are operated at high speeds while flying overlapping patterns covering large target areas. Raw data is converted to manageable image files which are 'stitched' together to create detailed interactive multi-dimensional maps of highly varied terrain. These discrete images and layered maps are used by private and public entities in connection with multiple infrastructure planning and monitoring initiatives. Going forward, aerial orthoimagery will be combined with other geospatial services and similarly aligned with end-customer markets.

For the years ended December 31, 2024 and 2023, these emerging markets collectively represented 10.4% and 4.2%, respectively, of our gross contract revenue.

Growth Strategies

We continue to focus our efforts on the goal of growing our revenue to become an ENR Top 50 firm within five years of the completion of our initial public offering in May 2021. Our five-fold growth of revenue over the past ten years is derived from both acquisitive and organic growth, including significant post-integration organic growth in the businesses we have acquired. Two of our bedrock cultural values are growth and entrepreneurial spirit. Our commitment to sustaining our unique culture as we continue to expand has been, and will continue to be, fundamental to maintaining an engaged workforce and delivering organic growth throughout our organization.

We intend to continue to grow through acquisitions. The current outlook is positive for each of the markets we work in and services we provide, and we intend to grow aggressively and opportunistically within each of them. To achieve the aggressive growth targets we have established, we plan to focus effort and resources on markets and service line expansion opportunities with the following characteristics:

- High potential for reoccurring revenue and multi-year assignments
- Engagement with renewable energy, energy transitions, and energy efficiency activities

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- Aging and failing infrastructure in need of upgrade and replacement
- Transformational investment paradigms such as privatization
- Economic vitality and attractive growth in population and workforce
- Long-term public sector funding
- Prime for technology advancement with respect to delivery of our services
- Complex regulatory environments

These characteristics of market and service line opportunities are fluid, and we may adapt them from time to time to evolving dynamics. We intend to be opportunistic, responsive to evolving macro-economic trends, and deliberate in our evaluation of attractive and synergistic opportunities in other markets when they present themselves.

In addition to market expansion, we intend to grow by investing in and acquiring skillsets, service lines, technology solutions, production tools, and equipment which deepen our market penetration and provide enhanced revenue capture opportunities with our existing and prospective customers (also referred to as “wallet share”). Such strategic and synergistic service line extensions include, but are not limited to, program management, energy management and data management and analytics.

We have built a scalable organizational infrastructure that can accommodate significant growth without requiring a proportionate increase in overhead expense. We have invested time and resources in developing our accounting and financial systems, integration expertise, management reporting processes, human capital development programs and information technology infrastructure. As we grow the size and scale of the company, we expect to expand operating margins by leveraging our investments and general overhead structure over a larger labor pool.

Organic Growth

We engage all our employees in our commitment to responsible growth by encouraging responsible freedom, entrepreneurial spirit, innovative thinking, and collaborative business development through cross-selling and revenue capture. Throughout the organization, our employees, leaders and managers are provided opportunities to be invested in our success through equity participation and incentives that are targeted to reward organic growth and successful execution. As a public company, we believe in using our publicly traded equity as a component of our compensation strategy. Creative use of growth-connected and retention-oriented equity incentives along with a commitment to maintaining our core culture are key to the entrepreneurial spirit that we believe will drive our organic growth.

Acquisitive Growth

We maintain an active engagement with prospective acquisition targets and business brokers. The theme of our acquisition initiatives is adjacency, whereby we identify companies that provide customer, geographic, service line, skillset and culture that are aligned adjacently with our business and our growth objectives. We maintain full-time, in-house acquisitions, diligence, and integrations teams and have developed a robust network of third-party representatives working on our behalf to identify future acquisition targets that meet our strategic goals. We maintain a dynamic pipeline driven by general market awareness of our demand for acquisition, existing relationships we have cultivated, and deliberately directed activity of our representatives. We believe that our proven track record, ownership culture, and unyielding commitment to preserving a uniquely entrepreneurial culture as we grow will provide us a competitive edge with acquisition targets as a desirable transaction partner. We generally impose stringent criteria to the evaluation of targets including:

- Advances one or more of our strategic growth objectives
- Provides opportunities for cross-selling
- Embodies a culture that is entrepreneurial and compatible with ours
- Serves a funded infrastructure spending category
- Is accretive to our leadership and executive talent pool
- Creates technology advancement and service delivery improvement opportunities
- Aligns with our capital allocation strategy and risk tolerance profile

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Although we generally apply rigorous financial discipline in the execution of our acquisition program, purchase price is not always the primary deal determinant. We evaluate targets holistically, considering all the factors mentioned above.

Geographic Expansion

We intend to continue a program of deliberate and opportunistic geographic expansion. Over the foreseeable future, we plan our geographic footprint to be generally focused on but not limited to North America, concentrating on the United States, with a potential secondary focus on Canada and Mexico. While acquisitions will generally be the source of geographic expansion, we may also establish presence in new areas by opening new offices. To maintain consistency with our acquisition program, we maintain a dynamic list of target metropolitan statistical areas (“MSAs”) that will serve as focus areas for expansion. General criteria for our target expansion MSAs include:

- Population scale or trajectory of one million or greater
- Location which complements and/or expands customer opportunities
- Established or emerging industrial, commercial and/or residential profile
- Availability of high caliber, skilled labor force

We expect our geographic expansion decision making to be fluid, flexible, opportunistic, and loosely bound by the criteria described above.

Description of Services

We provide a broad array of professional engineering, technical, and technology enhanced consulting services to customers who own, construct, and maintain the built environment. Our highly accredited and skilled workforce utilizes an integrated methodology to provide our customers with a consistent and accountable one-stop solution for both simple and highly complex assignments. Our scale, complemented by our breadth and depth of subject matter expertise and suite of service-enabling technology assets, allows us to secure work by delivering comprehensive and complete solutions.

Civil and Site Engineering

Since our founding in 1995 as a civil engineering and surveying firm, we have expanded our presence across the U.S. providing site planning and design services instrumental to creating communities where people live, work and play. Our land plans are attractive, marketable, and economically feasible. We creatively solve the toughest site challenges. Our awareness of, and sensitivity to time, cost, and impacts on surrounding neighborhoods distinguishes us and has made us a *go-to* brand for civil and site engineering. Examples of services include:

- Conceptual land planning
- Environmental consulting and permitting
- Planning / zoning and entitlements
- Roadway, bridge and highway designs
- Erosion and Sediment designs
- Stormwater management designs
- Construction administration
- Traffic studies
- Floodplain studies
- Utility relocation designs

Transportation

Functional transportation systems are crucial in connecting our communities and play an essential role in the development of society. Our engineers apply proven methods and technologies to support our customers’ objectives, strengthen communities and positively impact quality of life. With significant experience in alternative delivery methods, our local knowledge is backed by the deep resources and stability of a national company. We excel on challenging transportation projects that require complex solutions within both congested urban and rural environments. From major

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freeway systems and urban arterials to rural highways, rail and bridge projects, our transportation engineers plan, design and oversee the construction process for safe, efficient, reliable and user-friendly transit projects of all sizes and scopes. We have experience with and understand agency rules and regulations, and we work closely with municipal, county and state officials to provide guidance, professional insight, and functional and cost-effective designs while staying up to date on continually changing industry trends. Examples of services include:

- Traffic engineering
- Traffic signal design
- Traffic studies
- Intersection improvements
- Route/alignment studies
- Signing/pavement marking plans
- Roadway design
- Drainage design
- Bridge design
- Hydraulics
- Public involvement/consensus building
- Corridor and program management
- Traffic control plans
- Alternate delivery methods

Commissioning and Energy Efficiency

Commissioning involves ensuring that a new building operates in as energy efficient a manner as the original design intent. Over time, the intended use and operation of a building can change significantly. The retro-commissioning process assures that a building and its systems are optimized to perform interactively to minimize energy demands. In addition to aligning the systems with the current usage, the retro-commissioning process will typically result in substantial reduction of both operating costs and energy consumption. In addition to commissioning, we provide energy related services such as energy modeling, Energy Star certifications, LEED consulting, and energy audits that result in substantial reductions in energy consumption. Examples of services include:

- Construction observation
- Direct systems functional performance testing
- Develop systems readiness checklist
- Post occupancy review
- Review of construction documents
- Deferred / seasonal functional testing
- Final commissioning report
- Commissioning review of submittals

Construction Management & Oversight

The quality, durability, and safety of our infrastructure are all ensured by proficient construction engineering and management services augmented by sound quality assurance practices. Our construction engineering team consists of professional engineers, construction managers, inspectors, and certified technicians. We approach assignments with a depth of experience that enables us to anticipate the challenges associated with successfully delivering complex infrastructure construction projects. Every project has a comprehensive plan to address stakeholder issues, utilities, construction access and safety, pedestrian movements, environmental constraints, and schedule and budgetary limitations. It is important to note that we do not provide general contracting services to our customers. Examples of services include:

- Constructability review
- Value engineering

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- Budgeting and cost estimating
- Bid solicitation, documentation, and preparation
- Interagency and utility coordination
- Onsite observation and report evaluation
- Traffic routing, planning and management
- Resident engineer service
- Public communication and outreach

Environmental Consulting

Sound environmental management is essential to the health and safety of our surroundings and is a critical aspect of the development of any energy, transportation, or community development project. With a focus on the environmental impact of a project, a comprehensive plan requires solutions for issues such as water scarcity, climate change, managing environmental liabilities, regulatory obligations, risk management, and good environmental stewardship. Our team of scientists and licensed environmental professionals possess a broad range of experience in natural resource inventories, wetland delineations, and threatened and endangered species habitat assessments for conservation, development, and infrastructure improvement projects. Our environmental teams have developed, or contributed to numerous regional habitat conservation plans, statewide parks planning assessments, and endangered species research, planning, and compliance projects. Examples of services include:

- Wetlands and waters of the U.S. delineations
- Natural resources inventories
- Wildlife and vegetation surveys
- Threatened and endangered species surveys
- Endangered species conservation and management
- Wetland creation and enhancement design
- NEPA documentation
- Section 404/401 permitting and compliance
- NPDES permitting
- Phase I environmental site assessment

Surveying and Geospatial Engineering

Our industry-leading land surveying and geospatial services provide a reliable foundation for a broad range of project types. We deploy a full suite of advanced technology solutions allowing us to capture data efficiently in even the most remote and access challenged locations. We create, analyze, and build tools to share 3-D geospatial data, as well as help our customers integrate these tools into their daily business activities. We seamlessly provide GIS mapping and IT services, as well as technical enhancements to projects. Our in-house teams of accredited land surveying experts have a deep understanding of local, county, and state jurisdiction requirements and review processes. Our one stop shop approach to survey and geospatial engineering streamlines our customer experience and enhances the accuracy, outcome and experience of any development services or public sector project. Examples of services include:

- ALTA boundary surveys
- Topographic surveys
- Route surveys
- Right of way mapping
- Drone inspection of transmission lines
- Laser scanning and LiDAR imaging
- Land title surveys
- Underground utility location
- Reality capture
- GIS mapping

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- Underwater and marine survey
- Hydrology and geoscience
- Aerial orthoimagery

Landscape Architecture

Landscape architecture is place-making within the exterior environment. This broad field ranges from small-scale garden design and community parks to the large-scale design of plazas, institutional campuses, and streetscape settings. Each space is important to its users and to function well, it must meet specified programmatic needs while being aesthetically pleasing. We work with our customers to develop the big picture ideas that can strengthen and transform a community, create tools needed to make vision a reality, guide our customers through regulatory approvals processes, and work closely with developers to ensure market success once projects are completed. Balancing aesthetics, function, and sustainability, we skillfully translate raw ideas into successful projects tailored for each site. Examples of services include:

- Conceptual planning
- Master planning
- Hardscape design and details
- Streetscape design
- Sustainable / low impact design
- Construction documentation
- Construction administration
- Arborist services

Land Procurement and Right-of-Way

Land procurement and right-of-way acquisition is a critical component of practically any significant utility, infrastructure, or utility scale energy project. We provide turn-key services related to the real estate aspects of large projects including public outreach, property owner negotiation, appraisal services, relocation services, and expert testimony. Examples of services include:

- Public information meeting support
- Right of entry agreements
- Title searches/title curatives
- Appraisals/appraisal reviews
- Relocation advisory assistance
- Encroachment resolutions
- Expert witness court testimony
- Eminent domain/condemnation support

Building Services - Mechanical, Electrical and Plumbing

Our mechanical, electrical, and plumbing engineering services are focused on creating high performance connected environments. Our solutions support a facility's purpose with systems that optimize the personal experience and deliver practical results to owners, tenants, and operators while promoting productivity and energy efficiency. Our electrical engineers are highly experienced in the field of photovoltaics to serve our customers in the renewable energy, energy transition and energy efficiency space. Our mechanical engineers have the expertise necessary to deliver cost effective plans and designs for ventilation and medical-grade air filtration to meet stringent indoor air quality requirements to assist in reducing the spread of infectious respiratory diseases. Examples of services and projects include:

- Heating ventilating and a/c systems

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- Medical-grade air filtration
- Indoor air quality monitoring
- Smoke control and evacuation
- Energy management and controls
- Medical gas and vacuum
- Lighting design and lighting controls
- Low and medium voltage power distribution
- Fire / life safety systems
- Standby power and UPS systems
- Telecom/Data/AV Infrastructure
- Arc flash hazard analysis
- Acoustic engineering

Structural Engineering

Our structural engineers work on the design and technical challenges involved in creating durable structures that meet the challenges of increasing 21st century demands. From simple culverts to complex interchanges and long-span bridges, we incorporate unique architectural treatments and other features that contemplate the full spectrum of modern construction techniques and materials, including steel trusses, curved beams, box beams, precast/prestressed concrete, timber, and fiber-reinforced polymer spans. Examples of projects include:

- Highway bridges
- Culverts
- Retaining walls
- Pedestrian bridges
- Buildings
- Railroad bridges
- Tanks
- Contractor services

Water Resources

The U.S. water supply is becoming scarcer and in need of protection while at the same time our water infrastructure renewal needs increase. To address these challenges, we work with our customers to develop sustainable solutions to their water, wastewater, and water resources challenges. Our team of water professionals and technologists provide specialized water supply, distribution, wastewater infrastructure and treatment, and asset management engineering and consulting services to customers. Our in-house expertise ranges from planning, design, and construction assistance to municipalities, county agencies, public utilities, and private customers in helping them meet potable water and wastewater needs. We work regularly with state and federal governments in maintaining existing systems. For customers who need funding assistance, our teams have expertise in attaining grants, funds, and loans. Examples of projects include:

- Filtration systems
- Water pumping and storage systems
- Elevated storage tanks
- Reverse osmosis systems
- Disinfection / treatment systems
- Distribution systems
- Water treatment systems
- Nutrient removal systems

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- Pump stations
- Collection system
- Reuse systems
- Membrane treatment systems

Acquisitions

Acquisitions are a core component of our growth plans. Since our initial public offering in May 2021 through December 31, 2024, we have successfully acquired thirty-four operating engineering and consulting companies and four non-operating companies from which we strictly acquired certain, state-specific licensing rights. Our acquisitions activities have added numerous capabilities, services, leadership and customers in addition to expanding our operations throughout the continental United States. Many of the senior leaders in our company today come from companies we acquired both before and after becoming a public company. We are regularly engaged in discussions with acquisition prospects. The discussions range in formality from an initial inquiry to a non-binding letter of intent. Not all prospective acquisitions materialize as completed transactions.

Recent Acquisitions

In 2024, we completed eight acquisitions, one of which closed after September 30, 2024. None of these recent acquisitions was individually or collectively in the aggregate significant under Rule 3-05 of Regulation S-X. The 2024 acquisitions are summarized below in order of acquisition.

- *TCE, Inc (“TCE”)*. On February 5, 2024, we acquired the business and operations of Trudell Consulting Engineers. TCE is a Willston, Vermont based professional services firm focused on civil engineering, landscape architecture, land surveying, utility locating and environmental services. The company works with private and public customers along with private developers, planning authorities, municipalities, renewable energy providers, natural resource excavators, hospitality and ski resort operators, property managers and retailers.
- *Speece Lewis Engineers, LLC (“Speece”)*. On February 20, 2024, we acquired the business and operations of Speece Lewis Engineers, LLC. Speece is a Lincoln, Nebraska based professional services firm specializing in transportation, bridge design, surveying and hydraulics. The company works with private and public customers along with natural resource districts; federal, state, county, and municipal governments; as well as private and commercial entities.
- *Surdex Corporation (“Surdex”)*. On April 3, 2024, we acquired the business and operations of Surdex Corporation. Surdex is a St. Louis, Missouri based professional services firm specializing in geospatial and engineering, low-, medium- and high-altitude digital orthoimagery, advanced high-resolution LiDAR, intelligent digital mapping, 3D hydrography, and disaster mapping. Surdex develops geospatial mapping and digital orthoimagery that enables federal, state, and local governments to view, measure, and analyze extremely high-resolution data tied to identified geographic features. Surdex serves a variety of public sector customers and contracts including multiple state departments of transportation, the US Department of Agriculture, the US Geological Survey, the US Army Corps of Engineers, and other state and local government agencies.
- *Moore Consulting Engineers, LLC (“Moore”)*. On April 17, 2024, we acquired the business and operations of Moore Consulting Engineers LLC. Moore is a mechanical, electrical, plumbing, and fire protection (“MEP/FP”) engineering firm based in Shamong, New Jersey. Moore provides comprehensive MEP/FP engineering services to private and public sector customers throughout the United States.
- *Element Engineering, LLC (“Element”)*. On July 12, 2024, we acquired the business and operations of Element Engineering, LLC. Element is a professional services firm based in Lakewood, Colorado that provides civil, water and wastewater engineering services. Element primarily serves municipal customers in rural communities and specialty districts throughout the Rocky Mountain West and Midwest.

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- *Financial Consulting Group, Inc. (“FCS”)*. On July 18, 2024, we acquired the business and operations of Financial Consulting Group, Inc., a Redmond, Washington based professional services firm focused on addressing the financial, management and economic challenges facing public sector entities including utilities, state and local governments, regional agencies and public safety organizations. FCS consults for a variety of customers, including government agencies in urban and suburban areas, rural utility systems, municipal authorities in regions with seasonal or climate sensitivities and communities with special commercial and industrial needs.
- *Robau and Associates, LLC (“Robau”)*. On August 26, 2024, we acquired the business and operations of Robau and Associates, LLC. Robau is a Naples, Florida based firm with a professional staff with an extensive project portfolio that enhances civil engineering, water resources and project management offerings.
- *Exeltech Consulting, Inc. (“Exeltech”)*. On October 31, 2024, we acquired the business and operations of Exeltech. Exeltech is a Lacey, Washington based company that specializes in bridge design, transportation planning, environmental compliance, civil engineering, landscape architecture, permitting and construction management for owners and operators of transportation infrastructure, transit facilities, ports and harbors, waterfront developments, building structures, and storm drainage and utility systems. Exeltech serves customers throughout the Pacific Northwest from offices in Washington, Oregon, and Montana.

Under the acquisition purchase agreements, we paid a total of approximately \$79.7 million for these acquisitions, including 1,023,786 shares of common stock valued at a total of \$33.9 million or an average of \$33.12 per share. The remaining consideration was comprised of a combination of cash and seller notes, including notes convertible into shares of common stock at the option of the seller. For full purchase price accounting, see Note 4 *Acquisitions in Part IV of this Annual Report on the 10-K*, for additional information. Consistent with our acquisition strategy, we generally intend to have fully integrated the operations, systems, and employees of our acquired companies into our organization during a transition and integration period of up to one year, after which we expect to phase out the individual brands.

Key Customers and Projects

We serve a diverse portfolio of public and private customers, who own, construct, and maintain the built environment. Approximately 60% of our customers during the year ended December 31, 2024 were repeat customers, which we define as any customer from which revenue was earned in both the full years ended December 31, 2024 and 2023, excluding revenue derived from companies we acquired in 2024. Our breadth of our customer base diversifies risk, with the ten largest customers we served accounting for approximately 18% and 18% of our net service billing during the years ended December 31, 2024 and 2023, respectively. We avoid concentration of exposure with no single customer accounting for more than 5% of our net service revenue during either of these periods. We focus our business development efforts on increasing the proportion of our revenue generated by long-term projects and multi-year contracts. We intend to continue expanding long-term relationships and multi-year assignments with both public and private sector customers through organic growth and acquisitions. During each of the years ended December 31, 2024 and 2023, approximately 27% and 21% of our revenue was derived from assignments with public sector customers directly.

Contracts

We enter into contracts with customers that either cover a single performance obligation consisting of one or more tasks (also referred to as assignments and deliverables) or are open-ended engagements that create a framework for our being retained for one or more discrete performance obligations and tasks (often referred to as master services agreements). Our contracts contain two principal types of pricing provisions: (1) fixed price, also referred to as lump sum, and (2) hourly, also referred to as time and materials or cost plus. In many cases, a single contract will contain both fixed price and hourly priced tasks. From a financial reporting perspective, a contract is categorized as fixed fee and therefore subjected to percentage completion accounting under Accounting Standards Codification "ASC" Topic 606 if any one task within the contract is priced on a fixed fee basis. For management discussion and analysis purposes, we evaluate the percentages of our revenues that are fixed fee and hourly based on the pricing of each individual task or assignment within our contracts. When we distinguish percentages of revenue based on contracts, we are considering any contract with at least one fixed fee task to be

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completely characterized as fixed fee. We believe the percentage allocation relating to assignments is a more accurate assessment of the risk and opportunity associated with our revenue distribution.

The characteristics of the two contract and task types are as follows:

Hourly contracts and/or assignments are common for professional and technical consulting assignments both short-term and multi-year in duration. Under these types of engagements, there is no predetermined maximum fee, and we generally experience no risk associated with cost overruns. For hourly engagements, we negotiate hourly billing rates and charge our customers based upon the actual hours expended toward a deliverable. Direct project expenditures such as subconsultants and other expenses generally pass through to the customer for reimbursement. These engagements may have not-to-exceed parameters requiring us to receive additional authorizations from our customer to continue working but in these cases, we have no obligation to deliver a pre-negotiated result without authorization to continue at additional cost to the customer. Purely hourly contracts for financial reporting purposes do not include any lump sum components as outlined below.

Lump sum contracts and/or assignments typically require the completion of a deliverable for a specified lump-sum or fixed fee, subject to price adjustments if the scope of the assignment changes or unforeseen requirements arise. With lump sum assignments, modified schedules and expansions of scope will likely result in additional fees through change orders issued by our customers. Our fixed fee assignments generally include a specified scope of work and a defined set of deliverables. For accounting and financial reporting purposes we classify a contract as fixed fee if any portion of the performance obligation under the contract requires us to complete work outlined in the contract for a pre-determined fixed price.

For the years ended December 31, 2024 and 2023, we derived approximately 60% and 62%, respectively, of our gross contract revenue from lump sum assignments and approximately 33% and 28%, respectively, from hourly assignments. The remainder of our gross contract revenue in each year was derived from reimbursements for itemized passthrough items such as consultants and direct expenses.

Backlog

We calculate the value of our not yet billed gross contract revenue to measure backlog and predict future revenue. Backlog includes fully awarded and contracted work along with revenue we expect to invoice over an eighteen-month time frame for open-ended long-term engagements and undefined multi-year assignments. To calculate backlog, we assess the gross contract revenue we will recognize in connection with the completion of as yet billed customer commitments. Our backlog increases both because of new contracts entered into with customers and through acquisitions. On December 31, 2024 and 2023, our gross backlog was divided among our markets as follows:

	December 31, 2024	December 31, 2023
Building Infrastructure	41%	55%
Transportation	35%	24%
Power & Utilities	15%	17%
Emerging Markets	9%	4%

We use backlog to predict appropriate staffing levels and forecast gross contract revenue growth, both of which typically move accordingly over time with changes in backlog. 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.

As of December 31, 2024, we had approximately \$399 million of gross backlog, representing a 31.0% increase as compared to \$306 million as of December 31, 2023.

We have experienced growth in our backlog as we have expanded our footprint, increased our customer base, more deeply penetrated our end markets and been successful in our acquisitions program. We believe that our growth in backlog is a positive indicator of the efficacy of our growth strategies.

Marketing and Sales

We position ourselves as a preferred provider of services to those who own, construct and maintain the built environment. We secure assignments primarily through business development efforts targeted at cultivating new customers, cross-selling of our services to existing customers to increase wallet share, expanding customer relationships into new geographies as we grow, referrals and social media campaigns. We maintain professional marketing and business development staffs that work closely with our managers and leadership to develop strategic, targeted programs for affecting outreach, advancing our brand, producing professional project bids and submissions, developing new opportunities and securing new assignments.

Consumers of engineering and technical services consistent with those we offer can be local, regional, and national organizations with projects ranging from a single, quick-turn deliverable to complex long-term assignments and multi-year engagements with evolving phases and deliverables. By focusing our business development efforts more on long-term assignments and multi-year engagement opportunities in growing end markets, we extend the visibility of future revenue forecasts and reduce the costs and uncertainty associated with backlog depletion, staffing optimization and revenue replacement. We expect to continue to experience continued organic growth based on our commitment to delivering the highest quality and most creatively conceived solutions to our customers.

Our business development and marketing efforts emphasize lead generation, industry group networking, project and staff promotion and general corporate visibility. We support our managers' business development efforts with a seasoned team of marketing professionals embedded throughout our organization working to professionalize every touchpoint with customers, prospects and influencers. We complement our marketing and business development efforts with extensive social media and traditional press awareness.

We actively engage in creating revenue capture by cross-selling our services between customers, geographies and markets. We define cross-selling and revenue capture as either expanding our relationship with a particular customer by providing additional services and expanded geographic coverage or expanding our overall market penetration throughout our national operation. Our acquisitions offer significant cross selling and revenue capture opportunities which facilitates organic growth. As our service offerings continue to develop and we expand our portfolio of services, we anticipate increases in our cross-selling successes.

Competition

Our competition for assignments varies according to the market, geographical area of the project and the nature and scope of each opportunity. The engineering and consulting industry is highly fragmented and characterized by many small and mid-sized companies that focus their operations on regional markets or specialized service niches. On any given opportunity, we compete and/or team with many of the same local, regional and national companies.

Industry participants compete on the strength of customer relationships, reputation for quality of service and reliability, expertise in local markets, technical capabilities, and price. While price differentiation remains an important element in competitive bidding and is often a significant factor in securing public sector contracts, we believe that value, quality, reputation and scale are competitive differentiators that positively affect our ability to win work. The importance of the foregoing factors varies widely based upon the nature, location, and size of the project. On highly complex and sought-after projects, our breadth of services, technology tools, financial foundation, work-sharing orientation and geographic reach afford us flexibility in pricing and cost estimation. Our ability to provide comprehensive and integrated solutions gives us flexibility when it comes to pricing strategies to meet customer budgets and funding limitations. We believe that we benefit from our diversified service offerings, adaptable technology and highly skilled, diverse and qualified employees.

Credentials, licensing and the ability to secure and demonstrate sufficient professional liability insurance present significant barriers to entry in the industry. Within the engineering market, scale and breadth of service offerings can also act as a barrier for entry for companies that do not have adequate professional and financial resources to compete for and execute complex, large-scale projects. Customers are increasingly emphasizing safe work practices by placing a premium on limiting liability, thus creating an additional barrier to entry for those who cannot demonstrate and maintain a safety record at or above industry standards. The opportunity and financial cost to customers of delivery delays has a meaningful impact on their willingness to rely on smaller firms.

It is common for many of the companies we compete with to have greater financial resources, larger national platforms or more extensive service offerings than we currently have. Factors affecting our ability to win assignments include our marketing effectiveness, our customer relationships, our ability to team with larger organizations, our capacity to accurately estimate costs and quantify the quality assurance requirements of the work, our ability to hire, train and retain qualified personnel, our ability to deliver timely, and our ability to obtain adequate professional liability, cyber liability, and other insurance for the work we perform. We believe our positioning enables us to continue winning incrementally larger work assignments that will grow our business.

Human Capital Resources

As of December 31, 2024, we had approximately 2,200 employees, of which approximately 93% are full-time employees. We believe our 2024 voluntary turnover rate among our full-time and part-time professional staff, inclusive of acquisition related hires, was reflective of the competitive labor market in our industry and our commitment and does not represent a substantial risk to our ability to deliver our backlog. Our reputation, aided by our position as a publicly traded company with dedicated internal recruiting staff and nationally scaled work-share platform, has afforded us the ability to be successful in locating and engaging with qualified and credentialed employees as needed on an anywhere-anytime basis. We do not expect our growth efforts to be significantly constrained by a lack of qualified personnel or by any geographic limitations. We consider our employee relations to be exceptional and our level of engagement with employees to be high. As of December 31, 2024, our licensed professional staff represented approximately 33% of our workforce, which we consider appropriate for our operating profile.

Approximately 30% of our workforce works primarily outside one of our offices performing geospatial engineering, construction management, land procurement and field surveying. Our professional safety team administers a disciplined compliance routine with complex and comprehensive protocols that lead to fewer accidents, lower costs associated with accidents, lost productivity, and insurance. We have earned a safety record that distinguishes us relative to our competitors.

It is crucial that we continue to attract and retain top talent to continue to maintain our reputation for delivering high-quality services. To facilitate talent attraction and retention, we strive to make Bowman a diverse, inclusive, safe and community-oriented workplace, with opportunities for our employees to grow and develop in their personal and professional lives.

Qualified Representative Workforce. We believe that a representative workforce contributes to our success in capturing work, recruiting professionals and retention of our workforce. We have focused our recent efforts in four areas: inspiring innovation through culture of inclusion and acceptance; expanding our efforts to recruit and hire qualified and representative talent; advocating and facilitating employee engagement; and identifying strategic initiatives and partnerships that promote employee satisfaction.

Health, Safety and Wellness. Fundamental to the success of our business is our commitment to the safety and well-being of our employees and customers. Accordingly, we dedicate resources to making sure our employees are trained and equipped to carry out their job functions to keep themselves, our customers, and the communities in which we work safe. We provide employees and their families with access to a variety of innovative, flexible and convenient health and wellness programs, including: 1) benefits that provide protection and security so employees have peace of mind concerning events that may require time away from work or that impact financial well-being; 2) support for physical and mental health through tools, resources and leave policies that help improve or maintain health status and encourage engagement in healthy behaviors; and 3) choices where possible, so employees can customize benefits to meet their needs and the needs of their

families. We believe that in-person collaboration is a critical component of employee engagement. While we do not mandate absolute full-time in-office attendance, we encourage managers to implement policies that encourage employees to work collaboratively on a regular basis in our offices.

Talent Development. We invest significant resources to develop the talent needed to remain a leading engineering services provider. We deliver numerous training opportunities, provide geographic flexibility, have expanded our focus on continuous learning and development, and implemented industry-leading methodologies to manage performance, provide feedback and develop talent.

Our talent development programs provide employees with the resources they need to help achieve their career goals, to build management skills and lead their organizations. We provide a series of employee workshops throughout the company that support professional growth and development. Additionally, our manager and leadership development programs provide an ongoing opportunity for employees to practice and apply learning around conversations aligned with our annual review process. We offer employees a breadth of online tools that provide quick access to learning resources that are personalized to the individual's development objectives.

Regulation

While our business is not generally subject to significant regulation, the services we provide to our customers address various federal, state and local regulations that must be complied with to receive approval to proceed. With respect to the operation of our business, we are subject to certain professional licensing and human resources requirements that vary by state. We maintain a large fleet of vehicles, some of which are subject to various federal regulations.

Each state establishes licensing and organizational requirements for our services. Certain states allow only individuals and individually owned professional services corporations to hold licenses. In those states there may be grandfathering exemptions that allow corporations to hold licenses. In the event a state does not allow a corporation to hold a license, we have in the past, formed professional services corporations owned by Mr. Bowman and other employees to facilitate our ability to work in such states. To the extent we could not adequately satisfy a state's licensing requirements, we would not operate in that state. As of December 31, 2024, we were licensed to operate in all states within the United States either directly or through an affiliate.

We must comply with laws and regulations relating to government contracts, which affect how we do business with our customers and may impose added costs on our business. In connection with the process of bidding for and being awarded certain government assignments we are required to provide an annual Federal Acquisition Regulation rate audit that determines our overhead reimbursement allowance. Some significant laws and regulations that affect us include:

- federal, state, and local laws and regulations (including the Federal Acquisition Regulation or "FAR") regarding the formation, administration, and performance of government contracts;
- the Civil False Claims Act, which provides for substantial civil penalties for violations, including for submission of a false or fraudulent claim to the U.S. government for payment or approval; and
- federal, state, and local laws and regulations regarding procurement integrity including gratuity, bribery and anti-corruption requirements as well as limitations on political contributions and lobbying.

Any failure to comply with applicable laws and regulations could result in contract termination, damage to our reputation, price or fee reductions, suspension, or debarment from contracting with the government, each of which could have a materially adverse effect our business, results of operations and financial condition.

In addition, federal, state, and local government entities may revise existing contract rules and regulations or adopt new contract rules and regulations at any time and may also face restrictions or pressure regarding the type and number of services that they may obtain from private contractors. Any of these changes could impair our ability to obtain new contracts or renew contracts under which we currently perform when those contracts are subject to recompetete.

We must comply with several laws that strictly regulate the handling, removal, treatment, transportation and disposal of toxic and hazardous substances. Under the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (“CERCLA”), and comparable state laws, we may be required to investigate and remediate regulated hazardous materials. CERCLA and comparable state laws typically impose strict joint and several liabilities without regard to whether a company knew of or caused the release of hazardous substances. The liability for the entire cost of clean-up could be imposed upon any responsible party. Other principal federal environmental, health, and safety laws affecting us include, among others, the Resource Conservation and Recovery Act, the National Environmental Policy Act, the Clean Air Act, the Occupational Safety and Health Act, the Toxic Substances Control Act, and the Superfund Amendments and Reauthorization Act. Our business operations may also be subject to similar state and international laws relating to environmental protection. Liabilities related to environmental contamination or human exposure to hazardous substances, or a failure to comply with applicable regulations, could result in substantial costs to us, including clean-up costs, fines and civil or criminal sanctions, third-party claims for property damage or personal injury, or cessation of remediation activities. Our continuing work in the areas governed by these laws and regulations exposes us to the risk of substantial liability. To help ensure compliance with these laws and regulations, our employees are sometimes required to complete tailored ethics and other compliance training relevant to their position and our operations.

Available Information

Our principal office is located at 12355 Sunrise Valley Drive, Suite 520, Reston, Virginia 20191, and our telephone number at that address is (703) 464-1000. Our Internet website is <http://www.bowman.com>. The reports we file with or furnish to the SEC, including our annual report, quarterly reports and current reports, as well as amendments to those reports, are available free of charge on our Internet website under “Investors–Financials–SEC Filings” as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at <http://www.sec.gov>.

Item 1A. Risk Factors

Summary of Risk Factors

Our business is subject to numerous risks. The following summary highlights some of the risks you should consider with respect to our business and prospects. This summary is not complete, and the risks summarized below are not the only risks we face. You should review and carefully consider the risks and uncertainties described in more detail in the “Risk Factors” section of this Annual Report on Form 10-K which includes a more complete discussion of the risks summarized below as well as a discussion of other risks related to our business.

- We engage in a highly competitive business. If we are unable to compete effectively, we could lose market share and our business and results of operations could be negatively impacted;
- Our continued success is dependent upon our ability to hire, retain and utilize qualified personnel; continued success is dependent upon our ability to hire, retain and utilize qualified personnel;
- Our profitability could suffer if we are not able to maintain adequate utilization of our workforce due to slowdowns in the economy, or reduced demand for our services;
- If we are unable to integrate acquired businesses successfully, our business could be harmed;
- We cannot assure you that we will achieve synergies and cost savings in connection with prior or future acquisitions;
- Demand from customers is cyclical and vulnerable to economic downturns. If the economy weakens or customer spending declines, our financial results may be impacted;
- Construction, roadway, mining, and maintenance sites are inherently dangerous workplaces. If we, the owner, or others working at such sites fail to maintain safe work conditions, we can be exposed to significant financial losses and reputational harm, as well as civil and criminal liabilities;
- Our services expose us to significant risks of liability, and our insurance policies may not provide adequate coverage;

- The contracts in our backlog may be adjusted, cancelled, or suspended by our customers and, therefore, our backlog is not necessarily indicative of our future revenues or earnings. Additionally, even if fully performed, our backlog is not a good indicator of future gross profit;
- The nature of our contracts, particularly those that are fixed price, subject us to risks of cost overruns. We may experience reduced profits or, in some cases, losses if costs increase above budgets or estimates or if the project experiences schedule delays;
- Governmental agencies may modify, curtail or terminate our contracts at any time prior to their completion and, if we do not replace them, we may suffer a decline in revenue;
- Our failure to comply with a variety of complex procurement rules and regulations could damage our reputation and result in our being liable for penalties, including termination of our government contracts, disqualification from bidding on future government contracts and suspension or debarment from government contracting;
- We are dependent on third parties to complete certain elements of our contracts;
- Our quarterly results may fluctuate significantly, which could have a material negative effect on the price of our common stock;
- If we fail to develop or maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential stockholders could lose confidence in our financial reporting, which would harm our business and the trading price of our common stock;
- Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud;
- An active trading market for our common stock may not continue to develop or be sustained; and
- Anti-takeover provisions under our charter documents and Delaware law could delay or prevent a change of control, which could limit the market price of our common stock and may prevent or frustrate attempts by our stockholders to replace or remove our current management.

Risks Relating to Our Business and Industry

We engage in a highly competitive business. If we are unable to compete effectively, we could lose market share and our business and results of operations could be negatively impacted.

We face continuing competition to provide technical, professional and construction services to customers. The markets we serve are highly competitive and we compete against many regional, national and multi-national companies.

The degree of competition we face varies by industry, geographic area and project type. Our projects are frequently awarded through a competitive bidding process, which is standard in our industry. We are constantly competing for project awards based on pricing, schedule and the breadth and technical sophistication of our services. Competition can place downward pressure on our contract prices and profit margins and may force us to accept contractual terms and conditions that are less favorable to us, thereby increasing the risk that, among other things, we may not realize profit margins at the same rates as we have seen in the past or may become responsible for costs or other liabilities we have not accepted in the past. If we are unable to compete effectively, we may experience a loss of market share or reduced profitability or both, which, if significant, could have a material adverse impact on our business, financial condition, and results of operations.

Our engagements often involve large-scale, complex projects. The quality of our performance on such projects depends in large part upon our ability to manage the relationship with our customers and our ability to effectively manage the project and deploy appropriate resources, including third-party contractors and our own personnel, in a timely manner. If a project is not completed by the scheduled date or fails to meet required performance standards, we may either incur significant additional costs or be held responsible for the costs incurred by the customer to rectify damages due to late completion or failure to achieve the required performance standards. The performance of projects can be affected by a number of factors including unavoidable delays from government inaction, public opposition, inability to obtain financing, weather conditions, unavailability of vendor materials needed by us or our customers, changes in the project scope of services requested by our customers, industrial accidents, environmental hazards and labor disruptions. To the extent these events occur, the total costs of the project could exceed our estimates and we could experience reduced profits or, in some cases, incur a loss on a project, which may reduce or eliminate our overall profitability. Further, any defects or errors, or failures to

meet our customers' expectations, could result in claims for damages against us. Our contracts do not always limit our liability for damages that arise from negligent acts, errors, mistakes, or omissions in rendering services to our customers. As such, we cannot be sure that these contractual provisions will protect us from liability for damages in the event we are sued.

Our continued success is dependent upon our ability to hire, retain and utilize qualified personnel.

As a professional and technical engineering and consulting solutions provider we depend upon our ability to hire, retain, and utilize qualified personnel, including our executive management team, engineers, architects, designers, craft personnel and corporate management professionals who have the required experience and expertise at a reasonable cost. The market for these and other personnel is competitive. From time to time and in different regions, it may be difficult to attract and retain qualified individuals with the expertise, and in the timeframe, demanded by our customers, or to replace such personnel when needed in a timely manner. In certain geographic areas, for example, we may not be able to satisfy the demand for our services because of our inability to successfully hire and retain qualified personnel. Furthermore, we may become required to employ technical professions with government granted clearance to obtain or contribute to certain government projects. If we were to lose some or all of these personnel, they would be difficult to replace. Loss of the services of, or failure to recruit, qualified technical and management personnel could limit our ability to successfully complete existing projects and compete for new projects.

In addition, if any of our key personnel or members of executive management retire or otherwise leave the company, we need to have appropriate succession plans in place and successfully implement such plans. Implementing a succession plan requires that we devote time and resources toward identifying and integrating new personnel into leadership roles and other key positions. If we cannot attract and retain qualified personnel or effectively implement appropriate succession plans, there could be a material adverse impact on our business, financial condition and results of operations. We do not maintain key-man life insurance policies on our executive officers.

Our profitability could suffer if we are not able to maintain adequate utilization of our workforce due to slowdowns in the economy, or reduced demand for our services.

The cost of providing our services, including the extent to which we utilize our workforce, affects our profitability. The rate at which we utilize our workforce is affected by several factors, including:

- our ability to transition employees from completed projects to new assignments and to hire and assimilate new employees;
- our ability to forecast demand for our services and thereby maintain an appropriate headcount in each of our geographies and workforces;
- our ability to manage attrition;
- our need to devote time and resources to training, business development, professional development, and other non-chargeable activities;
- our ability to match the skill sets of our employees to the needs of the marketplace; and
- if we over-utilize our workforce, our employees may become disengaged, which will impact employee attrition. If we under-utilize our workforce, our profit margin and profitability could suffer.

If we are unable to integrate acquired businesses successfully, our business could be harmed

As part of our business strategy to pursue accretive acquisitions, we have in the past and intend to continue to selectively pursue targets that provide complementary, low-risk services and expand our national platform. We may not be able to identify suitable acquisition or strategic investment opportunities or may be unable to obtain the required consent of our lenders and, therefore, may not be able to complete such acquisitions or strategic investments. We have incurred, and may continue to incur, expenses associated with sourcing, evaluating, and negotiating acquisitions (including those that do not get completed), and we have paid, and may in the future also pay, fees and expenses associated with financing acquisitions

to investment banks and other advisors. Any of these amounts may be substantial, and together with the size, timing, and number of acquisitions we pursue, may negatively affect, and cause significant volatility in our financial results.

In addition, we have assumed, and may in the future assume, liabilities of the companies we acquire. While we conduct a due diligence process and when appropriate, we retain third-party advisors to consult on potential liabilities related to these acquisitions, there can be no assurances that all potential liabilities will be identified or known to us. If there are unknown liabilities or other obligations, our business could be materially adversely affected.

While we have integrated businesses in the past, our growth strategy includes the acquisition of companies that are larger than ones we have acquired in the past. Our inability to integrate future acquisitions successfully could impede us from realizing all of the benefits of those acquisitions and could weaken our business operations. The integration process of any acquisition may disrupt our business and, if implemented ineffectively, may preclude realization of the full benefits expected by us and could harm our results of operations. In addition, the overall integration process may result in unanticipated problems, expenses, liabilities, and competitive responses and may cause our stock price to decline.

The difficulties of integrating acquisitions include, among other things:

- unanticipated issues in integration of information, communications and other systems;
- unanticipated incompatibility of logistics, marketing and administration methods;
- maintaining employee morale and retaining key employees;
- integrating the business cultures of companies;
- preserving important strategic customer relationships;
- consolidating corporate and administrative infrastructures and eliminating duplicative operations; and
- coordinating geographically separate organizations.

In addition, even if the operations of an acquisition are integrated successfully, we may not realize the full benefits of such acquisition, including the synergies, cost savings or growth opportunities that we expect. These benefits may not be achieved within the anticipated time frame, or at all.

Further, acquisitions have in the past, and may also in the future, cause us to:

- expend significant time, effort and resources;
- issue securities that would dilute our current stockholders;
- use a substantial portion of our cash resources;
- increase our interest expense, leverage and debt service requirements if we incur additional debt to pay for an acquisition;
- assume liabilities, including environmental liabilities, for which we do not have indemnification from the former owners or have indemnification that may be subject to dispute or concerns regarding the creditworthiness of the former owners;
- record goodwill and non-amortizable intangible assets that are subject to impairment testing on a regular basis and potential impairment charges;
- experience volatility in earnings due to changes in contingent consideration related to acquisition liability estimates;
- incur amortization expenses related to certain intangible assets;
- lose existing or potential contracts as a result of conflict-of-interest issues;
- incur large and immediate write-offs; or
- become subject to litigation.

If we are not able to successfully manage our growth strategy, our business operations and financial results may be adversely affected.

Our expected future growth presents numerous managerial, administrative, and operational challenges. Our ability to manage the growth of our operations will require us to continue to improve our management information systems and our

other internal systems and controls. In addition, our growth will increase our need to attract, develop, motivate, and retain both our management and professional employees. The inability of our management to effectively manage our growth or the inability of our employees to achieve anticipated performance could have a material adverse effect on our business.

There is no assurance that we will achieve synergies and cost savings in connection with prior or future acquisitions.

We may not achieve anticipated cost savings in connection with prior or future acquisitions within the anticipated time frames or at all. A variety of risks could cause us not to realize some or all of these expected benefits. These risks include, among others, higher than expected standalone overhead expenses, delays in the anticipated timing of activities related to such initiatives and the incurrence of other unexpected costs associated with operating the business. Moreover, our implementation of cost savings initiatives may disrupt our operations and performance, and our estimated cost savings from such initiatives may be based on assumptions that prove to be inaccurate. If, for any reason, the benefits we realize are less than our estimates or our improvement initiatives adversely affect our operations or cost more or take longer to implement than we project, or if our assumptions prove inaccurate, our results of operations may be materially and adversely affected. In addition, our operating results from these acquisitions could, in the future, result in impairment charges for any of our intangible assets, including goodwill, or other long-lived assets, particularly if economic conditions worsen unexpectedly. These changes could materially adversely affect our results of operations, financial condition, stockholders' equity, and cash flows.

Our results of operations depend on the award of new contracts, the renewal of existing contracts and the timing of the performance of these contracts.

Our revenues derive from new contract awards and the renewal of existing contracts. Our long-term projected results could be affected by delays in the timing of the awards or cancellations of such projects resulting from economic conditions, material and equipment pricing and availability or other factors. It is particularly difficult to predict whether or when we will receive large-scale projects as these contracts are affected by several factors including lengthy and complex bidding and selection process, among others. Other factors include market conditions, financing arrangements, and required governmental approvals. While we do not have any contract with the requirement to provide a bond or letter of credit to protect the customer from our failure to perform under the terms of the contract, we may be required to do so at some time in the future. We generate revenues from such project awards; as such, our results of operations and cash flows can fluctuate significantly from quarter to quarter depending on the timing of our contract awards and the commencement or progress of work under awarded contracts. Furthermore, many of these contracts are subject to financing contingencies and, as a result, we are subject to the risk that the customer will not be able to secure the necessary financing for the project.

In addition, certain contracts require us to satisfy specific progress or performance milestones in order to receive payment from the customer. As a result, we may incur significant costs for labor, equipment, sub-consultants or other out of pocket expenses prior to receipt of payment from a customer.

The uncertainty of contract award timing can also present difficulties in matching workforce size with contract needs. In some cases, we maintain and bear the cost of a ready workforce that is larger than necessary under existing contracts in anticipation of future workforce needs for expected contract awards. If an expected contract award is delayed or not received, we may incur additional costs resulting from reductions in staff or redundancy of facilities, which could have a material adverse effect on our business, financial condition and results of operations.

Continuing worldwide political, social and economic uncertainties may adversely affect our revenue and profitability.

The last several years have been periodically marked by political, social and economic concerns, including decreased consumer confidence, the lingering effects of international conflicts, energy costs and inflation. Ongoing instability and current conflicts in global markets, including Eastern Europe, the Middle East and Asia, and the potential for other conflicts and future terrorist activities and other recent geopolitical events throughout the world have created and may continue to create economic and political uncertainties and impacts. For example, financial markets around the world experienced volatility following the invasion of Ukraine by Russia in February 2022. The military conflict between Ukraine and Russia as well as conflicts in the Middle East remains uncertain; however, the conflicts and sanctions have resulted and could

continue to result in disruptions to trade, commerce, pricing stability, credit availability, and/or supply chain continuity, in both Europe and globally, and has introduced significant uncertainty into global markets and the global economy. Current global geopolitical tensions, including those related to Ukraine and the Middle East, may exacerbate any economic downturn. In addition, recent significant changes in U.S. trade policies and actual or potential tariffs may create uncertainty regarding the relationship between the United States and certain other countries with respect to trade policies, treaties and tariffs. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the United States. These factors could restrict some of our customers' access to products, components, raw materials or construction materials or otherwise increase the cost of such goods, which may have a material adverse effect on their business, financial condition and results of operations, which in turn could negatively impact us.

The instability created by these global uncertainties can make it extremely difficult for our customers, our vendors and us to accurately forecast and plan future business activities, and could cause constrained spending on our services, delays and a lengthening of our business development efforts, the demand for more favorable pricing or other terms and/or difficulty in collection of our accounts receivable. Our government customers may face budget deficits that prohibit them from funding proposed and existing projects. Further, ongoing economic instability in the global markets could limit our ability to access the capital markets at a time when we would like, or need, to raise capital, which could have an impact on our ability to react to changing business conditions or new opportunities. If economic conditions remain uncertain or weaken, or government spending is reduced, our revenue and profitability could be adversely affected.

Demand from customers is cyclical and vulnerable to economic downturns. If the economy weakens or customer spending declines, our financial results may be impacted.

Demand for services from our customers is cyclical and vulnerable to economic downturns, which may result in customers delaying, curtailing or canceling proposed and existing projects. Our business traditionally leads in downturns to the overall economy and may lag in a recovery, therefore, our business may not recover immediately when the economy improves.

If the economy weakens or customer spending declines, then our revenue, profits and overall financial condition may deteriorate. If there is additional economic downturn, including as a result of the worldwide political, social and economic uncertainties described above, our existing and potential customers may either postpone entering into new contracts, renew existing contracts or request price concessions. Difficult financing and economic conditions may cause some of our customers to demand better pricing terms or delay payments for services we perform, thereby increasing the average number of days our receivables are outstanding and the potential of increased credit losses on uncollectible invoices. Further, these conditions may result in the inability of some of our customers to pay us for services that we have already performed. If we are not able to reduce our costs quickly enough to respond to the revenue decline from these customers, our operating results may be adversely affected. Accordingly, these factors affect our ability to forecast our future revenue and earnings from business areas that may be adversely impacted by market conditions.

Outbreaks of communicable diseases, directly or indirectly, a material and adverse effect on our business, financial condition, and results of operations. The duration and extent to which this will impact our future financial condition and results of operations remains uncertain.

Global or national health concerns, including the outbreak of pandemic or contagious disease, can negatively impact the U.S. economy and, therefore, demand and pricing for our services.

Additionally, we have an increased number of employees working remotely. As a result, we may have increased cyber security and data security risks, due to increased use of home Wi-Fi networks and virtual private networks, as well as increased distribution of physical machines. While we implement IT controls to reduce the risk of a cyber-security and data security breach, there is no guarantee that these measures will be adequate to safeguard all systems with an increased number of employees working remotely. In addition, the engineering and consulting design process undertaken by us is a

collaborative process typically undertaken in an in-person office environment. The lack of this in person interaction may adversely impact our work product and our financial results.

Inflation could adversely affect our business and results of operations.

During 2023 and 2024, the economy in the United States and global markets encountered a material increase in the level of inflation. Geopolitical developments such as the Russia-Ukraine conflict, the conflict in the Middle East and global supply chain disruptions continue to increase uncertainty in the outlook of near-term and long-term economic activity, including whether inflation will continue and how long, and at what rate. Increases in inflation raise our costs for labor, materials and services and other costs required to grow and operate our business, and failure to secure these on reasonable terms may adversely impact our financial condition. Additionally, increases in inflation, along with the uncertainties surrounding geopolitical developments and global supply chain disruptions, have caused, and may in the future cause, global economic uncertainty and uncertainty about the interest rate environment, which may make it more difficult, costly or dilutive for us to secure additional financing. A failure to adequately respond to these risks could have a material adverse impact on our financial condition, results of operations or cash flows.

A significant decline in new home construction, and/or a deterioration in expectations regarding the homebuilding market, could have a material adverse impact on our business, financial condition and results of operations.

Our customers include many of the top homebuilders in the United States. Demand for new homes has historically been fueled by continued low interest rates and changing population demographics but remains sensitive to changes in economic conditions such as the level of employment, consumer confidence, consumer income, the availability of financing and interest rate levels. Demand for new homes is subject to fluctuations, often due to factors outside of our control. For example, during 2022, the housing market weakened in response to the Federal Reserve's aggressive increase in interest rates in an effort to curtail inflation. We cannot predict whether and to what extent housing markets will grow, particularly if interest rates for mortgage loans, land costs, and construction costs continue to rise. It is likely that if one or more of the foregoing factors occurred or if there was an economic downturn, the resulting decline in demand for new homes would negatively impact the demand for our residential land planning and design services, which in turn could have a material adverse impact on our business, results of operations and financial condition.

Construction, roadway, mining and maintenance sites are inherently dangerous workplaces. If we, the owner, or others working at such sites fail to maintain safe work conditions, we can be exposed to significant financial losses and reputational harm, as well as civil and criminal liabilities.

Construction and maintenance sites often put our employees and others in proximity with large pieces of mechanized equipment, moving vehicles, manufacturing processes, and highly regulated materials, in a challenging environment. If we fail to implement safety procedures or if the procedures, we implement are ineffective, or if others working at the site fail to implement and follow appropriate safety procedures, our employees and others may become injured, disabled or even lose their lives, the completion or commencement of our projects may be delayed, and we may be exposed to litigation or investigations. Unsafe work sites also have the potential to increase employee turnover, increase the cost of a project to our customers, and raise our operating and insurance costs. Any of the foregoing could result in financial losses or reputational harm, which could have a material adverse impact on our business, financial condition and results of operations.

In addition, our projects could involve the handling of hazardous and other highly regulated materials, which, if improperly handled or disposed of, could subject us to civil and/or criminal liabilities. We are also subject to regulations dealing with occupational health and safety. Although we maintain functional groups whose primary purpose is to ensure we implements effective health, safety and environmental ("HSE") work procedures throughout our organization, including construction sites, roadways, mines and maintenance sites, the failure to comply with such regulations could subject us to liability. In addition, despite the work of our functional groups, we cannot guarantee the safety of our personnel or that there will be no damage to or loss of our work, equipment, or supplies.

We operate a large and diverse fleet of vehicles. Our employee drivers receive safety training, and we monitor for safe driving, however, we may be subject to liability associated with incidents involving our fleet.

Failure to maintain an adequate safety record could impair our ability to perform contracts for existing customers or our ability to obtain new contracts.

Our general safety record is critical to our reputation. Many of our customers require that we meet certain safety criteria to be eligible to bid for contracts and many contracts provide for automatic termination or forfeiture of some or all of our contract fees or profit in the event we fail to meet certain measures. Accordingly, if we fail to maintain adequate safety standards, or even if we do maintain those safety standards but our employees are involved in accidents that result in our failing to meet stated safety criteria, we could suffer reduced profitability or the loss of projects or customers, which could have a material adverse impact on our business, financial condition, and results of operations.

Our services expose us to significant risks of liability, and our insurance policies may not provide adequate coverage.

If we fail to provide our services in accordance with applicable professional standards or contractual requirements, we could be exposed to significant monetary damages or even criminal violations. Our engineering practice, for example, involves applying professional judgments to the planning, design, development, construction, operations and management of residential, commercial, and mixed-use projects, industrial facilities, and public infrastructure projects. While we do not generally accept liability for consequential damages in our contracts, and although we have adopted a range of insurance, risk management and risk avoidance programs designed to reduce potential liabilities, a catastrophic event at one of our project sites or completed projects resulting from the services we have performed could result in significant professional or product liability, and warranty or other claims against us as well as reputational harm, especially if public safety is impacted. These liabilities could exceed our insurance limits or the fees we generate, may not be covered by insurance at all due to various exclusions in our coverage and self-insured retention amounts, and could impact our ability to obtain insurance in the future. Further, even where coverage applies, the policies have deductibles, which result in our assumption of exposure for certain amounts with respect to any claim filed against us. In addition, customers or sub-consultants who have agreed to indemnify us against any such liabilities or losses might refuse or be unable to pay it. An uninsured claim, either in part or in whole, as well as any claim covered by insurance but subject to a high deductible, if successful and of a material magnitude, could have a material adverse impact on our business, financial condition and results of operations.

Unavailability or cancellation of third-party insurance coverage would increase our overall risk exposure as well as disrupt the management of our business operations.

We maintain insurance coverage from third-party insurers as part of our overall risk management strategy and some of our contracts require us to maintain specific insurance coverage limits. If any of our third-party insurers fail or cancel coverage, or we are otherwise unable to obtain adequate insurance coverage at a reasonable cost, our overall risk exposure and operational expenses would increase, and the management of our business operations would be disrupted. In addition, there can be no assurance that any of our existing insurance coverage will be renewable upon the expiration of the coverage period or that future coverage will be affordable at our desired limits.

The contracts in our backlog may be adjusted, cancelled, or suspended by our customers and, therefore, our backlog is not necessarily indicative of our future revenues or earnings. Additionally, even if fully performed, our backlog is not a good indicator of future gross profit.

Backlog represents the total dollar amount of revenues we expect to record in the future from the performance of work under contracts we have been awarded. As of December 31, 2024, our gross backlog totaled approximately \$358 million. There is no assurance that backlog will be realized as revenues in the amounts reported or, if realized, will result in profits. In accordance with industry practice, substantially all our contracts are subject to cancellation, termination, or suspension at the discretion of the customer. In the event of a project cancellation, we would generally have no contractual right to the total revenue reflected in our backlog. Projects can remain in backlog for extended periods of time because of the nature of the project and the timing of the services required by the project. The risk of contracts in backlog being cancelled or suspended generally increases during periods of widespread economic slowdowns or in response to changes in commodity prices.

The contracts in our backlog are subject to changes in the scope of services to be provided as well as adjustments to the costs relating to the contracts. The revenue for certain contracts included in backlog is based on estimates. Additionally, the way we perform on our individual contracts can affect greatly our gross margins and hence, future profitability.

Losses under lump-sum contracts and assignments may adversely impact our business operations and financial results.

Our contracts include one or more assignments and often include assignments through which we commit to the performance of work for a specified lump-sum fee, subject to price adjustments if the scope of the assignment changes or unforeseen conditions arise. For financial reporting, any contract with one or more lump-sum fee assignment is characterized in total as a fixed fee contract and is reported in the aggregate as such. During the years ended December 31, 2024 and 2023, we derived over 60% and 62%, respectively, of our revenue from lump-sum assignments. Lump-sum assignments expose us to a number of risks not inherent in cost-plus and time and material assignments, including underestimation of costs, ambiguities in specifications, unforeseen costs or difficulties, problems with new technologies, delays beyond our control, failures of subcontractors to perform, and economic or other changes that may occur during the contract period. Losses under lump-sum assignments could adversely impact our results of operations.

Our use of the percentage of completion method of revenue recognition requires that we estimate costs to be incurred under long-term contracts. Incorrect estimates could result in a reduction or reversal of previously recorded revenue and profits.

We recognize revenue for our lump-sum contracts ratably over time based on cost-basis percentage of completion. Our use of percentage-of-completion accounting requires that revenue and profit be recognized ratably over the life of the contract based on the proportion of costs incurred to date to total costs expected to be incurred for the entire project. The effects of revisions to revenue and estimated costs, including the achievement of award fees as well as the impact of change orders and claims, are recorded when the amounts are known and can be reasonably estimated. Such revisions could occur in any period and their effects could be material. The uncertainties inherent in the estimating process make it possible for actual costs to vary materially from initial and updated estimates.

We are dependent on third parties to complete certain elements of our contracts.

We engage third-party sub-consultants to perform certain work under our contracts. We also rely on third-party equipment manufacturers or suppliers to provide equipment used for certain of our projects. If we are unable to hire qualified sub-consultants or find qualified equipment manufacturers or suppliers, our ability to successfully complete those projects could be impaired. If we are not able to locate qualified third-party sub-consultants or the amount we are required to pay for sub-consultants or equipment and supplies exceeds what we have estimated and/or we are unable to pass through the excess cost to our customers, especially in a lump sum or a fixed price contract, we may suffer losses on these contracts. We generally do not obtain a performance bond from our sub-consultants. If a sub-consultant, supplier or manufacturer fails to provide services, supplies or equipment as required under a contract for any reason, we may be required to source these services, equipment or supplies to other third parties on a delayed basis or on less favorable terms, which could impact contract profitability. There is a risk that we may have disputes with our sub-consultants relating to, among other things, the quality and timeliness of work performed, customer concerns about a sub-consultant or our failure to extend existing task orders or issue new task orders under a contract. In addition, faulty workmanship, equipment, or materials could impact the overall project, resulting in claims against us for failure to meet required project specifications.

Third parties may find it difficult to obtain enough financing to help fund their operations. The inability to obtain financing could adversely affect a third party's ability to provide materials, equipment or services which could have a material adverse impact on our business, financial condition, and results of operations. In addition, a failure by a third-party sub-consultant, supplier, or manufacturer to comply with applicable laws, regulations or customer requirements could negatively impact our business and, for government customers, could result in fines, penalties, suspension or even debarment being imposed on us, which could have a material adverse impact on our business, financial condition, and results of operations.

Failure of our sub-consultants to satisfy their obligations to us or other parties, or the inability to maintain these relationships, may adversely impact our business operations and financial results.

We depend on sub-consultants in conducting our business. There is a risk that we may have disputes with our sub-consultants arising from, among other things, the quality and timeliness of work performed, customer concerns, or failure to extend existing task orders or issue new task orders under a subcontract. In addition, if any of our sub-consultants fail to deliver on a timely basis the agreed-upon services or supplies, go out of business, or fail to perform on a project, our ability to fulfill our obligations may be jeopardized and we may be contractually responsible for the work performed. The absence of qualified sub-consultants with which we have a satisfactory relationship could adversely affect the quality of our service and our ability to perform under some of our contracts.

We also rely on relationships with other contractors when we act as their sub-consultants or joint venture partner. Our future revenue and growth prospects could be adversely affected if other contractors eliminate or reduce their subcontracts or teaming arrangement relationships with us or if a government agency terminates or reduces these other contractors' programs, does not award them new contracts, or refuses to pay under a contract.

Weather conditions and seasonal revenue fluctuations may adversely impact our financial results.

Our financial results during the months of November through March may be impacted by adverse weather conditions and the holiday season. As a result, our revenue and net income for the first and fourth quarters of our fiscal year may be lower when compared to our results for the second and third quarters of our fiscal year. If we were to experience lower-than-expected revenue during any such periods, we could experience a material adverse effect on our business, financial results and cash flows.

Catastrophic events may adversely impact our business operations.

Our business operations may be adversely impacted by force majeure or extraordinary events beyond the control of the contracting parties, such as natural and man-made disasters as well as terrorist attacks. Such events could result in the closure of offices, interruption of projects, and the relocation of employees. We typically remain obligated to perform our services after a terrorist attack or natural disaster unless the contract contains a force majeure clause that relieves us of our contractual obligations. If we are not able to react quickly to force majeure, our operations may be affected significantly, which would have a negative impact on our business operations.

We rely on third-party internal and outsourced software to run our critical accounting, project management and financial information systems. As a result, any sudden loss, disruption or unexpected costs to maintain these systems could significantly increase our operational expense and disrupt the management of our business operations.

We rely on third-party software to run our critical accounting, project management and financial information systems. We also depend on our software vendors to provide long-term software maintenance support for our information systems. Software vendors may decide to discontinue further development, integration or long-term software maintenance support for our information systems, in which case we may need to abandon one or more of our current information systems and migrate some or all of our accounting, project management and financial information to other systems, thus increasing our operational expense as well as disrupting the management of our business operations.

We are subject to cybersecurity risks and breaches of our systems and information technology could adversely impact our ability to operate.

We rely on our network and third-party infrastructure and enterprise applications, internal technology systems, and our website for our development, marketing, operational, support, hosted services, and sales activities. We need to protect our own internal trade secrets, work product for our customers, and other business confidential information from disclosure. Despite our implementation of network security measures, we are vulnerable to disruption, infiltration, or failure of these systems or third-party hosted services in the event of cyber-attack, natural disasters, terrorist attacks or other catastrophic events that could cause system interruptions, reputational harm, loss of intellectual property, lengthy interruptions in our services, breaches of data security, and loss of critical data and could harm our future operating results.

We face the threat to our computer systems of unauthorized access, computer hackers, computer viruses, malicious code, organized cyber-attacks and other security problems and system disruptions, including possible unauthorized access to our and our customers' proprietary or classified information. These threats may increase as a result of the increased capabilities of artificial intelligence and other emerging technologies that may be used maliciously, as well as geopolitical instability or conflicts. For example, as a result of the conflict between Russia and the Ukraine, in February 2022 the U.S. Cybersecurity and Infrastructure Security Agency issued a "Shields Up" alert for American organizations noting the potential for Russia's cyber-attacks on Ukrainian government and critical infrastructure organizations to impact organizations both within and beyond the U.S., particularly in the wake of sanctions imposed by the United States and its allies. We rely on industry-accepted security measures and technology to maintain securely all confidential and proprietary information on our information systems. We have devoted and will continue to devote significant resources to the security of our computer systems, but they are still vulnerable to these threats. A user who circumvents security measures can misappropriate confidential or proprietary information, including information regarding us, our personnel and/or our customers, or cause interruptions or malfunctions in operations. Our industry has not been immune from organized cyber-attacks from persons seeking a ransom as a condition of releasing access to the firm's computer systems. As a result, we can be required to expend significant resources to protect against the threat of these system disruptions and security breaches or to alleviate problems caused by these disruptions and breaches. Any of these events can damage our reputation and have a material adverse effect on our business, financial condition, results of operations and cash flows.

Negative conditions in the credit and financial markets and delays in receiving customer payments could result in liquidity problems, adversely affecting our cost of borrowing and our business.

Although we finance much of our operations using cash provided by operations, at times we depend on the availability of credit to grow our business and to help fund business acquisitions. Instability in the credit markets in the U.S. or abroad could cause the availability of credit to be relatively difficult or expensive to obtain at competitive rates, on commercially reasonable terms or in sufficient amounts. This situation could make it more difficult or more expensive for us to access funds, refinance our existing indebtedness, enter into agreements for new indebtedness, or obtain funding through the issuance of securities or such additional capital may not be available on terms acceptable to us, or at all. We may also enter into business acquisition agreements that require us to access credit, which if not available at the closing of the acquisition could result in a breach of the acquisition agreement and a resulting claim for damages by the sellers of such business. In addition, market conditions could negatively impact our customers' ability to fund their projects and, therefore, utilize our services, which could have a material adverse impact on our business, financial condition, and results of operations.

Some of our customers, suppliers and sub-consultants depend on access to commercial financing and capital markets to fund their operations. Disruptions in the credit or capital markets and increases in market interest rates could adversely affect our customers' ability to finance projects and could result in contract cancellations or suspensions, project delays and payment delays or defaults by our customers. In addition, customers may be unable to fund new projects, may choose to make fewer capital expenditures or otherwise slow their spending on our services or to seek contract terms more favorable to them. Our government customers may face budget deficits that prohibit them from funding proposed and existing projects or that cause them to exercise their right to terminate our contracts with little or no prior notice. In addition, any financial difficulties suffered by our sub-consultants or suppliers could increase our cost or adversely impact project schedules. These disruptions could materially impact our backlog and have a material adverse impact on our business, financial condition and results of operations.

Our quarterly results may fluctuate significantly, which could have a material negative effect on the price of our common stock.

Our quarterly operating results may fluctuate due to several factors, including:

- fluctuations in the spending patterns of our customers;
- the number and significance of projects executed during a quarter;
- unanticipated changes in contract performance, particularly with contracts that have funding limits;

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- the timing of resolving change orders, requests for equitable adjustments and other contract adjustments;
- the timing of our meeting a project milestone that allows us to bill our customer and recognize revenue;
- project delays;
- changes in prices of commodities or other supplies;
- weather conditions that delay work at project sites;
- the timing of expenses incurred in connection with acquisitions or other corporate initiatives;
- natural disasters or other crises;
- staff levels and utilization rates;
- changes in prices of services offered by our competitors; and
- general economic and political conditions.

If our quarterly operating results fluctuate significantly, it could have a material negative affect on our financial condition and results of operations and could cause the price of our common stock to decrease, perhaps substantially and disproportionately to the actual effect on our business.

An impairment charge on our goodwill could have a material adverse impact on our financial position and results of operations.

Because we have grown in part through acquisitions, and expect to grow further through acquisitions, goodwill and intangible assets represent a substantial portion of our assets and will likely represent a more substantial portion in the future. As of December 31, 2024 and 2023, we had \$134.7 million and \$96.4 million of goodwill, representing 26.8% and 23.9%, respectively, of our total assets as of December 31, 2024 and 2023. Under U.S. GAAP, we are required to evaluate goodwill carried in our consolidated balance sheet for possible impairment on an annual basis using a fair value approach. We also are required to test goodwill for impairment between annual tests if events occur or circumstances change that would more likely than not reduce our enterprise fair value below our goodwill carrying value. These events or circumstances could include a significant change in the business climate, including legal factors, economic impacts, operating performance indicators, competition, sale, or disposition of a significant portion of our business, potential changes in regulatory or licensing requirements, and other factors.

If our market capitalization drops significantly below the amount of net equity recorded on our balance sheet, that might indicate a decline in our fair value and would require us to further evaluate whether our goodwill has been impaired. The amount of any impairment could be significant and, if taken, could have a material adverse impact on our financial position and results of operations to the period in which we record the charge.

Increases in inflation, interest rates, and/or construction costs could reduce the demand for our services as well as decrease our profit on existing contracts, particularly our fixed price contracts.

Increases in inflation, interest rates, or construction costs could reduce the demand for our services. In addition, we bear all the risk of rising inflation on our fixed price contracts with respect to our cost of labor. Because a meaningful portion of our revenues are earned from fixed price contracts involving a substantial cost associated with our labor, the effects of inflation could have a material adverse impact on our business, financial condition, and results of operations.

We are subject to professional standards, duties and statutory obligations on professional reports and opinions we issue, which could subject us to monetary damages.

We issue reports and opinions to customers based on our professional engineering expertise as well as our other professional credentials that subject us to professional standards, duties and obligations regulating the performance of our services. If a customer or another third party alleges that our report or opinion is incorrect or it is improperly relied upon and we are held responsible, we could be subject to significant liability or claims for damages. In addition, our reports and other work product may need to comply with professional standards, licensing requirements, securities regulations and other laws and rules governing the performance of professional services in the jurisdiction where the services are performed. We could

be liable to third parties who use or rely upon our reports and other work product even if we are not contractually bound to those third parties. These events could in turn result in monetary damages and penalties.

Our credit agreement contains several restrictive covenants, which could limit our ability to finance future operations, acquisitions or capital needs or engage in other business activities that may be in our interest.

Our credit agreement contains several financial covenants that impose operating and other restrictions on us, and our subsidiaries. Such restrictions affect or could affect, and in many respects limit or prohibit, among other things, our ability, and the ability of certain of our subsidiaries to:

- incur additional indebtedness;
- create liens;
- pay dividends and make other distributions in respect of our equity securities;
- redeem our equity securities;
- enter into certain lines of business;
- make certain investments or certain other restricted payments;
- sell certain kinds of assets;
- enter into certain types of transactions with affiliates; and
- undergo a change in control or effect certain mergers or consolidations.

In addition, our credit agreement also requires us to comply with certain fixed charge coverage, debt to EBITDA and senior debt to EBITDA ratios. Poor financial performance or events beyond our control may affect our ability to comply with these covenants.

These restrictions could limit our ability to plan for or react to market or economic conditions or meet capital needs or otherwise restrict our activities or business plans and could adversely affect our ability to finance our operations, acquisitions, investments or strategic alliances or other capital needs or to engage in other business activities that would be in our interest.

A breach of any of these covenants or our inability to comply with the required financial ratios could result in a default under the credit agreement. If an event of default occurs, the lenders under the credit agreement could elect to:

- declare all borrowings outstanding, together with accrued and unpaid interest, to be immediately due and payable;
- require us to apply all our available cash to repay the borrowings; or
- prevent us from making debt service payments on certain of our borrowings due to other creditors.

If we were unable to repay or otherwise refinance these borrowings when due, the lenders under the credit agreement could sell the collateral securing the credit agreement, which constitutes a significant majority of our assets.

Variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our credit agreement with Bank of America, N.A. bear interest at variable rates, exposing us to interest rate risk. Interest rates in the United States may continue to increase in the future. If interest rates continue to increase, our debt service obligations on borrowings under our credit agreement would continue to increase even though the amount borrowed would remain the same, and our results of operations and cash flows for servicing our indebtedness would decrease, perhaps significantly.

Risks Relating to Government Contracts, Regulation and Litigation

Governmental agencies may modify, curtail, or terminate our contracts at any time prior to their completion and, if we do not replace them, we may suffer a decline in revenue.

Most government contracts may be modified, curtailed, or terminated by the government either at its discretion or upon the default of the contractor. If the government terminates a contract at its discretion, then we typically can recover only costs incurred or committed, settlement expenses and profit on work completed prior to termination, which could prevent us from recognizing all the potential revenue and profits from that contract. In addition, for some assignments, the government may attempt to “insource” the services to government employees rather than outsource to a contractor. If a governmental agency terminates a contract due to our default, we could be liable for excess costs incurred by the governmental agency in obtaining services from another source.

Because we provide services to municipalities and other public agencies, we are more susceptible to the unique risks associated with government contracts.

A substantial amount of our revenue is derived from our work for municipalities and other public agencies. Consequently, we are exposed to certain risks associated with public agency and government contracting, any one of which can have a material adverse effect on our business, results of operations and financial condition. These risks include:

- The ability of the public agency to terminate the contract with 30 days’ prior notice or less;
- Changes in public agency spending and fiscal policies which can have an adverse effect on demand for our services;
- Contracts that are subject to public agency budget cycles, and often are subject to renewal on an annual basis;
- The often wide variation of the types and pricing terms of contracts from agency to agency;
- The difficulty of obtaining change orders and additions to contracts; and
- The requirement to perform periodic audits as a condition of certain contract arrangements.

Legislation, policy, rules, or regulations may be enacted that limit or change the ability of state, regional or local agencies to contract for our privatized services. Such changes would affect our ability to obtain new contracts and may decrease the demand for our services.

Legislation is proposed periodically that attempts to limit the ability of governmental agencies to contract with private consultants to provide services. Should such changes occur and be upheld, demand for our services may be materially adversely affected. For each of the years ended December 31, 2024 and 2023, approximately 27% and 21% of our gross revenue was derived from services performed under contracts with governmental agencies, respectively. While attempts at such legislation have failed in the past, such measures could be adopted in the future.

State and other public employee unions may bring litigation that seeks to limit the ability of public agencies to contract with private firms to perform government employee functions relating to public improvements. Judicial determinations in favor of these unions could affect our ability to compete for contracts and may have an adverse effect on our financial results.

For over 20 years, state and other public employee unions have challenged the validity of propositions, legislation, charters, and other government regulations that allow public agencies to contract with private firms to provide services in the fields of engineering, design, and construction of public improvements that might otherwise be provided by public employees. These challenges could have the effect of eliminating or severely restricting the ability of municipalities to hire private firms and otherwise require them to use union employees to perform the services. If a state or other public employee union is successful in its challenge, this may result in additional litigation which could affect our ability to compete for contracts.

Our failure to comply with a variety of complex procurement rules and regulations could damage our reputation and result in our being liable for penalties, including termination of our government contracts, disqualification from bidding on future government contracts and suspension or debarment from government contracting.

We must comply with laws and regulations relating to government contracts, which affect how we do business with our customers and may impose added costs on our business. Some significant laws and regulations that affect us include:

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- federal, state, and local laws and regulations (including the Federal Acquisition Regulation or “FAR”) regarding the formation, administration, and performance of government contracts;
- the Civil False Claims Act, which provides for substantial civil penalties for violations, including for submission of a false or fraudulent claim to the U.S. government for payment or approval; and
- federal, state, and local laws and regulations regarding procurement integrity including gratuity, bribery and anti-corruption requirements as well as limitations on political contributions and lobbying.

Any failure to comply with applicable laws and regulations could result in contract termination, damage to our reputation, price or fee reductions, suspension, or debarment from contracting with the government, each of which could have a materially adverse effect our business, results of operations and financial condition.

In addition, federal, state, and local government entities may revise existing contract rules and regulations or adopt new contract rules and regulations at any time and may also face restrictions or pressure regarding the type and number of services that they may obtain from private contractors. Any of these changes could impair our ability to obtain new contracts or renew contracts under which we currently perform when those contracts are subject to recompetete.

The outcome of pending and future claims and litigation could have a material adverse impact on our business, financial condition, and results of operations.

We are a party to claims and litigation in the normal course of business. Since we engage in engineering, surveying and related consulting activities for large facilities and projects where design, construction or systems failures can result in substantial injury or damage to employees or others, we are exposed to claims and litigation and investigations if there is a failure at any such facility or project. Such claims could relate to, among other things, personal injury, loss of life, business interruption, property damage, pollution and environmental damage and be brought by our customers or third parties, such as those who use or reside near our customers’ projects. We can also be exposed to claims if we agreed that a project will achieve certain performance standards or satisfy certain technical requirements and those standards or requirements are not met. In many of our contracts with customers, sub-consultants, and vendors, we agree to retain or assume potential liabilities for damages, penalties, losses and other exposures relating to projects that could result in claims that greatly exceed the anticipated profits relating to those contracts. In addition, while customers and sub-consultants may agree to indemnify us against certain liabilities, such third parties may refuse or be unable to pay it.

Employee, agent or partner misconduct or our overall failure to comply with laws or regulations may adversely impact our reputation and financial results as well as subject us to criminal and civil enforcement actions.

Misconduct, fraud, non-compliance with applicable laws and regulations, or other improper activities by one of our employees, agents, or partners could have a significant negative impact on our business and reputation. Such misconduct could include the failure to comply with regulations regarding government procurements, the protection of classified information, bribery and other foreign corrupt practices, pricing of labor and other costs in government contracts, lobbying or similar activities, internal controls over financial reporting, environmental laws, and any other applicable laws or regulations. Our policies mandate compliance with these regulations and laws, and we take precautions to prevent and detect misconduct. However, since our internal controls are subject to inherent limitations, including human error, it is possible that these controls could be intentionally circumvented or become inadequate because of changed conditions. As a result, we cannot assure that our controls will protect us from reckless or criminal acts committed by our employees and agents. Our failure to comply with applicable laws or regulations or acts of misconduct could subject us to fines and penalties, loss of security clearances, and suspension or debarment from contracting, any or all of which could harm our reputation, reduce our revenue and profits, and subject us to criminal and civil enforcement actions. Historically, we have not had any material cases involving misconduct or fraud.

Changes in resource management or infrastructure industry laws, regulations, and programs could directly or indirectly reduce the demand for our services which could in turn negatively impact our revenue.

Some of our services are directly or indirectly impacted by changes in U.S. federal, state, local, or foreign laws and regulations pertaining to resource management, infrastructure, and the environment. In addition, growing concerns about

climate change may result in the imposition of additional regulations, international protocols or other restrictions on emissions. Accordingly, such additional laws and regulations or a relaxation or repeal of existing laws and regulations, or changes in governmental policies regarding the funding, implementation, or enforcement of these programs, could result in a decline in demand for our services, which could in turn negatively impact our revenue.

We may be subject to liabilities under environmental laws and regulations, including liabilities assumed in acquisitions for which we may not be indemnified.

We must comply with several laws that strictly regulate the handling, removal, treatment, transportation and disposal of toxic and hazardous substances. Under the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (“CERCLA”), and comparable state laws, we may be required to investigate and remediate regulated hazardous materials. CERCLA and comparable state laws typically impose strict joint and several liabilities without regard to whether a company knew of or caused the release of hazardous substances. The liability for the entire cost of clean-up could be imposed upon any responsible party. Other principal federal environmental, health, and safety laws affecting us include, among others, the Resource Conservation and Recovery Act, the National Environmental Policy Act, the Clean Air Act, the Clean Water Act, the Occupational Safety and Health Act, the Toxic Substances Control Act, and the Superfund Amendments and Reauthorization Act. Our business operations may also be subject to similar state and international laws relating to environmental protection. Liabilities related to environmental contamination or human exposure to hazardous substances, or a failure to comply with applicable regulations, could result in substantial costs to us, including clean-up costs, fines and civil or criminal sanctions, third-party claims for property damage or personal injury, or cessation of remediation activities. Our continuing work in the areas governed by these laws and regulations exposes us to the risk of substantial liability.

While our business is not subject to significant regulation, the services we provide to our customers address various federal, state and local regulations that must be complied with to receive approval to proceed. In connection with the process of bidding for and being awarded certain government assignments we are required to provide an annual Federal Acquisition Regulation rate audit that determines our overhead reimbursement allowance. With respect to the operation of our business, we are subject to professional licensing requirements that vary by state.

Each state establishes licensing and organizational requirements for our services. Certain states allow only individuals and individually owned professional services corporations to hold licenses. In those states there may be grandfathering exemptions that allow corporations to hold licenses. In the event a state does not allow a corporation to hold a license, we have in the past formed professional services corporations owned by Mr. Bowman and other employees to facilitate our ability to work in such states. To the extent we cannot adequately satisfy a state’s licensing requirements, we do not operate in that state. As of December 31, 2024, we were licensed to operate in all states within the United States either directly or through an affiliate.

Changes in tax laws could increase our tax rate and tax payments and materially affect our results of operations.

We are subject to tax laws in the United States and various states. The current U.S. presidential administration has called for fiscal and tax policies, which may include extension of the 2017 Tax Cut & Jobs Act as well as other aspects of tax reform. Some of these proposed changes to the taxation of our activities could increase our effective tax rate and harm our results of operations. Further, as part of the recently adopted Inflation Reduction Act of 2022, the United States implemented a 1% excise tax on the value of certain share repurchases by publicly traded companies and this excise tax rate could plausibly increase through additional legislation. As discussed below, this tax could increase the costs to us of any share repurchases. In addition, under the 2017 Tax Cut & Jobs Act, research and experimental costs are no longer fully deductible and are required to be capitalized and amortized for U.S. tax purposes effective for our fiscal year ended December 31, 2024. Unless this provision of the act is repealed or its effectiveness is deferred, the capitalization requirement would significantly increase our tax payments.

Risks Relating to Our Common Stock

If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential stockholders could lose confidence in our financial reporting, which would harm our business and the trading price of our common stock.

Effective internal controls are necessary for us to provide reliable financial reports, prevent fraud and operate successfully as a public company. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results would be harmed. We cannot be certain that our efforts to maintain our internal controls will be successful, that we will be able to maintain adequate controls over our financial processes and reporting in the future or that we will be able to comply with our obligations under Section 404 of the Sarbanes-Oxley Act of 2002. Any failure to develop or maintain effective internal controls, or difficulties encountered in implementing or improving our internal controls, could harm our operating results or cause us to fail to meet our reporting obligations. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which would likely have a negative effect on the trading price of our common stock.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

Our disclosure controls and procedures are designed to reasonably assure that information required to be disclosed by us in reports we file or submit 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. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements, or insufficient disclosures due to error or fraud may occur and not be detected.

The price of our common stock has been, and may continue to be, volatile and the value of our common stock could decline.

The market price of our common stock has been, and may in the future be highly, volatile. The stock market in general and the market for emerging growth companies have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. The market price for our common stock may fluctuate or decline substantially as a result of a variety of factors, some of which are beyond our control, including:

- the recruitment or departure of key personnel;
- actual or anticipated changes in estimates as to financial results, acquisitions or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- market conditions in the utility and infrastructure markets where we focus;
- future sales of our common stock by us or our stockholders;
- the trading volume of our common stock;
- general economic, industry and market conditions; and
- the other factors described in this “Risk Factors” section.

An active trading market for our common stock may not be sustained.

Although our common stock is listed on The Nasdaq Global Market, an active trading market for our common stock may not be sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair value of your shares. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies by using our shares as consideration.

There can be no assurance that we will be able to comply with the continued listing standards of Nasdaq.

Our continued eligibility for listing on Nasdaq depends on several factors. If Nasdaq delists the common stock from trading on its exchange for failure to meet the listing standards, we and our stockholders could face significant material adverse consequences including:

- a limited availability of market quotations for our securities;
- a determination that our common stock is a “penny stock,” which will require brokers trading in our common stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for our common stock;
- a limited amount of analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

If securities analysts do not publish research or reports about our business or if they publish negative evaluations of our stock, the price of our stock could decline.

The trading market for our common stock relies in part on the research and reports that industry or financial analysts publish about us or our business. We may not continue to obtain research coverage by industry or financial analysts. If no or few analysts commence coverage of us, the trading price of our stock would likely decrease. Even if we do obtain analyst coverage, if one or more of the analysts covering our business downgrade their evaluations of our stock, the price of our stock could decline. If one or more of these analysts cease to cover our stock, we could lose visibility in the market for our stock, which in turn could cause our stock price to decline.

Our Chairman and Chief Executive Officer owns a large percentage of our voting stock, which may allow him to have a significant influence on all matters requiring stockholder approval.

Gary Bowman, our Chairman and Chief Executive Officer, beneficially owned 2,339,041 shares, or approximately 13.57% of our common stock as of March 12, 2025. Mr. Bowman has significant power to influence the outcome of important corporate decisions or matters submitted to a vote of our stockholders, including decisions regarding mergers, going private transactions, and other extraordinary transactions, and to significantly influence the terms of any of these transactions. Although Mr. Bowman owes our stockholders certain fiduciary duties as a director and an executive officer, Mr. Bowman could take actions to address his own interests, which may be different from those of our other stockholders.

Future issuances or sales of a substantial number of shares of our common stock, or the perception that such issuances or sales may occur, could cause our stock price to decline.

Future issuances or sales of additional shares of our common stock could dilute the ownership interest of our common stockholders and could depress the market price of shares of our common stock.

In addition, if our existing stockholders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market after certain lock-up and other legal restrictions on resale lapse, the market price of our common stock could decline.

In the future, we may issue additional shares of common stock or other equity or debt securities convertible into common stock in connection with financings, acquisitions, registration statements or otherwise.

We have also registered shares of our common stock that we may issue under our equity incentive plans and our employee stock purchase plan. As a result, all such shares can be freely sold in the public market upon issuance, subject to any vesting conditions or contractual lock-up agreements.

If additional shares of our common stock are issued or sold, or if it is perceived that they will be issued or sold, in the public market, the market price of our common stock could decline.

We cannot guarantee that our share repurchase program will be fully implemented or that it will enhance long-term stockholder value.

On August 15, 2024, our board of directors authorized a \$25 million share repurchase program under which we may repurchase up to \$25 million of our common stock. On November 29, 2024 the board of directors authorized an increase to this repurchase authorization from \$25 million to \$35 million. The authorization is effective through July 31, 2025.

Under the terms of the program, the shares may be repurchased from time to time in open market transactions at prevailing market prices, in privately negotiated transactions or by other means in accordance with federal securities laws. The actual manner, timing and amount of repurchases under the share repurchase program will be determined by management at its discretion and will depend on a number of factors, including the market price of our common stock, market conditions and capital allocation priorities. As a result, there can be no guarantee around the timing or volume of our share repurchases. In addition, as part of the Inflation Reduction Act of 2022, the United States implemented a 1% excise tax on the value of certain share repurchases by publicly traded companies. This tax could increase the costs to us of any share repurchases. We intend to finance any stock repurchases through operating cash flow. Repurchases also may be made under a trading plan under Rule 10b5-1, which would permit shares to be repurchased when we might otherwise be precluded from doing so because of self-imposed trading blackout periods or other regulatory restrictions. There is no guarantee as to the number of shares that will be repurchased, and the share repurchase program may be extended, suspended or discontinued at any time without notice at our discretion, which may result in a decrease in the trading price of our common stock. The share repurchase program could increase volatility in and affect the price of our common stock. The existence of our share repurchase program could also cause the price of our common stock to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity for our common stock. Additionally, repurchases under our share repurchase program will diminish our cash reserves and negatively impact our access to debt and our overall indebtedness. There can be no assurance that any stock repurchases will enhance stockholder value because the market price of our common stock may decline below the levels at which we repurchased such shares. Any failure to repurchase shares after we have announced our intention to do so may negatively impact our reputation and investor confidence in us and may negatively impact our stock price. Although our share repurchase program is intended to enhance long-term stockholder value, short-term stock price fluctuations could reduce the program's effectiveness.

Anti-takeover provisions under our charter documents and Delaware law could delay or prevent a change of control, which could limit the market price of our common stock and may prevent or frustrate attempts by our stockholders to replace or remove our current management.

Our amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that could delay or prevent a change of control of our company or changes in our board of directors that our stockholders might consider favorable. Some of these provisions include:

- a board of directors divided into three classes serving staggered three-year terms, such that not all members of the board will be elected at one time;
- a prohibition on stockholder action through written consent, which requires that all stockholder actions be taken at a meeting of our stockholders;
- a requirement that special meetings of stockholders be called only by the board of directors acting pursuant to a resolution approved by the affirmative vote of a majority of the directors then in office;
- advance notice requirements for stockholder proposals and nominations for election to our board of directors;
- a requirement that no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of not less than two-thirds of all outstanding shares of our voting stock then entitled to vote in the election of directors;
- a requirement of approval of not less than two-thirds of all outstanding shares of our voting stock to amend any bylaws by stockholder action or to amend specific provisions of our certificate of incorporation; and
- the authority of the board of directors to issue preferred stock on terms determined by the board of directors without stockholder approval and which preferred stock may include rights superior to the rights of the holders of common stock.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporate Law, or DGCL, which may prohibit certain business combinations with stockholders owning 15% or more of our outstanding voting stock. These antitakeover provisions and other provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult for stockholders or potential acquirers to obtain control of our board of directors or initiate actions that are opposed by the then-current board of directors and could also delay or impede a merger, tender offer or proxy contest involving our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing or cause us to take other corporate actions you desire. Any delay or prevention of a change of control transaction or changes in our board of directors could cause the market price of our common stock to decline.

Our amended and restated bylaws designate specific courts as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Pursuant to our amended and restated bylaws, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for any state law claims for (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a claim of or based on a breach of a fiduciary duty owed by any director, officer or other employee of ours to us or our stockholders; (3) any action asserting a claim pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; or (4) any action asserting a claim governed by the internal affairs doctrine, or the Delaware Forum Provision. The Delaware Forum Provision will not apply to any causes of action arising under the Securities Act or the Exchange Act. Our amended and restated bylaws contain a Federal Forum provision that provides that unless we consent in writing to the selection of an alternative forum, the United States District Court for the Eastern District of Virginia shall be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act or the Exchange Act. In addition, our amended and restated bylaws provide that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the Delaware Forum Provision and the Federal Forum Provision; provided, however, that stockholders cannot and will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.

We recognize that the Delaware Forum Provision and the Federal Forum Provision in our amended and restated bylaws may impose additional litigation costs on stockholders in pursuing any such claims, particularly if the stockholders do not reside in or near the State of Delaware or the Commonwealth of Virginia, as applicable. Additionally, the forum selection clauses in our amended and restated bylaws may limit our stockholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers, or employees, which may discourage the filing of lawsuits against us and our directors, officers and employees, even though an action, if successful, might benefit our stockholders. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are "facially valid" under Delaware law, there is uncertainty as to whether other courts will enforce our Federal Forum Provision. If the Federal Forum Provision is found to be unenforceable, we may incur additional costs associated with resolving such matters. The Federal Forum Provision may also impose additional litigation costs on stockholders who assert that the provision is not enforceable or invalid. The Court of Chancery of the State of Delaware and the United States District Court for the Commonwealth of Virginia may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders.

We are an emerging growth company, and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act, or JOBS Act, enacted in April 2012, and we intend to continue to take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. These include, but are not limited to, exemption from auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced executive compensation

disclosure obligations, in our periodic reports and our proxy statements, and an exemption from the requirements of holding nonbinding advisory votes on executive compensation, and stockholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years following the year in which we complete our initial public offering, although circumstances could cause us to lose that status earlier. We will remain an emerging growth company until the earlier of: (i) the last day of the fiscal year in which we have total annual gross revenues of \$1.07 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of the completion of our initial public offering; (iii) the date on which we have issued more than \$1 billion in non-convertible debt during the prior three-year period; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to not “opt out” of this exemption from complying with new or revised accounting standards and, therefore, we will adopt new or revised accounting standards at the time private companies adopt the new or revised accounting standard and will do so until such time that we either (i) irrevocably elect to “opt out” of such extended transition period or (ii) no longer qualify as an emerging growth company.

We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

Because we do not anticipate paying any cash dividends on our capital stock in the foreseeable future, capital appreciation, if any, will be your sole source of gain.

We do not intend to pay cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

Item 1B. Unresolved Staff Comments

There are no unresolved staff comments outstanding with the SEC at this time.

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

We recognize the critical importance of developing, implementing, and maintaining robust cybersecurity measures to safeguard our information systems and protect the confidentiality, integrity, and availability of our data. We have integrated cybersecurity risk management into our broader enterprise risk management framework to promote a company-wide culture of cybersecurity risk awareness and management. This integration aims to ensure that cybersecurity considerations are an integral part of our decision-making processes at every level. We have developed an enterprise risk management program (“ERM”) designed to assess, identify, manage and mitigate material risks, including cybersecurity risk. ERM is a Company-wide initiative that involves both the board of directors and our management. The program is designed to identify and assess risks most critical to our success including through an analysis of the likelihood of occurrence and potential impact of each risk. The executive leadership team, including our Chief Executive Officer, and our management team, comprised of department leaders and subject matter experts, are responsible for identifying, assessing, managing and mitigating risks with Board appropriate oversight.

Our cybersecurity risk management includes enterprise-wide monitoring of cyber activity to identify and analyze potential events that may have an adverse effect or impact on our services, systems, resources, or reputation. This monitoring is designed to identify both external activity and routine internal activity for behavior that may be unusual or potentially malicious. Our cybersecurity monitoring and identification efforts include the use of a third-party managed detect and response security service to monitor and take action as necessary, with the response ranging from automated processes to immediately block and remove undesired risks to cybersecurity team review and action, depending on the nature and severity of the risk. We have a Cybersecurity Incident Response Plan which provides a framework for addressing a cyber-crisis, cyber-

incident and/or data breach, and includes activating crisis, or business continuity recovery plans, as appropriate. Recognizing the complexity and evolving nature of cybersecurity threats, we engage with a range of external experts, including cybersecurity consultants in evaluating and testing our risk management systems. These partnerships enable us to leverage specialized knowledge and insights, with the aim of modeling our cybersecurity strategies and processes after industry best practices. Our collaboration with these third parties includes vulnerability management, threat and attack and consultation on security risks enhancements. Some engagements involve point in time activities with end products or reporting while others involve ongoing monitoring and management of risk across the Company.

We do not believe that any risks from cybersecurity threats, nor any previous cybersecurity incidents, have materially affected us. However, the sophistication of cyber threats continues to increase, and the preventative actions that we have taken and continue to take to reduce the risk of cyber incidents and protect its systems and information may not successfully protect against all cyber incidents. For more information on how cybersecurity risk may materially affect our business strategy, results of operations, or financial condition, please refer to Item 1A Risk Factors.

Cybersecurity Governance

Our Audit Committee and board of directors provide ultimate oversight of our cybersecurity risk management. Our Chief Information Security Officer, who also functions as our Chief Information Officer (“CIO”), provides quarterly reports to the Audit Committee regarding the evolving cybersecurity risk landscape, including emerging risks, as well as our processes, program and initiatives for managing these risks. The Audit Committee regularly reviews and discusses with management the strategies, processes, procedures and controls pertaining to the management of our information technology operations, including cyber risks and cybersecurity.

Our CIO, who reports directly to the CEO, has significant professional experience including senior technical leadership roles at public companies and maintains the certified information systems security professional (CISSP) certification. Under the direction of the CIO, our information technology department continuously analyzes cybersecurity and resiliency risks to our business, considers industry trends and implements controls, as appropriate, to mitigate these risks and conducts regular enterprise-wide training on cybersecurity threats for all employees. This analysis drives our long- and short-term cybersecurity strategies, which are executed through a collaborative effort within the department and are communicated to the board of directors regularly.

Item 2. Properties

Our principal executive office is located at 12355 Sunrise Valley Drive, Suite 520, Reston, Virginia 20191, which we lease under a seven-year commitment with annual lease payments of \$0.3 million. We do not own any real property. We currently operate out of more than 95 core locations nationally, of which one is a related party transaction with a property owner including members of our management team, and two offices in Mexico. Our lease terms vary ranging from month-to-month to multi-year commitments. While we take pride in offering work locations to our employees that are conveniently located, professionally finished, well appointed, transit-centric and amenity rich, we do not consider any specific leased properties to be materially important to our long-term prospect for success. While we do believe it is necessary to maintain offices through which our services are coordinated and our employees collaborate in person, we feel there are an ample number of available office rental properties that could adequately serve our needs should we need to relocate or expand any of our operations.

Item 3. 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 Annual Report on Form 10-K, 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 4. Mine Safety Disclosures

None.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

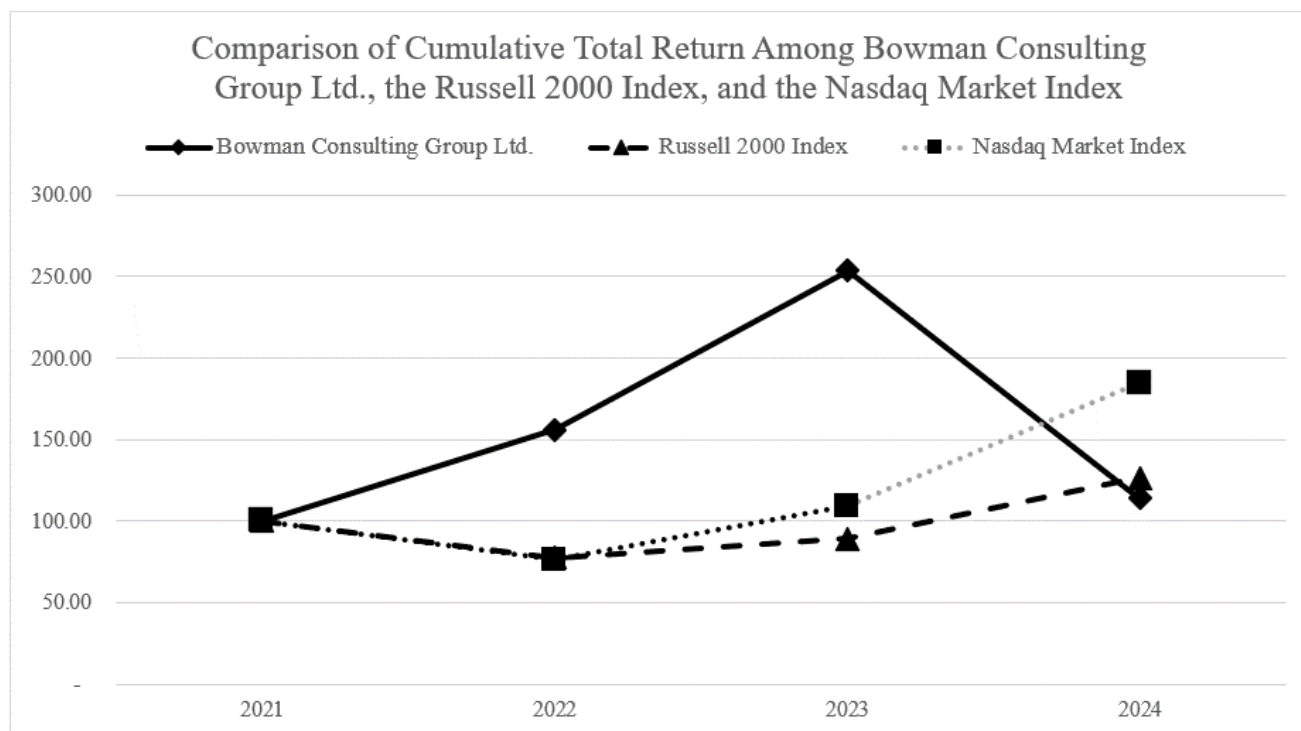
Our common stock is traded on the Nasdaq Global Select Market under the symbol BWMN. There were approximately 12 shareholders of record at February 28, 2025.

Dividend

We have never paid cash dividends on our common stock and do not anticipate paying cash dividends in the foreseeable future.

Performance Graph

The following graph shows a comparison of our cumulative total returns with those of the Russell 2000 Index and the Nasdaq Market Index. At this time, we do not have a comparable peer group due to the combination of our differentiated approach to the provision of consulting services and our end-markets. Thus, we have selected the Russell 2000 Index. The graph assumes that the value of an investment in our common stock and in each such index was \$100 on May 7, 2021. The comparison in the graph below is based on historical data and is not intended to forecast the possible future performance of our common stock.



ASSUMES \$100 INVESTED ON MAY 7, 2021
FOR THE YEAR ENDED DECEMBER 31, 2024

	2021	2022	2023	2024
Bowman Consulting Group Ltd.	100.00	156.07	253.71	114.19
Russell 2000 Index	100.00	77.53	89.23	126.62
Nasdaq Market Index	100.00	76.11	109.16	184.50

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The performance graph above and related text are being furnished solely to accompany this annual report on Form 10-K pursuant to Item 201(e) of Regulation S-K, and are not being filed for purposes of Section 18 of the Exchange Act, and are not to be incorporated by reference into any of our filings with the SEC, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Unregistered Sales of Equity Securities

Sales of unregistered securities during the year ended December 31, 2024 were previously disclosed in our Quarterly Reports on Form 10-Q for each of the quarters ended March 31, 2024, June 30, 2024 and September 30, 2024. Subsequent to September 30, 2024 and through the reporting date of this Annual Report on Form 10-K, we made no sales of the unregistered securities, other than the following:

On November 5, 2024, we issued a \$2.2 million 5.00% unsubordinated convertible note with a maturity date in November 2028 as partial consideration for the acquisition of Exeltech Consulting, Inc. (see Note 4 *Acquisitions*). 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 \$32.32 per share upon proper notice. Subject to the exercise of the conversion, the convertible note will have quarterly payments of principal, interest or both beginning in April 2025 and ending in November 2028. 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.

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 recipient of securities in the above transaction 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 transaction. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The recipient had adequate access, through employment, business, or other relationships, to information about us.

Issuer Purchases of Equity Securities

The following table summarizes the purchases of shares of our common stock made by us during the three months ended December 31, 2024 (in thousands, except share data and average price per share):

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 (2)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (3)
10/1/24 - 10/31/24	224	21.75	179,512	17,146,588
11/1/24 - 11/30/24	-	24.43	114,131	14,358,018
12/1/24 - 12/31/24	320	26.78	100,849	11,656,400

(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 August 15, 2024, the board of directors authorized a \$25 million share repurchase program under which the Company may repurchase up to \$25 million of our common stock. On November 29, 2024, the board of directors authorized an increase to this repurchase authorization from \$25 million to \$35 million (collectively referred to as the "2024 Repurchase Authorization"). The authorization is effective through July 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

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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 December 31, 2024, we have repurchased 958,013 shares of our common stock under the 2024 Repurchase Authorization.

Item 6.

[RESERVED]

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K. 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 and “Cautionary Statements about Forward-Looking Statements,” in this Annual Report on Form 10-K, 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, technology and program management services to customers who own, develop, and maintain the built environment. We provide planning, engineering, construction management, commissioning, environmental consulting, geospatial imaging, surveying, land procurement and other technical services to over 4,750 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 customer 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 years ended December 31, 2024, and 2023 was \$426.6 million and \$346.3 million, respectively. Gross contract revenue derived from our workforce (see Net service billing – non-GAAP below) represented 89.0% and 87.8% of gross contract revenue for the years ended December 31, 2024 and 2023, respectively. Our net income (loss) for the years ended December 31, 2024, and 2023 was \$3.0 million and (\$6.6) million, respectively. Our Adjusted EBITDA (see Adjusted EBITDA - non-GAAP below) was \$59.5 million on net income of \$3.0 million and \$47.0 million on net loss of \$6.6 million for the years ended December 31, 2024, and 2023, respectively.

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 of 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 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 industry uses 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 fixed 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.

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 60% and 62% of our gross contract revenue for the years ended December 31, 2024 and 2023, 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 is performed at risk with no documented customer commitment.

Contract Costs

Contract costs consists 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 with little or no mark-up 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, along with various geospatial systems and scanners. We present direct costs exclusive of depreciation and amortization and as such we do not present gross profit on our consolidated financial statements.

Operating Expense

Operating expenses consists 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. This expense is based on the amortization of the grant date fair value of equity grants over the vesting period. Non-cash stock compensation cost for permanent equity is the grant date fair value of the awards, or the Black-Sholes-Merton value of stock options on the grant date, recognized ratably over the vesting periods of each award. Stock issued as consideration in connection with acquisitions where there is no service period, and no risk of forfeiture, is considered a component of the purchase price and does not run through our income statement as non-cash compensation expense.

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.

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 connects 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, or that 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. 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 expenses associated with discontinued operations, legal settlements not related to our general course of business professional services, and other costs not in the ordinary course of business, non-cash stock-based compensation (inclusive of expenses associated with the adjustment of our liability for common shares subject to redemption), and other adjustments such as costs associated with raising equity and other forms of capital. 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.

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. Discussed below are the accounting policies for which we believe our judgments and estimates have the greatest potential impact.

Revenue Recognition

To determine the proper revenue recognition method under ASC Topic 606, we evaluate whether two or more contracts should be combined and accounted for as one single contract and if so, whether to account for the combined or single contract as more than one performance obligation. For most of our contracts, we conclude there to be a single performance obligation because the promise to transfer individual goods or services is not separately identifiable from the commitment to the deliverable of the contract and, therefore, is not distinct.

Our performance obligations are satisfied as work progresses. We recognize revenue for our lump sum contracts ratably over time based on cost-basis percentage of completion, calculated as a percentage of direct costs incurred to date relative to estimated total direct costs of the performance obligation at completion. Contract costs include labor, sub-consultant costs and other direct costs as incurred. We recognize revenue from lump sum contracts as we advance our work and transfer results to the customer. Contract change orders covering changes in scope, specifications, design, performance or period of completion are common with our customers. In most cases, we account for contract modifications as part of the existing contracts because they are for services that are not distinct from the original contract.

We base contract estimates on various assumptions about future costs and other inputs. Uncertainties inherent in the estimating process present the possibility that actual completion costs may vary from estimates. When estimated total costs on contracts indicate a loss, we recognize these losses in the period in which we identify the loss. We record adjustments required to align revenue with costs in place on the cumulative catch-up basis in the period in which we identify the revisions. We apply changes to projected revenue from contingent fee awards or penalties during the period in which we determine such contingencies to be probable.

Goodwill and Intangible Assets

The purchase price of an acquired business is allocated to the tangible assets and separately identifiable intangible assets acquired, less liabilities assumed, based upon their respective fair values with any excess purchase price over such fair values being recorded as goodwill. We review goodwill and intangible assets acquired in a business combination determined to have indefinite useful life annually for impairment, or more frequently if impairment indicators arise. We do not amortize such assets. We do however amortize intangible assets with estimable useful lives over such lives and review such assets for impairment if indicators are present.

We perform an annual impairment test as of October 1 of each year with quarterly confirmations that no triggering events have occurred. As our business is highly integrated and its components have similar economic characteristics, we have concluded we operate as one reporting unit at the combined entity level. We evaluate goodwill for potential impairment on an annual basis or at other times during the year if indicators of impairment exist. We evaluate goodwill for potential impairment by comparing the carrying value of the reporting unit to its fair value. When we evaluate goodwill for potential impairment, generally, we first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If we determine qualitatively that it is more likely than not that the fair value of a reporting unit is less than its carrying value, or if we decide to bypass the qualitative assessment, we perform a quantitative analysis. The quantitative analysis is used to identify both the existence of impairment and the amount of the impairment loss by comparing the estimated fair value of a reporting unit to its carrying value, including goodwill. The estimated fair value is based on forward-looking estimates of performance and cash flows of our reporting units, which are based on historical operating results, adjusted for current and expected future market conditions, as well as various internal projections and external sources. If the carrying value of the reporting unit exceeds its estimated fair value, an impairment loss would be recognized in our consolidated statement of operations in an amount equal to the excess of the carrying value over the estimated fair value, limited to the total amount of goodwill allocated to that reporting unit.

We performed our annual impairment analysis for the years ended December 31, 2024 and 2023 and did not identify any indicators of impairment.

Income Tax

We are subject to income taxes in the U.S. in which we operate and record our tax provision for the anticipated tax consequences in our reported results of operations. Tax laws are complex and subject to different interpretations by the taxpayer and respective government taxing authorities. Significant judgment is required in determining our tax expense and in evaluating our tax positions, including evaluating uncertainties in the application of tax laws and regulations.

We account for income taxes under the provisions of ASC 740, "Income Taxes" ("ASC 740"). Under ASC 740, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using tax rates in effect for the year in which the differences are expected to affect taxable income. The assessment of the realizability of deferred tax assets involves a high degree of judgment and complexity. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts that are expected to be realized. When we determine that it is more likely than not that we will be able to realize our deferred tax assets in the future in excess of our net recorded amount, an adjustment to the deferred tax asset would be made and reflected either in income or as an adjustment to goodwill. This determination will be made by considering various factors, including our expected future results, that in our judgment will make it more likely than not that these deferred tax assets will be realized.

Our actual effective tax rate and income tax expense could vary from estimated amounts due to the future impacts of various items, including changes in income tax laws, tax planning and our forecasted financial condition, and results of operations in future periods. Although we believe current estimates are reasonable, actual results could differ from these estimates.

ASC 740 prescribes a comprehensive model for how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that a company has taken or expects to take on a tax return. Under ASC 740, the financial statements reflect expected future tax consequences of such positions presuming the taxing authorities' full

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knowledge of the position and all relevant facts, but without considering time values. Recognized income tax positions are measured at the largest amount that has a greater than 50% likelihood of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

We receive an annual research and development tax credit in connection with certain at-risk work performed on behalf of customers. We reduce our current and deferred tax provision by the estimated net annual R&D tax credit projection, limited to the statutory allowance for utilization of the credit. We reconcile the tax credit and its impact during the subsequent year after calculating the credit in connection with our tax returns. We maintain what we believe to be an appropriate reserve against our accumulated credits. Estimates of our tax expense include both current and deferred tax expense along with all available tax incentives and credits.

The Organization for Economic Cooperation and Development has released Pillar Two Model Rules, a 15% minimum effective tax rate designed to ensure that large multinational enterprises pay a minimum level of tax on the income arising in each jurisdiction where they operate and mandates sharing of certain company information with taxing authorities on a local and global basis. Certain jurisdictions have enacted, and others have proposed, legislation to implement certain provisions of Pillar Two. We are continuing to monitor the implications resulting from the potential enactment of Pillar Two rules in the jurisdictions where we operate, and do not currently anticipate a material impact.

Results of Operations

Consolidated results of operations

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

	For The Year Ended December 31,	
	2024	2023
Gross contract revenue	\$ 426,564	\$ 346,256
Contract costs (exclusive of depreciation and amortization)	203,761	170,223
Operating expense	224,803	176,689
(Loss) Income from operations	(2,000)	(656)
Other expense	6,946	5,791
Income tax (benefit) expense	(11,980)	177
Net income (loss)	<u>\$ 3,034</u>	<u>\$ (6,624)</u>
Net margin	0.7 %	(1.9)%
Other financial information ¹		
Net service billing	\$ 379,669	\$ 303,994
Adjusted EBITDA	59,520	47,031
Adjusted EBITDA margin, net	15.7 %	15.5 %

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

Year ended December 31, 2024 as compared to the year ended December 31, 2023

Gross Contract Revenue

Gross contract revenue for the year ended December 31, 2024 increased \$80.3 million or 23.2% to \$426.6 million as compared to \$346.3 million for the year ended December 31, 2023. For the year ended December 31, 2024, gross contract revenue attributable to work performed by our workforce increased \$75.7 million, or 24.9% to \$379.7 million or 89.0% of gross contract revenue as compared to \$304.0 million or 87.8% for year ended December 31, 2023 (see Net service billing – non-GAAP). Of the \$80.3 million increase in gross contract revenue during the year ended December 31, 2024, acquisitions completed in 2024 represented \$42.5 million or 52.9% of the increase.

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Changes in gross contract revenue (“GCR”) for the year ended December 31, 2024, disaggregated between our core and emerging end markets, were as follows (in thousands other than percentages):

Consolidated Gross Contract Revenue	For the Year Ended December 31,					
	2024	%GCR	2023	%GCR	Change	% Change
Building Infrastructure ³	\$ 219,596	51.4 %	\$ 194,867	56.3 %	\$ 24,729	12.7 %
Transportation	87,746	20.6 %	72,829	21.0 %	14,917	20.5%
Power & Utilities ³	75,026	17.6 %	64,156	18.5 %	10,870	16.9 %
Emerging Markets ¹	44,196	10.4 %	14,404	4.2 %	29,792	206.8 %
Total:	\$ 426,564	100.0 %	\$ 346,256	100.0 %	\$ 80,308	23.2 %
Acquired²	\$ 42,454	10.0 %	\$ 30,497	8.8 %	\$ 11,957	39.2 %

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 thereafter 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 year ended December 31, 2024, gross contract revenue from our building infrastructure market increased \$24.7 million or 12.7% as compared to the year ended December 31, 2023. Building Infrastructure includes commercial, municipal and residential infrastructure. The increase in building infrastructure revenue is the result of organic growth and acquisitions. Within the building infrastructure market, 36.0% of gross contract revenue was derived from residential assignments including single family, multi-family and mixed-use housing stock, 45.0% from commercial assignments including retail, hospitality and quick-serve restaurants (QSR), office and industrial, data centers and healthcare, and 19.0% from municipal assignments. Within residential, 53.3% of gross contract revenue was derived from for-sale homebuilding assignments, 40.4% from residential multi-family and 6.3% from mixed use projects. While the homebuilding market shows signs of rebounding from prior year interest rate impacts, for-sale residential services represented just 9.9% of our total gross contract revenue for year ended December 31, 2024. Within commercial, 36.6% of revenue was derived from office and industrial assignments, 40.0% from retail, hospitality, and quick serve restaurants, 15.1% from data centers, 8.3% 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 year ended December 31, 2024, revenue from transportation increased \$14.9 million or 20.5% as compared to the year ended December 31, 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, 61.8% of our gross contract revenue was derived directly from public sector customers including DOTs, tollway operators, transit authorities aviation operators and others with the remaining 38.2% 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 year ended December 31, 2024, revenue from power and utilities increased \$10.9 million or 16.9% as compared to the year ended December 31, 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-

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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, 75.4% of our gross contract revenue was derived from customers operating traditional power operations and 24.6% was derived from customers focused on renewables, 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 emerging markets consist of mining, water resources, environmental consulting, imaging and mapping and other natural resources services. For the year ended December 31, 2024, revenue from emerging markets increased \$29.8 million or 206.8% as compared to the year ended December 31, 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 43.7% from imaging and mapping, 19.9% from mining activities where we have specialized in copper mining, 26.3% from water resources activities, and 10.1% 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 years ended December 31, 2024 and 2023, public sector customers, defined as direct contracts with municipalities, public agencies, or governmental authorities, represented 26.8% and 20.8% of our gross contract revenue,, respectively. A portion of that increase is due to the reclassification of 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 customers 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 \$33.6 million or 19.7% to \$203.8 million for the year ended December 31, 2024, as compared to \$170.2 million for the year ended December 31, 2023. For the years ended December 31, 2024 and 2023, total contract costs represented 47.8% and 49.1% of total contract revenue, respectively. For the years ended December 31, 2024 and 2023 total contract costs represented 53.7% and 56.0% of revenue attributable to our workforce, respectively (see Net Service Revenue). Total contract costs include both direct payroll costs, and sub-consultants and other expenses.

Total direct payroll costs increased \$28.9 million or 22.6% to \$156.9 million for the year ended December 31, 2024, as compared to \$128.0 million for the year ended December 31, 2023 due to increased staffing resulting from acquisitions and organic growth. Total direct payroll accounted for 77.0% of total contract costs for the year ended December 31, 2024, an increase of 1.8 percentage points as compared to 75.2% for the year ended December 31, 2023.

Direct labor, the component of total direct payroll costs associated with the cost of labor relating to work performed on contracts (often referred to within our industry as utilization) increased \$22.0 million or 22.9% to \$118.0 million for the year ended December 31, 2024 as compared \$96.0 million for the year ended December 31, 2023. For the year ended December 31, 2024 and 2023, direct labor costs represented 27.7% and 27.7% of gross contract revenue, respectively and represented 31.1% and 31.6% of the revenue attributable to our workforce, respectively. Labor costs not charged directly to customer contracts is considered indirect time and is treated as selling, general and administrative expense.

Other direct payroll costs, the component of total direct payroll costs associated with fringe and incentive compensation (cash and non-cash) increased by \$6.9 million or 21.6% to \$38.8 million for the year ended December 31, 2024 as compared to \$31.9 million for the year ended December 31, 2023. This increase includes a \$3.5 million increase in employee payroll taxes and a \$1.1 million increase in health benefits for the year ended December 31, 2024, primarily due to the increase in the overall labor pool. This increase includes an increase of \$1.1 million in the cost of non-cash stock

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compensation relating to direct payroll costs to \$8.2 million for the year ended December 31, 2024, as compared to \$7.1 million for the year ended December 31, 2023. The increase in non-cash stock compensation is likewise attributable to the increase in the overall labor pool.

Sub-consultants and expenses increased \$4.6 million or 10.9% to \$46.9 million for the year ended December 31, 2024, as compared to \$42.3 million for the year ended December 31, 2023. For the years ended December 31, 2024 and 2023, sub-consultant and expenses represented 11.0% and 12.2% of gross contract revenue, respectively. We expect sub-consultant costs to be in the range of 10-15% of gross contract revenue depending on contract mix at any given time, with transportation contracts tending to have a slightly higher sub-consultant percentage. The growth in sub-consultants and expenses is directly in-line with the increase of gross contract revenue.

Operating Expense

Total operating expense increased \$48.1 million or 27.2% to \$224.8 million for the year ended December 31, 2024, as compared to \$176.7 million for the year ended December 31, 2023.

Selling, general and administrative expenses increased \$39.1 million or 24.7% to \$197.5 million for the year ended December 31, 2024, as compared to \$158.4 million for the year ended December 31, 2023. Indirect labor increased \$19.2 million or 27.0% to \$90.3 million for the year ended December 31, 2024, as compared to \$71.1 million for the year ended December 31, 2023, as a result of increased staffing to accommodate growth. General overhead increased \$15.1 million or 29.6% to \$66.1 million for the year ended December 31, 2024, as compared to \$51.0 million for the year ended December 31, 2023, due to increased costs associated with operating as a public company, geographic expansion, and the overall growth of the company. Non-cash stock compensation associated with indirect labor hours, those not charged to customer contracts, decreased (\$0.1) million or (0.6%) to \$17.5 million for the year ended December 31, 2024, as compared to \$17.6 million for the year ended December 31, 2023.

Depreciation and amortization increased \$9.1 million or 48.7% to \$27.8 million for the year ended December 31, 2024, as compared to \$18.7 million for the year ended December 31, 2023. This increase is primarily due to an increase in leased assets and intangible assets accumulated through acquisitions. We continue to increase the use of our finance lease facility as we continue to grow. Intangible assets have increased due to multiple acquisitions in 2024. Gains on the sale of certain IT equipment and automobiles increased \$0.1 million or 25.0% to \$0.5 million for the year ended December 31, 2024, as compared to \$0.4 million for the year ended December 31, 2023.

(Loss) Income from Operations

Loss from operations increased \$1.3 million to (\$2.0) million for the year ended December 31, 2024 as compared to (\$0.7) million for the year ended December 31, 2023.

Other Expense

Other expense increased by \$1.1 million to \$6.9 million of expense for the year ended December 31, 2024 as compared to \$5.8 million of expense for the year ended December 31, 2023. Interest expense increased by \$2.6 million. This increase is primarily attributable to increases in finance leases and acquisitions.

Income Tax (Expense) Benefit

Income tax benefit for the year ended December 31, 2024 increased \$12.2 million or 6,100% to \$12.0 million benefit, as compared to (\$0.2) million income tax expense for the year ended December 31, 2023. As an accrual basis taxpayer, this affects the timing of the payment of tax but not the expense of tax. Our effective tax rate for the year ended December 31, 2024 was 133.91%.

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Income (Loss) Before Tax Expense and Net Income

Loss before tax expense increased by \$2.5 million or 39.1% to \$8.9 million loss for the year ended December 31, 2024, as compared to a \$6.4 million loss for the year ended December 31, 2023. Net income (loss) increased by \$9.6 million or 145.5% to \$3.0 million of income for the year ended December 31, 2024, as compared to (\$6.6) million of loss for the year ended December 31, 2023.

Other financial information and non-GAAP key performance indicators

Net service billing (non-GAAP)

Net service billing increased \$75.7 million or 24.9% to \$379.7 million for the year ended December 31, 2024, as compared to \$304.0 million for the year ended December 31, 2023. Net service billing reconciles to gross contract revenue as follows (in thousands):

	<u>For The Year Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Gross revenue	\$ 426,564	\$ 346,256
Less: sub-consultants and other direct expenses	46,895	42,262
Net services billing	\$ 379,669	\$ 303,994

Net service billing increased by 1.2 percentage points to 89.0% of gross contract revenue for the year ended December 31, 2024, as compared to 87.8% for the year ended December 31, 2023. This change was within our expected range of 85% to 90% of gross contract revenue, and varies depending on contract mix.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA increased \$12.5 million or 26.6% to \$59.5 million for the year ended December 31, 2024 as compared to \$47.0 million for the year ended December 31, 2023. Adjusted EBITDA reconciles to net income as follows (in thousands):

	<u>For The Year Ended December 31,</u>			
	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Net Service Billing	\$ 379,669	\$ 303,994	\$ 75,675	24.9%
Net Income (Loss)	\$ 3,034	\$ (6,624)	\$ 9,658	(145.8%)
+ interest expense	7,951	5,340	2,611	48.9%
+ depreciation & amortization	27,828	18,723	9,105	48.6%
+ tax (benefit) expense	(11,980)	177	(12,157)	(6868.4%)
EBITDA	\$ 26,833	\$ 17,616	\$ 9,217	52.3%
+ non-cash stock compensation	25,841	24,984	857	3.4%
+ settlements and other non-core expenses	3,000	1,170	1,830	156.4%
+ acquisition expenses	3,846	3,261	585	17.9%
Adjusted EBITDA	\$ 59,520	\$ 47,031	\$ 12,489	26.6%
Adjusted EBITDA margin, net	15.7 %	15.5 %		

For the years ended December 31, 2024 and 2023, Adjusted EBITDA includes \$25.8 million and \$25.0 million, respectively, relating to non-cash stock compensation expenses resulting from the on-going vesting of restricted stock awards.

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 years ended December 31, 2024 and 2023, Adjusted EBITDA Margin, net was 15.7% and 15.5% respectively.

Backlog (other key performance metrics)

Our backlog increased \$93 million or 30.5% to approximately \$399 million during the year ended December 31, 2024, as compared to \$306 million at December 31, 2023. At December 31, 2024 and 2023, our backlog was comprised as follows:

	December 31, 2024	December 31, 2023
Building Infrastructure	41.1 %	54.7 %
Transportation	34.5 %	24.2 %
Power & Utilities	15.4 %	17.4 %
Emerging Markets	9.0 %	3.7 %

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 December 31, 2024, we maintained a \$100.0 million Revolving Credit Facility with Bank of America, 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 consists of petty cash and other non-operating funds not included in the nightly sweep. Cash on hand includes the cash we keep in short-term investment accounts along with deposits and payments in transit in our operating sweep account. Our cash on hand decreased by \$14.0 million at December 31, 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 debt 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. 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 our current liquidity and capital resources for acquisitions.

Cash Flows

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

Consolidated Statement of Cash Flows (amounts in thousands)	For The Year Ended December 31,	
	2024	2023
Net cash provided by operating activities	\$ 24,301	\$ 11,722
Net cash used in investing activities	(27,466)	(27,156)
Net cash (used) provided by financing activities	(10,824)	22,839
Change in cash and cash equivalents	(13,989)	7,405
Cash and cash equivalents, end of period	6,698	20,687

Operating Activities

During the year ended December 31, 2024, net cash provided by operating activities was \$24.3 million, which primarily consisted of \$3.0 million net income, adjusted for stock-based compensation expense of \$25.7 million and depreciation and amortization expense of \$28.4 million, offset by an increase in deferred taxes relating to the capitalization of research and development costs of \$20.0 million, and an increase in a net cash inflow of \$14.5 million from changes in operating assets and liabilities. The net inflow from changes in operating assets and liabilities was primarily due to a \$9.3 million increase in accounts receivable resulting from increased billing to our customers as well as additional billing from the acquired companies, a \$5.7 million increase in prepaid expenses and a \$7.1 million net increase in contract assets and liabilities, offset by a \$7.6 million increase in accounts payable and accrued expenses, inclusive of a long-term accrual relating to an uncertain tax position with respect to the capitalization of research and development expenses.

During the year ended December 31, 2023, net cash provided by operating activities was \$11.7 million, which primarily consisted of (\$6.6) million net loss, adjusted for stock-based compensation expense of \$24.7 million and depreciation and amortization expense of \$18.7 million, offset by an increase in deferred taxes relating to the capitalization of research and development costs of \$25.5 million, and an increase in a net cash outflow of \$0.3 million from changes in operating assets and liabilities. The net outflow from changes in operating assets and liabilities was primarily due to a \$13.6 million increase in accounts receivable resulting from increased billing to our customers as well as additional billing from the acquired companies, a \$0.1 million decrease in prepaid expenses and a \$14.6 million net increase in contract assets and liabilities, offset by a \$27.7 million increase in accounts payable and accrued expenses, inclusive of a long-term accrual relating to an uncertain tax position with respect to the capitalization of research and development expenses.

Investing Activities

Net cash used in investing activities was \$27.5 million for the year ended December 31, 2024, \$27.4 million was related to acquisitions that occurred in 2024 and \$0.1 million was for purchases of property and equipment.

Financing Activities

Net cash used in financing activities was \$10.8 million during the year ended December 31, 2024. This was primarily due to net borrowing of \$8.3 million from our Revolving Credit Facility, \$11.1 million of payments for the purchase of treasury stock, \$23.3 million for repurchase of common stock, \$9.0 million of payments on finance leases and \$16.6 million of payments on notes payable and our fixed lines of credit, offset by \$47.2 million of proceeds from a common share offering.

Credit Facilities and Other Financing

As of December 31, 2024, we maintained a \$100.0 million revolving credit facility (the “Revolving Credit Facility 2024”) pursuant to a 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 Revolving Credit Facility 2024 has a maturity date of May 2,

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2029. Under the terms of the Revolving Credit Facility 2024, available cash in our primary operating account sweeps against the outstanding balance every evening. As of December 31, 2024, the balance on this Revolving Credit Facility 2024 was \$37.0 million.

The Revolving Credit Facility 2024 is secured by all the assets of the Company and the subsidiary guarantors. Under the Revolving Credit Facility 2024, we are required to comply with certain covenants, including covenants on indebtedness, investments, liens and restricted payments, as well as to maintain certain financial covenants, including a fixed charge coverage ratio and leverage ratio of debt to EBITDA (as defined in the Revolving Credit Facility 2024). At December 31, 2024, we were in compliance with all covenants.

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, furniture and other long-lived assets. The Enterprise lease facility finances the acquisition of field trucks and other service vehicles. At December 31, 2024, we maintained a fleet of approximately 500 vehicles. All of 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 \$0.6 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 Facility*.

Other Acquisitions

For information on the terms of additional promissory notes issued by the Company in connection with acquisitions during 2024 and 2023 that were not deemed significant acquisitions, see *Note 4 – Acquisitions* and *Note 12 – Notes Payable*.

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.

Effects of Inflation

Based on our analysis of the periods presented, we believe that inflation has not had a material effect on our operating results. There can be no assurance that future inflation will not have an adverse impact on our operating results and financial condition.

Item 7A. Quantitative and Qualitative Disclosure 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 Credit Agreement under which rates are tied to Term SOFR (Secured Overnight Financing Rate), plus an applicable rate which varies between 6.91% and 8.70% based on our ratio of Funded Debt to EBITDA (as each is defined in the Credit Agreement). As of December 31, 2024, there was \$37.0 million outstanding on the Credit Agreement. A one percentage point change in the assumed interest rate of the Credit Agreement would change our annual interest expense by approximately \$0.3 million in 2024.

Our finance lease obligations with Honour and Enterprise were \$28.3 million as of December 31, 2024. These finance lease obligations bear interest at a fixed rate. Accordingly, there is no exposure to market risk related to these obligations.

Item 8. Financial Statements and Supplementary Data

The information required by this Item 8 is submitted as a separate section beginning on page F-1 of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Control and Procedures

Disclosure Controls and Procedures

As of the end of the period covered by this Annual Report on Form 10-K, 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 December 31, 2024, our disclosure controls and procedures were effective at the reasonable assurance level.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, and for performing an assessment of the effectiveness of internal control over financial reporting as of December 31, 2024. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our system of internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Management performed an assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2024 based upon criteria in *Internal Control – Integrated Framework (2013 Framework)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our assessment, management determined that the Company's internal control over financial reporting was effective as of December 31, 2024 based on the criteria in *Internal Control – Integrated Framework (2013 Framework)* issued by COSO.

Management is in the process of evaluating the existing controls and procedures of all eight acquisitions completed in 2024 and integrating the acquisitions into our internal control over financial reporting. In accordance with SEC staff guidance permitting a company to exclude an acquired business from management's assessment of the effectiveness of internal control over financial reporting for the year in which the acquisition is completed, we have excluded the businesses that we acquired in the eight business combinations from our assessment of the effectiveness of internal control over financial reporting as of December 31, 2024. The acquisitions represented 20.2% of the Company's total assets as of December 31, 2024, and 10.0% of the Company's gross revenues and 43.7% of the Company's pre-tax net loss for the year ended December 31, 2024.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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 Annual Report on Form 10-K that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

During the quarter ended December 31, 2024, the following officers of the Company each adopted a trading arrangement for the sale of securities of the Company's common stock (each, a "10b5-1 Plan") that is intended to satisfy the affirmative defense conditions of the Securities Exchange Rule Act 10b5-1(c):

1. On November 18, 2024, Gary Bowman, the Company's Chief Executive Officer and Chair, adopted a 10b5-1 Plan that provides for (i) with respect to Mr. Bowman, the sale of up to 92,500 shares of the Company's common stock pursuant to the terms of the 10b5-1 Plan from March 2025 through February 2026, and (ii) with respect to Bowman Family Asset Management LLC ("BFAM"), an estate planning vehicle established to manage the investments of Mr. Bowman and his family and of which Mr. Bowman is the manager, the sale of up to 55,000 shares of the Company's common stock pursuant to the terms of the 10b5-1 Plan from March 2025 through February 2026. Mr. Bowman's prior 10b5-1 Plan on behalf of himself and BFAM expired by its terms in October 2024.
2. On December 16, 2024, Bruce Labovitz, the Company's Chief Financial Officer, adopted a 10b5-1 Plan that provides for the sale of up to 18,000 shares of the Company's common stock pursuant to the terms of the 10b5-1 Plan from April 2025 through May 2025. Mr. Labovitz prior 10b5-1 Plan expires by its terms in January 2025.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information required by this item is set forth in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A within 120 days of our calendar year end.

Item 11. Executive Compensation

Information required by this item is set forth in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A within 120 days of our calendar year end.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required by this item is set forth in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A within 120 days of our calendar year end.

Item 13. Certain Relationships and Related Transactions and Director Independence

Information required by this item is set forth in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A within 120 days of our calendar year end.

Item 14. Principal Accounting Fees and Services

Information required by this item is set forth in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A within 120 days of our calendar year end.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1) Financial Statements

See Part II, Item 8 for financial statements included with this annual report on Form 10-K.

(a)(2) Financial Statement Schedules

No schedules are required because either the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the financial statements or the notes thereto.

(a)(3) Exhibits

The following exhibits are filed or furnished as part of this report.

Exhibit	Description
2.1	Stock Purchase Agreement, dated May 4, 2022, by and among the Registrant, McMahon Associates, Inc., McMahon Associates Holdings, Inc. and the Party Shareholders (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K (File No. 001-40371), filed with the SEC on May 10, 2022).
3.1	Amended and Restated Certificate of Incorporation of Bowman Consulting Group Ltd. (incorporated by reference to Exhibit 3.1 to the Registrant's Form S-1 (File No. 333-255076), filed with the SEC on April 6, 2021).
3.2	Amended and Restated By-laws of Bowman Consulting Group Ltd. (incorporated by reference to Exhibit 3.2 to the Registrant's Form S-1 (File No. 333-255076), filed with the SEC on April 6, 2021).
4.1	Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Registrant's Form S-1, as amended (File No. 333-255076), filed with the SEC on May 6, 2021).
4.2	Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.3 to the Registrant's Annual Report on Form 10-K (File No. 001-40371), filed with the SEC on March 23, 2022).
10.1(a)†	Employment Agreement with Gary Bowman dated April 27, 2021 (incorporated by reference to Exhibit 10.1 to the Registrant's Form S-1, as amended (File No. 333-255076), filed with the SEC on May 6, 2021).
10.1(b)†	First Amendment to Executive Employment Agreement dated August 16, 2024 between Bowman Consulting Group Ltd. and Gary P. Bowman (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-40371), filed with the SEC on November 7, 2024).
10.2(a)†	Employment Agreement with Michael Bruen dated April 13, 2021 (incorporated by reference to Exhibit 10.2 to the Registrant's Form S-1, as amended (File No. 333-255076), filed with the SEC on May 6, 2021).
10.2(b)	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).
10.3†	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).
10.4†	Amended and Restated Executive Employment Agreement dated August 22, 2024 between Bowman Consulting Group Ltd and Robert Hickey (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-40371), filed with the SEC on November 7, 2024).

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Exhibit	Description
10.5†	<u>Executive Employment Agreement dated November 21, 2024 between Bowman Consulting Group Ltd and Daniel Swayze (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 November 25, 2024).</u>
10.6	<u>Credit Agreement dated as of May 2, 2024 among Bowman Consulting Group Ltd. as Borrower, Certain Subsidiaries of Borrower as Guarantors, Bank of America, N.A. as Administrative Agent, as Swingline Lender and an L/C Issuer and TD Bank, N.A. as Syndication Agent(incorporated by reference to Exhibit 10.18 to the Registrant’s Quarterly Report on Form 10-Q (File No. 001-40371), filed with the SEC on May 7, 2024).</u>
10.7	<u>Security and Pledge Agreement entered into as of May 2, 2024 among Bowman Consulting Group Ltd., the Grantors named therein and Bank of America, N.A. (incorporated by reference to Exhibit 10.19 to the Registrant’s Quarterly Report on Form 10-Q (File No. 001-40371), filed with the SEC on May 7, 2024).</u>
10.8	<u>Enterprise Fleet Management, Inc. Amended and Restated Master Equity Lease Agreement dated September 20, 2010 (incorporated by reference to Exhibit 10.10 to the Registrant’s Form S-1 (File No. 333-255076), filed with the SEC on April 6, 2021).</u>
10.9	<u>Master Lease Agreement with TCF Bank, as successor to Winthrop Resources Corporation dated September 22, 2014 (incorporated by reference to Exhibit 10.11 to the Registrant’s Form S-1 (File No. 333-255076), filed with the SEC on April 6, 2021).</u>
10.10†	<u>Form of Indemnification Agreement (incorporated by reference to Exhibit 10.12 to the Registrant’s Form S-1 (File No. 333-255076), filed with the SEC on April 6, 2021).</u>
10.11†	<u>2021 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 10.13 to the Registrant’s Form S-1 (File No. 333-255076), filed with the SEC on April 6, 2021).</u>
10.12†	<u>2021 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.14 to the Registrant’s Form S-1 (File No. 333-255076), filed with the SEC on April 6, 2021).</u>
10.13†	<u>Form of NEO Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.15 to the Registrant’s Quarterly Report on Form 10-Q (File No. 001-40371, filed with the SEC on June 14, 2021).</u>
10.14†	<u>2021 Executive Officers Long Term Incentive Plan (incorporated by reference to Exhibit 10.16 to the Registrant’s Quarterly Report on Form 10-Q (File No. 001-40371), filed with the SEC on November 12, 2021).</u>
10.15†	<u>Form of Performance Based Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.17 to the Registrant’s Quarterly Report on Form 10-Q (File No. 001-40371), filed with the SEC on November 12, 2021).</u>
10.16†	<u>2021 Executive Officers Short Term Incentive Plan (As Amended) (incorporated by reference to Exhibit 10.18 to the Registrant’s Current Report on Form 8-K (File No. 001-40371), filed with the SEC on February 15, 2023).</u>
10.17	<u>Lease Agreement, dated November 18, 2021, by and between Honour Capital LLC and Bowman Consulting Group Ltd. (incorporated by reference to Exhibit 10.19 to the Registrant’s Current Report on Form 8-K (File No. 001-40371), filed with the SEC on November 23, 2021).</u>
19.1*	<u>Bowman Consulting Group Ltd. Insider Trading Policy</u>
21.1*	<u>Subsidiaries of the Registrant.</u>
23.1*	<u>Consent of Ernst & Young LLP.</u>
31.1*	<u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2*	<u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>

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Exhibit	Description
32.1**	<u>Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
97*	<u>Bowman Consulting Group Ltd Executive Officer Clawback Policy (incorporated by reference to Exhibit 97 to the Registrant’s Annual Report on Form 10-K (File No. 001-40371), filed with the SEC on March 12, 2024).</u>
101.INS	Inline XBRL Instance 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)
†	Management contract or compensatory plan or arrangement.
*	Filed herewith.
**	Furnished herewith.

BOWMAN CONSULTING GROUP LTD.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Bowman Consulting Group Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Bowman Consulting Group Ltd. (the Company) as of December 31, 2024 and 2023, the related consolidated income statements, statements of comprehensive income (loss), changes in shareholders' equity and cash flows for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2020.

Tysons, VA

March 12, 2025

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

	December 31, 2024	December 31, 2023
ASSETS		
<u>Current Assets</u>		
Cash and equivalents	\$ 6,698	\$ 20,687
Accounts receivable, net	105,105	87,565
Contract assets	43,369	33,520
Notes receivable - officers, employees, affiliates, current portion	1,889	1,199
Prepaid and other current assets	19,560	11,806
Total current assets	176,621	154,777
<u>Non-Current Assets</u>		
Property and equipment, net	42,011	27,601
Operating lease, right-of-use assets	42,085	40,743
Goodwill	134,653	96,393
Notes receivable	903	903
Notes receivable - officers, employees, affiliates, less current portion	638	1,119
Other intangible assets, net	65,409	46,294
Deferred tax asset, net	42,040	33,780
Other assets	1,521	1,175
Total Assets	\$ 505,881	\$ 402,785
LIABILITIES AND EQUITY		
<u>Current Liabilities</u>		
Revolving credit facility	37,000	45,290
Accounts payable and accrued liabilities, current portion	51,626	44,394
Contract liabilities	7,905	7,481
Notes payable, current portion	17,075	13,989
Operating lease obligation, current portion	10,979	9,016
Finance lease obligation, current portion	10,394	6,586
Total current liabilities	134,979	126,756
<u>Non-Current Liabilities</u>		
Other non-current obligations	45,079	42,288
Notes payable, less current portion	19,992	13,738
Operating lease obligation, less current portion	37,058	37,660
Finance lease obligation, less current portion	17,940	14,408
Pension and post-retirement obligation, less current portion	4,718	4,654
Total liabilities	\$ 259,766	\$ 239,504
Shareholders' Equity		
Preferred Stock, \$0.01 par value; 5,000,000 shares authorized, no shares issued and outstanding as of December 31, 2024 and 2023	-	-
Common stock, \$0.01 par value; 30,000,000 shares authorized as of December 31, 2024 and 2023; 21,281,247 shares issued and 17,382,138 outstanding, and 17,694,495 shares issued and 15,094,278 outstanding as of December 31, 2024 and 2023, respectively	213	177
Additional paid-in-capital	329,073	215,420
Accumulated other comprehensive income	1,146	590
Treasury stock, at cost; 3,899,109 and 2,600,217, respectively	(60,901)	(26,410)
Stock subscription notes receivable	(30)	(76)
Accumulated deficit	(23,386)	(26,420)
Total shareholders' equity	\$ 246,115	\$ 163,281
TOTAL LIABILITIES AND EQUITY	\$ 505,881	\$ 402,785

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

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

	For the Year Ended December 31,	
	2024	2023
Gross Contract Revenue	\$ 426,564	\$ 346,256
Contract costs: (exclusive of depreciation and amortization below)		
Direct payroll costs	156,866	127,961
Sub-consultants and expenses	46,895	42,262
Total contract costs	203,761	170,223
Operating Expenses:		
Selling, general and administrative	197,452	158,377
Depreciation and amortization	27,828	18,723
(Gain) on sale	(477)	(411)
Total operating expenses	224,803	176,689
(Loss) Income from operations	(2,000)	(656)
Other expense	6,946	5,791
(Loss) Income before tax expense	(8,946)	(6,447)
Income tax (benefit) expense	(11,980)	177
Net income (loss)	\$ 3,034	\$ (6,624)
Earnings allocated to non-vested shares	230	–
Net income (loss) attributable to common shareholders	\$ 2,804	\$ (6,624)
Earnings (loss) per share		
Basic	\$ 0.18	\$ (0.53)
Diluted	\$ 0.17	\$ (0.53)
Weighted average shares outstanding:		
Basic	15,754,344	12,490,914
Diluted	16,132,023	12,490,914

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

BOWMAN CONSULTING GROUP LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Amounts in thousands)

	For the Year Ended December 31,	
	2024	2023
Net income (loss)	\$ 3,034	\$ (6,624)
Other comprehensive (loss) income		
Pension and post-retirement adjustments	545	10
Other comprehensive income	545	10
Income tax provision related to items of other comprehensive income	11	2
Other comprehensive income, net of tax	556	12
Comprehensive income (loss), net of tax	\$ 3,590	\$ (6,612)

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

BOWMAN CONSULTING GROUP LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For The Years Ended December 31, 2024 and 2023
(Amounts in thousands except per share data)

	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	887,591	9	26,126	-	-	-	-	-	26,135
Purchase of treasury stock	0	-	-	(178,258)	(4,834)	-	-	-	(4,834)
Issuance of new common shares under stock compensation plan	734,042	7	(7)	-	-	-	-	-	-
Cancellation of common shares under stock compensation plan	(34,895)	-	-	-	-	-	-	-	-
Issuance of new common shares under employee stock purchase plan	61,948	1	1,546	-	-	-	-	-	1,547
Stock based compensation	-	-	23,490	-	-	-	-	-	23,490
Collections on stock subscription notes receivable	-	-	-	-	-	-	97	-	97
Exercises of conversion feature of convertible note	96,004	1	1,343	-	-	-	-	-	1,344
Repurchases of common stock	-	-	-	(28,704)	(745)	-	-	-	(745)
Other comprehensive income, net of tax	-	-	-	-	-	12	-	-	12
Net loss	-	-	-	-	-	-	-	(6,624)	(6,624)
Balance at December 31, 2023	17,694,495	\$ 177	\$ 215,420	(2,600,217)	\$ (26,410)	\$ 590	\$ (76)	\$ (26,420)	\$ 163,281
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	35,343	-	-	-	-	-	35,354
Purchase of treasury stock	-	-	-	(340,879)	(11,143)	-	-	-	(11,143)
Issuance of new common shares under stock compensation plan	775,919	8	(8)	-	-	-	-	-	-
Cancellation of common shares under stock compensation plan	(41,177)	(1)	1	-	-	-	-	-	-
Issuance of new common shares under employee stock purchase plan	78,533	1	1,920	-	-	-	-	-	1,921
Stock based compensation	-	-	25,895	-	-	-	-	-	25,895
Collections on stock subscription notes receivable	-	-	-	-	-	-	46	-	46
Exercises of conversion feature of convertible note	192,070	2	3,366	-	-	-	-	-	3,368
Repurchases of common stock	-	-	-	(958,013)	(23,348)	-	-	-	(23,348)
Other comprehensive income, net of tax	-	-	-	-	-	556	-	-	556
Net income	-	-	-	-	-	-	-	3,034	3,034
Balance at December 31, 2024	21,281,247	\$ 213	\$ 329,073	(3,899,109)	\$ (60,901)	\$ 1,146	\$ (30)	\$ (23,386)	\$ 246,115

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

BOWMAN CONSULTING GROUP LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended	
	31, December	
	2024	2023
Cash Flows from Operating Activities:		
Net income (loss)	\$ 3,034	\$ (6,624)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation and amortization - property and equipment	14,463	9,732
Amortization of intangible assets	13,982	8,991
Gain on sale of assets	(477)	(411)
Credit losses	1,552	515
Stock based compensation	25,727	24,738
Deferred taxes	(20,005)	(25,529)
Accretion of discounts on notes payable	483	642
Changes in operating assets and liabilities		
Accounts receivable	(9,282)	(13,559)
Contract assets	(4,068)	(10,866)
Prepaid expenses and other assets	(5,702)	143
Accounts payable and accrued expenses	7,647	27,728
Contract liabilities	(3,053)	(3,778)
Net cash provided by operating activities	24,301	11,722
Cash Flows from Investing Activities:		
Purchases of property and equipment	(626)	(2,093)
Proceeds from sale of assets and disposal of leases	478	411
Payments received under loans to shareholders	11	115
Purchase of intangible asset	(2,925)	-
Acquisitions of businesses, net of cash acquired	(24,450)	(25,687)
Collections under stock subscription notes receivable	46	98
Net cash used in investing activities	(27,466)	(27,156)
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	(8,290)	45,290
Repayments under fixed line of credit	(345)	(430)
Proceeds from notes payable	6,209	-
Repayment under notes payable	(16,267)	(11,237)
Proceeds from finance leases	4,569	-
Payments on finance leases	(9,010)	(6,782)
Payment of contingent consideration from acquisitions	(2,299)	-
Payments for purchase of treasury stock	(11,143)	(4,833)
Repurchases of common stock	(23,348)	(745)
Proceeds from the issuance of common stock	1,949	1,576
Net cash (used) provided by financing activities	(10,824)	22,839
Net (decrease) increase in cash and cash equivalents	(13,989)	7,405
Cash and cash equivalents, beginning of period	20,687	13,282
Cash and cash equivalents, end of period	\$ 6,698	\$ 20,687
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 6,555	\$ 4,212
Cash paid for income taxes	\$ 8,454	\$ 1,133
Non-cash investing and financing activities		
Property and equipment acquired under finance lease	\$ (11,851)	\$ (8,246)
Note payable converted to common shares	\$ (3,368)	\$ (1,343)
Issuance of notes payable for acquisitions	\$ (21,625)	\$ (13,650)
Issuance of contingent consideration	\$ (2,030)	\$ (10,379)
Settlement of contingent consideration	\$ 1,868	\$ -

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

**BOWMAN CONSULTING GROUP LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Nature of Business and Basis of Presentation

Nature of Business

Bowman Consulting Group Ltd. and consolidated subsidiaries (“Bowman” or “we” or the “Company”) incorporated in the Commonwealth of Virginia on June 5, 1995 and reincorporated in the State of Delaware on November 13, 2020. 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. The Company’s headquarters is located in Reston, VA and the Company has over 95 offices throughout the United States and two offices in Mexico.

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 \$41.5 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 overallotment 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, bringing the total net proceeds from the common stock offering to \$47.2 million.

Deferred offering costs primarily consist of accounting, legal, and other fees associated with the common stock offering, and were netted against the proceeds. No deferred offering costs were capitalized in the consolidated balance sheet as of December 31, 2024.

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.

Basis of Presentation

The accompanying consolidated financial statements and footnotes 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”). The accompanying 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 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 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 customers 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 terms are to ensure that the Company performs satisfactorily rather than representing a significant financing component. For example, fixed price contracts may provide for milestone billings based upon the attainment of specific project objectives to ensure the Company meets its contractual requirements rather than having billing monthly. Additionally, contracts may include retentions or holdbacks paid at the end of a project to ensure that 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, which causes the effect of revised estimates to be 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

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favorable or unfavorable progress than original expectations. In situations where the estimated costs to perform exceeds 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 the related ages of past due receivables, including knowledge of a customer's financial condition, its historical collection experience, and other factors relevant to assessing the collectability of such receivables. No single customer accounted for more than 10% of the Company's outstanding receivables at December 31, 2024 and 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.

Cash and Cash Equivalent

The Company considers cash on deposit and all highly liquid investments with original maturities of three months or less when purchased to be cash and cash equivalents. Cash consists primarily of cash in accounts held at a financial institution. Certain of these accounts are designated as zero balance accounts wherein the balance is swept out nightly to reduce the Company's line of credit balance, if any.

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 years ended December 31, 2024 and 2023. The Company's customers are located throughout the United States. 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.

Allowance for Doubtful Accounts and Expected Credit Losses

The Company records accounts receivable net of an allowance for doubtful accounts and expected credit losses. The allowance is determined based upon management's review of the estimated collectability of the specific accounts receivable, customer type, customer 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 December 31, 2024 and 2023, the balance in the allowance for expected credit losses was \$2.9 million and \$2.2 million, respectively.

Property and Equipment

Property and equipment are recorded at cost. Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. Upon the sale or retirement of property and equipment, the cost and related accumulated depreciation are removed from the respective accounts and any gain or loss is reported in the combined statements of operations. Depreciation is provided for using the straight-line method over the estimated useful lives as follows for the major classes of assets:

Computer equipment	3 to 5 years
Aircraft	3 to 36 years
Survey equipment	2 to 5 years
Camera equipment	5 years
Aircraft engines & GPS	3 to 10 years
Vehicles	5 years
Furniture and fixtures	7 years
Software	3 to 5 years
Leasehold improvements	the lesser of useful life or term of lease

For the years ended December 31, 2024 and 2023, the Company recognized a \$0.5 million and a \$0.4 million gain, respectively, from the disposal of certain pieces of property and equipment in connection with sale-leaseback transactions. This amount is recorded within gain on sale on the accompanying consolidated financial statements.

Self-Insurance Reserves

Effective January 1, 2024, the Company adopted a self-insured health plan for its employees. The self-insured health plan provides medical benefits to eligible employees and their dependents. Under the self-insured model, the Company assumes the financial responsibility for employee healthcare costs, with excess insurance coverage for claims exceeding certain thresholds. In general, we are self-insured for large portions of the claims; however, we do use stop-loss insurance to limit exposure to large individual claims to reduce the Company's risk.

Our reserves for the Company's self-insured losses are estimated using actuarial methods and assumptions of the insurance industry, adjusted for our specific expectations based on our claims history. The reserve is reviewed on a quarterly basis and adjusted as necessary to reflect updated estimates of claims. Our self-insurance reserves totaled \$1.2 million as of December 31, 2024.

Pension and Post-retirement

Accounting and reporting for the Company's defined benefit plans requires the use of assumptions. These assumptions are reviewed annually based on reviews of current plan information and consultation with the Company's independent actuary. If these assumptions differ materially from actual results, the Company's obligations under the defined benefit plans could also differ materially, potentially requiring the Company to record an additional liability. The Company's defined benefit plan liabilities are developed from actuarial valuations, which are performed every year.

We use a corridor approach to amortize actuarial gains and losses, with any excess amortized over the average remaining future working lifetime of the plan participants.

Leases

The Company enters into contractual arrangements primarily for the use of real estate facilities, information technology equipment, vehicles, and certain other equipment. These arrangements contain a lease when the Company controls the underlying asset and has the right to obtain substantially all of the economic benefits or outputs from the asset. The Company has variable leases, short term leases, operating leases, and finance leases.

The Company accounts for leases in accordance with ASC 842, Leases ("*ASC 842*"). ASC 842 requires lessees to recognize assets and liabilities for most leases. The Company determines if an arrangement is a lease at contract inception. A lease exists when a contract conveys to the customer the right to control the use of an identified asset for a period of time in exchange for consideration. The definition of a lease embodies two conditions: (1) there is an identified asset in the contract, and (2) the customer has the right to control the use of the identified asset. Lessees are required to classify leases as either finance or operating leases. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease.

The Company has elected the "Package of three" practical expedients as outlined in ASC 842-10-65-1f which permits the Company not to reassess whether existing or expired contracts are or contain leases, the classification of leases or whether any initial direct costs previously capitalized continue to qualify for capitalization. The Company has elected to adopt the practical expedient not to separate non-lease components from the related lease components and to account for them as a single component. However, multiple lease components within a contract will still be accounted for separately. This expedient has been elected for all classes of underlying assets. The Company has elected the practical expedient to apply the lease recognition guidance for short-term leases defined as twelve months or less. Operating lease arrangements may contain options to extend the lease term or for early termination. The Company accounts for these options when it is reasonably certain they will be exercised. Right-of-use assets are evaluated for impairment in a manner consistent with the treatment of other long-lived assets. Operating lease expense is recognized on a straight-line basis over the lease term and is recorded primarily within selling, general, and administrative expenses on the consolidated income statements.

The Company records a right-of-use asset and lease liability as of the lease commencement date equal to the present value of the remaining lease payments for its operating and finance leases. Most leases do not provide an implicit rate that can be readily determined. Therefore, the discount rate used is based on the Company's incremental borrowing rate, which

is determined using the Company's credit rating and information available as of the commencement date. The right-of-use asset is then adjusted for initial direct costs and certain lease incentives included in the contractual arrangement.

Business Combinations

Business combinations are accounted for under the acquisition method of accounting, which requires recognition separately from goodwill, the assets acquired, and the liabilities assumed at their acquisition date fair values. While best estimates and assumptions are used to calculate the fair value assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, when applicable, the estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, adjustments that are based on new information obtained about facts and circumstances that existed as of the acquisition date are recorded to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the final determination of the values of assets acquired or liabilities assumed, any subsequent adjustments are recognized in the consolidated income statements. For any equity consideration in a business combination, the Company has valued the equity utilizing the average (mean) closing price of the Company's common stock on Nasdaq for the twenty (20) trading days prior to closing date, weighted for volume of each trading day.

Goodwill and Intangible Assets

The purchase price of an acquired business is allocated to the tangible assets and separately identifiable intangible assets acquired, less liabilities assumed, based upon their respective fair values with any excess purchase price over such fair values being recorded as goodwill. Goodwill and intangible assets acquired in a business combination and determined to have indefinite useful life are not amortized, but instead are reviewed for impairment annually, or more frequently if impairment indicators arise. Intangible assets with estimable useful lives are amortized over such lives and reviewed for impairment if indicators are present.

The Company performs its annual impairment assessment October 1st of each year. As its business is highly integrated and its components have similar economic characteristics, the Company has concluded it has one reporting unit at the combined entity level. The Company evaluates goodwill for potential impairment on an annual basis or at other times during the year if indicators of impairment exist. The Company evaluates goodwill for potential impairment by comparing the carrying value of the reporting unit to its fair value. When the Company evaluates goodwill for potential impairment, generally, the Company first performs a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If the Company determines qualitatively that it is more likely than not that the fair value of a reporting unit is less than its carrying value, or if the Company decides to bypass the qualitative assessment, the Company performs a quantitative analysis. The quantitative analysis is used to identify both the existence of impairment and the amount of the impairment loss by comparing the estimated fair value of a reporting unit to its carrying value, including goodwill. The estimated fair value is based on forward-looking estimates of performance and cash flows of the reporting unit, which are based on historical operating results, adjusted for current and expected future market conditions, as well as various internal projections and external sources. If the carrying value of the reporting unit exceeds its estimated fair value, an impairment loss would be recognized in the Company's consolidated income statements in an amount equal to the excess of the carrying value over the estimated fair value, limited to the total amount of goodwill.

The Company performed an impairment analysis for the years ended December 31, 2024 and 2023 and concluded that the fair value of the reporting unit was in excess of its carrying amount, and as such, no impairment was required.

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 Company is required to review long-lived assets and definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset might not be recoverable. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered impaired, the impairment recognized is measured by the

amount by which the carrying amount of the asset exceeds its fair value. We report assets to be disposed of at the lower of the carrying amount or fair value, less cost to sell. There were no impairment indicators of long-lived assets or definite lived intangibles for the years ended December 31, 2024 and 2023.

Variable Interest Entities

We have an economic interest in an entity that is a VIE. On April 2, 2024, the Company through a newly created, wholly owned subsidiary, acquired 100% of the outstanding stock of Surdex Corporation ("Surdex"). The wholly owned subsidiary was then merged into Surdex, with Surdex being the surviving entity. Concurrently, Hoffman Aviation Services, Inc. ("HAS") was established and is wholly owned by the former shareholders of Surdex Corporation. HAS was established for the purpose of providing services exclusively to Surdex. The Company was determined to be the primary beneficiary; therefore, HAS has been consolidated into the Company's financial results, with all intercompany transactions eliminated during the consolidation process.

To determine if we are the primary beneficiary, we assess whether we possess the power to direct the activities that most significantly influence the VIE's economic performance, as well as the obligation to absorb losses or the right to receive benefits that could be materially significant to the VIE. Our evaluation includes identification of significant activities and an assessment of our ability to direct those activities based on governance provisions and arrangements to provide services to the VIE. Periodically, we assess whether any changes in our interest or relationship with the entity affect our determination of whether the entity is a VIE and, if so, whether we are the primary beneficiary.

Stock-based Compensation

Shares originating from the granting of restricted stock bonus awards, stock options and the sale of stock to employees at prices below fair value are subject to Accounting Standards Codification Topic 718, *Compensation – Stock Compensation* ("ASC Topic 718") from the date of issuance until retirement.

For ASC Topic 718 stock-based awards classified as permanent equity, the Company generally recognizes non-cash compensation expense on a ratable basis over the applicable service period based on the award date fair value. The Company has elected to use the Black-Scholes-Merton option-pricing model to determine the grant date fair value of stock options. The Company accounts for forfeitures when they occur.

The Company grants Performance Stock Units (PSUs) to executive officers of the Company under the Officers LTIP. 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. The performance period typically spans three years, with vesting occurring at the end of the period. See Note 16 *Employee Stock Purchase and Stock Incentive Plans*.

Non-recourse Notes Treated as Substantive Options

Certain stock subscription notes receivable of the Company are non-recourse. As such, these notes are substantive options under ASC Topic 718 subject to the Black-Scholes-Merton method of computing compensation cost. The option strike price is calculated as the purchase price of the shares plus the estimated interest per share expected to be collected during the term of the note. Because at any time the notes may be pre-paid, the Company recognizes the total calculated compensation cost at the time of issuance. Pursuant to the terms of the notes, the Company collects payments through payroll deductions. The Company considers the payments to be periodic exercises of the options. The Company accounts for stock purchases through exercise in accordance with ASC Topic 718. No note receivable exists for these non-recourse notes.

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.

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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 December 31, 2024 and 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, Binomial Lattice Model, 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 cost of revenue and EBITDA, (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 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 Year Ended December 31, 2024	For the Year Ended December 31, 2023
Balance at beginning of period	\$ 10,567	\$ 487
Fair value of contingent consideration issuances	2,030	10,379
Change in fair value of contingent consideration	(1,559)	(299)
Settlement of contingent consideration	(4,386)	–
Balance at end of period	<u>\$ 6,652</u>	<u>\$ 10,567</u>

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

Advertising Expense

The Company expenses the cost of advertising as incurred. Advertising expense was \$0.3 million and \$0.2 million for the years ended December 31, 2024 and 2023, respectively.

Income Taxes

The Company recognizes deferred income tax assets or liabilities for expected future tax consequences of events recognized in the 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

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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.

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 years ended December 31, 2024 and 2023 was 133.9% and (2.7)%.

The Company assesses uncertain tax positions to determine whether the position will more likely than not be sustained upon examination by the Internal Revenue Service (IRS) 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.

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 2021 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. See Note 19 *Segment Information* for further information on the Company's reportable segment.

Recently Issued Accounting Guidance

Accounting guidance recently adopted

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"), which requires all public entities, including public entities with a single reportable segment, to provide, in interim and annual periods, one or more measures of segment profit or loss used by the chief operating decision maker to allocate resources and assess performance. Additionally, the standard requires disclosures of significant segment expenses and other segment items as well as incremental qualitative disclosures.

The Company adopted ASU 2023-07 effective December 31, 2024, on a retrospective basis. The adoption of 2023-07 did not change the way that the Company identifies its reportable segments and, as a result, did not have a material impact on the Company's segment-related disclosures. Refer to Note 19 *Segment Information* for further information on the Company's reportable segment.

Accounting guidance not yet adopted

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 impacts of the new standard.

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"), which requires disclosure about the types of costs and expenses included in certain expense captions presented on the income statement. The new disclosure requirements are effective for the Company's annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently in the process of evaluating the impact of this pronouncement on our related disclosures

The Company continues to monitor new accounting pronouncements issued by the FASB and does not believe any accounting pronouncements issued through the date of this report will have a material impact on the Company's 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 years ended December 31, 2024 and 2023. Diluted earnings 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 of the Company. The dilutive effect of options is reflected in diluted earnings per share by application of the treasury stock method. The dilutive effect of performance based restricted stock units, which are considered contingently issuable shares, is reflected in diluted earnings 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 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 per share by application of the if-converted method. The Company uses the two-class method to determine earnings per share.

For calculating basic earnings per share, for the year ended December 31, 2024, the weighted average number of shares outstanding exclude 1,290,426 non-vested restricted shares and 2,963 unexercised substantive options. The computation of diluted loss per share for the year ended December 31, 2024 did not assume the effect of restricted shares or substantive options because the effects were antidilutive.

For calculating basic loss per share, for the year ended December 31, 2023, the weighted average number of shares outstanding exclude 1,796,615 non-vested restricted shares and 7,900 unexercised substantive options. The computation of diluted loss per share for the year ended December 31, 2023 did not assume the effect to all potential dilutive common stock equivalents outstanding for the period.

The following table represents a reconciliation of the net income and weighted average shares outstanding for the calculation of basic and diluted earnings (loss) per share for the years ended December 31, 2024 and 2023 (in thousands, except share data):

	For the Year Ended December 31,	
	2024	2023
Numerator		
Net income (loss)	\$ 3,034	\$ (6,624)
Earnings allocated to non-vested shares	230	—
Subtotal	<u>\$ 2,804</u>	<u>\$ (6,624)</u>
Denominator		
Weighted average common shares outstanding	15,754,344	12,490,914
Effect of dilutive nominal options	—	—
Effect of dilutive contingently earned shares	377,679	—
Dilutive average shares outstanding	16,132,023	12,490,914
Basic earnings (loss) per share	\$ 0.18	\$ (0.53)
Dilutive earnings (loss) per share	\$ 0.17	\$ (0.53)

Share Repurchases

On August 15, 2024, the board of directors authorized a \$25 million share repurchase program under which the Company may repurchase up to \$25 million of our common stock. On November 29, 2024, the board of directors authorized an increase to this repurchase authorization from \$25 million to \$35 million (collectively referred to as the "2024 Repurchase Authorization"). The authorization is effective through July 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.

Through December 31, 2024, the Company repurchased 958,013 shares of common stock at an average price of \$24.37, and has \$11.7 million remaining under the 2024 Repurchase Authorization.

4. Acquisitions

Business Combinations

During 2024, the Company completed eight acquisitions, with the purchase price allocation, including the residual amount allocated to goodwill, based on preliminary information. This allocation is subject to change as additional data concerning final asset and liability valuations are obtained and management finalizes its reassessment of the measurement period procedures, based on the results of the preliminary valuation. The Company does not anticipate any significant adjustments during the applicable measurement period. However, the Company will adjust assets and liabilities if new information arises regarding facts and circumstances that existed as of the acquisition date, which, if known, would have led to revised estimated values for those assets or liabilities. The effect of any measurement period adjustments will be reflected as if the adjustments had been made on the acquisition date.

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 included a contingent consideration feature, which was met, allowing the sellers to earn an additional \$0.6 million in the form of the Company's common stock. This was based on the average trading price of the Company's common stock over the 90 trading days following the 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):

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<i>(in thousands)</i>	Surdex
Assets:	
Accounts Receivable, net	\$ 4,052
Contract assets	3,312
Prepaid and other current assets	2,174
Property and equipment, net	15,085
Operating lease, right-of-use assets	1,030
Goodwill	17,248
Other intangible assets	12,900
Total assets acquired:	\$ 55,801
Liabilities:	
Accounts payable and accrued liabilities, current portion	\$ 3,938
Contract liabilities	772
Other non-current obligations	10,689
Operating lease obligation, less current portion	1,030
Deferred tax liability	6,952
Total liabilities assumed:	\$ 23,381
Net assets acquired:	\$ 32,420
Cash flow reconciling items:	
Issuance of common stock as partial consideration	(16,536)
Cash paid for acquisition, net of cash acquired	\$ 15,884

The 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 year ended December 31, 2024 (in thousands):

	For the Year Ended December 31, 2024
Gross Contract Revenue ¹	\$ 20,708
Pre-tax Net Loss ²	\$ 66

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 company. 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 consolidated results of operations for the year ended December 31, 2024 and December 31, 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 Year Ended	
	December 31, 2024	December 31, 2023
Gross Contract Revenue ³	\$ 432,581	\$ 376,308
Pre-tax Net Loss	\$ 9,714	\$ 6,221

³Gross contract revenue in these pro forma financials does not conform to GAAP as required by ASC 606, Revenue from Contract 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 year ended December 31, 2024, the Company recorded measurement period adjustments of \$0.2 million increase to prepaid and other current assets, \$0.1 million increase to contract assets, \$0.1 million increase to intangible assets, \$0.1 million increase to contract liabilities offset by \$0.4 million decrease to goodwill and \$0.1 million of deferred tax liability. If the change in provisional amounts had been recorded at the acquisition date, it would not have resulted in a change in operating income in the prior periods.

Other 2024 Acquisitions

During the year ended December 31, 2024, the Company completed seven additional acquisitions in diverse geographic regions and service lines. The Company paid total consideration of \$36.3 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 November 2028. 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):

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<i>(in thousands)</i>	2024
Assets:	
Accounts Receivable, net	\$ 5,757
Contract assets	2,468
Prepaid and other current assets	201
Property and equipment, net	685
Operating lease, right-of-use assets	2,681
Goodwill	20,623
Other intangible assets	13,531
Other assets	118
Total assets acquired:	\$ 46,064
Liabilities:	
Accounts payable and accrued liabilities, current portion	\$ 1,370
Contract liabilities	\$ 2,705
Other non-current obligations	\$ 9,954
Operating lease obligation, less current portion	\$ 2,681
Deferred tax liability	3,126
Total liabilities assumed:	\$ 19,836
Net assets acquired:	\$ 26,228
Cash flow reconciling items:	
Issuance of common stock as partial consideration	(17,780)
Cash paid for acquisitions, net of cash acquired	\$ 8,448

For the year ended December 31, 2024, the Company recorded measurement period adjustments of \$0.1 million increase to prepaid and other current assets, \$0.5 million increase to intangible assets, \$0.1 million increase to accrued liabilities, \$0.1 increase to other non-current obligations offset by \$0.6 million decrease in goodwill and \$0.2 million decrease to deferred tax liability. If the change in provisional amounts had been recorded at the acquisition date, it would not have resulted in a change in operating income in the prior periods.

The consolidated financial statements of the Company include the results of operations from any business acquired from their respective dates of acquisition. The following table presents the results of operations of companies acquired during 2024 (excluding Surdex) from their respective dates of acquisition for the year ended December 31, 2024 (in thousands):

	For the Year Ended December 31, 2024
Gross Contract Revenue ¹	\$ 21,741
Pre-tax Net Income ²	\$ 3,973

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 consolidated results of operations for the year ended December 31, 2024 and December 31, 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

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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 Year Ended	
	December 31, 2024	December 31, 2023
Gross Contract Revenue ³	\$ 442,345	\$ 379,909
Pre-tax Net Loss	\$ 7,162	\$ 5,686

³Gross contract revenue in these pro forma financials does not conform to GAAP as required by ASC 606, Revenue from Contract 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.

In connection with all of the 2024 acquisitions, the Company recognized \$1.1 million of acquisition related expenses within *Other Income and Expenses* in the consolidated statement of income for year ended December 31, 2024, including legal fees, consulting fees, and other miscellaneous expenses associated with acquisitions.

2023 Acquisitions

During 2023, the Company completed eleven acquisitions, diversifying across geographic regions and services. The Company paid total consideration of \$75.7 million which was comprised of 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 year ended December 31, 2023, the Company recorded measurement period adjustments of \$0.1 million increase to prepaid and other current assets, \$0.3 million increase to contract assets, \$3.2 million increase to goodwill and intangible assets offset by \$3.7 million increase to deferred tax liability and \$0.1 million decrease to contract liabilities and accrued liabilities. If the change in provisional amounts had been recorded at the acquisition date it would have resulted in a decrease in revenue by \$0.4 million in prior periods.

For the year ended December 31, 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 \$1.2 million of acquisition related expenses within *Other Income and Expenses* in the consolidated statement of income for the year ended December 31, 2023, including legal fees, consulting fees, and other miscellaneous expenses associated with acquisitions.

The purchase price allocations at fair value, for 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	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 preliminary 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	\$ 20,540	12.51	\$ 20,050	10.45
Contract rights	5,790	1.42	6,980	1.18
Favorable leaseholds	101	5.50	331	7.76
Total	<u>\$ 26,431</u>		<u>\$ 27,361</u>	

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 year ended December 31, 2024 and 2023, the Company derived 90.8% and 89.4% of its revenue from contracts classified as lump sum, and 9.2% and 10.6% of its revenue from exclusively time and material contracts, respectively. The Company had

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approximately \$290.0 million in remaining performance obligations on its fixed fee projects as of December 31, 2024 of which it expects to recognize approximately 83.4% within the next twelve months and the remaining 16.6% thereafter.

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

	For the Twelve Months Ended December 31,			
	2024		2023	
Fixed fee	\$ 387,328	90.8 %	\$ 309,703	89.4 %
Time-and materials	39,236	9.2 %	36,553	10.6 %
Gross contract revenue	\$ 426,564	100.0 %	\$ 346,256	100.0 %

The Company recognized \$3.6 million of revenue for the year ended December 31, 2024, which was included in the contract liabilities balance as of December 31, 2023.

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):

	December 31, 2024	December 31, 2023
Costs incurred on uncompleted contracts	\$ 388,531	\$ 359,509
Estimated contract earnings in excess of costs	600,147	541,851
Estimated contract earnings to date	988,678	901,360
Less: billed to date	(953,214)	(875,321)
Net contract assets	\$ 35,464	\$ 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 maturity dates for certain notes from officers, employees and affiliated entities have been extended until December 2027. The following is a summary of these notes receivable (in thousands):

	December 31, 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 Dec. 31, 2027.	\$ 2,527	\$ 2,318
Unrelated third party - Currently no interest is being accrued on this note. The note receivable matures in Dec. 31, 2025. ¹	903	903
Total:	3,430	3,221
Less: current portion		
Officers, employees and affiliates	(1,889)	(1,199)
Non-current portion	\$ 1,541	\$ 2,022

¹Notes initiated 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. No interest was accrued on the notes receivable for the year ended December 31, 2024.

8. Property and Equipment, Net

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

	December 31, 2024	December 31, 2023
Computer equipment	\$ 2,867	\$ 2,321
Survey equipment	5,944	5,711
Vehicles	2,425	2,127
Furniture and fixtures	2,581	2,498
Leasehold improvements	9,469	8,870
Software	396	389
Camera equipment	891	–
Aircraft	7,829	–
Aircraft engine & GPS	1,517	–
Fixed assets pending lease financing ¹	715	960
Total:	34,634	22,876
Less: accumulated depreciation	(18,604)	(14,818)
Property and Equipment, net of finance lease assets	\$ 16,030	\$ 8,058

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

Depreciation expense for fixed assets for the years ended December 31, 2024 and 2023 was \$4.0 million and \$2.5 million, respectively.

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

	December 31, 2024	December 31, 2023
Equipment	\$ 33,654	\$ 20,435
Vehicles	10,287	8,540
Total:	43,941	28,975
Less: accumulated amortization on leased assets	(17,960)	(9,432)
Finance lease assets, net	\$ 25,981	\$ 19,543

Amortization expense for finance leased assets for the years ended December 31, 2024 and 2023 was \$9.9 million and \$7.3 million, respectively.

9. Goodwill

The following is a summary of goodwill resulting from business acquisitions held by the Company at December 31, 2024 (in thousands):

	Goodwill
Balance as of December 31, 2023	\$ 96,393
2024 Acquisitions - additions	37,985
2024 Acquisitions - adjustments	(114)
2023 Acquisitions - adjustments	389
Balance as of December 31, 2024	<u>\$ 134,653</u>

10. Intangible Assets

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

	December 31, 2024			December 31, 2023		
	Gross Amount	Accumulated Amortization	Net Balance	Gross Amount	Accumulated Amortization	Net Balance
Customer relationships	\$ 64,164	\$ (11,172)	\$ 52,992	\$ 43,644	\$ (5,643)	\$ 38,001
Contract rights	20,051	(16,393)	3,658	14,261	(8,036)	6,225
Favorable leaseholds	619	(182)	437	518	(105)	413
Domain name	281	–	281	281	–	281
Licensing rights	8,041	–	8,041	1,374	–	1,374
Total	<u>\$ 93,156</u>	<u>\$ (27,747)</u>	<u>\$ 65,409</u>	<u>\$ 60,078</u>	<u>\$ (13,784)</u>	<u>\$ 46,294</u>

On July 1, 2024, the Company acquired licensing rights with an indefinite useful life to perform engineering services in the state of New York for a total of \$5.0 million before any tax adjustments. The licensing rights are considered to have an indefinite useful life and, as such, are not subject to amortization. The acquired licensing right has a weighted average period of 2.25 years until the next renewal.

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

	December 31, 2024	December 31, 2023
Customer relationships	11.35	11.27
Contract rights	1.75	1.84
Leaseholds	7.48	7.86

Amortization expense for the years ended December 31, 2024 and 2023 was \$14.0 million and \$9.0 million, respectively.

Future amortization is as follows for the years ending December 31 (in thousands):

Year ending December 31,		
2025	\$	8,925
2026		6,937
2027		6,067
2028		5,538
2029		5,442
Thereafter		24,178
Total	\$	<u>57,087</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 for a new \$100 million revolving credit facility (the "Revolving Credit Facility 2024"). The Revolving Credit Facility 2024 replaced the Company's previous \$70 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 Revolving Credit Facility 2024, 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 Revolving Credit Facility 2024, 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 Revolving Credit Facility 2024). The Company recorded \$0.3 million of deferred financing costs which will be amortized over the term outlined in the Revolving Credit Facility 2024.

On December 31, 2024, the interest rates on the Revolving Credit Facility 2024 ranged from 6.91% to 8.95%. All outstanding principal on the Revolving Credit Facility 2024 is due on May 2, 2029. As of December 31, 2024, the outstanding balance on the Revolving Credit Facility 2024 was \$37.0 million, and there was no outstanding balance as of December 31, 2023.

The Company secures its obligations under the Revolving Credit Facility 2024 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 Revolving Credit Facility 2024. The Company must maintain, on a combined basis, certain financial covenants defined in the Revolving Credit Facility 2024

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 December 31, 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) Aug. 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 December 31, 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.

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Interest expense on the Revolving Credit Facility and Fixed Line totaled \$2.8 million and \$1.5 million during the years ended December 31, 2024 and 2023, respectively.

12. Notes Payable

Notes payable consist of the following (in thousands):

	December 31, 2024	December 31, 2023
Related and/or affiliated parties:		
¹ Shareholders and owners of acquired entities - Interest accrues annually at rates ranging from 3.25% - 11.00%. The notes payable mature on various dates through February 2028.	\$ 25,498	\$ 21,663
Convertible notes payable - Interest accrues annually at rates ranging from 4.75% - 8.00% annually. The convertible notes payable mature on various dates through November 2028.	5,047	6,631
Unrelated third parties:		
Note payable for purchase of tangible assets	5,522	130
Note payable for purchase of intangible asset	2,075	-
Fixed credit facility - see note 11	-	344
Discounts on notes payable issued as consideration in acquisitions:		
¹ Shareholders and owners of acquired entities	(915)	(1,041)
Other	(160)	-
Total	37,067	27,727
Less: current portion	(17,075)	(13,989)
Non-current portion	\$ 19,992	\$ 13,738

¹ Includes 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 \$3.2 million and \$2.1 million for the years ended December 31, 2024 and 2023, respectively.

Future principal payments on notes payable, presented as the gross amount before discounts, are as follows for the years ending December 31 (in thousands):

2025	\$ 17,598
2026	10,463
2027	7,256
2028	2,291
2029	534
Total	\$ 38,142

Convertible Notes Payable

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In July 2022, the Company issued a \$4.0 million 4.75% unsubordinated convertible note with a maturity date in July 2027 as partial consideration for the acquisition of Project Design Consultants, LLC (see Note 4 *Acquisitions*). 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 \$14.00 per share upon proper notice. Subject to the exercise of the conversion, the convertible note will be 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 December 31, 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 (see Note 4 *Acquisitions*). 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 will have 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 December 31, 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 (see Note 4 *Acquisitions*). 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 will have 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 December 31, 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 will be 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 shall be payable in May 2024. At any time, upon ten (10) business days' notice to the Company, the holders may request 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 December 31, 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.

In November 2024, the Company issued a \$2.2 million 5.00% unsubordinated convertible note with a maturity date in November 2028 as partial consideration for the acquisition of Exeltech Consulting, Inc. (see Note 4 *Acquisitions*). 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 \$32.32 per share upon proper notice. Subject to the exercise of the conversion, the convertible note will have quarterly payments of principal, interest or both beginning in April 2025 and ending in November 2028. 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

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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 December 31, 2024, there has been no election by the holders to convert any portions of the convertible note to common stock.

13. Pension and Post-retirement Benefit Obligations

The Company acquired various non-qualified defined benefit pension plans in the U.S. (the "Plan"). Individual benefits under the Plan generally are based on the employee's years of creditable service and compliance with non-compete agreements. The plan is unfunded and there are no plan assets. The pension benefit obligations were measured as of December 31, 2024 and 2023. There were no contributions made to the Plan as of December 31, 2024 and 2023.

The following tables provide reconciliations of the changes in the Plans' benefit obligations as of December 31, 2024 and 2023:

<i>(Amounts in thousands)</i>	December 31, 2024	December 31, 2023
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 5,046	\$ 5,087
Service cost	39	41
Interest cost	276	273
Direct benefit payments	(296)	(303)
Net transfers in	559	–
Actuarial gain	(598)	(52)
Benefit obligation at end of year	<u>\$ 5,026</u>	<u>\$ 5,046</u>

The following table sets forth the amounts recognized in the consolidated balance sheets as of December 31, 2024 and 2023:

<i>(Amounts in thousands)</i>	December 31, 2024	December 31, 2023
Amount recognized in the consolidated balance sheets:		
Accounts payable and accrued liabilities, current portion	\$ (308)	\$ (392)
Post-retirement obligation, less current portion	(4,718)	(4,654)
Net amount recognized in the balance sheet	<u>\$ (5,026)</u>	<u>\$ (5,046)</u>

There are no required minimum contributions for the pension plans and pension costs are determined using the assumptions as of the beginning of the plan year.

14. 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 owned a 63.6% interest until April 19, 2024. The Company entered into lease with new landlord thereafter. As of December 31, 2024 and 2023, there were no amounts due to or receivables due from BCC. Rent expense for years ended December 31, 2024 and 2023 was \$27,000 and \$0.1 million, respectively.

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Bowman Lansdowne Development, LLC (BLD) is an entity in which Mr. Bowman has an ownership interest. On December 31, 2024 and 2023, the Company's notes receivable included \$0.5 million and \$0.5 million, respectively, from BLD, with a maturity date of December 31, 2027. Mr. Bowman has executed a Guaranty of Collection for the amount of the current unpaid principal balance.

Lansdowne Development Group, LLC (LDG) is an entity in which BLD has a minority ownership interest. On December 31, 2024 and 2023, our accounts receivable included \$0.1 million and \$0.1 million, respectively, due from LDG. On December 31, 2024 and 2023, notes receivable included \$0.4 million and \$0.4 million, respectively, from LDG, with a maturity date of December 31, 2027. Mr. Bowman has executed a Guaranty of Collection for the amount of the current unpaid principal balance.

Bowman Realty Investments 2010, LLC (BR10) is an entity in which Mr. Bowman has an ownership interest. On December 31, 2024 and 2023, the Company's notes receivable included \$0.2 million and \$0.2 million, respectively, from BR10, with a maturity date of January 31, 2027. BR10 executed a Pledge and Assignment Agreement as security for its obligation to the Company.

Alwington Farm Developers, LLC (AFD) is an entity in which BR10 has a minority ownership interest. On December 31, 2024 and 2023, notes receivable included \$1.2 million and \$1.2 million, respectively, from AFD, with a maturity date of February 15, 2026. Subsequent to December 31, 2024, the note receivable balance decreased to \$0.4 million.

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 Bowman Lansdowne and in part by Bowman Realty 2013, 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. Since 2020, the Company has provided engineering services to MREC Shenandoah in exchange for cash payments. During the years ended December 31, 2024 and 2023, the Company invoiced \$0.6 million and \$0.2 million, respectively, and received payments of \$0.1 million and \$0.2 million, respectively.

During the years ended December 31, 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 \$0.3 million and \$0.1 million, respectively. These entities were billed \$0.3 million and \$0.1 million, respectively.

In August of 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 \$0.4 million for the years ended December 31, 2024 and 2023, respectively.

15. Income Taxes

The provision (benefit) for income taxes consisted of the following (in thousands):

	December 31, 2024	December 31, 2023
Current expense (benefit):		
Federal	\$ 4,418	\$ 20,694
State	3,242	5,001
Foreign	24	24
Total	7,684	25,719
Deferred expense (benefit):		
Federal	(16,512)	(21,454)
State	(3,152)	(4,088)
Foreign	–	–
Total	(19,665)	(25,542)
Provision (benefit) for income taxes	\$ (11,980)	\$ 177

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The Company measures deferred tax assets and liabilities based on the difference between the financial statement and tax bases of assets and liabilities at the applicable tax rates. Components of the Company's deferred tax asset and liability are as follows (in thousands):

	December 31, 2024	December 31, 2023
Deferred tax assets:		
Lease liabilities	\$ 12,379	\$ 12,119
Bad debt reserve	795	608
Accrued employee related expenses	2,633	1,029
Capitalized research and development costs	52,040	37,957
Restricted stock units	2,965	3,052
Performance stock units	1,878	1,738
Acquisition related transaction costs	818	890
	<u>73,508</u>	<u>57,393</u>
Deferred tax liabilities:		
Fixed asset depreciation	(7,579)	(4,833)
Lease assets	(10,833)	(10,387)
Intangible asset amortization	(6,782)	(1,775)
Prepaid expenses	(1,442)	(1,102)
Section 481(a) adjustment	(1,580)	(3,343)
Goodwill amortization	(3,136)	(2,175)
Other	(115)	2
	<u>(31,467)</u>	<u>(23,613)</u>
Net deferred tax assets (liabilities)	<u>\$ 42,040</u>	<u>\$ 33,780</u>

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 a result of this provision of the TCJA, deferred tax assets reflect approximately \$122 million and \$92 million of pre-tax capitalized and amortizable research and development costs for the years ended December 31, 2024 and 2023, respectively.

The Company's tax attributes, including research and development credits, are subject to any ownership changes as defined under the Internal Revenue Code Sections 382 and 383. A change in ownership could affect the Company's ability to utilize its credits and certain other tax attributes. The Company has recognized the portion of research and development credits acquired that will not be limited and more likely than not to be realized.

Based on the Company's operating history and management's expectation regarding future profitability, management believes the Company's deferred tax assets are more likely than not to be realizable under ASC 740, Income Taxes. Accordingly, no valuation allowance exists as of December 31, 2024, and December 31, 2023.

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Income tax expense (benefit) differed from the amounts computed by applying the federal statutory income tax rate of 21% to pretax income due to the following adjustments (in thousands):

	December 31, 2024	December 31, 2023
Statutory rate	\$ (1,871)	\$ (1,354)
State income taxes, net of federal benefit	(879)	(138)
Section 162(m) compensation differences	3,499	1,381
Other permanent differences	(29)	–
Meals & entertainment	399	267
Employee stock purchase plans	319	201
Acquisition-related costs	4	112
Stock compensation	(3,952)	(1,970)
Foreign taxes	24	24
Other	(13)	(111)
Research & development credit	(7,067)	(3,098)
Uncertain tax positions	(2,414)	4,863
Provision (benefit) for income tax	\$ (11,980)	\$ 177

The adjustment to the statutory rate from state income taxes for the year ended December 31, 2024, and December 31, 2023, respectively, are the result of state and local income tax expense, including tax rate and apportionment factor changes.

The adjustment to the statutory rate from Internal Revenue Code Section 162(m) for the year ended December 31, 2024, and December 31, 2023, are the result of permanent differences created by the annual disallowance of certain executive compensation exceeding \$1.0 million.

The adjustment to the statutory rate from stock compensation for the year ended December 31, 2024, and 2023, are the result of permanent differences recognized for the tax deduction in excess of book amortization on the exercise and vesting of stock-based compensation.

The adjustment to the statutory rate from research and development credits for the year ended December 31, 2024, and 2023 are the result of application of research and development tax credits earned generated by the Company in connection with certain at-risk work performed on behalf of our customers.

The Company has elected to record tax-related penalties and interest as current income tax expense. For the year ended December 31, 2024, total penalties and interest related to uncertain tax positions is a net decrease of \$2.5 million, including a net decrease of \$2.6 million related to IRC Section 174 research and development expenditures. For the year ended December 31, 2023, total penalties and interest related to uncertain tax positions is a net increase of \$4.8 million, including a net increase of \$4.6 million related to IRC Section 174 research and development expenditures.

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A reconciliation of the beginning balance and ending amounts of unrecognized tax benefits (excluding interest and penalties) is as follows for the year ended December 31, 2024, and 2023 (in thousands):

	2024	2023
Balances at January 1	\$ 38,899	\$ 716
Additions based on tax positions related to the prior year	99	14,485
Decreases based on tax positions related to prior year	(5,354)	–
Additions based on tax positions related to the current year	19,617	23,698
Settlements	–	–
Balances at December 31	\$ 53,261	\$ 38,899

The amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate at December 31, 2024 and 2023, is \$1.2 million and \$0.9 million, respectively.

The amount of the unrecognized tax benefits expected to reverse within the next 12 months is \$13.6 million.

For the period ending December 31, 2024, the Company recorded net interest of \$1.5 million and released \$4.0 million of penalties, respectively, related to uncertain tax positions, which were recognized as a component of income tax expense. For the period ending December 31, 2023, the Company recorded interest and penalties of \$0.6 million and \$4.0 million, respectively, related to uncertain tax positions, which were recognized as a component of income tax expense.

For the periods ending December 31, 2024, and December 31, 2023, the Company has an ending uncertain tax position of \$52.0 million and \$38.0 million, respectively, against its IRC Section 174 research and development expenditures. The Company reported this uncertain tax position given its position that its costs are deductible currently and therefore should not be capitalized and amortized over five years. This uncertain tax position represents a timing difference with no impact to overall income tax expense or benefit.

For the periods ending December 31, 2024, and December 31, 2023, the Company has an ending uncertain tax position of \$0.9 million and \$0.6 million, respectively, against its research and development expenditures credit.

The Company files income tax returns in the U.S. federal jurisdiction and certain states in which it operates. The Company's federal income tax returns for tax years 2021 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.

The Organization for Economic Cooperation and Development has released Pillar Two Model Rules, a 15% minimum effective tax rate designed to ensure that large multinational enterprises pay a minimum level of tax on the income arising in each jurisdiction where they operate and mandates sharing of certain company information with taxing authorities on a local and global basis. Certain jurisdictions have enacted, and others have proposed, legislation to implement certain provisions of Pillar Two. The Company is continuing to monitor the implications resulting from the potential enactment of Pillar Two rules in the jurisdictions where we operate. The Company has no tax liability resulting from Pillar II for the 2024 year.

16. 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 Company's Employee Stock Purchase Plan, 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.

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The following table summarizes the stock issuance activity under the Employee Stock Purchase Plan for the year ended December 31, 2024 (in thousands, except share data):

	December 31, 2024
Proceeds from the issuance of common stock under the ESPP	\$ 1,921
Number of shares sold	78,533

For the year ended December 31, 2024, stock compensation expense for ESPP was \$1.5 million.

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 through which they can grant 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 years ended December 31, 2024 and 2023, no new option shares 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 January 1, 2023	10,030	\$ 5.99
Granted	–	–
Exercised	(4,897)	5.97
Expired or cancelled	–	–
Outstanding at December 31, 2023	5,133	\$ 6.02
Granted	–	–
Exercised	(4,779)	5.98
Expired or cancelled	–	–
Outstanding at December 31, 2024	354	\$ 6.61

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

	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
December 31, 2024	\$ 6.28	354	5.0	\$ 6.61	354

The intrinsic value of these options on December 31, 2024 and 2023 was \$18.67 and \$29.24, respectively.

The Company received cash payments of \$28,205 and \$29,203 from the exercise of options under the Stock Option Plan in the years ended December 31, 2024 and 2023, respectively.

The Company did not record any compensation cost related to stock options during the years ended December 31, 2024 and 2023, respectively.

As of December 31, 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 of Directors through which they can issue restricted stock awards. As of December 31, 2024, 4,883,269 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 year ended December 31, 2024, the Board granted 515,077 shares under the Plan. The shares have a vesting period of up to five years during which there are certain restrictions as defined by the Plan and Stock Bonus Agreements. The grant date fair value of the award is the closing price of the Share 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 shares of common 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 year ended December 31, 2024, no new restricted stock awards were granted under the Stock Bonus Plan.

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

	Number of shares	Weighted Average Grant Price
Outstanding at January 1, 2023	1,837,309	14.33
Granted	734,042	28.91
Vested	(816,837)	12.54
Cancelled	(34,895)	20.71
Outstanding at December 31, 2023	1,719,619	18.78
Granted	515,077	31.28
Vested	(1,080,366)	19.34
Cancelled	(41,177)	20.41
Outstanding at December 31, 2024	1,113,153	24.34

On November 10, 2021 the Company’s Board of Directors adopted the 2021 Executive Officers Long Term Incentive Plan (“Officers LTIP”). The Officers LTIP is established under the Company’s 2021 Omnibus Equity Incentive 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 year ended December 31, 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 an average vesting period of 3.37 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 from February 8, 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	24.43
Vested	(260,842)	13.81
Cancelled	–	–
Outstanding at December 31, 2024	669,718	20.35

The Company recognizes forfeitures as they occur.

As of December 31, 2024, the Company had 1,782,871 of unvested stock awards that vest between January 1, 2025 and June 30, 2028.

For the years ended December 31, 2024, and 2023, stock compensation expense for the Stock Bonus Plan was \$24.4 million and \$24.7 million, respectively.

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The future expense of the unvested awards by year is as follows (in thousands):

2025	\$	13,688
2026		5,987
2027		2,302
2028		867
2029		–
Total	\$	<u>22,844</u>

17. Employee Retirement Plan

The Company maintains a tax-deferred savings plan (the “Retirement Plan”) in accordance with section 401(k) of the Internal Revenue Code of 1986, as amended, which became effective January 1, 1996. In general, all full-time employees who have attained age eighteen are eligible to participate in the Retirement Plan on the first day of the month following the date of hire. Under terms of the Retirement Plan, the Company makes matching contributions to eligible employee wage deferrals into the Retirement Plan. Matching contributions are subject to a vesting period. Additionally, the Company may, at its discretion, make additional contributions to the Retirement Plan.

For the years ended December 31, 2024 and 2023, employer contributions totaled \$5.1 million and \$4.1 million, respectively.

18. 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.

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 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 operating and finance leases as of December 31, 2024, and 2023:

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<i>(Amounts in thousands)</i>	Balance Sheet Classification	December 31, 2024	December 31, 2023
Assets:			
Operating lease assets	Operating lease, right-of-use assets	\$ 42,085	\$ 40,743
Finance lease assets	Property and equipment, net	25,981	19,543
Total lease assets		<u>\$ 68,066</u>	<u>\$ 60,286</u>
Liabilities:			
<i>Current:</i>			
Operating lease liabilities	Operating lease obligation, current portion	\$ (10,979)	\$ (9,016)
Finance lease liabilities	Finance lease obligation, current portion	(10,394)	(6,586)
Total current lease liabilities		<u>\$ (21,373)</u>	<u>\$ (15,602)</u>
<i>Non-current:</i>			
Operating lease liabilities	Operating lease obligation, less current portion	\$ (37,058)	\$ (37,660)
Finance lease liabilities	Finance lease obligation, less current portion	(17,940)	(14,408)
Total non-current lease liabilities		<u>\$ (54,998)</u>	<u>\$ (52,068)</u>

The following tables present selected financial information for the year ended December 31, 2024, and 2023:

<i>(Amounts in thousands)</i>	December 31, 2024	December 31, 2023
Operating lease cost		
Amortization of right-of-use assets	\$ 13,219	\$ 11,192
Short-term and variable lease cost	1	9
<i>Finance lease cost:</i>		
Amortization of right-of-use assets	9,905	7,262
Interest on lease liabilities	1,714	1,464
Sublease income	(106)	(75)
Total lease cost	<u>\$ 24,733</u>	<u>\$ 19,852</u>

<i>(Amounts in thousands)</i>	December 31, 2024	December 31, 2023
Cash paid for amounts included in the measurements of lease liabilities:		
Operating cash flows from operating leases	\$ 13,264	\$ 10,445
Operating cash flows from finance leases	1,712	1,462
Financing cash flows from finance leases	9,010	6,782
Right-of-use assets obtained in exchange for new operating leases	11,473	19,030
Right-of-use assets obtained in exchange for new finance leases	16,458	8,245

	December 31, 2024	December 31, 2023
Weighted average remaining lease term (in years):		
Operating leases	4.71	5.28
Finance leases	2.48	2.73
Weighted average discount rates:		
Operating leases	6.7 %	7.1 %
Finance leases	6.7 %	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
2025	\$ 13,629	\$ 11,799
2026	11,780	8,290
2027	10,300	4,085
2028	9,243	1,367
2029	6,386	–
Thereafter	4,782	–
Total lease payments	\$ 56,120	\$ 25,541
Less: Amounts representing interest	\$ (8,174)	\$ (2,707)
Total lease liabilities	\$ 47,946	\$ 22,833

The future minimum commitments for operating leases are inclusive of the \$0.1 million sub-lease income associated with the \$48.0 million total liability to operating leases as presented on the consolidated balance sheet.

The future minimum commitments for finance leases are exclusive of the \$5.5 million bargain purchase price associated with the \$28.3 million total liability to finance leases as presented on the consolidated balance sheet.

19. Segment Information

The Company operates as a single business segment represented by our core business of providing multi-disciplinary professional engineering solutions to customers. The Company primarily derives its revenue from its core business of providing engineering and related professional services 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. The Company derives the majority of its revenue from domestic customers, and has no significant long-lived assets located outside the United States. No single customer accounted for 10% or more of the Company’s total revenue during the period.

The Company’s Chief Operating Decision Maker (“CODM”) is Gary Bowman, who is the Chairman and Chief Executive Officer. The CODM assesses performance for the Company and decides how to allocate resources based on significant expense categories that contribute to net income (loss), as outlined below. The CODM uses these varying results to prioritize the reinvestment of profits within the Company. These results are also used in assessing the Company’s performance and determining management’s compensation. The CODM does not review assets in evaluating the results of the Company, and therefore, such information is not presented.

The following tables provides the operating financial results of the Company as of December 31, 2024 and 2023:

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<i>(in thousands)</i>	December 31, 2024	December 31, 2023
Gross contract revenue	\$ 426,564	\$ 346,256
Less:		
Labor and fringe	245,503	198,979
Other segment items ¹	46,895	42,262
General & administrative expenses	72,273	56,002
Incentives	36,487	31,165
Depreciation and amortization	27,828	18,723
Interest expense	7,951	5,340
Other (income) expense, net	(1,427)	232
Income tax (benefit) expense	(11,980)	177
Net income (loss)	<u>\$ 3,034</u>	<u>\$ (6,624)</u>

¹Other segment items included in net income (loss) consists primarily of sub-consultants and other direct expenses.

20. Contingencies

The Company is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the ultimate outcome of these matters will not be material to the Company's combined financial position, results of operations or cash flows.

21. Subsequent Events

On February 14, 2025, the Company completed the acquisition of substantially all of the assets of UP Engineering, LLC pursuant to the Asset Purchase Agreement, dated February 14, 2025 (the "Agreement"), among the Company, UP Engineering, LLC and member. The aggregate consideration was approximately \$3.5 million which consisted of cash, promissory note and convertible promissory note, subject to adjustment.

On March 12, 2025, the Company and certain of its subsidiaries acting as guarantors, entered into a First Amendment to the Revolving Credit Facility 2024 which increases the maximum principal amount of the Revolving Credit Facility 2024 from \$100.0 million to \$140.0 million. There were no other changes to the terms of the Revolving Credit Facility 2024.

Item 16. Form 10-K Summary

None

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, in Reston, Virginia, on March 12, 2025.

Bowman Consulting Group Ltd.

By: /s/ Gary Bowman

Name: Gary Bowman
Title: Chief Executive Officer, Chairman
(Duly Authorized Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Gary Bowman</u> Gary Bowman	Chief Executive Officer, Chairman (Principal Executive Officer)	March 12, 2025
<u>/s/ Daniel Swayze</u> Daniel Swayze	Chief Operating Officer	March 12, 2025
<u>/s/ Bruce Labovitz</u> Bruce Labovitz	Chief Financial Officer, (Principal Financial Officer and Principal Accounting Officer)	March 12, 2025
<u>/s/ Stephen Riddick</u> Stephen Riddick	Director	March 12, 2025
<u>/s/ Raymond Vicks, Jr.</u> Raymond Vicks, Jr.	Director	March 12, 2025
<u>/s/ Patricia Mulroy</u> Patricia Mulroy	Director	March 12, 2025
<u>/s/ James Laurito</u> James Laurito	Director	March 12, 2025