

REFINITIV

# DELTA REPORT

## 10-Q

BWSN - BABCOCK & WILCOX ENTERPRISE  
10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	2880
CHANGES	205
DELETIONS	778
ADDITIONS	1897

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended ~~March 31, 2024~~ **June 30, 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 No. 001-36876

**BABCOCK & WILCOX ENTERPRISES, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

**47-2783641**

(State or other Jurisdiction of Incorporation or Organization)

(I.R.S. Employer Identification No.)

**1200 East Market Street, Suite 650**

**Akron, Ohio**

**44305**

(Address of Principal Executive Offices)

(Zip Code)

Registrant's Telephone Number, Including Area Code: **(330) 753-4511**

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	BW	New York Stock Exchange
8.125% Senior Notes due 2026	BWSN	New York Stock Exchange
6.50% Senior Notes due 2026	BWNB	New York Stock Exchange
7.75% Series A Cumulative Perpetual Preferred Stock	BW PRA	New York Stock Exchange

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, a 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 type="checkbox"/>

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

**1**

The number of shares of the registrant's common stock outstanding at ~~May 3, 2024~~ **August 2, 2024** was ~~91,012,045~~ **92,195,934**.

## TABLE OF CONTENTS

	PAGE
<a href="#">Cautionary Statement Concerning Forward-Looking Information</a>	<a href="#">3</a>
<a href="#">PART I - FINANCIAL INFORMATION</a>	
<a href="#">Item 1.</a> <a href="#">Condensed Consolidated Financial Statements</a>	<a href="#">4</a>
<a href="#">Condensed Consolidated Statements of Operations for the Three Months Ended March 31, and Six 2024 Months Ended June 30, 2024 and 2023 2023 (Unaudited)</a>	<a href="#">5</a>
<a href="#">Condensed Consolidated Statements of Comprehensive Income (Loss) Income for the Three Months and Six Months Ended March 31, June 30, 2024 and 2023 (Unaudited)</a>	<a href="#">6</a>
<a href="#">Condensed Consolidated Balance Sheets as of March 31, 2024, June 30, 2024 and December 31, 2023 2023 (Unaudited)</a>	<a href="#">7</a>
<a href="#">Condensed Consolidated Statements of Stockholders' (Deficit) Equity for the Three Months and Six Months Ended March 31, 2024 June 30, 2024 and 2023 (Unaudited)</a>	<a href="#">8</a>
<a href="#">Condensed Consolidated Statements of Cash Flows for the Three Six Months Ended March 31, 2024 June 30, 2024 and 2023 2023 (Unaudited)</a>	<a href="#">9</a>
<a href="#">Notes to Condensed Consolidated Financial Statements</a>	<a href="#">11</a>
<a href="#">Item 2.</a> <a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operation Operations</a>	<a href="#">33 34</a>
<a href="#">Overview</a>	<a href="#">33 35</a>
<a href="#">Results of Operations - Three Months Ended March 31, and Six 2024 Months Ended June 30, 2024 and 202 2023 3</a>	<a href="#">34 36</a>
<a href="#">Liquidity and Capital Resources</a>	<a href="#">42 47</a>
<a href="#">Critical Accounting Policies and Estimates</a>	<a href="#">45 50</a>
<a href="#">Item 3.</a> <a href="#">Quantitative and Qualitative Disclosures about Market Risk</a>	<a href="#">45 50</a>
<a href="#">Item 4.</a> <a href="#">Controls and Procedures</a>	<a href="#">45 50</a>
<a href="#">Item 5.</a> <a href="#">Other Information</a>	<a href="#">46</a>
<a href="#">PART II - OTHER INFORMATION</a>	
<a href="#">Item 1.</a> <a href="#">Legal Proceedings</a>	<a href="#">46 51</a>
<a href="#">Item 1A.</a> <a href="#">Risk Factors</a>	<a href="#">46 51</a>
<a href="#">Item 2.</a> <a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a>	<a href="#">46 51</a>
<a href="#">Item 6.</a> <a href="#">Exhibits</a>	<a href="#">46 52</a>
<a href="#">SIGNATURES</a>	<a href="#">49 55</a>

## Definitions

In this Quarterly Report on Form 10-Q, or this "Quarterly Report", unless the context otherwise indicates, "B&W," "we," "us," "our" or the "Company" mean Babcock & Wilcox Enterprises, Inc. and its consolidated subsidiaries. Unless otherwise noted, discussion of our business and results of operations in this Quarterly Report on Form 10-Q refers to our continuing operations.

Abbreviation or acronym	Term
6.50% Senior Notes	6.50% Senior Notes due December 31, 2026 issued by Babcock & Wilcox Enterprises, Inc. in 2021
8.125% Senior Notes	8.125% Senior Notes due February 28, 2026 issued by Babcock & Wilcox Enterprises, Inc. in 2021
Amended Revolving Credit Agreement	Amended Revolving Credit Agreement with PNC
AOCI	Accumulated Other Comprehensive Income (loss)
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Axos	Axos Bank, an affiliate of Axos Financial, Inc.
B&W Solar	Babcock & Wilcox Solar Energy, Inc., formerly known as Fosler Construction Company, Inc.
B. Riley	B. Riley Financial, Inc and its affiliates, a related party
Credit Agreement	Credit Agreement between us, with certain of our subsidiaries as guarantors, the lenders party thereto from time to time and Axos Bank, as administrative agent, swingline lender and letter of credit issuer on January, 18, 2024 (as amended from time to time).
CTA	Currency Translation Adjustment
Debt Documents	Collectively, the Revolving Credit Agreement, Letter of Credit Agreement and Reimbursement Agreement
Debt Facilities	The facilities available under the Debt Documents
EBITDA	Earnings before interest, taxes, depreciation and amortization
Exchange Act	The Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
GAAP	Generally Accepted Accounting Principles in the United States of America
IRC	U.S. Internal Revenue Code of 1986, as amended
Letter of Credit Agreement	Letter of Credit agreement with PNC
MSD	MSD Partners and affiliates, including MSD PCOF Partners XLV, LLC
MTM	Mark-to-Market
NOL	Net operating losses
Notes Due 2026	Collectively, the 8.125% Senior Notes due February 28, 2026 and the 6.50% Senior Notes due December 31, 2026
PNC	PNC Bank, National Association
Preferred Stock	7.75% Series A Cumulative Perpetual Preferred Stock
Revolving Credit Agreement	Revolving Credit Agreement with PNC
SEC	United States Securities and Exchange Commission
SOFR	The Secured Overnight Financing Rate

**\*\*\*\*\* Cautionary Statement Concerning Forward-Looking Information \*\*\*\*\***

This Quarterly Report on Form 10-Q, including Management's Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act, Act of 1934. All statements other than statements of historical or current fact included in this Quarterly Report are forward-looking statements. You should not place undue reliance on these statements. Forward-looking statements include words such as "expect," "intend," "plan," "likely," "seek," "believe," "project," "forecast," "target," "goal," "potential," "estimate," "may," "might," "will," "would," "should," "could," "can," "have," "due,"

"due," "anticipate," "assume," "contemplate," "continue" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operational performance or other events.

3

The forward-looking statements included herein are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events, or otherwise, except as required by law. These forward-looking statements are based on management's current expectations and involve a number of risks and uncertainties, including, but not limited to: our financial condition and ability to continue as a going concern; risks associated with contractual pricing in our industry; our relationships with customers, subcontractors and other third parties; our ability to comply with our contractual obligations; disruptions at our or manufacturing facilities or a third-party manufacturing facility that we have engaged; the actions or failures of our co-venturers; our ability to implement our growth strategy, including through strategic acquisitions, which we may not successfully consummate or integrate; our evaluation of strategic alternatives for certain businesses and non-core assets may not result in a successful transaction; the risks of unexpected adjustments and cancellations in our backlog; professional liability, product liability, warranty and other claims; our ability to compete successfully against current and future competitors; our ability to develop and successfully market new products; the impacts of macroeconomic downturns, industry conditions and

public health crises; the cyclical nature of the industries in which we operate; changes in the legislative and regulatory environment in which we operate; supply chain issues, including shortages of adequate components; failure to properly estimate customer demand; our ability to comply with the covenants in our debt agreements; our ability to refinance our 8.125% Notes due 2026 and 6.50% Notes due 2026 prior to their maturity; our ability to maintain adequate bonding and letter of credit capacity; impairment of goodwill or other indefinite-lived intangible assets; credit risk; disruptions in, or failures of, our information systems; our ability to comply with privacy and information security laws; our ability to protect our intellectual property and use the intellectual property that we license from third parties; risks related to our international operations, including fluctuations in the value of foreign currencies, global tariffs, sanctions and export controls; controls could harm our profitability; volatility in the price of our common stock; B. Riley's significant influence over us; changes in tax rates or tax law; our ability to use net operating loss and certain tax credits; our ability to maintain effective internal control over financial reporting; our ability to attract and retain skilled personnel and senior management; labor problems, including negotiations with labor unions and possible work stoppages; risks associated with our retirement benefit plans; natural disasters or other events beyond our control, such as war, armed conflicts or terrorist attacks; and the risks and uncertainties described under the heading "Risk Factors" in Part I, Item 1A of our Annual Report, as such risk factors may be amended, supplemented or superseded from time to time by other reports we file with the SEC.

These forward-looking statements are made based upon detailed assumptions and reflect management's current expectations and beliefs. While we believe that these assumptions underlying the forward-looking statements are reasonable, forward-looking statements are subject to uncertainties and factors relating to our operations and business environment that are difficult to predict and may be beyond our control. Such uncertainties and factors may cause actual results to differ materially from those expressed or implied by the forward-looking statements.

The forward-looking statements included herein are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events, or otherwise, except as required by law.

PART I

ITEM 1. Condensed Consolidated Financial Statements

4

BABCOCK & WILCOX ENTERPRISES, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended June 30,

(in thousands, except per share amounts)

(in thousands, except per share amounts)

(in thousands, except per share amounts)

Revenues
Revenues
Revenues

Costs and expenses:

Costs and expenses:

Costs and expenses:

Cost of operations
Cost of operations
Cost of operations

Selling, general and administrative expenses

Selling, general and administrative expenses

Selling, general and administrative expenses

Restructuring activities
Restructuring activities
Restructuring activities

Research and development costs

Research and development costs

Research and development costs

Loss on asset disposals, net  
Loss on asset disposals, net  
Loss on asset disposals, net

Gain on sale of business  
Gain on sale of business  
Gain on sale of business  
(Gain) loss on asset disposals, net  
(Gain) loss on asset disposals, net  
(Gain) loss on asset disposals, net

Total costs and expenses  
Total costs and expenses  
Total costs and expenses

**Operating income**  
**Operating income**  
**Operating income**

Other (expense) income:  
Other (expense) income:  
Other (expense) income:

Interest expense  
Interest expense  
Interest expense

Interest income  
Interest income  
Interest income

Loss on debt extinguishment  
Loss on debt extinguishment  
Loss on debt extinguishment

Benefit plans, net  
Benefit plans, net  
Benefit plans, net

Foreign exchange  
Foreign exchange  
Foreign exchange

Other expense – net  
Other expense – net  
Other expense – net

Other income (expense) – net  
Other income (expense) – net  
Other income (expense) – net

Total other expense, net  
Total other expense, net  
Total other expense, net

**Loss before income tax expense**  
**Loss before income tax expense**  
**Loss before income tax expense**

**Income (loss) before income tax expense**  
**Income (loss) before income tax expense**  
**Income (loss) before income tax expense**

Income tax expense  
Income tax expense  
Income tax expense

Loss from continuing operations
Loss from continuing operations
Loss from continuing operations
(Loss) income from discontinued operations, net of tax
(Loss) income from discontinued operations, net of tax
(Loss) income from discontinued operations, net of tax
Net loss
Net loss
Net loss
Income (loss) from continuing operations
Income (loss) from continuing operations
Income (loss) from continuing operations
Income (loss) from discontinued operations, net of tax
Income (loss) from discontinued operations, net of tax
Income (loss) from discontinued operations, net of tax
Net income (loss)
Net income (loss)
Net income (loss)
Net income attributable to non-controlling interest
Net income attributable to non-controlling interest
Net income attributable to non-controlling interest
Net loss attributable to stockholders
Net loss attributable to stockholders
Net loss attributable to stockholders
Net income (loss) attributable to stockholders
Net income (loss) attributable to stockholders
Net income (loss) attributable to stockholders
Less: Dividend on Series A preferred stock
Less: Dividend on Series A preferred stock
Less: Dividend on Series A preferred stock
Net loss attributable to stockholders of common stock
Net loss attributable to stockholders of common stock
Net loss attributable to stockholders of common stock
Net income (loss) attributable to stockholders of common stock
Net income (loss) attributable to stockholders of common stock
Net income (loss) attributable to stockholders of common stock
Basic and diluted loss per share
Basic earnings (loss) per share:
Basic and diluted loss per share
Basic earnings (loss) per share:
Basic and diluted loss per share
Basic earnings (loss) per share:
Continuing operations
Continuing operations
Continuing operations
Discontinued operations
Discontinued operations
Discontinued operations
Loss per share
Loss per share
Loss per share
Basic earnings (loss) per share

Basic earnings (loss) per share
Basic earnings (loss) per share
Diluted earnings (loss) per share:
Diluted earnings (loss) per share:
Diluted earnings (loss) per share:
Continuing operations
Continuing operations
Continuing operations
Discontinued operations
Discontinued operations
Discontinued operations
<b>Diluted earnings (loss) per share</b>
<b>Diluted earnings (loss) per share</b>
<b>Diluted earnings (loss) per share</b>
Shares used in the computation of basic earnings (loss) per share
Shares used in the computation of basic earnings (loss) per share
Basic and diluted shares used in the computation of loss per share
Basic and diluted shares used in the computation of loss per share
Basic and diluted shares used in the computation of loss per share
Shares used in the computation of basic earnings (loss) per share
Shares used in the computation of diluted earnings (loss) per share
Shares used in the computation of diluted earnings (loss) per share
Shares used in the computation of diluted earnings (loss) per share

See accompanying notes Notes to Condensed Consolidated Financial Statements.

5

**BABCOCK & WILCOX ENTERPRISES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS INCOME (LOSS)**

(in thousands)	Three Months Ended March 31,	
	2024	2023
Net loss	\$ (16,791)	\$ (12,475)
Other comprehensive (loss) income:		
Currency translation adjustments ("CTA")	(3,125)	4,592
Benefit obligations:		
Pension and post retirement adjustments, net of tax	231	223
Other comprehensive (loss) income	(2,894)	4,815
Total comprehensive loss	(19,685)	(7,660)
Comprehensive (income) loss attributable to non-controlling interest	(67)	14
<b>Comprehensive loss attributable to stockholders</b>	<b>\$ (19,752)</b>	<b>\$ (7,646)</b>

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss)	\$ 25,364	\$ (5,012)	\$ 8,573	\$ (17,487)
Other comprehensive loss:				
Currency translation adjustments ("CTA")	(2,266)	3,527	(5,391)	8,119
Reclassification of CTA to net income (loss)	1,201	—	1,201	—

Benefit obligations:				
Pension and post retirement adjustments, net of tax	232	222	463	445
Other comprehensive income (loss)	(833)	3,749	(3,727)	8,564
Total comprehensive income (loss)	24,531	(1,263)	4,846	(8,923)
Comprehensive (income) loss attributable to non-controlling interest	(40)	27	(26)	41
<b>Comprehensive income (loss) attributable to stockholders</b>	<b>\$ 24,491</b>	<b>\$ (1,236)</b>	<b>\$ 4,820</b>	<b>\$ (8,882)</b>

See accompanying [notes](#) [Notes](#) to Condensed Consolidated Financial Statements.

6

**BABCOCK & WILCOX ENTERPRISES, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands, except per share amount)		March 31, 2024	December 31, 2023
Cash and cash equivalents	\$	43,881	\$ 65,304
Current restricted cash and cash equivalents		16,935	5,737
Accounts receivable – trade, net		124,398	144,016
Accounts receivable – other		29,930	36,179
Contracts in progress		107,431	90,054
Inventories, net		112,407	113,890
Other current assets		22,975	23,918
Current assets held for sale		24,266	18,495
Total current assets		482,223	497,593
Net property, plant and equipment and finance leases		78,514	78,369
Goodwill		100,655	101,956
Intangible assets, net		42,816	45,627
Right-of-use assets		28,641	28,192
Long-term restricted cash		41,636	297
Deferred tax assets		2,094	2,105
Other assets		18,944	21,559
Total assets	\$	795,523	\$ 775,698
Accounts payable	\$	129,535	\$ 127,491
Accrued employee benefits		11,246	10,797
Advance billings on contracts		74,861	81,098
Accrued warranty expense		7,160	7,634
Financing lease liabilities		1,400	1,367
Operating lease liabilities		3,804	3,932
Other accrued liabilities		65,268	68,090
Loans payable		4,473	6,174
Current liabilities held for sale		35,179	43,614
Total current liabilities		332,926	350,197
Senior notes		338,388	337,869
Loans payable, net of current portion		98,727	35,442

Pension and other postretirement benefit liabilities	172,174	172,911
Finance lease liabilities, net of current portion	25,839	26,206
Operating lease liabilities, net of current portion	25,990	25,350
Deferred tax liability	12,991	12,991
Other non-current liabilities	10,955	15,082
<b>Total liabilities</b>	<b>1,017,990</b>	<b>976,048</b>
Stockholders' deficit:		
Preferred stock, par value \$0.01 per share, authorized shares of 20,000; issued and outstanding shares of 7,669 at March 31, 2024 and December 31, 2023	77	77
Common stock, par value \$0.01 per share, authorized shares of 500,000; outstanding shares of 89,480 and 89,449 at March 31, 2024 and December 31, 2023, respectively	5,149	5,148
Capital in excess of par value	1,547,671	1,546,281
Treasury stock at cost, 2,139 shares at March 31, 2024 and December 31, 2023	(115,164)	(115,164)
Accumulated deficit	(1,591,489)	(1,570,942)
Accumulated other comprehensive loss	(69,255)	(66,361)
<b>Stockholders' deficit attributable to shareholders</b>	<b>(223,011)</b>	<b>(200,961)</b>
Non-controlling interest	544	611
<b>Total stockholders' deficit</b>	<b>(222,467)</b>	<b>(200,350)</b>
<b>Total liabilities and stockholders' deficit</b>	<b>\$ 795,523</b>	<b>\$ 775,698</b>

(in thousands, except per share amount)	June 30, 2024	December 31, 2023
Cash and cash equivalents	\$ 95,466	\$ 65,304
Current restricted cash	75,332	5,737
Accounts receivable – trade, net	124,967	144,016
Accounts receivable – other	25,945	36,179
Contracts in progress	88,644	90,054
Inventories, net	110,309	113,890
Other current assets	24,958	23,918
Current assets held for sale	28,941	18,495
<b>Total current assets</b>	<b>574,562</b>	<b>497,593</b>
Net property, plant and equipment and finance leases	78,168	78,369
Goodwill	83,842	101,956
Intangible assets, net	30,518	45,627
Right-of-use assets	27,632	28,192
Long-term restricted cash	31,291	297
Deferred tax assets	2,094	2,105
Other assets	21,015	21,559
<b>Total assets</b>	<b>\$ 849,122</b>	<b>\$ 775,698</b>
Accounts payable	\$ 147,350	\$ 127,491
Accrued employee benefits	11,850	10,797
Advance billings on contracts	63,255	81,098
Accrued warranty expense	6,695	7,634
Financing lease liabilities	1,434	1,367
Operating lease liabilities	3,532	3,932
Other accrued liabilities	53,690	68,090
Loans payable	3,475	6,174
Current liabilities held for sale	42,609	43,614
<b>Total current liabilities</b>	<b>333,890</b>	<b>350,197</b>
Senior notes	339,024	337,869
Loans payable, net of current portion	134,308	35,442

Pension and other postretirement benefit liabilities	167,979	172,911
Finance lease liabilities, net of current portion	25,465	26,206
Operating lease liabilities, net of current portion	25,331	25,350
Deferred tax liability	10,545	12,991
Other noncurrent liabilities	10,924	15,082
<b>Total liabilities</b>	<b>1,047,466</b>	<b>976,048</b>
Stockholders' deficit:		
Preferred stock, par value \$0.01 per share, authorized shares of 20,000; issued and outstanding shares 7,669 at both June 30, 2024 and December 31, 2023	77	77
Common stock, par value \$0.01 per share, authorized shares of 500,000; outstanding shares of 92,010 and 89,449 at June 30, 2024 and December 31, 2023, respectively	5,174	5,148
Capital in excess of par value	1,550,977	1,546,281
Treasury stock at cost, 2,154 and 2,139 shares at June 30, 2024 and December 31, 2023, respectively	(115,180)	(115,164)
Accumulated deficit	(1,569,889)	(1,570,942)
Accumulated other comprehensive loss	(70,088)	(66,361)
Stockholders' deficit attributable to shareholders	(198,929)	(200,961)
Non-controlling interest	585	611
<b>Total stockholders' deficit</b>	<b>(198,344)</b>	<b>(200,350)</b>
<b>Total liabilities and stockholders' deficit</b>	<b>\$ 849,122</b>	<b>\$ 775,698</b>

See accompanying **notes** **Notes** to Condensed Consolidated Financial Statements.

7

**BABCOCK & WILCOX ENTERPRISES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT (DEFICIT) EQUITY**

	Common Stock	Common Stock	Preferred Stock	Capital In Excess of	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive (Loss)	Non- controlling Interest	Total Equity (Deficit)	Common Stock	Preferred Stock	Capital In Excess of	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive (Loss)	Non- controlling Interest	Total (Deficit) Equity
(in thousands)				Par Value													
(in thousands, except share amounts)																	
Balance at December 31, 2023																	
Balance at December 31, 2023																	
Balance at December 31, 2023																	
Net loss																	
Currency translation adjustments																	
Pension and post retirement adjustments, net of tax																	
Pension and post retirement adjustments, net of tax																	
Pension and post retirement adjustments, net of tax																	
Stock-based compensation charges																	
Dividends to preferred shareholders																	
Dividends to preferred stockholders																	

[illegible]

Dividends to non-controlling interest  
Dividends to non-controlling interest  
Balance at March 31, 2023

See accompanying notes Notes to Condensed Consolidated Financial Statements.

BABCOCK & WILCOX ENTERPRISES, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended March 31,
	Six Months Ended June 30,
	Six Months Ended June 30,
	Six Months Ended June 30,
(in thousands)	
(in thousands)	
(in thousands)	
Cash flows from operating activities:	
Cash flows from operating activities:	
Cash flows from operating activities:	
Net income (loss) from continuing operations	
Net income (loss) from continuing operations	
Net income (loss) from continuing operations	
Net loss from discontinued operations	
Net loss from discontinued operations	
Net loss from discontinued operations	
Net income (loss)	
Net income (loss)	
Net income (loss)	
Adjustments to reconcile net income (loss) to net cash used in operating activities:	
Net loss from continuing operations	
Adjustments to reconcile net income (loss) to net cash used in operating activities:	
Net loss from continuing operations	
Net loss from continuing operations	
Net (loss) income from discontinued operations	
Net (loss) income from discontinued operations	
Net (loss) income from discontinued operations	
Net loss	
Net loss	
Net loss	
Adjustments to reconcile net loss to net cash used in operating activities:	
Adjustments to reconcile net loss to net cash used in operating activities:	
Adjustments to reconcile net loss to net cash used in operating activities:	
Adjustments to reconcile net income (loss) to net cash used in operating activities:	
Depreciation and amortization of long-lived assets	

Depreciation and amortization of long-lived assets

Depreciation and amortization of long-lived assets

Amortization of deferred financing costs and debt discount

Amortization of deferred financing costs and debt discount

Amortization of deferred financing costs and debt discount

Amortization of guaranty fee

Amortization of guaranty fee

Amortization of guaranty fee

Non-cash operating lease expense

Non-cash operating lease expense

Non-cash operating lease expense

Loss on debt extinguishment

Loss on debt extinguishment

Loss on debt extinguishment

Gain on sale of business

Gain on sale of business

Gain on sale of business

Loss on asset disposals

Loss on asset disposals

Loss on asset disposals

Provision for (benefit from) deferred income taxes

Provision for (benefit from) deferred income taxes

Provision for (benefit from) deferred income taxes

Prior service cost amortization for pension and postretirement plans

Prior service cost amortization for pension and postretirement plans

Prior service cost amortization for pension and postretirement plans

Stock-based compensation

Stock-based compensation

Stock-based compensation

Foreign exchange

Foreign exchange

Foreign exchange

Changes in operating assets and liabilities:

Changes in operating assets and liabilities:

Changes in operating assets and liabilities:

Accounts receivable - trade, net and other

Accounts receivable - trade, net and other

Accounts receivable - trade, net and other

Contracts in progress

Contracts in progress

Contracts in progress

Advance billings on contracts

Advance billings on contracts

Advance billings on contracts

Inventories, net

Inventories, net

Inventories, net

Income taxes

Income taxes

Income taxes

Accounts payable

Accounts payable

Accounts payable
Accrued and other current liabilities
Accrued and other current liabilities
Accrued and other current liabilities
Accrued contract loss
Accrued contract loss
Accrued contract loss
Pension liabilities, accrued postretirement benefits and employee benefits
Pension liabilities, accrued postretirement benefits and employee benefits
Pension liabilities, accrued postretirement benefits and employee benefits
Other, net
Other, net
Other, net
Net cash used in operating activities:
Net cash used in operating activities:
Net cash used in operating activities:
Net cash used in operating activities
Net cash used in operating activities
Net cash used in operating activities
Cash flows from investing activities:
Cash flows from investing activities:
Cash flows from investing activities:
Purchase of property, plant and equipment
Purchase of property, plant and equipment
Purchase of property, plant and equipment
Purchases of available-for-sale securities
Purchases of available-for-sale securities
Purchases of available-for-sale securities
Sales and maturities of available-for-sale securities
Sales and maturities of available-for-sale securities
Sales and maturities of available-for-sale securities
Proceeds from sale of business and assets, net
Proceeds from sale of business and assets, net
Proceeds from sale of business and assets, net
Other, net
Other, net
Other, net
Net cash used in investing activities
Net cash used in investing activities
Net cash used in investing activities
Net cash provided by (used in) investing activities
Net cash provided by (used in) investing activities
Net cash provided by (used in) investing activities

BABCOCK & WILCOX ENTERPRISES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended March 31,

(in thousands)

Cash flows from financing activities:
Cash flows from financing activities:
Cash flows from financing activities:
Issuance of senior notes
Issuance of senior notes
Issuance of senior notes
Borrowings on loan payable
Borrowings on loan payable
Borrowings on loan payable
Repayments on loan payable
Repayments on loan payable
Repayments on loan payable
Payment of holdback funds from acquisition
Payment of holdback funds from acquisition
Payment of holdback funds from acquisition
Finance lease payments
Finance lease payments
Finance lease payments
Payment of holdback funds from acquisition
Payment of holdback funds from acquisition
Payment of holdback funds from acquisition
Payment of preferred stock dividends
Payment of preferred stock dividends
Payment of preferred stock dividends
Shares of common stock returned to treasury stock
Shares of common stock returned to treasury stock
Shares of common stock returned to treasury stock
Debt issuance costs
Issuance of common stock, net
Debt issuance costs
Issuance of common stock, net
Issuance of common stock, net
Debt issuance costs
Debt issuance costs
Debt issuance costs
Other, net
Other, net
Other, net
Net cash provided by (used in) financing activities
Net cash provided by (used in) financing activities
Net cash provided by (used in) financing activities
Effects of exchange rate changes on cash
Effects of exchange rate changes on cash
Effects of exchange rate changes on cash
Net increase (decrease) in cash, cash equivalents and restricted cash
Net increase (decrease) in cash, cash equivalents and restricted cash
Net increase (decrease) in cash, cash equivalents and restricted cash

Cash, cash equivalents and restricted cash at beginning of period  
Cash, cash equivalents and restricted cash at beginning of period  
Cash, cash equivalents and restricted cash at beginning of period

Cash, cash equivalents and restricted cash at end of period  
Cash, cash equivalents and restricted cash at end of period  
Cash, cash equivalents and restricted cash at end of period

Schedule of cash, cash equivalents and restricted cash:  
Schedule of cash, cash equivalents and restricted cash:  
Schedule of cash, cash equivalents and restricted cash:

Cash and cash equivalents  
Cash and cash equivalents  
Cash and cash equivalents

Current restricted cash  
Current restricted cash  
Current restricted cash

Long-term restricted cash  
Long-term restricted cash  
Long-term restricted cash

Total cash, cash equivalents and restricted cash at end of period<sup>(1)</sup>  
Total cash, cash equivalents and restricted cash at end of period<sup>(1)</sup>  
Total cash, cash equivalents and restricted cash at end of period<sup>(1)</sup>

Supplemental cash flow information:

Supplemental Cash flow information:

Supplemental cash flow information:

Supplemental Cash flow information:

Supplemental cash flow information:

Supplemental Cash flow information:

Income taxes paid, net  
Income taxes paid, net  
Income taxes paid, net

Interest paid  
Interest paid  
Interest paid

<sup>(1)</sup> Includes cash held at discontinued operations of \$— million and \$0.03 million at March 31, 2024 and 2023, respectively.

<sup>(2)</sup> Includes cash held at discontinued operations of \$— million and \$0.03 million at March 31, 2024 and 2023, respectively.

<sup>(3)</sup> Includes cash held at discontinued operations of \$— million and \$0.03 million at March 31, 2024 and 2023, respectively.

See accompanying notes Notes to Condensed Consolidated Financial Statements.

BABCOCK & WILCOX ENTERPRISES, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, JUNE 30, 2024

NOTE 1 – BASIS OF PRESENTATION

These interim Condensed Consolidated Financial Statements of Babcock & Wilcox Enterprises, Inc. (“B&W,” “management,” “we,” “us,” “our” or the “Company”) have been prepared in accordance with GAAP and SEC instructions for interim financial information, and should be read in conjunction with the Annual Report on Form 10-K for the year ended December 31, 2023. The Notes to Condensed Consolidated Financial Statements are presented on the basis of continuing operations, unless otherwise stated.

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from these estimates. In the opinion of management, these Condensed Consolidated Financial Statements contain all estimates and adjustments, consisting of normal recurring adjustments, required to fairly present the financial position, results of operations, and cash flows for the

periods presented. Operating results for the **three six** months ended **March 31, 2024** **June 30, 2024** are not necessarily indicative of the results to be expected for the **full-year year** ending December 31, 2024.

There have been no material changes to our significant accounting policies included in the Annual Report on Form 10-K for the year ended December 31, 2023.

Non-controlling interests are presented in the Condensed Consolidated Financial Statements as if parent company investors (controlling interests) and other minority investors (non-controlling interests) in partially-owned subsidiaries have similar economic interests in a single entity. As a result, investments in non-controlling interests are reported as equity in the Condensed Consolidated Financial Statements. Additionally, the Condensed Consolidated Financial Statements include 100% of a controlled subsidiary's earnings, rather than only our share. Transactions between the parent company and non-controlling interests are reported in equity as transactions between stockholders, provided that these transactions do not create a change in control.

### **Liquidity and Going Concern**

The accompanying Condensed Consolidated Financial Statements have been prepared in accordance with GAAP applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

We have **recurring historically incurred** operating losses, primarily due to losses recognized on our B&W Solar business as **described in Note 4 to the Consolidated Financial Statements included in Part II, Item 8 of our Form 10-K filed on March 15, 2024** as well as higher debt service **costs, costs and recurring cash deficits from operating activities**. Our assessment of our ability to fund future operations is inherently subjective, judgment-based and susceptible to change based on future events. Currently, with existing cash on hand and available liquidity, we are projecting insufficient liquidity to fund operations through one year following the date that this Quarterly Report is issued. These conditions and events raise substantial doubt about our ability to continue as a going concern. **As described below, it is probable that our alternative measures contemplated, cost savings plans and anticipated proceeds from the sale of non-strategic assets alleviate the substantial doubt about our ability to continue as a going concern.**

In response to the conditions, we are implementing several strategies to obtain the required funding for future operations and are considering other alternative measures to improve cash flow, including suspension of the dividend on our Preferred **Stock, Stock and delaying development of new products, which together we expect would reduce our annual cash spending by approximately \$25 million.** The following actions **occurred during** were completed through the **three months ended March 31, 2024; issuance date of this Quarterly Report:**

- **entered into sold our B&W Renewable Service A/S business for net proceeds of \$83.5 million on June 28, 2024 (described in Note 3 to the Condensed Consolidated Financial Statements);**
- **completed the sale of a non-core facility for net proceeds of \$4.2 million;**
- **sold 2.4 million common shares pursuant to our At-The-Market Offering (described in Note 15 to the Condensed Consolidated Financial Statements) for net proceeds of \$2.0 million;**
- **negotiated the settlement of a liability to the former owner of B&W Solar at a discount, resulting in future cash savings of \$7.2 million; and,**
- **initiated a company-wide cost savings plan with targeted annual savings of \$30.0 million, \$25.0 million of which has been achieved to date.**

**The following strategies are ongoing to further increase available liquidity:**

- **continued advanced negotiations related to the sale of one of our three additional non-strategic businesses. Proceeds from the sale businesses, which are expected to generate significant proceeds that will be approximately \$40.0 million used to \$46.0 million, subject to due diligence meaningfully reduce outstanding debt; and, continuing negotiations. We cannot provide any assurances that such transaction will close or that proceeds will not be more or less than we anticipate;**
- **initiated the process to sell certain of our other non-strategic businesses;**
- **filed for a waiver of required minimum contributions to the Retirement Plan for Employees of Babcock & Wilcox Commercial Operations (the "U.S. Plan"), that if granted, would reduce cash funding requirements in 2024 and would increase contributions annually over the subsequent five-year period. We cannot provide any assurances that such waiver will be granted;**
- **initiated the process to sell several non-core real estate assets;**

11

- **initiated the sale of common shares pursuant to our At-The-Market Offering; and**
- **negotiated the settlement of a liability to the former owner of B&W Solar at a discount, resulting in future cash savings of \$7.2 million. granted.**

Based on our ability to raise funds through the actions noted above and our Cash and cash equivalents as of **March 31, 2024** **June 30, 2024**, we have concluded it is probable that such actions would provide sufficient liquidity to fund operations for the next twelve months following the date of this Quarterly Report. **As a result, it is probable that our cash flow improvement plans and anticipated proceeds from the sale of non-strategic assets alleviate the substantial doubt about our ability to continue as a going concern.**

### **Operations**

Our operations are assessed based on three reportable market-facing segments consistent with our strategic initiative to accelerate growth and provide stakeholders improved visibility into our renewable and environmental growth platforms. Our reportable segments are as follows:

- **Babcock & Wilcox Renewable:** Technologies for efficient and environmentally sustainable power and heat generation, including waste-to-energy, biomass-to-energy and black liquor systems for the pulp and paper industry. Our technologies support a circular economy, diverting waste from landfills to use for power generation and replacing fossil fuels, while recovering metals and reducing emissions.
- **Babcock & Wilcox Environmental:** A full suite of emissions control and environmental technology solutions for utility, waste-to-energy, biomass-to-energy, carbon black, and industrial steam generation applications around the world. Our broad experience includes systems for cooling, ash handling, particulate control, nitrogen oxides and sulfur dioxides removal, chemical looping for carbon control, and mercury control.
- **Babcock & Wilcox Thermal:** Steam generation equipment, aftermarket parts, construction, maintenance and field services for plants in the power generation, oil and gas, and industrial sectors. We have an extensive global base of installed equipment for utilities and general industrial applications including refining, petrochemical, food processing, metals and others.

For financial information about our segments see Note 45 to the Condensed Consolidated Financial Statements.

12

## NOTE 2 – LOSS EARNINGS (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted loss per share of our common stock, net of non-controlling interest and dividends on preferred stock:

(in thousands, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss) from continuing operations	\$ 25,222	\$ 594	\$ 9,423	\$ (12,092)
Net income attributable to non-controlling interest	(49)	(76)	(91)	(97)
Less: Dividend on Series A preferred stock	3,715	3,715	7,429	7,430
Income (loss) from continuing operations attributable to stockholders of common stock	21,458	(3,197)	1,903	(19,619)
Income (loss) from discontinued operations, net of tax	142	(5,606)	(850)	(5,395)
Net income (loss) attributable to stockholders of common stock	\$ 21,600	\$ (8,803)	\$ 1,053	\$ (25,014)
Weighted average shares used to calculate basic earnings (loss) per share	91,049	88,783	90,264	88,758
Dilutive effect of stock options, restricted stock and performance units	103	—	60	—
Weighted average shares used to calculate diluted earnings (loss) per share	91,152	88,783	90,324	88,758
Basic earnings (loss) per common share:				
Continuing operations	\$ 0.24	\$ (0.04)	\$ 0.02	\$ (0.22)
Discontinued operations	\$ —	\$ (0.06)	\$ (0.01)	\$ (0.06)
Basic earnings (loss) per common share	\$ 0.24	\$ (0.10)	\$ 0.01	\$ (0.28)
Diluted earnings (loss) per share:				
Continuing operations	\$ 0.24	\$ (0.04)	\$ 0.02	\$ (0.22)
Discontinued operations	\$ —	\$ (0.06)	\$ (0.01)	\$ (0.06)
Diluted earnings (loss) per share	\$ 0.24	\$ (0.10)	\$ 0.01	\$ (0.28)

(in thousands, except per share amounts)	Three Months Ended March 31,	
	2024	2023
Loss from continuing operations	\$ (15,799)	\$ (12,686)
Net loss attributable to non-controlling interest	(42)	(21)
Less: Dividend on Series A preferred stock	3,714	3,715
Loss from continuing operations attributable to stockholders of common stock	(19,555)	(16,422)
(Loss) income from discontinued operations, net of tax	(992)	211
Net loss attributable to stockholders of common stock	\$ (20,547)	\$ (16,211)

Weighted average shares used to calculate basic and diluted loss per share	89,479	88,733
Basic and diluted loss per share:		
Continuing operations	\$ (0.22)	\$ (0.18)
Discontinued operations	(0.01)	—
Basic and diluted loss per share	<u>\$ (0.23)</u>	<u>\$ (0.18)</u>

Basic and diluted weighted average shares are the same because we We incurred a net loss in the three months three- and six-month periods ended March 31, 2024 June 30, 2023, therefore the basic and 2023 diluted shares are the same for those periods.

For the three months ended March 31, 2024 if we had net income, we would have had no additional dilutive shares. If we had net income for attributable to stockholders of common stock in the three months ended March 31, 2023 we June 30, 2023, diluted shares would have included an additional 0.5 million shares, respectively. If we had net income in the six months ended June 30, 2023, diluted shares would have included an additional 0.4 million in diluted shares.

We would have excluded 2.4 million 2.0 million and 2.2 million 1.1 million shares related to stock options from the diluted share calculation for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, because their effect would have been anti-dilutive. We excluded 2.2 million and 2023 1.7 million, shares related to stock options from the diluted share calculation from the six months ended June 30, 2024 and 2023, respectively, because because their effect would have been anti-dilutive.

### NOTE 3 - DIVESTITURE

On June 28, 2024, we, through our B&W PGG Luxembourg Finance S rl subsidiary, entered into an agreement to sell the entire issued and outstanding share capital of our subsidiary, Babcock & Wilcox Renewable Service A/S ("BWRS"), to Hitachi Zosen Inova AG ("Buyer"). The Sale of BWRS to the Buyer was completed the same day. We received net cash proceeds of \$83.5 million and recorded a gain on the sale of the business of \$40.2 million. The proceeds will be used to reduce outstanding debt and support working capital needs.

### NOTE 4 – ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

During the third quarter of 2023, we committed to a plan to sell our B&W Solar business resulting in a significant change that would impact our operations. As of September 30, 2023, we met all of the criteria for the assets and liabilities of this business, formerly part of our B&W Renewable segment, to be accounted for as held for sale. In addition, we also determined that the operations of the B&W Solar business qualified as a discontinued operation, primarily based upon its significance to our current and historic operating losses.

We continued to meet the criteria to account for the B&W Solar business as held for sale and discontinued operations as of March 31, 2024 June 30, 2024.

The following table summarizes the operating results of the disposal group included in discontinued operations in the Condensed Consolidated Statements of Operations:

13

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues	\$ 22,478	\$ 13,672	\$ 33,851	\$ 29,661
Cost of operations	21,324	15,863	31,690	30,305
General and administrative expenses	784	2,883	2,483	4,351
Restructuring expenses	—	—	35	—
Loss on asset disposals, net	—	353	—	353
Total costs and expenses	22,108	19,099	34,208	35,009
Operating income (loss)	370	(5,427)	(357)	(5,348)
Other expense	(228)	(179)	(493)	(47)
Income (loss) from discontinued operations before tax	142	(5,606)	(850)	(5,395)
Benefit from income taxes	—	—	—	—
Income (loss) from discontinued operations, net of tax	<u>\$ 142</u>	<u>\$ (5,606)</u>	<u>\$ (850)</u>	<u>\$ (5,395)</u>

(in thousands)	Three Months Ended March 31,	
	2024	2023
Revenues	\$ 11,373	\$ 15,989
Cost of operations	10,366	14,442

Selling general and administrative expenses	1,699	1,468
Restructuring expenses	35	—
Total costs and expenses	12,100	15,910
Operating (loss) income	(727)	79
Other (expense) income	(265)	132
(Loss) income from discontinued operations	(992)	211
(Loss) income from discontinued operations, net of tax	<u>\$ (992)</u>	<u>\$ 211</u>

The following table provides the major classes of assets and liabilities of the disposal group included in assets held for sale and liabilities held for sale in the Condensed Consolidated Balance Sheets:

14

(in thousands)	June 30, 2024	December 31, 2023
Cash	\$ —	\$ 31
Contracts in progress	9,678	4,538
Accounts receivable - trade	8,366	3,272
Other assets, net	242	62
Total current assets	<u>18,286</u>	<u>7,903</u>
Net property, plant and equipment and finance leases	2,755	2,683
Intangible assets, net	7,833	7,833
Right-of-use assets	67	76
Total non-current assets	<u>10,655</u>	<u>10,592</u>
Total assets of disposal group	<u>\$ 28,941</u>	<u>\$ 18,495</u>
Loans payable, current	\$ 550	\$ 502
Operating lease liabilities, current	24	23
Accounts payable	34,766	26,298
Accrued employee benefits	65	231
Advance billings on contracts	1,699	5,961
Accrued warranty expense	1,040	1,078
Other current liabilities	2,452	8,101
Total current liabilities	<u>40,596</u>	<u>42,194</u>
Loans payable, net of current portion	909	1,308
Non-current operating lease liabilities	42	—
Other non-current liabilities	1,062	112
Total non-current liabilities	<u>2,013</u>	<u>1,420</u>
Total liabilities of disposal group	<u>\$ 42,609</u>	<u>\$ 43,614</u>
Reported as:		
Current assets of discontinued operations	\$ 28,941	\$ 18,495
Current liabilities of discontinued operations	\$ 42,609	\$ 43,614

(in thousands)	March 31, 2024	December 31, 2023
Cash	\$ —	\$ 31
Contracts in progress	5,957	4,538
Accounts receivable - trade	7,558	3,272
Other assets, net	67	62
Total current assets	<u>13,582</u>	<u>7,903</u>

Net property, plant and equipment and finance leases	2,780	2,683
Intangible assets, net	7,833	7,833
Right-of-use assets	71	76
Total non-current assets	10,684	10,592
Total assets of disposal group	\$ 24,266	\$ 18,495
Loans payable, current	\$ 489	\$ 502
Operating lease liabilities, current	24	23
Accounts payable	20,976	26,298
Accrued employee benefits	284	231
Advance billings on contracts	5,452	5,961
Accrued warranty expense	1,067	1,078
Other current liabilities	4,420	8,101
Total current liabilities	32,712	42,194
Loans payable, net of current portion	1,296	1,308
Other non-current liabilities	1,171	112
Total non-current liabilities	2,467	1,420
Total liabilities of disposal group	\$ 35,179	\$ 43,614
Reported as:		
Current assets of discontinued operations	\$ 24,266	\$ 18,495
Current liabilities of discontinued operations	\$ 35,179	\$ 43,614

The significant components included in the Condensed Consolidated Statements of Cash Flows for the discontinued operations are as follows:

(in thousands)	Three Months Ended March 31,		Six Months Ended June 30,	
	(in thousands)	2024	(in thousands)	2023
Depreciation and amortization of long-lived assets				
Changes in operating assets and liabilities:				
Changes in operating assets and liabilities:				
Changes in operating assets and liabilities:				
Accounts receivable				
Accounts receivable				
Accounts receivable				
Contracts in progress				
Accounts payable				
Purchase of property, plant and equipment				
Purchase of property, plant and equipment				
Purchase of property, plant and equipment				

## Contracts

During the **three** **six** months ended **March 31, 2024** **June 30, 2024**, seven contracts were terminated, resulting in gross profit of \$1.2 million. There were no new loss contracts during the **three** **six** months ended **March 31, 2024** **June 30, 2024**. During the three months ended March 31, 2023, one B&W Solar project became a loss contract, and the related loss was immaterial to the condensed consolidated financial statements.

Changes in Contract Estimates

During each of the three months three- and six-month periods ended March 31, 2024 June 30, 2024 and 2023, B&W Solar recognized changes in estimated gross profit related to long-term contracts accounted for on the over time basis, which are summarized below: as follows:

(in thousands)	Three Months Ended March 31,	
	2024	2023
Increases in gross profit for changes in estimates <sup>(1)</sup>	\$ 2,212	\$ 824
Decreases in gross profit for changes in estimates	(147)	(1,510)
Net changes in gross profit for changes in estimates	\$ 2,065	\$ (686)

(1) Includes the \$1.2 million contract termination benefit noted above.

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Increases in gross profit for changes in estimates for over time contracts	\$ 35	\$ 113	\$ 2,247	\$ 937
Decreases in gross profit for changes in estimates for over time contracts	5	(2,074)	(142)	(3,584)
Net changes in gross profit for changes in estimates for over time contracts	\$ 40	\$ (1,961)	\$ 2,105	\$ (2,647)

Backlog

B&W Solar backlog was \$72.4 \$49.3 million and \$99.0 million at March 31, 2024 June 30, 2024 and December 31, 2023, respectively. The decrease was primarily driven by contract terminations of \$17.0 million and revenue recognized of \$11.4 \$33.8 million, partially offset by new bookings increases to existing contracts during the quarter. first six months of 2024. We expect to recognize substantially all of the remaining performance obligations as revenue during the year ended December 31, 2024. December 31, 2024.

16

NOTE 45 – SEGMENT REPORTING

We assess our operations based on three reportable segments as described in Note 1 to the Condensed Consolidated Financial Statements. An analysis of our operations by segment is as follows:

	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended June 30,

(in thousands)

(in thousands)

(in thousands)

Revenues:
Revenues:
Revenues:
B&W Renewable segment
B&W Renewable segment
B&W Renewable segment
B&W Renewable
B&W Renewable
B&W Renewable
B&W Renewable Services
B&W Renewable Services
B&W Renewable Services
Vølund
Vølund

Vølund	
	52,281
TOTAL	
	52,281
TOTAL	
	52,281
TOTAL	
B&W Environmental segment	
B&W Environmental segment	
B&W Environmental segment	
B&W Environmental	
B&W Environmental	
B&W Environmental	
SPIG	
SPIG	
SPIG	
GMAB	
GMAB	
GMAB	
	48,354
	48,354
	48,354
TOTAL	
TOTAL	
TOTAL	
B&W Thermal segment	
B&W Thermal segment	
B&W Thermal segment	
B&W Thermal	
B&W Thermal	
B&W Thermal	
	110,187
	110,187
	110,187
TOTAL	
TOTAL	
TOTAL	
Eliminations	
Eliminations	
Eliminations	
Total Revenues	
Total Revenues	
Total Revenues	

At a segment level, the adjusted EBITDA presented below is consistent with the manner in which our chief operating decision maker ("CODM") reviews the results of operations and makes strategic decisions about the business and is calculated as earnings before interest, tax, depreciation and amortization adjusted for items such as gains or losses arising from the sale of **non-income producing** **non-income-producing** assets, net pension benefits, restructuring activities, impairments, gains and losses on debt extinguishment, legal and settlement costs, costs related to financial consulting, research and development costs, **product development costs**, costs and operating income from contracts being **terminated, disposed,** and other costs that may not be directly controllable by segment management and are not allocated to the segment. The following table is provided to reconcile our segment performance metrics to loss before income tax expense.

(in thousands)	Three Months Ended March 31,	
	2024	2023 <sup>(a)</sup>
B&W Renewable segment adjusted EBITDA	\$ 1,658	\$ 4,322
B&W Environmental segment adjusted EBITDA	3,326	1,906
B&W Thermal segment adjusted EBITDA	13,672	13,733
Corporate	(6,005)	(5,080)
R&D expenses	(116)	(1,307)
Interest expense	(12,527)	(12,543)
Depreciation & amortization	(4,409)	(5,269)
Benefit plans, net	96	(109)
Loss on sales, net	(53)	(937)
Settlements and related legal costs, net	4,087	2,463
Loss on debt extinguishment	(5,071)	—
Stock compensation	(1,350)	(3,227)
Restructuring expense and business services transition	(1,580)	(960)
Acquisition pursuit and related costs	(84)	(134)
Product development	(1,619)	(1,370)
Foreign exchange	(1,333)	(461)
Financial advisory services	(214)	—
Contract disposal	(585)	(1,387)
Letter of credit fees	(2,388)	(1,643)
Other- net	(11)	(193)
<b>Loss before income tax expense</b>	<b>(14,506)</b>	<b>(12,196)</b>

<sup>(a)</sup> Certain 2023 amounts have been reclassified in the reconciliation to conform to the 2024 presentation.

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Adjusted EBITDA</b>				
B&W Renewable segment - Adjusted EBITDA	\$ 7,691	\$ 4,721	\$ 9,349	\$ 9,043
B&W Environmental segment - Adjusted EBITDA	6,749	3,394	10,075	5,300
B&W Thermal segment - Adjusted EBITDA	13,006	24,367	26,678	38,100
Corporate	(3,974)	(5,486)	(9,979)	(10,568)
R&D expenses	(211)	(893)	(327)	(2,200)
Interest expense	(12,249)	(10,698)	(24,776)	(23,241)
Depreciation & amortization	(4,595)	(5,116)	(9,004)	(10,385)
Gain on sale of business	40,174	—	40,174	—
Benefit plans, net	92	(138)	188	(247)
Gain (loss) on asset sales, net	7	955	(46)	18
Settlement and related legal costs	(7,354)	—	(3,267)	2,463
Loss on debt extinguishment	(1,053)	—	(6,124)	—
Stock compensation	(1,310)	(2,271)	(2,660)	(5,498)
Restructuring expense and business services transition	(767)	(1,022)	(2,347)	(1,982)
Product development	(1,440)	(1,048)	(3,059)	(2,418)
Foreign exchange	499	1,154	(834)	693
Contract disposal	(3,473)	(2,693)	(4,058)	(4,080)
Letter of credit fees	(2,251)	(2,035)	(4,639)	(3,678)
Other-net	373	(736)	64	(1,061)
<b>Income (loss) before income tax expense</b>	<b>\$ 29,914</b>	<b>\$ 2,455</b>	<b>\$ 15,408</b>	<b>\$ (9,741)</b>

We do not separately identify or report assets by segment as **our the** CODM does not consider assets by segment to be a critical measure by which performance is measured.

NOTE 56 – REVENUE RECOGNITION AND CONTRACTS

Revenue Recognition

We generate the vast majority of our revenues from the supply of, and aftermarket services for, steam-generating, environmental and auxiliary equipment. We also earn revenue from the supply of custom-engineered cooling systems for steam applications **and along with** related aftermarket services.

A performance obligation is a contractual promise to transfer a distinct **product good** or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and is recognized as revenue when (point in time) or as (over time) the performance obligation is satisfied.

Revenue from products and services transferred to customers at a point in time, which includes certain aftermarket parts and services, accounted for **22% 19% and 17% 21% of our** revenue for the three months ended **March 31, 2024 June 30, 2024 and 2023**, and **20% and 24% of our revenue for the six months ended June 30, 2024 and 2023**, respectively, respectively. Revenue from products and services transferred to customers over time, which primarily relates to customized, **engineered engineered** solutions and construction services, accounted for **78% 81% and 83% 79% of our** revenue for the three months ended **March 31, 2024 June 30, 2024 and 2023**, respectively, and **80% and 76% of our revenue for the six months ended June 30, 2024 and 2023**, respectively, respectively.

Refer to Note 45 to the Condensed Consolidated Financial Statements for further disaggregation of revenue.

Contract Balances

The following represents the components of **the Contracts our contracts** in progress and **Advance advance** billings on contracts included in the Condensed Consolidated Balance Sheets:

	March 31, 2024		December 31, 2023		\$ Change		% Change		(in thousands)	June 30, 2024		December 31, 2023		
(in thousands)	(in thousands)													
Contract assets - included in contracts in progress:														
Costs incurred less costs of revenue recognized														
Costs incurred less costs of revenue recognized														
Costs incurred less costs of revenue recognized	\$ 47,431	\$	\$ 37,556	\$	\$ 9,875	26	26	%	\$ 40,437	\$	\$	37,556	\$	
Revenues recognized less billings to customers	60,000	52,498	52,498	7,502	7,502	14		14	%	Revenues recognized less billings to customers	48,207	52,498	52,498	
Contracts in progress	\$107,431	\$	\$ 90,054	\$	\$17,377	19	19	%	Contracts in progress	\$ 88,644	\$	\$90,054	\$	
Contract liabilities - included in advance billings on contracts:														
Billings to customers less revenues recognized														
Billings to customers less revenues recognized														

Billings to customers less revenues recognized	\$ 68,393	\$	\$ 76,032	\$	\$ (7,639)	(10)	(10) %	\$ 49,840	\$	\$	76,032	\$
Costs of revenue recognized less cost incurred	6,468	5,066	5,066	1,402	1,402	28	28 %	Costs of revenue recognized less cost incurred	13,415	5,066		5,066
Advance billings on contracts	\$ 74,861	\$	\$ 81,098	\$	\$ (6,237)	(8)	(8) %	Advance billings on contracts	\$ 63,255	\$	\$81,098	\$
Net contract balance												
Net contract balance	\$ 32,570	\$	\$ 8,956	\$	\$ 23,614	264	264 %	\$ 25,389	\$	\$	8,956	\$
Accrued contract losses												
Accrued contract losses	\$ 363	\$	\$ 522	\$	\$ (159)	(30)	(30) %	\$ 148	\$	\$	522	\$

### Backlog

At March 31, 2024 On June 30, 2024, we had \$650.4 million \$472.4 million of remaining performance obligations, which we also refer to as total backlog. We expect to recognize approximately 64% 53.0%, 17% 25.0% and 19% 22.0% of the our remaining performance obligations as revenue in 2024, 2025 and thereafter, respectively.

### Changes in Contract Estimates

During each of the three months three- and six-month periods ended March 31, 2024 June 30, 2024 and 2023, we recognized changes in estimated gross profit related to long-term contracts accounted for on the over time basis, which are summarized as follows:

	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended June 30,

(in thousands)

(in thousands)

(in thousands)

Increases in gross profit for changes in estimates for over time contracts
Increases in gross profit for changes in estimates for over time contracts
Increases in gross profit for changes in estimates for over time contracts
Decreases in gross profit for changes in estimates for over time contracts
Decreases in gross profit for changes in estimates for over time contracts
Decreases in gross profit for changes in estimates for over time contracts
Net changes in gross profit for changes in estimates for over time contracts
Net changes in gross profit for changes in estimates for over time contracts
Net changes in gross profit for changes in estimates for over time contracts

### NOTE 67 – INVENTORIES

Inventories are stated at the lower of cost or net realizable value. **Certain raw material inventory is sold to our customers directly and without further processing.** The components of inventories are as follows:

(in thousands)	(in thousands)	March 31, 2024	December 31, 2023	(in thousands)	June 30, 2024	December 31, 2023
Raw materials and supplies						
Work in progress						
Finished goods						
Total inventories						

NOTE 78 – PROPERTY, PLANT, & EQUIPMENT & FINANCE LEASES

Property, plant and equipment less accumulated depreciation is as follows:

(in thousands)	(in thousands)	March 31, 2024	December 31, 2023	(in thousands)	June 30, 2024	December 31, 2023
Land						
Buildings						
Machinery and equipment						
Property under construction						
		206,111				
		206,473				
Less accumulated depreciation						
Net property, plant and equipment						
Finance leases						
Less finance lease accumulated amortization						
Net property, plant and equipment, and finance leases						

NOTE 89 - GOODWILL

Goodwill represents the excess of the consideration transferred over the fair value of net assets, including identifiable intangible assets, at the acquisition date. Goodwill is assessed for impairment annually on October 1 or more frequently if events or changes in circumstances indicate a potential impairment exists.

There were no indicators of goodwill impairment identified for during the quarter three or six months ended **March 31, 2024** June 30, 2024. As previously discussed in Note 3 to the **Condensed Consolidated Financial Statements**, we divested our BWRS business in the three months ended June 30, 2024, resulting in a decrease to goodwill.

The following summarizes the changes in the net carrying amount of goodwill as of **March 31, 2024** June 30, 2024:

(in thousands)	
(in thousands)	
(in thousands)	
Balance at December 31, 2023	
Balance at December 31, 2023	
Balance at December 31, 2023	
Currency translation adjustments	
Divestiture of BWRS	
Currency translation adjustments	
Divestiture of BWRS	
Divestiture of BWRS	
Currency translation adjustments	
Balance at March 31, 2024	
Balance at March 31, 2024	
Balance at March 31, 2024	
Currency translation adjustments	
Currency translation adjustments	
Balance at June 30, 2024	
Balance at June 30, 2024	
Balance at June 30, 2024	

**NOTE 9 10 – INTANGIBLE ASSETS**

Intangible assets are as follows:

(in thousands)	(in thousands)	March 31, 2024	December 31, 2023	(in thousands)	June 30, 2024	December 31, 2023
<b>Definite-lived intangible assets</b>						
Customer relationships						
Customer relationships						
Customer relationships						
Unpatented technology						
Patented technology						
Tradename						
Trade name						
All other						
All other						
All other						
Gross value of definite-lived intangible assets						
Customer relationships amortization						
Unpatented technology amortization						
Patented technology amortization						
Tradename amortization						
All other amortization						
All other amortization						
All other amortization						
Accumulated amortization						
Net definite-lived intangible assets						
<b>Indefinite-lived intangible assets</b>						
Trademarks and trade names						
Trademarks and trade names						
Trademarks and trade names						
Total intangible assets, net						

The following summarizes the changes in the carrying amount of intangible assets, net:

	Three Months Ended March 31,		Six Months Ended June 30,		Six Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	(in thousands)	2024	2023	(in thousands)	2024	2023	2024	2023
Balance at beginning of period								
Divestiture of BWRS								
Amortization expense								
Amortization expense								
Amortization expense								
Currency translation adjustments								
Balance at end of the period								

Amortization of intangible assets is included in Cost of operations and **Selling, general and administrative expenses SG&A** in the Condensed Consolidated **Statement Statements** of Operations but is not allocated to segment results.

Estimated future intangible asset amortization expense as of **March 31, 2024** **June 30, 2024** is as follows: follows (in thousands):

(in thousands)	Amortization Expense
Year ending December 31, 2024	5,668 3,445
Year ending December 31, 2025	6,685 5,414
Year ending December 31, 2026	5,530 4,268
Year ending December 31, 2027	4,916 3,654
Year ending December 31, 2028	4,633 3,372
Thereafter	13,854 8,835

21

## NOTE 10 11 – ACCRUED WARRANTY EXPENSE

We may offer assurance type warranties on products and services sold to customers, that we sell. Changes in the carrying amount of accrued warranty expense are as follows:

Three Months Ended March 31,

	Six Months Ended June 30,			Six Months Ended June 30,		Six Months Ended June 30,
(in thousands)	(in thousands)	2024	2023	(in thousands)	2024	2023
Balance at beginning of period						
Additions						
Expirations and other changes						
Payments						
Translation and other						
Balance at end of period						

We record estimated expense included in Cost of operations on in the Condensed Consolidated Statements of Operations to satisfy contractual warranty requirements when we recognize the associated revenues on the related contracts, or in the case of a loss contract, the full amount of the estimated warranty cost costs is accrued when the contract becomes a loss contract. In addition, we record specific adjustments when provisions or reductions where we expect the actual warranty costs to significantly differ from the accrued estimates. Such changes could have a material effect on our financial position, results of operations and cash flows.

## NOTE 11 12 – RESTRUCTURING ACTIVITIES

We incurred restructuring charges (benefits) in each of the three and six months ended **March 31, 2024** **June 30, 2024** and 2023. The charges (benefits) primarily consist of legal fees and costs related to actions taken as part of our ongoing strategic, market-focused organizational and re-branding initiative, initiatives.

The following table summarizes tables summarize the restructuring activity incurred by segment:

	Three Months Ended March 31,			Three Months Ended March 31,		
	2024			2023		
(in thousands)	Total	Severance and related costs	Other <sup>(1)</sup>	Total	Severance and related costs (benefit)	Other <sup>(1)</sup>
B&W Renewable	\$ 834	\$ 159	\$ 675	\$ (89)	\$ (89)	—
B&W Environmental	185	59	126	20	1	19
B&W Thermal	560	200	360	3	3	—
Corporate	1	—	1	450	—	450
	<u>\$ 1,580</u>	<u>\$ 418</u>	<u>\$ 1,162</u>	<u>\$ 384</u>	<u>\$ (85)</u>	<u>469</u>

<sup>(1)</sup> Other amounts consist primarily of facility closure costs and other costs that are not considered as severance.

Three Months Ended June 30,

(in thousands)	2024			2023		
	Total	Severance and related costs	Other <sup>(1)</sup>	Total	Severance and related costs	Other <sup>(1)</sup>
B&W Renewable segment	\$ 667	\$ 43	\$ 624	\$ 477	\$ 152	\$ 325
B&W Environmental segment	28	11	17	164	—	164
B&W Thermal segment	72	47	25	830	—	830
Corporate	—	—	—	(450)	—	(450)
	<u>\$ 767</u>	<u>\$ 101</u>	<u>\$ 666</u>	<u>\$ 1,021</u>	<u>\$ 152</u>	<u>\$ 869</u>

Six Months Ended June 30,						
(in thousands)	2024			2023		
	Total	Severance and related costs	Other <sup>(1)</sup>	Total	Severance and related costs	Other <sup>(1)</sup>
B&W Renewable segment	\$ 1,502	\$ 202	\$ 1,300	\$ 388	\$ 63	\$ 325
B&W Environmental segment	213	70	143	184	1	183
B&W Thermal segment	632	247	385	833	3	830
	<u>\$ 2,347</u>	<u>\$ 519</u>	<u>\$ 1,828</u>	<u>\$ 1,405</u>	<u>\$ 67</u>	<u>\$ 1,338</u>

<sup>(1)</sup> Other amounts consist primarily of costs associated with the exit of the B&W Renewable segment from operations in Denmark.

Restructuring liabilities are included in Other accrued liabilities in the Condensed Consolidated Balance Sheets. Activity related to the restructuring liabilities is as follows:

(in thousands)	Three Months Ended March 31,	
	2024	2023
Balance at beginning of period	\$ 2,505	\$ 1,615
Restructuring expense	1,580	384
Payments and other	(1,966)	37
Balance at end of period	<u>\$ 2,119</u>	<u>\$ 2,036</u>

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Balance at beginning of period	\$ 2,119	\$ 2,036	\$ 2,505	\$ 1,615
Restructuring expense	767	1,021	2,347	1,405
Payments	(1,873)	(1,124)	(3,839)	(1,087)
Balance at end of period	<u>\$ 1,013</u>	<u>\$ 1,933</u>	<u>\$ 1,013</u>	<u>\$ 1,933</u>

The payments shown above for the three and six months ended March 31, 2024 June 30, 2024 and 2023 relate primarily to severance and facility closure costs. Accrued restructuring liabilities at March 31, 2024 June 30, 2024 and 2023 relate primarily to employee termination benefits.

22

## NOTE 12 13 – PENSION PLANS AND OTHER POSTRETIREMENT BENEFITS

Components of net periodic benefit cost (benefit) included in net loss are as follows:

(in thousands)	Pension Benefits	Pension Benefits	Other Benefits
	Pension Benefits		
	Pension Benefits	Other Benefits	
Three Months Ended March 31,			
(in thousands)			
(in thousands)			

		Three Months Ended June 30,				Six Months Ended June 30,			
		2024		2023		2024		2023	
(in thousands)	(in thousands)								
Interest cost									
Interest cost									
Interest cost									
Expected return on plan assets									
Expected return on plan assets									
Expected return on plan assets									
Amortization of prior service cost									
Amortization of prior service cost									
Amortization of prior service cost									
Benefit plans, net <sup>(1)</sup>									
Benefit plans, net <sup>(1)</sup>									
Benefit plans, net <sup>(1)</sup>									
Service cost included in COS <sup>(2)</sup>									
Service cost included in COS <sup>(2)</sup>									
Service cost included in COS <sup>(2)</sup>									
Net periodic benefit cost (benefit)									
Net periodic benefit cost (benefit)									
Net periodic benefit cost (benefit)									
Net periodic cost (benefit)									

<sup>(1)</sup> Benefit plans, net, which is presented separately in the Condensed Consolidated Statements of Operations, is not allocated to the segments.

<sup>(2)</sup> Service cost related to a small group of active participants is presented within Cost of operations in the Condensed Consolidated Statements of Operations and is recorded at the B&W Thermal segment level.

There were no MTM adjustments for the our pension and other postretirement benefit plans during the three and six months ended March 31, 2024 June 30, 2024 and 2023.

We made contributions to the our pension and other postretirement benefit plans totaling \$0.3 million \$3.7 million and \$4.0 million during the the three and six months ended March 31, 2024 June 30, 2024 as compared to \$0.4 million and 2023.

\$0.7 million during the three and six months ended June 30, 2023 respectively.

#### NOTE 13 14 – DEBT AND CREDIT FACILITIES

##### Senior Notes

The components of the Company's senior notes outstanding at March 31, 2024 June 30, 2024 are as follows:

				Senior Notes				
(in thousands)	(in thousands)	8.125%	6.50%	Total	(in thousands)	8.125%	6.50%	Total
Senior notes due 2026								
Unamortized deferred financing costs								
Unamortized premium								
Net debt balance								

The components of senior notes outstanding at December 31, 2023 are as follows:

		Senior Notes		
(in thousands)		8.125%	6.50%	Total
Senior notes due 2026	\$	193,035	\$ 151,440	\$ 344,475
Unamortized deferred financing costs		(2,899)	(4,019)	(6,918)
Unamortized premium		312	—	312
Net debt balance	\$	190,448	\$ 147,421	\$ 337,869

## Revolving and Letter of Credit Agreements with Axos

We entered into a credit agreement the Credit Agreement in January 2024, with certain of our subsidiaries as guarantors, the lenders party thereto from time to time and Axos, as administrative agent, swingline lender and letter of credit issuer (the "Credit Agreement"), issuer.

The Credit Agreement provides for an up to \$150.0 million asset-based revolving credit facility (with availability subject to a borrowing base calculation) ("Credit Facility"), including a \$100.0 million letter of credit sublimit. Our obligations under the

23

Credit Agreement are guaranteed by certain of our domestic and foreign subsidiaries. B. Riley has provided a guaranty of payment with regard to our obligations under the Credit Agreement, as further described below. We used and expect to use the proceeds and letter of credit availability under the Credit Agreement to (i) pay off our prior revolving credit facility with PNC, (ii) provide for working capital needs, (iii) provide cash collateral to secure letters of credit to be issued under the Credit Agreement, and (iv) provide for general corporate purposes.

The Credit Agreement has a maturity date of January 18, 2027, provided that if as of August 30, 2025 October 31, 2025, as amended by the Second Amendment to Credit Agreement ("Second Amendment"), the 8.125% Senior Notes and 6.50% Senior Notes have not been refinanced pursuant to a Permitted Refinancing, as defined in the Credit Agreement, or the maturity date has not otherwise been extended to a date on or after July 18, 2027, then the maturity date of the Credit Agreement is August 30, 2025 October 31, 2025. See Note 23 to the Condensed Consolidated Financial Statements for further discussion of the Second Amendment.

The interest rates applicable under the Credit Agreement are: (i) with respect to SOFR Loans, (a) SOFR plus 5.25% if the outstanding principal amount of loans is equal to or less than \$100.0 million or (b) SOFR plus 4.00% if the outstanding principal amount of loans is equal to or greater than \$100.0 million; (ii) with respect to Base Rate Loans, the greater of (a) the Federal Funds Rate plus 2.00% plus the Applicable Margin, (b) the prime rate as designated by Axos plus the Applicable Margin, and (c) Daily Simple SOFR plus 1.00% plus the Applicable Margin; and (iii) with respect to the default rate under the Credit Agreement, the then-existing interest rate plus 2.00%.

In connection with the Credit Agreement, we are required to pay (i) an origination fee of \$1.5 million, (ii) a commitment fee equal to 0.50% per annum multiplied by the positive difference by which the Aggregate Revolving Commitments exceed the Total Revolvings Outstanding (as defined in the Credit Agreement), subject to adjustment, (iii) a facility fee equal to the Applicable Margin for SOFR Loans multiplied by the positive difference by which the actual daily amount of L/C Obligations the Administrative Agent is then holding Specified Cash Collateral exceeds the actual daily Outstanding Amount of Revolving Loans, and (iv) a collateral monitoring fee of \$1,000 per month. We are permitted to prepay all or any portion of the loans under the Credit Agreement prior to maturity subject to the payment of an early termination fee. The Credit Agreement requires mandatory prepayments under certain circumstances, including in the event of an overadvance.

The obligations under the Credit Agreement are secured by substantially all assets of B&W and each of the guarantors, in each case subject to intercreditor arrangements. The Credit Agreement contains certain representations and warranties, affirmative covenants, negative covenants and conditions that are customarily required for similar financings. The Credit Agreement requires us to comply with certain financial maintenance covenants, including a quarterly fixed charge coverage test, a quarterly total net leverage ratio test, a cash repatriation covenant, a minimum liquidity covenant, an annual cap on maintenance capital expenditures and a limit on unrestricted cash.

The Credit Agreement also contains customary events of default (subject, in certain instances, to specified grace periods) including, but not limited to, the failure to make payments of interest or premium, if any, on, or principal under the Credit Agreement, the failure to comply with certain covenants and agreements specified in the Credit Agreement, defaults in respect of certain other indebtedness, and certain events of insolvency. If any event of default occurs, Axos may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding amounts under the Credit Agreement may become due and payable immediately. At March 31, 2024 June 30, 2024, after giving consideration to the Third Amendment discussed below, we are in compliance with all financial and other covenants contained in the Credit Agreement.

In connection with our entry into the Credit Agreement, we entered into with B. Riley (i) a guaranty agreement in favor of (a) Axos, in its capacity as administrative agent under the Credit Agreement, for the ratable benefit of the Secured Parties and (b) such Secured Parties (the "B. Riley Guaranty") and (ii) a fee and reimbursement agreement, made by B. Riley and accepted and agreed to by us (the "B. Riley Fee Agreement"). The B. Riley Guaranty provides for the guarantee of all of our obligations under the Credit Agreement. The B. Riley Guaranty is enforceable in certain circumstances, including, among others, certain events of default and the acceleration of our obligations under the Credit Agreement. The B. Riley Fee Agreement provides, among other things, for an annual fee to be paid to B. Riley by us in an annual amount equal to 2.00% of Aggregate Revolving Commitments under the Credit Agreement (or approximately \$3 million) as consideration for B. Riley's agreements and commitments under the B. Riley Guaranty. The B. Riley Fee Agreement also requires us to reimburse B. Riley to the extent the B. Riley Guaranty is called upon by the agent or lenders under the Credit Agreement and requires us to execute a junior secured promissory note with respect to the same within 60 days after the execution of the B. Riley Fee Agreement (or such other date as B. Riley may agree to).

On April 30, 2024, we, along with certain subsidiaries as guarantors, the lenders party to the Credit Agreement, and Axos, as administrative agent, entered into the First Amendment to Credit Agreement (the "First Amendment"). The First Amendment, among other things, amends the terms of the Credit Agreement to increase the amounts available to be borrowed based on inventory in the borrowing base under the Credit Agreement (the "Increased Inventory Period"). In 2024,

24

the Increased Inventory Period commences on April 30 and ends on July 31 and would provide approximately \$6.0 million additional available borrowings under the Credit Agreement. The Increased Inventory Period is available to us upon our election in subsequent years (subject to a \$75,000 fee if we make such an election) and commences on March 1 and ends on July 31.

On July 3, 2024, we, with certain of our subsidiaries as guarantors, the lenders party to the Credit Agreement, and Axos, as administrative agent, entered into the Second Amendment. Pursuant to the Second Amendment, Axos and the Lenders party to the Credit Agreement consented to the Company's engagement in certain specified sales of the assets of specified subsidiaries of the Company (such sales, the "Specified Transactions"), and agreed that the consummation of any Specified Transaction would not result in an event of default under the Credit Agreement. As a condition to the forgoing consent and agreements, we agreed to a usage structure for the net cash proceeds from the Specified Transactions. The Second Amendment also sunsets the option to increase the amounts available to be borrowed based on inventory in the borrowing base provided in the First Amendment and extended the maturity date under the agreement from August 30, 2025 to October 31, 2025 in the event that the Indebtedness under any of the Company's unsecured notes has not been refinanced pursuant to a permitted refinancing under the agreement. The maturity date of the Credit Agreement otherwise remains January 18, 2027. See Note 23 to the Condensed Consolidated Financial Statements for further discussion of the Second Amendment.

On August 7, 2024, we, with certain of our subsidiaries as guarantors, the lenders party to the Credit Agreement, and Axos, as administrative agent, entered into the Third Amendment to Credit Agreement ("Third Amendment"). The Third Amendment amended the definition of Consolidated Adjusted EBITDA to (i) exclude certain costs incurred in connection with the settlement of the Glatfelter Litigation; and (ii) add back certain contributions currently required to be made by us or our Subsidiaries to the U.S. Plan, up to an aggregate maximum of \$15 million.

At March 31, 2024 June 30, 2024, we had a total of \$90.1 \$125.8 million outstanding on the Axos Credit Agreement, which includes \$36.8 million \$46.6 million drawn on the revolving credit portion of the facility and \$53.3 million \$79.2 million drawn on the letter of credit portion. At March 31, 2024 June 30, 2024, cash collateralizing the letters of credit totaling \$53.3 \$79.2 million is classified as Restricted cash, of which \$11.9 million \$48.2 million is classified as current and \$41.4 \$31.0 million as long-term.

As of March 31, 2024 June 30, 2024, Loans payable in the Condensed Consolidated Balance Sheets totaled \$103.2 million \$137.8 million, net of debt issuance costs of \$0.5 million, of which \$4.5 million \$3.5 million is classified as current and \$98.7 million \$134.3 million as long-term loans payable in the Consolidated Balance Sheets. In addition to the amounts outstanding on our revolving debt facilities, Loans payable also includes \$12.1 million \$11.8 million, net of debt issuance costs of \$0.5 million, related to sale-leaseback financing transactions.

As of December 31, 2023, we had Loans payable of \$41.6 million, net of debt issuance costs of \$0.5 million, of which \$6.2 million is classified as current and \$35.4 million as long-term loans payable in the Consolidated Balance Sheets. Included in these amounts was approximately \$12.3 million, net of debt issuance costs of \$0.5 million, related to sale-leaseback financing transactions.

#### **Revolving and Letter of Credit Agreements with PNC and MSD**

In June 2021, we entered into a Revolving Credit Agreement (the "Revolving Credit Agreement") with PNC, as administrative agent and a letter of credit agreement (the "Letter of Credit Agreement") with PNC, pursuant to which PNC agreed to issue up to \$110.0 million in letters of credit that is secured in part by cash collateral provided by MSD, as well as a reimbursement, guaranty and security agreement with MSD, as administrative agent, and the cash collateral providers from time to time party thereto, along with certain of our subsidiaries as guarantors, pursuant to which we are obligated to reimburse MSD and any other cash collateral provider to the extent the cash collateral provided by MSD and any other cash collateral provider to secure the Letter of Credit Agreement is drawn to satisfy draws on letters of credit (the "Reimbursement Agreement" and collectively with the Revolving Credit Agreement and Letter of Credit Agreement, the "Debt Facilities"). Our obligations under the Debt Facilities were guaranteed by certain of our existing and future domestic and foreign subsidiaries. B. Riley, a related party, provided a guaranty of payment with regard to our obligations under the Reimbursement Agreement. The Debt Facilities were effectively replaced by the Axos Credit Agreement in January 2024. The Revolving Credit Agreement was terminated in connection with our entry into the Axos Credit Agreement and we are transitioning letters of credit outstanding under the Letter of Credit Agreement and Reimbursement Agreement to the Axos Credit Agreement. At June 30, 2024, there was approximately \$1.6 million in remaining outstanding letters of credit under the Letter of Credit Agreement. We believe all outstanding letters of credit will be transitioned to the Axos Credit Agreement by June 30, 2024 September 30, 2024, at which time the Letter of Credit Agreement and Reimbursement Agreement is expected to be terminated. We recognized a Loss on debt extinguishment of \$5.1 \$1.1 million and \$6.1 million in the three and six months ended March 31, 2024 June 30, 2024, related to the write-off of unamortized deferred financing fees on and other costs incurred to exit the Revolving Credit Agreement, Debt Facilities.

The Letter of Credit Agreement requires fees on outstanding letters of credit equal to (i) administrative fees of 0.75% and (ii) fronting fees of 0.25%. Prepayments under the Reimbursement Agreement are subject to a prepayment fee of 2.25% in the first year after closing, 2.0% in the second year after closing and 1.25% in the third year after closing with no prepayment fee payable thereafter. We have mandatory prepayment obligations under the Reimbursement Agreement upon the receipt of proceeds from certain dispositions or casualty or condemnation events.

The obligations under the Debt Facilities are secured by substantially all of our assets and each of the guarantors, in each case subject to inter-creditor arrangements. As noted above, the obligations under the Letter of Credit Facility are also secured by the cash collateral provided by MSD and any other cash collateral provider thereunder.

The Debt Documents contain certain representations and warranties, affirmative covenants, negative covenants and conditions that are customarily required for similar financings. The Debt Documents also contain customary events of default (subject, in certain instances, to specified grace periods) including, but not limited to, the failure to make payments of interest or premium, if any, on, or principal under the respective facility, the failure to comply with certain covenants and agreements specified in the applicable debt agreement, defaults in respect of certain other indebtedness and certain events of insolvency.

If any event of default occurs, the principal, premium, if any, interest and any other monetary obligations on all then-outstanding amounts under the Debt Facilities may become due and payable immediately.

In November 2023, we entered into Amendment No. 3 to the Reimbursement Agreement (the "Third Amended Reimbursement Agreement"), which modified certain financial maintenance covenants for future periods beginning with the fiscal quarter ended on September 30, 2023. The Third Amended Reimbursement Agreement also imposed a leverage condition to the payment of dividends on preferred equity, which required us to provide a quality of earnings report and pay a \$1.0 million fee to MSD prior to paying a dividend for the fiscal quarter ending December 31, 2023. The interest rates applicable to the Third Amended Reimbursement Agreement float at a rate per annum equal to SOFR plus 10% through December 31, 2023, SOFR plus 11% from January 1, 2024 through June 30, 2024 and will increase by 50 basis points as of the first day of each fiscal quarter thereafter.

In March 2024, we entered into Amendment No. 4 to the Reimbursement Agreement (the "Fourth Amended Reimbursement Agreement"), which modified certain financial maintenance covenants for periods beginning with the fiscal quarter ended on December 31, 2023. The Fixed Charge Coverage Ratio was amended to 0.93 to 1.0 for the fiscal quarter ending December 31, 2023, 0.82 to 1.0 for the fiscal quarter ending March 31, 2024, 0.90 to 1.0 for the fiscal quarter ending June 30, 2024, 0.95 to 1.0 for the fiscal quarter ending September 30, 2024, 1.1 to 1.0 for the fiscal quarter ending December 31, 2024, and 1.25 to 1.0 for the fiscal quarter ending March 31, 2025 and thereafter. The Senior Net Leverage Ratio condition to payment of any Permitted Restricted Payments, as defined in the Fourth Amended Reimbursement Agreement, was amended to 1.45 to 1.0 for the four quarter fiscal measurement period ending as of December 31, 2023 and 1.25 to 1.0 thereafter. The Fourth Amended Reimbursement Agreement also amends the minimum cash flow covenants set forth in the Reimbursement Agreement to no less than \$10.0 million as of December 31, 2023 (for the preceding fiscal quarter), no less than \$15.0 million as of December 31, 2024 (for the preceding fiscal year), and no less than \$25.0 million as of December 31 of each fiscal year thereafter. The Applicable Margin with respect to Delayed Draw Term Loans and Cash Collateral Commitment Fees will increase by an additional 0.50% on each of April 30, 2024, July 1, 2024, October 1, 2024, January 1, 2025 and April 1, 2025 in each case if the Obligations are in excess of \$15 million on the applicable date. At March 31, 2024, we are in compliance with all financial and other covenants contained in the Letter of Credit Agreement and Reimbursement Agreement.

A summary of usage of letters of credit under the domestic facilities is as follows. Due to the timing of the transition of our Letter of Credit Arrangements from PNC and MSD to Axos, balances as of **March 31, 2024** **June 30, 2024** are primarily with Axos and balances as of **March 31, 2023** **June 30, 2023** are with PNC and MSD.

	March 31,			June 30,	
	2024	2024	2023	2024	2023
Letters of credit under domestic facilities:					
Performance letters of credit					
Performance letters of credit					
Performance letters of credit					
Financial letters of credit					
Total outstanding					
Backstopped letters of credit					
Backstopped letters of credit					
Backstopped letters of credit					
Surety backstopped letters of credit					
Letters of credit subject to currency revaluation					

#### Other Letters of credit, bank guarantees and surety bonds

Certain of our subsidiaries, that are primarily outside of the United States, have credit arrangements with various commercial banks and other financial institutions for the issuance of letters of credit and bank guarantees in association with contracting activity.

We have posted surety bonds to support contractual obligations to customers relating to certain contracts. We utilize bonding facilities to support such obligations, but the issuance of bonds under those facilities is typically at the surety's discretion. These bonds generally indemnify customers should we fail to perform our obligations under our applicable contracts. We, and certain of our subsidiaries, have jointly executed general agreements of indemnity in favor of surety underwriters relating to surety bonds the underwriters issue in support of some of our contracting activity.

The following table provides a summary of outstanding letters of credit issued outside of the domestic facilities, and outstanding surety bonds:

	March 31,			June 30,	
	2024	2024	2023	2024	2023
Letters of credit under non-domestic facilities					
Letters of credit under non-domestic facilities					

Letters of credit under non-domestic facilities  
Surety Bonds  
Surety Bonds  
Surety Bonds

Our ability to obtain and maintain sufficient capacity under our current debt facilities is essential to allow us to support the issuance of letters of credit, bank guarantees and surety bonds. Without sufficient capacity, our ability to support contract security requirements in the future will be diminished.

NOTE 14 15 – CAPITAL STOCK

Preferred Stock

During the three six months ending March 31, 2024 ended June 30, 2024, our Board of Directors approved dividends totaling \$3.7 million \$7.4 million to holders of the Preferred Stock. There were no cumulative undeclared dividends of the Preferred Stock at March 31, 2024 June 30, 2024, and all declared dividends have been paid as of April 1, 2024 July 1, 2024.

Common Stock

On April 10, 2024, we entered into a sales agreement (the "Sales Agreement") with B. Riley Securities, Inc., Seaport Global Securities LLC, Craig-Hallum Capital Group LLC and Lake Street Capital Markets, LLC (together, the "Agents"), in connection with the offer and sale from time to time of shares of our common stock, having an aggregate offering price of up to \$50.0 million \$50.0 million through the Agents. Agents (such offering, the "At-the-Market" offering). As of May 3, 2024 June 30, 2024, 1.5 2.4 million shares have been sold pursuant to the Sales Agreement. Refer to Note 22 to the Condensed Consolidated Financial Statements Agreement, for additional discussion net proceeds of the Sales Agreement. \$2.0 million.

NOTE 15 16 –INTEREST EXPENSE

Interest expense in the Condensed Consolidated Financial Statements consisted of the following components:

	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended June 30,

(in thousands)  
(in thousands)  
(in thousands)

Components associated with borrowings from:  
Components associated with borrowings from:  
Components associated with borrowings from:

Senior notes  
Senior notes  
Senior notes  
  
Revolving Credit Facility  
Revolving Credit Facility  
Revolving Credit Facility

	7,803
	7,803
	7,803
	7,849
	7,849
	7,849

Components associated with amortization or accretion of:  
Components associated with amortization or accretion of:  
Components associated with amortization or accretion of:

Revolving Credit Facility  
Revolving Credit Facility

Revolving Credit Facility	
Revolving Credit Agreement	
Revolving Credit Agreement	
Revolving Credit Agreement	
Senior notes	
Senior notes	
Senior notes	
	1,793
	2,126
	1,793
	2,126
	1,793
	2,126
Components associated with interest from:	
Components associated with interest from:	
Components associated with interest from:	
Lease liabilities	
Lease liabilities	
Lease liabilities	
Letter of Credit interest and fees	
Letter of Credit interest and fees	
Letter of Credit interest and fees	
Other interest expense	
Other interest expense	
Other interest expense	
	3,238
	3,238
	3,238
	2,559
	2,559
	2,559
Total interest expense	
Total interest expense	
Total interest expense	

The following table provides a reconciliation of Cash, cash equivalents and Current Short-term and Long-term restricted cash reporting within the Condensed Consolidated Balance Sheets and in the Condensed Consolidated Statements of Cash Flows:

(in thousands)	(in thousands)	March 31, 2024	December 31, 2023	(in thousands)	June 30, 2024	December 31, 2023
Held by foreign entities						
Held by U.S. entities						
Cash and cash equivalents						
Reinsurance reserve requirements						
Reinsurance reserve requirements						
Reinsurance reserve requirements						

Project indemnity collateral <sup>(1)</sup>

Bank guarantee collateral

Letters of credit collateral <sup>(2)</sup> <sup>(3)</sup>

Hold-back for acquisition purchase price <sup>(3)</sup>

Escrow for long-term project <sup>(4)</sup>

Current and Long-term restricted cash and cash equivalents

Total Cash, cash equivalents and restricted cash

Pension obligations

Hold-back for acquisition purchase price <sup>(2)</sup>

Escrow for long-term project <sup>(3)</sup>

Current and Long-term restricted cash

Total cash, cash equivalents and restricted cash shown in the Condensed Consolidated Statements of Cash Flows

<sup>(1)</sup> We added \$2.0 million in project indemnity restricted cash collateral for a letter of credit agreement during the first quarter of 2024.

<sup>(2)</sup> Beginning in January 2024, we drew \$53.3 \$79.2 million on the Axos Credit Agreement for letter of credit collateral, which is reflected in Current and Long-term restricted cash in the Condensed Consolidated Balance Sheets.

<sup>(3)</sup> <sup>(2)</sup> The purchase price for FPS was \$59.2 million, and included an initial hold-back of \$5.9 million which was included in Current restricted cash and cash equivalents and Other accrued liabilities in the Condensed Consolidated Balance Sheets. The final payment was made in the amount of \$3.0 million during the first quarter of 2024.

<sup>(4)</sup> <sup>(3)</sup> On December 15, 2021, we entered into an agreement to place \$11.4 million in an escrow account as security to ensure project performance. The remaining amount of \$0.3 million will be reclassified from Long-term restricted cash to Current restricted cash on September 30, 2024, with a scheduled final settlement on September 30, 2025.

## NOTE 16 17 – PROVISION FOR INCOME TAXES

In the three months ended March 31, 2024 June 30, 2024, income tax expense from continuing operations was \$1.3 \$4.7 million, resulting in an effective tax rate of 15.7%. In the three months ended June 30, 2023, income tax expense from continuing operations was \$1.9 million, resulting in an effective tax rate of 75.8%.

In the six months ended June 30, 2024, income tax expense from continuing operations was \$6.0 million, resulting in an effective tax rate of (8.9)% 38.8%. In the three six months ended March 31, 2023 June 30, 2023, income tax expense from continuing operations was \$0.5 million, \$2.4 million, resulting in an effective tax rate of (4.0) (24.1)%.

The Our effective tax rate for the three and six months ended March 31, 2024 June 30, 2024 is not reflective of the U.S. statutory rate due to valuation allowances against certain net deferred tax assets and discrete items. We have unfavorable discrete items relating to continuing operations of \$0.5 \$1.1 million and \$0.2 \$1.6 million for the three and six months ended June 30, 2024, which primarily represent withholding taxes and the tax consequences associated with the sale of BWRS. We had discrete items relating to continuing operations of \$(0.4) million and \$(0.2) million for the three and six months ended March 31, 2024 and 2023, respectively, June 30, 2023, which primarily represent represented withholding taxes, taxes and return-to-accrual adjustments.

We are subject to federal income tax in the United States and numerous countries that have statutory tax rates different than the United States federal statutory rate of 21%. The most significant of these foreign operations are located in Canada, Denmark, Germany, Italy, Mexico, Sweden, and the United Kingdom, with effective tax rates ranging between approximately 19% and 30%. We provide for income taxes based on the tax laws and rates in the jurisdictions where we have conduct operations. These jurisdictions may have regimes of taxation that vary in both nominal rates and the basis on which these rates are applied. The Our consolidated effective income tax rate can vary from period to period due to these foreign income tax rate variations, changes in the jurisdictional mix of our income, and valuation allowances.

## NOTE 17 18 – CONTINGENCIES

### Litigation Relating to Boiler Installation and Supply Contract

On December 27, 2019, a complaint was filed against us Babcock & Wilcox by P.H. Glatfelter Company ("Glatfelter") in the United States District Court for the Middle District of Pennsylvania, Case No. 1:19-cv-02215-JPW, alleging claims of breach of contract, fraud, negligent misrepresentation, promissory estoppel and unjust enrichment (the "Glatfelter Litigation"). The complaint alleges damages in excess of \$58.9 million. On March 16, 2020 we filed a motion to dismiss, and on December 14, 2020 the court issued its order dismissing the fraud and negligent misrepresentation claims. On January 11, 2021, we filed an answer and a counterclaim for breach of contract, seeking damages in excess of \$2.9 million. On November 30, 2022, we and

28

Glatfelter each filed cross-motions for summary judgment. On June 21, 2023, the court granted our motion in part, dismissing Glatfelter's promissory estoppel and unjust enrichment claims, dismissing Babcock & Wilcox Enterprises, Inc. entirely (Glatfelter's remaining claim is asserted against The Babcock & Wilcox Company), and finding that Plaintiffs' claims for damages will be subject to the contractual cap on liability, (defined as the \$11.7 million purchase price, subject to certain adjustments), and denied Glatfelter's motion for summary judgment. The case is now set for trial on August 5, 2024. We intend

On August 3, 2024, we and Glatfelter agreed in principle to continue to vigorously litigate the action. However, given the uncertainty inherent in the litigation, it is too early to determine if the outcome of resolve the Glatfelter Litigation (the "Proposed Glatfelter Settlement Agreement"). Pursuant to the Proposed Glatfelter Settlement Agreement, we would pay Glatfelter a total sum of \$6.5 million (the "Proposed Settlement Amount"), to be paid in six consecutive monthly installments beginning on or about September 1, 2024. The Proposed Settlement Amount will have be subject to a material adverse impact on our financial position, results letter of operations or cash flows, credit backstopping the payments, and the final settlement agreement is expected to contain customary confidentiality and non-disparagement provisions. The amount to be paid is fully accrued and reflected in Other accrued liabilities in the Condensed Consolidated Balance Sheets at June 30, 2024.

## Other

Due to the nature of our business, from time to time, we are involved in routine litigation or subject to disputes or claims related to our business activities, including, among other things: performance or warranty-related matters under our customer and supplier contracts and other business arrangements; and workers' compensation, premises liability and other claims. Based on prior experience, except as disclosed above, we do not expect that any of these other litigation proceedings, disputes and claims will have a material adverse effect on our condensed consolidated financial position, condition, results of operations or cash flows.

## NOTE 18 19 – ACCUMULATED OTHER COMPREHENSIVE INCOME LOSS

Gains and losses deferred in accumulated other comprehensive income (loss) AOCI ("AOCI") are generally reclassified and recognized in the Condensed Consolidated Statements of Operations once they are realized. The currency translation loss reclassification of AOCI to net loss is a result of the sale of BWRS in the current year quarter. The changes in the components of AOCI, net of tax, for the three six months ended March 31, 2024 June 30, 2024 and 2023 were as follows:

(in thousands)	Net unrecognized loss related to benefit plans		
	Currency translation loss	(net of tax)	Total
Balance at December 31, 2023	\$ (64,778)	\$ (1,583)	\$ (66,361)
Other comprehensive income (loss) before reclassifications	(3,125)	—	(3,125)
Reclassification of AOCI to net loss	—	231	231
Net other comprehensive income (loss)	(3,125)	231	(2,894)
Balance at March 31, 2024	\$ (67,903)	\$ (1,352)	\$ (69,255)
Other comprehensive income (loss) before reclassifications	(2,266)	—	(2,266)
Reclassification of AOCI to net income (loss)	1,201	232	1,433
Net other comprehensive income (loss)	(1,065)	232	(833)
Balance at June 30, 2024	\$ (68,968)	\$ (1,120)	\$ (70,088)

(in thousands)	Net unrecognized loss related to benefit plans		
	Currency translation loss	(net of tax)	Total
Balance at December 31, 2023	\$ (64,778)	\$ (1,583)	\$ (66,361)
Other comprehensive (loss) income before reclassifications	(3,125)	231	(2,894)
Balance at March 31, 2024	\$ (67,903)	\$ (1,352)	\$ (69,255)

(in thousands)

(in thousands)

(in thousands)	Currency translation loss	Net unrecognized loss related to benefit plans (net of tax)	Total	Currency translation loss	Net unrecognized loss related to benefit plans (net of tax)	Total
Balance at December 31, 2022						
Other comprehensive income before reclassifications						
Reclassification of AOCI to net loss						
Net other comprehensive income						
Balance at March 31, 2023						
Balance at March 31, 2023						
Balance at March 31, 2023						

Other comprehensive income before reclassifications
Reclassification of AOCI to net income (loss)
Net other comprehensive income
Balance at June 30, 2023

The amounts reclassified out of AOCI by component and the affected Condensed Consolidated Statements of Operations line items are as follows (in thousands): follows:

AOCI component	AOCI component	Line items in the Condensed Consolidated Statements of Operations affected by reclassifications from AOCI	Three Months Ended June 30,		Six Months Ended June 30,	
			2024	2023	2024	2023
AOCI component						
2024						
2024						
Release of currency translation adjustment with the sale of business						
Pension and post retirement adjustments, net of tax						
Pension and post retirement adjustments, net of tax						
Pension and post retirement adjustments, net of tax						
	Net Income (Loss)					
	Net Income (Loss)					
	Net Income (Loss)					
	Net (loss) income					

NOTE 19 20 – FAIR VALUE MEASUREMENTS

The following tables summarize our financial assets and liabilities carried at fair value, all of which were valued from readily available prices or using inputs based upon quoted prices for similar instruments in active markets (known as "Level 1" and "Level 2" inputs, respectively, in the fair value hierarchy established by ASC 820, the FASB Topic, Fair Value Measurements and Disclosures). As of June 30, 2024 and December 31, 2023 we had no "Level 3" inputs.

Available-For-Sale Securities

(in thousands)	March 31, 2024	Level 1	Level 2
Corporate notes and bonds	\$ 4,308	\$ 4,308	\$ —
Mutual funds	—	—	—
United States Government and agency securities	2,200	2,200	—
Total fair value of available-for-sale securities	\$ 6,508	\$ 6,508	\$ —

(in thousands)	December 31, 2023	Level 1	Level 2
Corporate notes and bonds	\$ 3,144	\$ 3,144	\$ —
Mutual funds	3	—	3
United States Government and agency securities	3,906	3,906	—
Total fair value of available-for-sale securities	\$ 7,053	\$ 7,050	\$ 3

Investments in available-for-sale securities are presented in Other assets in the Condensed Consolidated Balance Sheets with contractual maturities ranging from 0-50 to 5 years.

(in thousands)
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Available-for-sale securities	June 30, 2024	Level 1	Level 2
Corporate notes and bonds	\$ 4,846	\$ 4,846	\$ —
Mutual funds	—	—	—
United States Government and agency securities	1,838	1,838	—
Total fair value of available-for-sale securities	\$ 6,684	\$ 6,684	\$ —

(in thousands)			
Available-for-sale securities	December 31, 2023	Level 1	Level 2
Corporate notes and bonds	\$ 3,144	\$ 3,144	\$ —
Mutual funds	3	—	3
United States Government and agency securities	3,906	3,906	—
Total fair value of available-for-sale securities	\$ 7,053	\$ 7,050	\$ 3

Senior Notes

See Note 13 14 to the Condensed Consolidated Financial Statements for a discussion of the senior notes. Senior Notes. The fair value of the senior notes Senior Notes is based on readily available quoted market prices as of March 31, 2024; June 30, 2024.

(in thousands)

(in thousands)

(in thousands)

Senior Notes

Senior Notes

Senior Notes

8.125% Senior Notes due 2026 ("BWSN")
8.125% Senior Notes due 2026 ("BWSN")
8.125% Senior Notes due 2026 ("BWSN")
6.50% Senior Notes due 2026 ("BWNB")
6.50% Senior Notes due 2026 ("BWNB")
6.50% Senior Notes due 2026 ("BWNB")
8.125% Senior Notes due 2026 ('BWSN')
8.125% Senior Notes due 2026 ('BWSN')
8.125% Senior Notes due 2026 ('BWSN')
6.50% Senior Notes due 2026 ('BWNB')
6.50% Senior Notes due 2026 ('BWNB')
6.50% Senior Notes due 2026 ('BWNB')

Other Financial Instruments

We used the following methods and assumptions in estimating our fair value amounts disclosures for our other financial instruments:

- Cash and cash equivalents and restricted cash and cash equivalents. The carrying amounts that have been reported in the accompanying Condensed Consolidated Balance Sheets for cash and cash equivalents and restricted cash and cash equivalents approximate their fair value values due to their highly liquid nature.
- Revolving Debt Loans payable. We base the fair value values of debt instruments on quoted market prices. Where quoted prices are not available, we base the fair value values on Level 2 inputs such as the present value of future cash flows discounted at estimated borrowing rates for similar debt instruments or on estimated prices based on current yields for debt issues of similar quality and terms. The fair value of Revolving Debt the Loans payable approximated its carrying amount at March 31, 2024 June 30, 2024.

NOTE 20 21 – RELATED PARTY TRANSACTIONS

We believe transactions with related parties were conducted on terms equivalent to those prevailing in an arm's length transaction.

#### Transactions with B. Riley

Based on Schedule 13D filings with the SEC, To our knowledge, B. Riley beneficially owns approximately 32.4% 31.3% of our the Company's outstanding common stock as of March 31, June 30, 2024. B. Riley currently has the right to nominate one member of our Board of Directors pursuant to the investor rights agreement we entered into with B. Riley in April 2019. The investor rights agreement also provides pre-emptive rights to B. Riley with respect to certain future issuances of our equity securities.

As described further in Note 22, 15 to the Condensed Consolidated Financial Statements, in April 2024, we entered into a sales agreement with B. Riley Securities, Inc., among others, in connection with the offer and sale from time to time of shares of our common stock. B. Riley will be is entitled to compensation equal to 3.0% of the gross proceeds from each sale of the shares sold through it as the designated Agent.

As described in Note 13 14 to the Condensed Consolidated Financial Statements, in connection with our entry into the Axos Credit Agreement in January 2024, we entered into a guaranty agreement and a fee and reimbursement agreement with B. Riley. The B. Riley Guaranty provides for the guarantee of all of our obligations under the Credit Agreement. The B. Riley Guaranty is enforceable in certain circumstances, including, among others, certain events of default and the acceleration of our obligations under the Credit Agreement. The B. Riley Fee Agreement provides, among other things, for us to pay an annual fee to B. Riley equal to 2.00% of Aggregate Revolving Commitments under the Credit Agreement (or approximately \$3 million) as consideration for B. Riley's agreements and commitments under the B. Riley Guaranty. The B. Riley Fee Agreement also requires us to reimburse B. Riley to the extent the B. Riley Guaranty is called upon by the agent or lenders under the Credit Agreement and requires us to execute a junior secured promissory note with respect to the same within 60 days after the execution of the B. Riley Fee Agreement (or such other date as B. Riley may agree to).

We entered into an agreement with BRPI Executive Consulting, LLC, an affiliate of B. Riley, in November 2018 and amended the agreement in November 2020 and December 2023 to retain the services of Mr. Kenneth Young, to serve as our Chief Executive Officer until December 31, 2028, unless terminated by either party with thirty days written notice. Under this agreement, payments are \$0.75 million \$0.75 million per annum, paid monthly. Subject to the achievement of certain performance objectives as determined by the Compensation Committee of the Board of Directors, a bonus or bonuses may also be earned and payable to BRPI Executive Consulting, LLC.

See Note 23 to the Condensed Consolidated Financial Statements for information regarding a Registration Rights Agreement entered into with B. Riley in July 2024.

#### NOTE 21 22 – NEW ACCOUNTING PRONOUNCEMENTS AND STANDARDS

##### New accounting standards to be adopted

We consider the applicability and impact of all issued ASUs. Certain recently issued ASUs were assessed and determined to be not applicable. New accounting standards not yet adopted that could affect the Condensed Consolidated Financial Statements in the future are summarized as follows:

In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*. The new guidance is intended to align U.S. GAAP and SEC requirements while facilitating the application of U.S. GAAP for all entities. The effective date of ASU 2023-06 depends on (1) whether an entity is already subject to the SEC's current disclosure requirements and (2) whether and, if so, when the SEC removed related requirements from its regulations. For entities that are already subject to the SEC's current disclosure requirements, the effective date for each amendment will be the date on which the SEC's removal of that related disclosure requirement from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. If the SEC has not removed the related requirements from its regulations by June 30, 2027, the amendments made by ASU 2023-06 will be removed from the Codification and will not become effective for any entity. We are currently evaluating the impact of this standard on the Condensed Consolidated Financial Statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires a public entity to disclose significant segment expenses and other segment items in interim and

annual periods and expands the ASC 280 disclosure requirements for interim periods. The ASU also explicitly requires public entities with a single reportable segment to provide all segment disclosures under ASC 280, including the new disclosures under the ASU. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and interim periods within

31

fiscal years beginning after December 15, 2024. Early adoption is permitted. We are currently evaluating the impact of this standard on the Condensed Consolidated Financial Statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires disclosure of specific categories in the effective tax rate reconciliation and additional information for reconciling items that meet a quantitative threshold. The standard is intended to benefit investors by providing more detailed income tax disclosures to assess how an entity's operations and related tax risks and tax planning and operational opportunities affect its tax rate and prospects for future cash flows. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. Adoption of the standard will only impact the income tax disclosures and is not expected to be material to the Condensed Consolidated Financial Statements.

## NOTE 22 – 23– SUBSEQUENT EVENT EVENTS

### Second Amendment to Credit Agreement

On April 10, 2024 July 3, 2024, we, with certain of our subsidiaries as guarantors, the lenders party to the Credit Agreement, and Axos, as administrative agent, entered into the Second Amendment. Pursuant to the Second Amendment, Axos and the Lenders party to the Credit Agreement consented to the Company's engagement in the Specified Transactions, and agreed that the consummation of any Specified Transaction would not result in an event of default under the Credit Agreement. As a condition to the forgoing consent and agreements, the Company agreed to apply the net cash proceeds from the Specified Transactions in the following order, irrespective of the order of consummation of the Specified Transactions: (i) to the repayment of revolving loans under the Credit Agreement, in an aggregate amount equal to \$10,000,000 (the "Specified Revolver Paydown"); (ii) to the repayment of liabilities in respect of the certain pension plans of the Company and its subsidiaries, in an aggregate amount equal to \$15,000,000; (iii) to the repayment of letter of credit borrowings or advances, or if no such amounts are outstanding, to the cash collateralization of existing letter of credit obligations, in an aggregate amount equal to \$10,000,000; (iv) to PNC in an amount not exceeding \$1,600,000 in connection with the repayment and/or cash collateralization of certain existing facilities; (v) to the repayment of revolving loans under the Credit Agreement, in an aggregate amount equal to \$54,000,000 (which amounts may be reborrowed in whole or in part to the extent permitted under the Credit Agreement at such time and may be used for purposes permitted under the Credit Agreement, including for working capital needs); (vi) to the repayment of the Senior Notes due 2026 or any additional unsecured senior notes issued under the Company's unsecured notes indenture, in an aggregate amount equal to \$193,000,000; and (vii) the remainder to be retained by the Company to finance working capital, capital expenditures and acquisitions and for general corporate purposes (including the payment of fees and expenses).

The Second Amendment further amended the Credit Agreement by sunsetting the option to increase the amounts available to be borrowed based on inventory in the borrowing base under the Credit Agreement following the Specified Revolver Paydown, and extended the maturity date under the agreement from August 30, 2025 to October 31, 2025 in the event that the Indebtedness under any of the Company's unsecured notes has not been refinanced pursuant to a permitted refinancing under the agreement. The maturity date of the Credit Agreement otherwise remains January 18, 2027.

### Registration Rights Agreement

On July 11, 2024, we entered into a sales registration rights agreement (the "Sales Agreement" "Registration Rights Agreement") with B. Riley. Pursuant to the Registration Rights Agreement, we have agreed to provide B. Riley Securities, Inc., Seaport Global Securities LLC, Craig-Hallum Capital Group LLC and Lake Street Capital Markets, LLC (together, the "Agents"), in connection with the offer and sale from time to time of customary demand registration rights for all shares of our common stock having an aggregate offering price they beneficially own, including any common stock issuable upon the exercise of up any warrants that may be issued to \$50.0 million through the Agents. Any shares to be offered and sold them under the Sales B. Riley Fee Agreement, will be issued and sold pursuant to our previously filed and currently effective registration statement on Form S-3 initially filed with the SEC on November 8, 2021 and declared effective by the SEC on November 22, 2021. A prospectus supplement relating as described in Note 14 to the offering of the Shares was filed with the SEC on April 10, 2024.

The shares may be offered and sold through the Agents over a period of time and from time to time by any method that is deemed to be an "at the market offering" as defined in Rule 415 promulgated under the Securities Act of 1933, as amended. The Agents are not required to sell any specific aggregate principal amount of our shares but will act as our sales agents using commercially reasonable efforts consistent with their normal trading and sales practices, on our mutually agreed terms with the Agents. Under the Sales Agreement, the designated Agent will be entitled to compensation equal to 3.0% of the gross proceeds from each sale of the shares sold through it as the designated Agent. The amount of net proceeds we will receive from this offering, if any, will depend upon the actual aggregate principal amount of the shares sold, after deduction of the Agents' commission and any transaction fees. Because there is no minimum offering amount required as a condition to close this offering, the actual total public offering amount, commissions and net proceeds to us, if any, are not determinable at this time.

The Sales Agreement contains customary representations, warranties and covenants of the Company, indemnification obligations of the Company and the Agents, including for liabilities under the Securities Act, other obligations of the parties and termination provisions.

Through May 3, 2024, we have sold 1.5 million shares pursuant to the Sales Agreement.

32

## Condensed Consolidated Financial Statements.

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

The following discussion of our financial position condition and results of operations should be read in conjunction with the financial statements and the notes thereto included in the Condensed Consolidated Financial Statements in under Item 1 of this Quarterly Report. The following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements as a result of many factors, including those described in more detail under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023. See also "Cautionary Statement Concerning Forward-Looking Information" herein. All amounts referred to in this discussion and analysis are on a continuing operations basis, unless otherwise noted.

### BUSINESS OVERVIEW

We are a growing, globally-focused renewable, environmental and thermal technologies provider with over 155 years of experience providing diversified energy and emissions control solutions to a broad range of industrial, electrical utility, municipal and other customers. Our innovative products and services are organized into three market-facing segments. Our reportable segments are as follows:

- **Babcock & Wilcox Renewable:** Our innovative hydrogen generation technology (BrightLoop™) supports global climate goals including the decarbonization of industrial and utility steam and power producers. BrightLoop™ offers significant advantages over other hydrogen generation technologies as it generates competitively priced hydrogen from a wide range of fuels (including solid fuels such as biomass and coal) with a high rate of carbon captured resulting in low (or even negative) carbon intensity hydrogen. We also offer best-in-class technologies for efficient and environmentally sustainable power and heat generation, including waste-to-energy, oxygen-fired biomass-to-energy (OxyBright™), and black liquor systems for the pulp and paper industry. Our leading waste-to-energy technologies support a circular economy, diverting waste from landfills to use for power generation or district heating, while recovering metals and reducing emissions. To date, we have installed approximately 500 waste-to-energy and biomass-to-energy units at more than 300 facilities in approximately 30 countries which serve a wide variety of utility, waste management, municipality and investment firm customers.
- **Babcock & Wilcox Environmental:** Our full suite of best-in-class emissions control and environmental technology solutions for utility, waste-to-energy, biomass-to-energy, carbon black, and industrial steam generation applications supports environmental stewardship around the world. Our broad experience includes systems for cooling, ash handling, particulate control, nitrogen oxide and sulfur dioxide removal, dioxin and furan control, carbon dioxide capture, mercury control as well as other acid gas and pollutant control. Our ClimateBright™ family of products including SolveBright™, OxyBright™, BrightLoop™ and BrightGen™, places us at the forefront of hydrogen production and carbon dioxide capturing technologies and development with many of the aforementioned products already commercially available and others ready for commercial deployment. We believe these technologies position us to compete in the bioenergy with carbon capture and sequestration market. Our portfolio of clean power production solutions continues to evolve to reach customers at all stages of their energy transition.
- **Babcock & Wilcox Thermal:** Our vast installed base of steam generation equipment and related auxiliaries spans the globe and includes customers in a variety of end markets including power generation, oil and gas, petrochemical, food and beverage, metals and mining, and others. We provide aftermarket parts, construction, maintenance, engineered upgrades and field services for our installed base as well as the installed base of other OEMs; the substantial and stable cash flows generated from these businesses helps to fund our investments in new clean energy initiatives. In addition to our aftermarket offerings, we also provide complete steam generation systems including package boilers, watertube and firetube waste heat boilers, and other boilers to medium and heavy industrial customers. Our unique range of offerings, coupled with the strength of our brand, provides a competitive advantage in existing and emerging markets.

#### Market Second Quarter 2024 Update

Management continues to adapt to macroeconomic conditions, including the impacts from inflation, higher interest rates and foreign exchange rate volatility, geopolitical conflicts (including the ongoing conflicts in Ukraine and the Middle East) and global shipping and supply chain disruptions that have continued to have an impact in during the first six months of 2024. In certain instances, these situations have resulted in cost increases and delays or disruptions that have had, and could continue to have, an adverse impact on our ability to meet customers' demands. We continue to actively monitor the impact of these market conditions on

33

current and future periods and actively manage costs and our liquidity position to provide additional flexibility while still supporting our customers and their specific needs. The duration and scope of these conditions cannot be predicted, and therefore, any anticipated negative financial impact on our operating results cannot be reasonably estimated.

On June 28, 2024, we, through our B&W PGG Luxembourg Finance Sàrl subsidiary, entered into an agreement to sell the entire issued and outstanding share capital of our subsidiary, Babcock & Wilcox Renewable Service A/S ("BWRS"), to Hitachi Zosen Inova AG (the "Buyer"). The sale of BWRS to the Buyer was completed the same day. From the sale, we received net cash proceeds of \$83.5 million and recorded a gain on the sale of the business of \$40.2 million.

#### Discontinued Operations

During the third quarter of 2023, we committed to a plan to sell our B&W Solar business resulting in a significant change that would impact our operations. As of September 30, 2023, we met all of the criteria for the assets and liabilities of this business, formerly part of our B&W Renewable segment, to be accounted for as held for sale. In addition, we also determined that the operations of the B&W Solar business qualified as a discontinued operation, primarily based upon its significance to our current and historic operating losses.

We continued to meet the criteria to account for the B&W Solar business as held for sale and discontinued operations as of March 31, 2024 June 30, 2024.

## RESULTS OF OPERATIONS

### Components of Our Results of Continuing Operations

#### Revenue

**Revenue** Our revenue is the total amount of income generated by our business and consists primarily of income from the our renewable, environmental and thermal technology solutions and services that we provide to a broad range of industrial electric utility and other customers. Revenue from our operations is assessed based on our three market-facing segments, B&W Renewable, B&W Environmental and B&W Thermal.

#### Operating income (loss) income

Operating income (loss) income consists primarily of our revenue minus costs and expenses, including cost of operations, SG&A, and advisory fees and settlement costs.

#### Net loss income (loss)

Net loss income (loss) consists primarily of operating (loss) income minus other income and expenses, including interest income, foreign exchange and expense related to our benefit plans, and provision for income taxes. plans.

#### Condensed Consolidated Results of Operations

The following discussion of our consolidated and business segment results of operations includes a discussion of adjusted EBITDA, which, when used on a consolidated basis, is a non-GAAP financial measure. Adjusted EBITDA differs from net loss, the most directly comparable measure calculated in accordance with GAAP. Management believes that this financial measure is useful to investors because it excludes certain expenses, allowing investors to more easily compare our operating performance period to period. A reconciliation of net loss to adjusted EBITDA is included in "Non-GAAP Financial Measures" below.

(in thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	\$ Change	2024	2023	\$ Change
Revenues:						
B&W Renewable segment	\$ 60,953	\$ 85,219	\$ (24,266)	\$ 113,234	\$ 169,342	\$ (56,108)
B&W Environmental segment	56,229	48,690	7,539	104,583	88,130	16,453
B&W Thermal segment	120,189	158,010	(37,821)	230,376	277,246	(46,870)
Eliminations	(3,729)	(404)	(3,325)	(6,995)	(1,945)	(5,050)
<b>Total revenues</b>	<b>\$ 233,642</b>	<b>\$ 291,515</b>	<b>\$ (57,873)</b>	<b>\$ 441,198</b>	<b>\$ 532,773</b>	<b>\$ (91,575)</b>

(in thousands)	Three Months Ended March 31,		
	2024	2023	\$ Change
Revenues:			
B&W Renewable segment	\$ 52,281	\$ 84,123	\$ (31,842)
B&W Environmental segment	48,354	39,440	8,914
B&W Thermal segment	110,187	119,236	(9,049)
Eliminations	(3,266)	(1,541)	(1,725)
	<b>\$ 207,556</b>	<b>\$ 241,258</b>	<b>\$ (33,702)</b>

34

#### Three months ended March 31, 2024 Months Ended June 30, 2024 and 2023

Revenues decreased by \$33.7 57.9 million to \$207.6 million \$233.6 million in the three months ended March 31, 2024 as June 30, 2024 compared to \$241.3 million \$291.5 million in the three months ended March 31, 2023 June 30, 2023. The decrease was primarily driven by a \$22.1 million \$36.6 million decrease in B&W Renewable segment revenue because fewer waste-to-energy projects were performed in the current year as, consistent with our stated strategy, we shift our focus to our higher-margin and lower-risk European Renewable parts and services business and a \$6.2 million decrease in B&W Thermal segment revenue as a large project in our U.S. construction business was completed in 2023 that was and not fully replaced in 2024. 2024 in the B&W Thermal segment and an \$18.9 million decrease in B&W Renewable segment revenue because, consistent with our stated strategy, we performed fewer waste-to-energy projects in the current year.

Operating income for the three months ended March 31, 2024 was \$4.3 increased by \$29.8 million as compared to \$1.3 million \$42.2 million in the three months ended March 31, 2023 June 30, 2024, compared to \$12.4 million in the three months ended June 30, 2023. The increase in 2024 was driven by is primarily attributable to the \$40.2 million gain on sale of BWRS and a \$6.6 million reduction decrease of \$4.4 million in Selling, general and administrative costs primarily attributable to a favorable final settlement of a liability to the former owner of B&W Solar, and expenses, offset by \$3.4 million \$8.3 million lower gross margin due to the reduced revenue. Gross margin is defined as Revenues less Cost lower revenue in 2024 and a \$6.5 million charge in the three months ended June 30, 2024 related to the settlement of Sales. Loss a legal matter.

Income from continuing operations increased by **\$3.1 million** \$24.6 million to **\$15.8 million** in the three months ended March 31, 2024 as compared to **\$12.7 million** \$25.2 million in the three months ended **March 31, 2023** June 30, 2024 as compared to income of \$0.6 million in the three months ended June 30, 2023, driven by increased Operating income and offset by a \$1.4 million increase in interest expense.

#### Six Months Ended June 30, 2024 and 2023

Revenues decreased by \$91.6 million to \$441.2 million in the six months ended June 30, 2024 compared to \$532.8 million in the six months ended June 30, 2023. The **increase** **was** decrease is driven by a **\$5.1 million Loss** \$42.9 million decrease in revenue as a large project in our U.S. construction business was completed in 2023 and not fully replaced in 2024 in the B&W Thermal segment and a \$45.9 million decrease in the B&W Renewable segment revenue because, consistent with our stated strategy, we performed fewer waste-to-energy projects in the current year.

Operating income increased by \$32.8 million in the comparable six-month periods ended June 30, 2024 and June 30, 2023 to income of \$46.5 million, primarily due to the gain of \$40.2 million on the sale of BWRS and a decrease of \$12.3 million in Selling, general and administrative expenses, offset by \$11.8 million lower gross margin attributable to the lower revenue in 2024 and a \$6.5 million charge in 2024 related to the settlement of a legal matter.

Income from continuing operations increased by \$21.5 million to \$9.4 million as compared to a loss of \$12.1 million in the six months ended June 30, 2023, driven by increased Operating income and offset by a loss on debt extinguishment **as of \$6.1 million** attributable to terminating the **remaining deferred financing fees associated** Revolving and Letter of Credit Agreements with **the terminated** PNC **Revolving Credit Agreement were written off.** and MSD and a \$1.5 million increase in interest expense.

#### Bookings

##### Bookings and Backlog

Bookings and backlog are our measures of remaining performance obligations under **our** sales contracts. In addition, we monitor Implied Bookings and Backlog, which are bookings (backlog) plus amounts related to projects that have been awarded to us but are not fully under contract and/or projects under contract that are not yet fully released for performance. We believe these metrics provide investors, lenders and other users of our financial statements with a leading indicator of future revenues. It is possible that our methodology for determining bookings and backlog may not be comparable to methods used by other companies.

We generally include expected revenue from contracts in our backlog when we receive written confirmation from our customers authorizing the performance of work and committing the customers to payment for work performed. Backlog may not be indicative of future operating results, and contracts in our backlog may be canceled, modified or otherwise altered by customers. Backlog can vary significantly from period to period, particularly when large **new-build conversion** **new build** projects or operations and maintenance contracts are booked because they may be fulfilled over multiple years. Because we operate globally, our backlog is also affected by changes in **exchange rates of** foreign currencies each period.

Bookings represent changes to the backlog. Bookings include additions related to **booking** new business or increases in project scope, subtractions due to customer cancellations or reductions in scope, changes in estimates that affect selling price and revaluation of backlog denominated in foreign currency. We believe comparing bookings on a quarterly basis or for periods less than one year is less meaningful than for longer periods, and that shorter-term changes in bookings may not necessarily indicate a material trend.

(in approximate millions)	Three Months Ended March 31,	
	2024	2023
B&W Renewable	\$ 60.1	\$ 78.9
B&W Environmental	43.2	64.8
B&W Thermal	106.5	104.0
Other/eliminations	(2.8)	(0.7)
Bookings	<u>\$ 207.0</u>	<u>\$ 247.0</u>

The following tables include total bookings for the current and prior year quarter-to-date and year-to-date. Bookings, implied bookings, backlog and implied backlog exclude BWRS from all periods presented.

(in approximate millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
B&W Renewable	\$ 31.9	\$ 40.4	\$ 66.9	\$ 99.4
B&W Environmental	58.0	35.4	101.2	100.2
B&W Thermal	111.7	89.8	218.2	193.8
Other/eliminations	(0.4)	(10.2)	(3.2)	(10.9)
Total Bookings	<u>\$ 201.2</u>	<u>\$ 155.4</u>	<u>\$ 383.1</u>	<u>\$ 382.5</u>

Implied bookings<sup>(1)</sup> as of **March 31, 2024** **June 30, 2024** and 2023 were as follows:

		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
(in approximate millions)					
(in approximate millions)					
		Three Months Ended June 30,		Six Months Ended June 30,	
(in approximate millions)					
		2024	2023	2024	2023
B&W Renewable					
B&W Renewable					
B&W Renewable					
B&W Environmental					
B&W Environmental					
B&W Environmental					
B&W Thermal					
B&W Thermal					
B&W Thermal					
Other/eliminations					
Other/eliminations					
Other/eliminations					
Bookings					
Bookings					
Bookings					
Total implied bookings					

<sup>(1)</sup> Implied bookings are bookings plus projects that are awarded **but not contracted** or **are** under contract but not fully released for performance. B&W **Renewable Environmental** included **\$10.1 million** **\$19.0 million** and **\$8.0 million** in additional implied bookings for the **three** six months ended March 31, 2024. B&W Environmental included \$26.6 million and \$5.9 million in additional implied bookings for the three months ended March 31, **2024** **June 30, 2024** and 2023, respectively. B&W Thermal included **\$256.9 million** and **\$4.8 million** **\$266.4 million** in additional implied bookings for the **three** six months ended **March 31, 2024** and 2023, respectively. **June 30, 2024.**

**Backlog as** The following tables include total backlog at the end of **March 31, 2024** and 2023 was as follows: **the quarter, compared to the same period in the prior year.**

		As of March 31,		As of June 30,	
(in approximate millions)		2024	2023	2024	2023
(in approximate millions)					
B&W Renewable <sup>(1)</sup>					
B&W Environmental					
B&W Thermal					
Other/eliminations					
Backlog					
Total Backlog					

<sup>(1)</sup> B&W Renewable backlog **above excludes \$117.6 million** **has been adjusted downward \$116.0 million** and **\$52.9 million** **as of March 31, 2024** **\$53.0 million** at June 30, 2024 and **March 31, 2023** 2023, respectively, **related to remove** O&M contracts that are recognized as disposed.

Implied backlog<sup>(1)</sup> as of **March 31, 2024** **June 30, 2024** and 2023 was as follows:

		As of March 31,		As of June 30,	
(in approximate millions)		2024	2023	2024	2023
(in approximate millions)					
B&W Renewable <sup>(2)</sup>					
B&W Environmental					
B&W Thermal					
Other/eliminations					
Backlog					
Total Implied Backlog					

(3) Implied backlog is backlog plus projects that are awarded but not contracted or are under contract but not fully released for performance. B&W Renewable Environmental included \$10.1 million \$19.0 million and \$8.0 million in additional implied backlog for the three six months ended March 31, 2024. B&W Environmental included \$26.6 million and \$5.9 million in additional implied backlog for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. B&W Thermal included \$256.9 million and \$4.8 million \$266.4 million in additional implied backlog for the three six months ended March 31, 2024 June 30, 2024.

(4) B&W Renewable backlog has been adjusted downward \$116.0 million and \$53.0 million at June 30, 2024 and 2023, respectively.

(5) B&W Renewable implied backlog above excludes \$117.6 million and \$52.9 million as of March 31, 2024 and March 31, 2023 respectively, related to remove O&M contracts that are recognized as disposed.

Of the backlog at March 31, 2024 June 30, 2024, we expect to recognize revenues as follows:

(in approximate millions)	(in approximate millions)	2024	2025	Thereafter	Total
(in approximate millions)					
(in approximate millions)					
B&W Renewable					
B&W Renewable					
B&W Renewable					
B&W Environmental					
B&W Environmental					
B&W Environmental					
B&W Thermal					
B&W Thermal					
B&W Thermal					
Other/eliminations					
Other/eliminations					
Other/eliminations					
Expected revenue from backlog					
Expected revenue from backlog					
Expected revenue from backlog					

Changes in Contract Estimates

During the the three months and six-month periods ended March 31, 2024 June 30, 2024 and 2023, we recognized changes in estimated gross profit related to long-term contracts accounted for on the over time basis, which are summarized as follows:

(in thousands)	Three Months Ended March 31,			
	2024		2023	
Increases in gross profit for changes in estimates for over time contracts	\$	6,964	\$	5,401
Decreases in gross profit for changes in estimates for over time contracts		(3,891)		(4,243)
Net changes in gross profit for changes in estimates for over time contracts	\$	3,073	\$	1,158

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Increases in gross profits for changes in estimates for over time contracts	\$ 2,995	\$ 1,947	\$ 9,959	\$ 7,348
Decreases in gross profits for changes in estimates for over time contracts	(4,730)	(2,920)	(8,621)	(7,163)
Net changes in gross profit for changes in estimates for over time contracts	\$ (1,735)	\$ (973)	\$ 1,338	\$ 185

Non-GAAP Financial Measures

We use non-GAAP financial measures internally to evaluate our performance and in making financial and operational decisions. When viewed in conjunction with GAAP results and the accompanying reconciliation, we believe that the presentation of these measures provides investors with greater transparency and a greater understanding of factors affecting our financial condition and results of operations than GAAP measures alone. The presentation of non-GAAP financial measures should not be considered in isolation or as a substitute for the related financial results prepared in accordance with GAAP.

The following discussion of our business segment results of operations includes a discussion of Adjusted EBITDA on a consolidated basis, which is a non-GAAP metric and differs from the most directly comparable GAAP measure. Adjusted EBITDA on a consolidated basis is defined as the sum of the adjusted EBITDA for each of the segments, further adjusted for corporate allocations and research and development costs. At a segment level, the adjusted EBITDA presented below is consistent with the way our chief operating decision maker reviews the results of operations and makes strategic decisions about the business and is calculated as earnings before interest, tax, depreciation and amortization adjusted for items such as gains or losses arising from the sale of non-income producing assets, net pension benefits, restructuring activities, impairments, gains and losses on debt extinguishment, costs related to financial consulting, research and development costs and other costs that may not be directly controllable by segment management and are not allocated to the segment. We present consolidated adjusted EBITDA because we believe it is useful to investors to facilitate comparisons of the ongoing, operating performance before corporate overhead and other expenses not attributable to the operating performance of our revenue-generating segments.

37

Three Months Ended March 31,						
Three Months Ended June 30,			Six Months Ended June 30,			
(in thousands)	(in thousands) 2024	2023 <sup>(2)</sup>	(in thousands) 2024	2023	2024	2023
<b>Net loss</b>						
(Loss) income from discontinued operations, net of tax						
Loss from continuing operations						
Net income (loss)						
Income (loss) from discontinued operations, net of tax						
Income (loss) from continuing operations						
Interest expense, net						
Income tax expense						
Depreciation & amortization						
<b>EBITDA</b>						
Gain on sale of business						
Gain on sale of business						
Gain on sale of business						
Benefit plans, net						
Benefit plans, net						
Benefit plans, net						
Loss on asset sales, net						
(Gain) loss on asset sales, net						
Stock compensation						
Restructuring activities and business services transition costs						
Settlements and related legal costs, net						
Settlement and related legal costs						
Loss on debt extinguishment						
Loss on debt extinguishment						
Loss on debt extinguishment						
Acquisition pursuit and related costs						
Product development <sup>(1)</sup>						
Product development <sup>(1)</sup>						
Product development <sup>(1)</sup>						
Foreign exchange						
Financial advisory services						
Contract disposal						

Contract disposal <sup>(2)</sup>
Contract disposal <sup>(2)</sup>
Contract disposal <sup>(2)</sup>
Letter of credit fees
Letter of credit fees
Letter of credit fees
Other - net
Other -net

#### Adjusted EBITDA

<sup>(1)</sup> Costs associated with development of commercially viable products that are ready to go to market.

<sup>(2)</sup> Certain 2023 amounts have been impacted by the exit of our O&M contracts has been reclassified adjusted in the reconciliation prior period to conform to ensure uniform presentation with the 2024 presentation, current period.

(in thousands)	Three Months Ended March 31,	
	2024	2023
<b>Adjusted EBITDA</b>		
B&W Renewable	\$ 1,658	\$ 4,322
B&W Environmental	3,326	1,906
B&W Thermal	13,672	13,733
Corporate	(6,005)	(5,080)
Research and development costs	(116)	(1,307)
	<b>\$ 12,535</b>	<b>\$ 13,574</b>

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Adjusted EBITDA</b>				
B&W Renewable segment	\$ 7,691	\$ 4,721	\$ 9,349	\$ 9,043
B&W Environmental segment	6,749	3,394	10,075	5,300
B&W Thermal segment	13,006	24,367	26,678	38,100
Corporate	(3,974)	(5,486)	(9,979)	(10,568)
Research and development	(211)	(893)	(327)	(2,200)
<b>Total Adjusted EBITDA</b>	<b>\$ 23,261</b>	<b>\$ 26,103</b>	<b>\$ 35,796</b>	<b>\$ 39,675</b>

#### Items Excluded from Adjusted EBITDA

##### Corporate

Corporate costs in adjusted EBITDA include SG&A expenses that are not allocated to the reportable segments. These costs include, among others, certain executive, compliance, strategic, reporting and legal expenses associated with governance of the organization and being an SEC registrant. Corporate expenses not allocated to the reportable segments totaled \$6.0 million \$4.0 million and \$5.1 million \$5.5 million in the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. Corporate expenses not allocated to the reportable segments totaled \$10.0 million and \$10.6 million in the six months ended June 30, 2024 and 2023, respectively. The increase decrease is primarily due to the timing of expenses incurred for professional fees, cost savings initiatives implemented late in 2023.

##### Research and development

Our research and development activities are focused on improving our products through innovations to reduce their cost and improve competitiveness and/or reduce performance risk of our products to better meet our and our customers' expectations.

Research and development expenses totaled \$0.1 million \$0.2 million and \$1.3 million \$0.9 million in the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. Research and development expenses totaled \$0.3 million and \$2.2 million in the six months ended June 30, 2024 and 2023, respectively. In 2024, the focus of our development activities shifted to our BrightLoop™ and ClimateBright™ portfolio, which is captured in the Product development category.

#### **Gain on sale of business**

Gain on sale of business of \$40.2 million in the three and six months ended June 30, 2024 is a result of the sale of BWRS. This is excluded from adjusted EBITDA as it does not reflect the performance of the continuing businesses. We had an immaterial loss for the six months ended June 30, 2024 and an immaterial gain for the six months ended June 30, 2023.

#### **Benefit plans, net**

We recognize benefits from our defined benefit and other postretirement benefit plans based on actuarial calculations primarily because expected return on assets is greater than service cost. Service cost is low because our plan benefits are frozen except for a small number of hourly participants. Pension benefits for defined benefit and other postretirement benefits plans before MTM were a benefit of \$0.1 million for the three months ended March 31, 2024 June 30, 2024 and expense of \$0.1 million for the three months ended March 31, 2023 June 30, 2023, respectively. Pension benefits for defined benefit and other postretirement benefits plans before MTM were a benefit of \$0.2 million for the six months ended June 30, 2024 and expense of \$0.2 million for the six months ended June 30, 2023.

Our pension costs include MTM adjustments and are primarily a result of changes in the discount rate, curtailments and settlements. Any MTM charge or gain should not be considered to be representative of future MTM adjustments as such events are not currently predicted and are in each case subject to market conditions and actuarial assumptions as of the date of the event giving rise to the MTM adjustment. There were no MTM adjustments for the three or six months ended March 31, 2024 June 30, 2024 or 2023.

Refer to Note 12 13 to the Condensed Consolidated Financial Statements for further information regarding our pension and other postretirement plans.

#### **Loss (Gain) loss on asset sales, net**

We, at times, will sell or dispose of certain assets that are unrelated to our operations, therefore, operations. Therefore, we believe it is useful to exclude these gains and losses from our non-GAAP financial measures in order to highlight the performance of the business. We had \$0.1 million and \$0.9 million in losses an immaterial gain on asset sales in the three months ended March 31, 2024 June 30, 2024. We had \$1.0 million gain on asset sales in the three months ended June 30, and 2023, respectively, 2023.

#### **Stock Compensation compensation**

The grant date fair value of stock compensation varies based on the derived stock price at the time of grant, valuation methodologies, subjective assumptions, and reward types. This may make the impact of this form of compensation on our current financial results difficult to compare to previous and future periods. Therefore, we believe it is useful to exclude stock-based compensation from our non-GAAP financial measures in order to highlight the performance of the business and to be consistent with the way many investors evaluate our performance and compare our operating results to peer companies.

Expenses related to restricted stock units are recorded at the Corporate level and are recognized on a straight-line basis over a 3-year vesting period, except for market-based restricted stock units which are recognized over a derived service period.

Stock compensation was \$1.4 million \$1.3 million and \$3.2 million \$2.3 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. Stock compensation was \$2.7 million and \$5.5 million for the six months ended June 30, 2024 and 2023, respectively.

#### **Restructuring activities and business service transition costs**

Restructuring activities and business services transition actions across our business units and corporate functions resulted in an expense of \$1.6 million \$0.8 million and \$1.0 million in the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. Restructuring activities and business services transition actions across our business units and corporate functions resulted in an expense of \$2.3 million and \$2.0 million in the six months ended June 30, 2024 and 2023, respectively. The restructuring charges primarily consist of severance and related costs associated with non-recurring actions taken to transform our operations with impacts on employees and facilities used in our businesses. Business services transition costs relate to new technology implementation, expected to provide future benefit and are included in Selling, general and administrative expenses in the Condensed Consolidated Statement of Operations. The expense in 2024 is entirely related to restructuring activities.

#### **Settlements and related legal costs**

Settlements and related legal costs were a benefit of \$4.1 million and \$2.5 million \$7.4 million in the three months ended March 31, 2024 June 30, 2024; there were no Settlements and related legal costs in the three months ended June 30, 2023. The current year is driven by the \$6.5 million settlement of a legal matter. Settlements and related legal costs were an expense of \$3.3 million and a net benefit of \$2.5 million in the six months ended June 30, 2024 and 2023, respectively. The current year benefit expense is driven by the \$6.5 million settlement of a legal matter and expenses related to other litigation matters, offset by the favorable final settlement of amounts owed to the former owner of B&W Solar, offset by expenses related to several smaller litigation matters, Solar. The benefit in the prior year was driven by a favorable \$2.5 million litigation settlement.

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#### **Loss on debt extinguishment**

Losses on debt extinguishment were \$1.1 million in the three months ended June 30, 2024 and \$6.1 million in the six months ended June 30, 2024. The losses were due to the write-off of deferred financing fees and certain other exit costs associated with our extinguishment of the Debt Facilities. We had no losses on debt extinguishments in the three or six months ended June 30, 2023.

#### Product development

Our product development activities include expenses that relate to sales, marketing, and other business development expenses for products and services still under development and not yet widely available. Product development expenses totaled \$1.6 million \$1.4 million and \$1.4 million \$1.0 million in the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. Expenses were \$3.1 million in the six months ended June 30, 2024 as compared to \$2.4 million in the comparable period of 2023. The increase resulted primarily from timing of specific research projects and increased development efforts and activities related to our BrightLoop™ commercialization efforts and to further develop our ClimateBright™ portfolio. Management excludes these expenses from adjusted EBITDA as they often may not correlate to revenue or other operations occurring in the current period.

#### Foreign exchange

Foreign exchange was a loss of \$1.3 million and \$0.5 million for the three months ended March 31, 2024 and 2023, respectively.

We translate assets and liabilities of our foreign operations into U.S. United States dollars at current exchange rates, and we translate items in the our statement of operations at average exchange rates for the periods presented. We record adjustments resulting from the translation of foreign currency financial statements as a component of accumulated other comprehensive income (loss). We report foreign currency transaction gains and losses in the Condensed Consolidated Statements of Operations. Management excludes these expenses from Adjusted EBITDA as they do not reflect the ordinary course of business and are inherently unpredictable in timing and amount.

#### Financial advisory services

We had financial advisory services Foreign exchange was a gain of \$0.2 million in \$0.5 million and \$1.2 million for the three months ended March 31, 2024. There were no financial advisory services in 2023, June 30, 2024 and June 30, 2023, respectively. Foreign exchange was a loss of \$0.8 million and a gain of \$0.7 million for the six months ended June 30, 2024 and 2023, respectively.

#### Contract Disposal disposal

We are in the process of exiting our only remaining fixed fee operational Operational and maintenance ("O&M") Maintenance contract in our Renewable segment. Losses related to this A similar contract totaled \$0.6 million and \$1.4 million in was exited as of December 31, 2022. For the three months ended March 31, 2024 June 30, 2024 and 2023, we had a net loss on contract disposals totaling \$3.5 million and \$2.7 million, respectively. We had a net loss of \$4.1 million in the six months ended June 30, 2024, and \$4.1 million in six months ended June 30, 2023. We believe it is useful to exclude the impact of this contract on our operating results as well as our backlog in order to highlight the performance of the ongoing business.

#### Letter of credit fees

Letter of credit fees included in Cost of operations were \$2.4 million and \$1.6 million for the three months ended March 31, 2024 and 2023, respectively. Letter of credit fees are routinely incurred in the course of executing customer contracts. A portion of the fees are included in the contract prices with our customers. These Certain letter of credit amounts represent performance guarantees akin to insurance that are not passed along to our customers and are excluded from adjusted EBITDA as they do not reflect the performance of the business. Letter of credit fees not passed along to customers and included in Cost of operations were \$2.3 million and \$2.0 million for the three months ended June 30, 2024 and 2023, respectively. Letter of credit fees were \$4.6 million and \$3.7 million for the six months ended June 30, 2024 and 2023, respectively.

### Segment Results

#### B&W Renewable Segment Results

(in thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	\$ Change	2024	2023	\$ Change
Revenues	\$ 60,953	\$ 85,219	\$ (24,266)	\$ 113,234	\$ 169,342	\$ (56,108)
Adjusted EBITDA	\$ 7,691	\$ 4,721	\$ 2,970	\$ 9,349	\$ 9,043	\$ 306

#### Three Months Ended June 30, 2024 and 2023

Revenues in the B&W Renewable segment decreased 28%, or \$24.3 million, to \$61.0 million in the three months ended June 30, 2024 from \$85.2 million in the three months ended June 30, 2023. Consistent with our stated strategy, fewer waste-to-energy projects were performed in the current year, which accounted for \$18.9 million of the revenue decrease between years.

Adjusted EBITDA in the B&W Renewable segment increased \$3.0 million, to \$7.7 million in the three months ended June 30, 2024 from \$4.7 million in the three months ended June 30, 2023 due to selling, general and administrative cost savings initiatives related to the shift away from waste-to-energy projects and higher margins from the BWRS business prior to the sale of the business.

### Six Months Ended June 30, 2024 and 2023

Revenues in the B&W Renewable segment decreased 33%, or \$56.1 million, from \$169.3 million to \$113.2 million in the six months ended June 30, 2024 compared to the same period in 2023. This is primarily attributable to performing fewer waste-to-energy projects, which accounted for \$45.9 million of the revenue decrease.

Adjusted EBITDA in the B&W Renewable segment increased \$0.3 million, to \$9.3 million in the six months ended June 30, 2024 compared to \$9.0 million in the six months ended June 30, 2023.

### B&W Environmental Segment Results

(in thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	\$ Change	2024	2023	\$ Change
Revenues	\$ 56,229	\$ 48,690	\$ 7,539	\$ 104,583	\$ 88,130	\$ 16,453
Adjusted EBITDA	\$ 6,749	\$ 3,394	\$ 3,355	\$ 10,075	\$ 5,300	\$ 4,775

### Three Months Ended June 30, 2024 and 2023

Revenues in the B&W Environmental segment increased 15%, or \$7.5 million, to \$56.2 million in the three months ended June 30, 2024 from \$48.7 million in the three months ended June 30, 2023. Approximately \$3.6 million of the increase is attributable to growth in our domestic industrial and electrostatic precipitator business and \$2.8 million of the increase is due to growth in our European environmental business.

Adjusted EBITDA in the B&W Environmental segment was \$6.7 million in the three months ended June 30, 2024 compared to \$3.4 million in the three months ended June 30, 2023. The increase is primarily driven by the revenue growth described above as well as lower selling, general and administrative expenses.

### Six Months Ended June 30, 2024 and 2023

Revenues in the B&W Environmental segment increased 19%, or \$16.5 million, to \$104.6 million in the six months ended June 30, 2024 from \$88.1 million in the six months ended June 30, 2023. Approximately \$11.4 million of the increase is attributable to growth in our domestic industrial and electrostatic precipitator business and \$3.4 million of the increase is due to growth in our European environmental business.

Adjusted EBITDA in the B&W Environmental segment was \$10.1 million in the six months ended June 30, 2024 compared to \$5.3 million in the six months ended June 30, 2023. The increase is primarily driven by the increased revenue described above as well as reductions in selling, general and administrative expenses.

### B&W Thermal Segment Results

(In thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	\$ Change	2024	2023	\$ Change
Revenues	\$ 120,189	\$ 158,010	\$ (37,821)	\$ 230,376	\$ 277,246	\$ (46,870)
Adjusted EBITDA	\$ 13,006	\$ 24,367	\$ (11,361)	\$ 26,678	\$ 38,100	\$ (11,422)

### Three Months Ended June 30, 2024 and 2023

Revenues in the B&W Thermal segment decreased 24%, or \$37.8 million to \$120.2 million in the three months ended June 30, 2024 from \$158.0 million in the three months ended June 30, 2023. A large project in our U.S. construction business was not fully replaced in 2024, resulting in a \$36.6 million revenue decrease.

Adjusted EBITDA in the B&W Thermal segment decreased \$11.4 million to \$13.0 million in the three months ended June 30, 2024 from \$24.4 million in the three months ended June 30, 2023. The revenue drivers above resulted in a decrease in Adjusted EBITDA of \$11.9 million.

### Six Months Ended June 30, 2024 and 2023

Revenues in the B&W Thermal segment decreased 17%, or \$46.8 million, from \$277.2 million to \$230.4 million in the six months ended June 30, 2024 compared to the prior year, primarily driven by a \$42.9 million decrease in the U.S. construction business.

Adjusted EBITDA in the B&W Thermal segment decreased \$11.4 million from \$38.1 million to \$26.7 million in the six months ended June 30, 2024 compared to the prior year. The lower revenue in the U.S. construction business accounted for \$9.6 million of the decrease.

### Corporate Costs in Adjusted EBITDA

Corporate costs in Adjusted EBITDA are SG&A expenses that are not allocated to the reportable segments. These costs include, among others, certain executive, compliance, strategic, reporting and legal expenses associated with governance of the total organization and being an SEC registrant. Corporate costs decreased \$1.5 million to \$4.0 million in three months ended June 30, 2024 as compared to \$5.5 million incurred in the three months ended June 30, 2023. Corporate costs decreased \$0.6 million to \$10.0 million in the six months ended June 30, 2024 compared to \$10.6 million in the six months ended June 30, 2023. The decreases are attributable to cost savings initiatives implemented beginning in the second half of 2023.

## Other Factors Affecting Operating Results

### Interest Expense

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Components associated with borrowings from:				
Senior Notes	\$ 6,420	\$ 6,425	\$ 12,691	\$ 12,753
Revolving Credit Facility	1,429	—	2,961	—
	7,849	6,425	15,652	12,753
Components associated with amortization or accretion of:				
Revolving Credit Agreement	1,476	1,164	2,625	2,148
Senior Notes	650	630	1,294	1,249
	2,126	1,794	3,919	3,397
Components associated with interest from:				
Lease liabilities	555	597	1,103	1,321
Letter of credit interest and fees	1,823	2,360	4,012	5,176
Other interest expense	181	—	682	1,185
	2,559	2,957	5,797	7,682
<b>Total interest expense</b>	<b>\$ 12,534</b>	<b>\$ 11,176</b>	<b>\$ 25,368</b>	<b>\$ 23,832</b>

Interest expense for the three and six months ended June 30, 2024 is higher due to increases in interest rates and in other loans payable during the Condensed Consolidated Financial Statements consisted of the following components:

40

(in thousands)	Three Months Ended March 31,	
	2024	2023
Components associated with borrowings from:		
Senior notes	\$ 6,271	\$ 6,328
U.S. Revolving Credit Facility	1,532	—
	7,803	6,328
Components associated with amortization or accretion of:		
Revolving Credit Agreement	1,149	984
Senior notes	644	619
	1,793	1,603
Components associated with interest from:		
Lease liabilities	548	724
LOC interest and fees	2,189	2,822
Other interest expense	501	1,179
	3,238	4,725
<b>Total interest expense</b>	<b>\$ 12,834</b>	<b>\$ 12,656</b>

year.

### Income Taxes

Three Months Ended March 31,

(In thousands, except for percentages)	2024			2023			\$ Change		
Loss before income taxes	\$		(14,506)	\$		(12,196)	\$		(2,310)
Income tax expense	\$		1,293	\$		490	\$		803
Effective tax rate			(8.9)%			(4.0)%			

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands, except for percentages)	2024	2023	\$ Change	2024	2023	\$ Change
(Loss) income before income tax expense	\$ 29,914	\$ 2,455	\$ 27,459	\$ 15,408	\$ (9,741)	\$ 25,149
Income tax (benefit) expense	\$ 4,692	\$ 1,861	\$ 2,831	\$ 5,985	\$ 2,351	\$ 3,634
ETR continuing operations	15.7 %	75.8 %		38.8 %	(24.1)%	

**Income** Our income tax expense in the first quarter six months of 2024 reflects a full valuation allowance against our net deferred tax assets, except in Mexico, Canada, the United Kingdom, Brazil, Finland, Germany, Thailand, the Philippines, Indonesia, and Sweden. Deferred tax assets are evaluated each period to determine whether realization is more likely than not. Valuation allowances are established when management determines it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. Valuation allowances may be removed in the future if sufficient positive evidence exists to outweigh the negative evidence under the framework of ASC 740, *Income Taxes* ("ASC 740. 740").

The Our effective tax rate for the first quarter six months of 2024 is not reflective of the United States statutory rate primarily due to a valuation allowance against certain net deferred tax assets and unfavorable discrete items. In certain jurisdictions where we anticipate a loss for the fiscal year or incurs incur a loss for the year-to-date period for which a tax benefit cannot be realized in accordance with ASC 740, we exclude the loss in that jurisdiction from the overall computation of the estimated annual effective tax rate.

#### Depreciation and Amortization

Depreciation expense was \$2.1 million \$2.3 million and \$2.9 million \$2.7 million in the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. Depreciation expense was \$4.3 million and \$5.6 million in the six months ended June 30, 2024 and 2023, respectively.

Amortization expense was \$2.3 million and \$2.4 million in the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. Amortization expense was \$4.7 million and \$4.8 million in the six months ended June 30, 2024 and 2023, respectively.

#### RESULTS BY SEGMENT

41

#### B&W Renewable Segment Results

(in thousands)	Three Months Ended March 31,					
	2024	2023	\$ Change			
Revenues	\$	52,281	\$	84,123	\$	(31,842)
Adjusted EBITDA	\$	1,658	\$	4,322	\$	(2,664)

#### Three months ended March 31, 2024 and 2023

Revenues in the B&W Renewable segment decreased 38% or \$31.8 million, to \$52.3 million in the three months ended March 31, 2024 compared to \$84.1 million in the three months ended March 31, 2023. Consistent with our stated strategy, fewer waste-to-energy projects were performed in the current year as we shift our focus to our higher-margin and lower-risk European Renewable parts and services business, leading to a decrease in revenue of \$22.1 million.

Adjusted EBITDA in the B&W Renewable segment decreased \$2.7 million, to \$1.7 million in the three months ended March 31, 2024 compared to \$4.3 million in the three months ended March 31, 2023 driven by a decrease of \$3.6 million due to the reduced volume of waste-to-energy projects, partially offset by an increase of \$1.1 million attributable to the European Renewable parts and services business.

## B&W Environmental Segment Results

(in thousands)	Three Months Ended March 31,		
	2024	2023	\$ Change
Revenues	\$ 48,354	\$ 39,440	\$ 8,914
Adjusted EBITDA	\$ 3,326	\$ 1,906	\$ 1,420

### Three months ended March 31, 2024 and 2023

Revenues in the B&W Environmental segment increased 23%, or \$8.9 million to \$48.4 million in the three months ended March 31, 2024 compared to \$39.4 million in the three months ended March 31, 2023. The increase is primarily driven by higher revenue of \$2.0 million in SPIG, our Air-Cooled Condenser business, and \$2.1 million in our Allen-Sherman-Hoff ("ASH") ash handling business, as well as slightly increased volume in our parts business.

Adjusted EBITDA in the B&W Environmental segment was \$3.3 million in the three months ended March 31, 2024 compared to \$1.9 million in the three months ended March 31, 2023. The increase is primarily attributable to the higher revenue from SPIG and ASH projects and improved operating performance as certain environmental projects were completed in the quarter.

## B&W Thermal Segment Results

(In thousands)	Three Months Ended March 31,		
	2024	2023	\$ Change
Revenues	\$ 110,187	\$ 119,236	\$ (9,049)
Adjusted EBITDA	\$ 13,672	\$ 13,733	\$ (61)

### Three months ended March 31, 2024 and 2023

Revenues in the B&W Thermal segment decreased 8%, or \$9.0 million to \$110.2 million in the three months ended March 31, 2024 compared to \$119.2 million in the three months ended March 31, 2023. A large project in our U.S. construction business was active in 2023 and was not fully replaced in 2024, resulting in decreased revenue of \$6.2 million.

Adjusted EBITDA in the B&W Thermal segment was unchanged at \$13.7 million in the three months ended March 31, 2024 and 2023, as an increase in international sales of \$1.6 million was largely offset by the decreased Adjusted EBITDA in the U.S. construction business.

42

## Liquidity and Capital Resources

### Liquidity

Our primary liquidity requirements include debt service, funding of dividends on preferred stock and working capital needs. We fund our liquidity requirements primarily through cash generated from operations, external sources of financing, including our Axos Credit Agreement and senior notes, Senior Notes, and equity offerings, including the Sales Agreement (as defined below) and our Preferred Stock, each of which are described in the Notes to Condensed Consolidated Financial Statements included in Part I, Item I of this Quarterly Report in further detail.

On April 10, 2024, we entered into a sales agreement (the "Sales Agreement") with B. Riley Securities, Inc., Seaport Global Securities LLC, Craig-Hallum Capital Group LLC and Lake Street Capital Markets, LLC (together, the "Agents"), in connection with the offer and sale from time to time of shares of our common stock, having an aggregate offering price of up to \$50.0 million, through the Agents. As of May 3, 2024 June 30, 2024, 1.5 million 2.4 million shares have been sold pursuant to the Sales Agreement. Refer to Note 22 15 to the Condensed Consolidated Financial Statement Statements for additional discussion of the Sales Agreement.

We have recurring operating historically incurred losses from operations, primarily due to losses recognized on our B&W Solar business as described in Note 4 to the Consolidated Financial Statements included in Part II, Item 8 of our Form 10-K filed on March 15, 2024 as well as higher debt service costs. Our net costs and recurring cash used in deficits from operating activities was \$14.9 million and \$12.9 million for the three months ended March 31, 2024 and 2023, respectively, activities. Our assessment of our ability to fund future operations is inherently subjective, judgment-based and susceptible to change based on future events. Currently, with existing cash on hand and available liquidity, we are projecting insufficient liquidity to fund operations through one year from the date this Quarterly Report is issued. These conditions and events raise substantial doubt about our ability to continue as a going concern. As described below, it is probable that our alternative measures contemplated, cost savings plans and anticipated proceeds from the sale of non-strategic assets alleviate the substantial doubt about our ability to continue as a going concern.

In response to the conditions, we are implementing several strategies to obtain the required funding for future operations and are considering other alternative measures to improve cash flow, including suspension of the dividend on our Preferred Stock and delaying development of new products, which together we expect would reduce our annual cash spending by approximately \$25 million. The following actions occurred during were completed through the three months ended March 31, 2024: issuance date of this Quarterly Report:

- entered into sold our B&W Renewable Service A/S business for net proceeds of \$83.5 million on June 28, 2024 (described in Note 3 to the Condensed Consolidated Financial Statements);
- completed the sale of a non-core facility for net proceeds of \$4.2 million;
- sold 2.4 million common shares pursuant to our At-The-Market Offering for net proceeds of \$2.0 million (described in Note 15 to the Condensed Consolidated Financial Statements);
- negotiated the settlement of a liability to the former owner of B&W Solar at a discount, resulting in future cash savings of \$7.2 million; and,
- initiated a company-wide cost savings plan with targeted annual savings of \$30.0 million, \$25.0 million of which has been achieved to date.

The following strategies are ongoing to further increase available liquidity:

- continued advanced negotiations related to the sale of one of our three additional non-strategic businesses. Proceeds from the sale businesses, which are expected to generate significant proceeds that will be approximately \$40.0 million used to \$46.0 million, subject to due diligence meaningfully reduce outstanding debt; and, continuing negotiations. We cannot provide any assurances that such transaction will close or that proceeds will not be more or less than we anticipate;
- initiated the sale process of certain of our non-strategic businesses;
- filed for a waiver of required minimum contributions to the Retirement Plan for Employees of Babcock & Wilcox Commercial Operations (the "U.S. Plan"), that if granted, would reduce cash funding requirements in 2024 and would increase contributions annually over the subsequent five-year period. We cannot provide any assurances that such waiver will be granted;
- initiated the process to sell several non-core real estate assets;
- initiated the sale of common shares pursuant to our At-The-Market Offering; and,
- negotiated the settlement of a liability to the former owner of B&W Solar at a discount, resulting in future cash savings of \$7.2 million.. granted.

Based on our ability to raise funds through the actions noted above and our Cash and cash equivalents as of March 31, 2024 June 30, 2024, we have concluded it is probable that such actions would provide sufficient liquidity to fund operations for the next twelve months following the date of this Quarterly Report. As a result, it is probable that our cash flow improvement plans and anticipated proceeds from the sale of non-strategic assets alleviate the substantial doubt about our ability to continue as a going concern.

#### Cash and Cash Flows

At March 31, 2024 June 30, 2024, our cash and cash equivalents, current restricted cash and long-term restricted cash totaled \$102.5 million, which included \$58.6 million of restricted cash related to collateral for certain letters of credit. We \$202.1 million and we had total debt of \$441.6 million \$476.8 million as well as \$191.7 million \$191.7 million of gross preferred stock outstanding. Our foreign business locations held \$25.9 million \$50.7 million of our total unrestricted cash and cash equivalents at March 31, 2024 June 30, 2024. In general, our foreign cash balances are not available to fund our U.S. operations unless the funds are repatriated or used to repay intercompany loans made from the U.S. to foreign entities, which could expose us to taxes we have not made a provision for in our results of operations. We presently have no plans to repatriate these funds to the U.S.

43

Included in our total cash amount is \$106.6 million of restricted cash at June 30, 2024, which is primarily related to collateral for certain letters of credit. We believe our future cash flows will be sufficient to cover debt repayments, other contractual obligations, capital expenditures and dividends for the next 12 months.

Cash used in operations was \$14.9 million \$26.6 million in the three six months ended March 31, 2024 June 30, 2024, which is primarily attributable to the year-to-date net loss income of \$16.8 million \$8.6 million and offset by the gain on sale of BWRS of \$40.2 million. Cash used in operations was \$12.9 million \$22.3 million in the three six months ended March 31, 2023 June 30, 2023, which was primarily attributed attributable to the year-to-date a net loss of \$12.5 million \$17.5 million.

Cash flows used in provided by investing activities was \$2.8 million and \$2.2 million \$75.9 million in the three six months ended March 31, 2024 and 2023, respectively, June 30, 2024, primarily due to proceeds from the sale of BWRS business, offset by purchases of fixed assets. Cash flows from investing activities used net cash of \$4.2 million in the six months ended June 30, 2023, primarily related to capital expenditures.

Cash flows provided by financing activities of \$51.3 million \$81.6 million in the three six months ended March 31, 2024 June 30, 2024, primarily due related to net borrowings the increased borrowing on loans of \$95.8 million, partially offset by preferred stock dividend payments of \$7.4 million and costs associated with the new Axos Credit Agreement of \$61.6 million, offset by the payment of preferred dividend of \$3.7 million. Agreement. Cash flows used in financing activities was \$5.9 million \$4.2 million in the three six months ended March 31, 2023, June 30, 2023 and was primarily due to the payment of the preferred stock dividend of \$3.7 million and loan repayments of \$1.7 million \$7.4 million.

#### Debt Facilities

As discussed in Note 13 14 to the Condensed Consolidated Financial Statements included in Item 1 of this Quarterly Report, we entered into a new Credit Agreement with Axos in January 2024. B. Riley, a related party, has provided a guaranty of payment with regard to our obligations under the Credit Agreement. This agreement substantially replaces the existing Reimbursement Agreement, Revolving Credit Agreement and Letter of Credit Agreement. We are transitioning letters of credit outstanding under the Letter of Credit

Agreement and Reimbursement Agreement to the Axos Credit Agreement. At June 30, 2024, there was approximately \$1.6 million in remaining outstanding letters of credit under the Letter of Credit Agreement. We believe all outstanding letters of credit will be transitioned to the Axos Credit Agreement by June 30, 2024 September 30, 2024, at which time the Letter of Credit Agreement and Reimbursement Agreement is expected to be terminated.

On April 30, 2024, we, along with certain subsidiaries as guarantors, the lenders party to the Credit Agreement, and Axos, as administrative agent, entered into the First Amendment to Credit Agreement (the "First Amendment"). The First Amendment, among other things, amends the terms of the Credit Agreement to increase the amounts available to be borrowed based on inventory in the borrowing base under the Credit Agreement (the "Increased Inventory Period"). In 2024, the Increased Inventory Period commences on April 30 and ends on July 31 and would provide approximately \$6.0 million additional available borrowings under the Credit Agreement. The Increased Inventory Period is available to us upon our election in subsequent years (subject to a \$75,000 fee if we make such an election), and commences on March 1 and ends on July 31.

At March 31, 2024 On July 3, 2024, usage we, with certain of our subsidiaries as guarantors, the lenders party to the Credit Agreement, and Axos, as administrative agent, entered into the Second Amendment to Credit Agreement (the "Second Amendment"). Pursuant to the Second Amendment, Axos and the Lenders party to the Credit Agreement consented to the Company's engagement in certain specified sales of the assets of specified subsidiaries of the Company (such sales, the "Specified Transactions"), and agreed that the consummation of any Specified Transaction would not result in an event of default under the Credit Agreement. As a condition to the forgoing consent and agreements, the Company agreed to apply the net cash proceeds from all of the Specified Transactions in the following order, irrespective of the order of consummation of the Specified Transactions: (i) to the repayment of revolving loans under the Credit Agreement, in an aggregate amount equal to \$10,000,000 (the "Specified Revolver Paydown"); (ii) to the repayment of liabilities in respect of the certain pension plans of the Company and its subsidiaries, in an aggregate amount equal to \$15,000,000; (iii) to the repayment of letter of credit borrowings or advances, or if no such amounts are outstanding, to the cash collateralization of existing letter of credit obligations, in an aggregate amount equal to \$10,000,000; (iv) to PNC in an amount not exceeding \$1,600,000 in connection with the repayment and/or cash collateralization of certain existing facilities; (v) to the repayment of revolving loans under the Credit Agreement, in an aggregate amount equal to \$54,000,000 (which amounts may be reborrowed in whole or in part to the extent permitted under the Credit Agreement at such time and may be used for purposes permitted under the Credit Agreement, including for working capital needs); (vi) to the repayment of the Senior Notes due 2026 or any additional unsecured senior notes issued under the Company's unsecured notes indenture, in an aggregate amount equal to \$193,000,000; and (vii) the remainder to be retained by the Company to finance working capital, capital expenditures and acquisitions and for general corporate purposes (including the payment of fees and expenses).

The Second Amendment further amended the Credit Agreement by sunsetting the option to increase the amounts available to be borrowed based on inventory in the borrowing base under the Credit Agreement following the Specified Revolver Paydown, and extended the maturity date under the agreement from August 30, 2025 to October 31, 2025 in the event that the Indebtedness under any of the Company's unsecured notes has not been refinanced pursuant to a permitted refinancing under the agreement. The maturity date otherwise remains January 18, 2027.

On August 7, 2024, we, with certain of our subsidiaries as guarantors, the lenders party to the Credit Agreement, and Axos, as administrative agent, entered into the Third Amendment to Credit Agreement ("Third Amendment"). The Third Amendment amended the definition of Consolidated Adjusted EBITDA to (i) exclude certain costs incurred in connection with the settlement of the Glatfelter Litigation; and (ii) add back certain contributions currently required to be made by us or our Subsidiaries to the U.S. Plan, up to an aggregate maximum of \$15 million.

Usage under the Letter of Credit Agreement consisted of \$11.5 million \$13.2 million of financial letters of credit and \$68.1 million \$63.5 million of performance letters of credit at March 31, 2024 June 30, 2024.

#### Letters of Credit, Bank Guarantees and Surety Bonds

Certain of our subsidiaries, that are primarily outside of the United States, have credit arrangements with various commercial banks and other financial institutions for the issuance of letters of credit and bank guarantees in association with contracting activity. The aggregate value of all such letters of credit and bank guarantees outside of our Letter of Credit Agreement as of March 31, 2024 June 30, 2024 was \$39.0 million \$36.5 million. The aggregate value of the outstanding letters of credit provided under the Letter of Credit Agreement backstopping letters of credit or bank guarantees was \$17.2 million \$17.0 million as of March 31, 2024 June 30, 2024. Of the outstanding letters of credit issued under the Letter of Credit Agreement, \$48.0 million \$40.8 million are subject to foreign currency revaluation.

We have posted surety bonds to support contractual obligations to customers relating to certain contracts. We utilize bonding facilities to support such obligations, but the issuance of bonds under those facilities is typically at the surety's discretion. These bonds generally indemnify customers should we fail to perform our obligations under our applicable contracts. We, and certain of our subsidiaries, have jointly executed general agreements of indemnity in favor of surety underwriters relating to surety bonds the underwriters issue in support of some of our contracting activity. As of March 31, 2024 June 30, 2024, bonds issued and outstanding under these arrangements in support of contracts totaled approximately \$146.8 million. \$146.8 million. The aggregate value of the letters of credit backstopping surety bonds was \$15.3 million. \$15.3 million.

Our ability to obtain and maintain sufficient capacity under our current debt facilities is essential to allow us to support the issuance of letters of credit, bank guarantees and surety bonds. Without sufficient capacity, our ability to support contract security requirements in the future will be diminished.

#### Other Indebtedness - Loans Payable

44

As of March 31, 2024 June 30, 2024, we had loans payable of \$103.2 million \$137.8 million, net of debt issuance costs of \$0.5 million, of which \$4.5 million \$3.5 million is classified as current, and \$98.7 million \$134.3 million as long-term loans payable on the Condensed Consolidated Balance Sheet. This includes \$90.1 million \$125.8 million drawn on the revolving debt facilities, Credit Agreement, which is comprised of \$36.8 million \$46.6 million drawn on the revolving credit portion of the facility and \$53.3 million \$79.2 million drawn on the letter of credit portion, and \$12.1 million \$11.8 million, net of debt issuance costs of \$0.5 million, related to sale-leaseback financing transactions.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

For a summary of the critical accounting policies and estimates that we use in the preparation of **our** the unaudited Condensed Consolidated Financial Statements, see "Critical Accounting Policies and Estimates" in **the** our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no significant changes to our policies during the **three** six months ended **March 31, 2024** **June 30, 2024** from those disclosed in the Annual Report on Form 10-K for the year ended December 31, 2023.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our **exposure** **exposures** to market risks **has** **have** not changed materially from those disclosed under "Quantitative and Qualitative Disclosures About Market Risk" in **the** **our** Annual Report on Form 10-K for the year ended December 31, 2023.

### Item 4. Controls and Procedures

#### *Disclosure Controls and Procedures*

As of the end of the period covered by this report, our management, with the participation of our Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) adopted by the Securities and Exchange Commission under the Securities Exchange Act, as amended (the "Exchange Act")).

Based on this evaluation and because of the previously-reported material weaknesses in internal control over financial reporting, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of **March 31, 2024** **June 30, 2024**.

Notwithstanding the conclusion by our Chief Executive Officer and Chief Financial Officer that our disclosure controls and procedures as of **March 31, 2024** **June 30, 2024** were not effective, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that the Condensed Consolidated Financial Statements as of and for the three **and** **six** months ended **March 31, 2024** **June 30, 2024** and 2023 present fairly, in all material respects, our financial position, results of operations and cash flows in conformity with GAAP.

#### *Remediation Plan and Status*

As of **March 31, 2024** **June 30, 2024**, the material weaknesses previously disclosed have not yet been remediated. In response to the material weaknesses in our internal control over financial reporting, management has **initiated** **several** remediation efforts **which includes:** **in process, including:**

- continuing to hire qualified accounting professionals;
- developing and providing additional training to the accounting and financial reporting team;
- designing and implementing additional and/or enhanced controls in the areas of account reconciliations, contract accounting, financial statement analysis and complex and/or non-routine transactions;
- enhancing controls over IT user access and segregation of duties; and,
- developing and implementing a monitoring program to evaluate and assess whether controls are present and functioning appropriately.

We will continue to work towards full remediation of the material weaknesses to improve our internal control over financial reporting. The material weaknesses will not be considered remediated until the new and redesigned controls operate for a sufficient period of time and management has concluded, through testing, that these controls are designed and operating effectively. Accordingly, we will continue to monitor and evaluate the effectiveness of our internal control over financial reporting in the areas affected by the material weaknesses.

#### *Changes in Internal Control Over Financial Reporting*

There were no changes in internal control over financial reporting (as defined by Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended **March 31, 2024** **June 30, 2024** that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### *Inherent Limitations in Effectiveness of Controls*

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures, or our internal controls, will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. 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 or fraud. Additionally, controls can be circumvented by individuals or groups of persons or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements in our public reports due to error or fraud may occur and not be detected.

## PART II

Item 1. Legal Proceedings

For information regarding ongoing investigations and litigation, see Note 17 18 to the Condensed Consolidated Financial Statements included in Part I, Item I of this Quarterly Report, which we incorporate is incorporated by reference into this Item.

Item 1A. Risk Factors

We are subject to various risks and uncertainties in the course of our business. The discussion of such risks and uncertainties may be found under "Risk Factors" in the our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. There have been no material changes to the risk factors set forth in the our Annual Report on Form 10-K for the year ended December 31, 2023.

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

In accordance with the provisions of the employee benefit plans, we acquire shares in connection with the vesting of employee restricted stock units that require us to withhold shares to satisfy employee statutory income tax withholding obligations. During the quarter ended March 31, 2024, we did not have any repurchases of shares related to employee restricted stock plans. Also, we We do not have a general share repurchase program at this time.

Item 5. Other Information

On August 7, 2024, we, with certain of our subsidiaries as guarantors, the lenders party to the Credit Agreement, and Axos, as administrative agent, entered into the Third Amendment to Credit Agreement (the "Third Amendment"). The Third Amendment amended the definition of Consolidated Adjusted EBITDA to (i) exclude certain costs incurred in connection with the settlement of the Glatfelter Litigation; and (ii) add back certain contributions currently required to be made by us or our Subsidiaries to the U.S. Plan, up to an aggregate maximum of \$15 million.

We paid an amendment fee of \$75,000 to Axos in consideration of the Third Amendment. Certain of the lenders under the Credit Agreement, as well as certain of their respective affiliates, may perform for us and our subsidiaries, various commercial banking, investment banking, lending, underwriting, trust services, financial advisory and other financial services, for which they may receive customary fees and expenses.

Item 6. Exhibits

- 2.1\*
- Master Separation Agreement, dated as of June 8, 2015, between The Babcock & Wilcox Company and Babcock & Wilcox Enterprises, Inc. (incorporated by reference to Exhibit 2.1 to the Babcock & Wilcox Enterprises, Inc. Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 (File No. 001-36876)).
- 3.1
- Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Babcock & Wilcox Enterprises, Inc. Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 (File No. 001-36876)).
- 3.2
- Certificate of Amendment of the Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Babcock & Wilcox Enterprises, Inc. Current Report on Form 8-K filed on June 17, 2019 (File No. 001-36876)).
- 3.3
- Certificate of Amendment of the Restated Certificate of Incorporation, as amended (incorporated by reference to Exhibit 3.1 to the Babcock & Wilcox Enterprises, Inc. Current Report on Form 8-K filed on July 24, 2019 (File No. 001-36876)).

<a href="#">3.4</a>	Certificate of Amendment of Amended and Restated Certificate of <a href="#">Incorporation</a> ( <a href="#">incorporated</a> <a href="#">Incorporation</a> ( <a href="#">incorporated</a> by reference to Exhibit 3.1 to the Babcock & Wilcox Enterprises, Inc. Current Report on Form 8-K filed on May 23, 2023 (File No. 001-36876)).
<a href="#">3.5</a>	Amended and Restated Bylaws of the Babcock & Wilcox Enterprises, Inc. ( <a href="#">incorporated by reference to Exhibit 3.4 to the Babcock &amp; Wilcox Enterprises, Inc. Annual Report on Form 10-K for the year ended December 31, 2021 (File No. 001-36876)).</a>
<a href="#">3.6</a>	Certificate of Designations with respect to the 7.75% Series A Cumulative Perpetual Preferred Stock, dated May 6, 2021, filed with the Secretary of State of Delaware and effective on May 6, 2021 ( <a href="#">incorporated by reference to Exhibit 3.4 to the Babcock &amp; Wilcox Enterprises, Inc. Form 8-A filed on May 7, 2021 (File No. 001-36876)).</a>
<a href="#">3.7</a>	Certificate of Increase in Number of Shares of 7.75% Series A Cumulative Perpetual Preferred Stock, dated June 1, 2021 ( <a href="#">incorporated by reference to Exhibit 3.1 to the Babcock &amp; Wilcox Enterprises, Inc. Current Report on Form 8-K filed on July 7, 2021 (File No. 001-36876)).</a>
<a href="#">10.1</a>	<a href="#">Credit Agreement among Babcock &amp; Wilcox Enterprises, Inc. and Axos Bank, dated as of January 18, 2024 (incorporated by reference to Exhibit 10.63 of the Babcock &amp; Wilcox Enterprises, Inc. Annual Report on Form 10-K filed March 15, 2024 (File No. 001-36876)).</a>
<a href="#">10.2</a>	<a href="#">Security and Pledge Agreement among Babcock &amp; Wilcox Enterprises, Inc., and Axos Bank, dated as of January 18, 2024 (incorporated by reference to Exhibit 10.64 of the Babcock &amp; Wilcox Enterprises, Inc. Annual Report on Form 10-K filed March 15, 2024 (File No. 001-36876)).</a>
<a href="#">10.3</a>	<a href="#">Fee Letter (Supplement to the Credit Agreement) among Babcock &amp; Wilcox Enterprises, Inc., and Axos Bank, dated January 18, 2024 (incorporated by reference to Exhibit 10.65 of the Babcock &amp; Wilcox Enterprises, Inc. Annual Report on Form 10-K filed March 15, 2024 (File No. 001-36876)).</a>
<a href="#">10.4</a>	<a href="#">Guaranty by B. Riley Financial, Inc. in favor of Axos Bank, in its capacity as administrative agent for the Secured Parties (as defined in the Credit Agreement) dated January 18, 2024 (incorporated by reference to Exhibit 10.66 of the Babcock &amp; Wilcox Enterprises, Inc. Annual Report on Form 10-K filed March 15, 2024 (File No. 001-36876)).</a>
<a href="#">10.5</a>	<a href="#">Fee and Reimbursement Agreement Babcock &amp; Wilcox Enterprises, Inc. and B. Riley Financial, Inc., dated as of January 18, 2024 (incorporated by reference to Exhibit 10.67 of the Babcock &amp; Wilcox Enterprises, Inc. Annual Report on Form 10-K filed March 15, 2024 (File No. 001-36876)).</a>
<a href="#">10.6</a>	<a href="#">Fourth Amendment to Reimbursement Security Agreement and Consent Letter by and among Babcock &amp; Wilcox Enterprises, Inc., MSD PCOF Partners XLV, LLC and B. Riley Financial, Inc., dated March 15, 2024 (incorporated by reference to Exhibit 10.68 of the Babcock &amp; Wilcox Enterprises, Inc. Annual Report on Form 10-K filed March 15, 2024 (File No. 001-36876)).</a>
<a href="#">10.7</a> <a href="#">10.1</a>	Sales Agreement, among Babcock & Wilcox Enterprises, Inc., B. Riley Securities, Inc., Seaport Global Securities LLC, Craig-Hallum Capital Group LLC and Lake Street Capital Markets, LLC ( <a href="#">incorporated by reference to Exhibit 1.1 of the Babcock &amp; Wilcox Enterprises, Inc. Current Report on Form 8-K filed April 10, 2024 (File No. 001-36876)).</a>
<a href="#">10.8</a> <a href="#">10.2</a>	First Amendment to Credit Agreement among Babcock & Wilcox Enterprises, Inc. and Axos Bank, dated April 30, 2024, <a href="#">(incorporated by reference to Exhibit 10.8 of the Babcock &amp; Wilcox Enterprises, Inc Quarterly Report on Form 10-Q filed herein, May 9, 2024 (File No. 001-36876)).</a>
<a href="#">10.9</a> <a href="#">10.3</a>	First Amendment to Fee Letter among Babcock & Wilcox Enterprises, Inc. and Axos Bank, dated April 30, 2024, <a href="#">(incorporated by reference to Exhibit 10.9 of the Babcock &amp; Wilcox Enterprises, Inc. Quarterly Report on Form 10-Q filed herein, May 9, 2024 (File No. 001-36876)).</a>
<a href="#">10.4</a>	<a href="#">Babcock &amp; Wilcox Enterprises, Inc. Long-Term Cash Incentive Program, filed herewith.</a>
<a href="#">10.5*</a>	<a href="#">Share Purchase Agreement by and between B&amp;W PGG Luxembourg Finance Sàrl and Hitachi Zosen Inova AG, filed herewith.</a>
<a href="#">31.1</a>	Rule 13a-14(a)/15d-14(a) certification of Chief Executive Officer.
<a href="#">31.2</a>	Rule 13a-14(a)/15d-14(a) certification of Chief Financial Officer.
<a href="#">32.1</a>	Section 1350 certification of Chief Executive Officer.
<a href="#">32.2</a>	Section 1350 certification of Chief Financial Officer.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
104	Cover Page Interactive Data File (embedded within the inline XBRL document)

\*Certain schedules and exhibits to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the SEC upon request.

48

## SIGNATURES

Pursuant to the requirements of the Section 13 or 15(d) of Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BABCOCK & WILCOX ENTERPRISES, INC.

May 9, August 8, 2024

By: /s/ Louis Salamone

Louis Salamone

Executive Vice President, Chief Financial Officer and Chief Accounting Officer  
(Principal Financial and Accounting Officer and Duly Authorized Representative)

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## EXECUTION COPY FIRST AMENDMENT TO CREDIT AGREEMENT

### Babcock & Wilcox Enterprises, Inc. Long-Term Cash Incentive Plan ("LTCIP") Summary Guide (2024) Effective January 1, 2024

This First Amendment to Credit Agreement (this "Amendment") is made as Guide provides only a summary of April 30, 2024, by key elements and among: BABCOCK the administration of The Babcock & WILCOX ENTERPRISES, INC., a Delaware corporation (the "Borrower"); Wilcox Long Term Cash Incentive Plan. Please be advised that this document and the Persons named on Schedule I hereto (individually, a "Guarantor", and collectively, the "Guarantors", and together with the Borrower, individually, a "Loan Party", and collectively, the "Loan Parties"); the LENDERS party hereto; and AXOS BANK, as Administrative Agent; in consideration of the mutual covenants herein contained and benefits to be derived herefrom. W I T N E S S E T H: WHEREAS, reference is made to that certain Credit Agreement, dated as of January 18, 2024 (as amended, modified, extended, restated, renewed, replaced, or supplemented from time to time, the "Credit Agreement"), by, among others, the Loan Parties, the Lenders party thereto from time to time, and Axos Bank, as Administrative Agent; and WHEREAS, the parties hereto have agreed to amend certain provisions of the Credit Agreement as set forth herein. NOW, THEREFORE, in consideration of the mutual conditions and agreements financial goals set forth in this Amendment, guide are strictly confidential and should not be disclosed outside of the company.

## Participation

Participation is limited to identified employees of Babcock & Wilcox Enterprises, Inc. ("B&W") and its subsidiaries. Eligibility in the Long-Term Cash Incentive Plan is determined in the sole discretion of the B&W CEO or the Compensation Committee of the Board of Directors and the participant's target bonus under the plan is determined based on a function of their January 1, 2024 salary (Please see LTCIP letter of eligibility for good specific target bonus amount). Any changes in the participants role or job function which may impact eligibility for participation in the LTCIP will be addressed on an individual basis and valuable consideration, communicated by management at the receipt time of the role change. The Compensation Committee of the Board of Directors reserves full discretion over eligibility and payout. Your participation in the LTCIP does not confer any contractual right, either express or implied, to continued employment with the company.

## Performance Targets ("Targets"):

The LTCIP Targets are listed below with the first two years equally weighted and the third criteria representing the vesting requirement:

2024 Adjusted EBITDA Target – \$100,000,000

2025 Adjusted EBITDA Target – \$100,000,000

Participant retention through December 31, 2026

Performance Metric Breakdown:

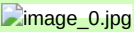
Performance Target	Performance Period	Metric Weighting
\$100M Adjusted EBITDA	Fiscal Year ended December 31, 2024	50%
\$100M Adjusted EBITDA	Fiscal Year ended December 31, 2025	50%
Continued Employment	January 1, 2024 – December 31, 2026	-

Administrative Matters

LTCIP performance period is January 1, 2024 to December 31, 2026.

LTCIP vests on December 31, 2026 assuming participant remains actively employed with the company. Partial payouts may occur in 2025 and 2026 if 2024 and 2025 Targets are met, respectively.

**Clawback Provision** – If the participant's employment is terminated prior to January 1, 2026 and the participant has received partial payment or payments as described above, the participant will owe all



payments received under the LTCIP back to B&W within 10 days of the date of termination. This does not apply if termination is due to death or disability, or reduction in force as described below.

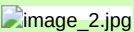
In addition, notwithstanding anything in this Plan to the contrary, any Award Agreement is subject to the B&W Dodd-Frank Clawback Policy adopted November 7, 2023 which provides for the cancellation or forfeiture of a payout or the forfeiture and repayment to the Company of any amount issued under and/or any other benefit related to an Award, or other provisions intended to have similar effect, upon such terms and conditions as may be required by the Compensation Committee of the Board of Directors or under Section 10D of the Exchange Act and any applicable listing standards (collectively, the "Dodd-Frank Rules").

Participant must be employed by B&W or a subsidiary on the date of payment to receive LTCIP payment. LTCIP eligibility is terminated with any of the following events:

- Death
- Disability
- Job/ role change to a role not considered eligible in the sole discretion of management
- Voluntary termination
- Retirement at age 65 or older or under a qualified defined benefit pension plan (as determined by B&W)

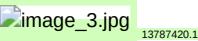
**Reduction in Force (RIF)** – Participants whose employment is terminated due to a RIF may be eligible for prorated payout and exempted from the claw back provision based on term date and achievement of goals at sole discretion of management.

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. SUCH EXCLUDED INFORMATION HAS BEEN MARKED WITH "[\*\*\*]".

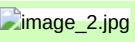


# Share Purchase Agreement

Babcock & Wilcox Renewable Service A/S



Page:  
2 of #NUM\_PAGES#

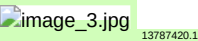


## Contents

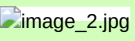
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## Schedules

- Schedule A Interpretation
- Schedule 1.1(a) Legacy Contract Service Agreement
- Schedule 1.1(b) License Agreement
- Schedule 1.1(c) W&I Insurance Policy
- Schedule 3.1.2 Purchase Price Calculation Principles
- Schedule 5.2(f) Form of resignation letter
- Schedule 6.3.1 MT 760 Guarantee
- Schedule 6.5.1 IT services and access
- Schedule 7.2 List of Data Room Documentation
- Schedule 8.1 Seller's Warranties
- Schedule 14.2 Cessation of joint taxation



Page:  
3 of #NUM\_PAGES#



This share purchase agreement (the "Agreement") has been made on 28 June 2024 by and between

B&W PGG Luxembourg Finance Sàrl  
Company reg. no. RCS B164684  
12E, Rue Guillaume Kroll  
LU-1882 Luxembourg  
Luxembourg  
(the "Seller")

and

Hitachi Zosen Inova AG  
Company reg. No. CHE-105.894.972  
Hardturmstrasse 127  
8005 Zurich, Switzerland  
(the "Buyer")

(the Seller and the Buyer collectively referred to as the "Parties" and each a "Party")

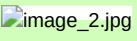
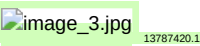
WHEREAS

- A. The Seller owns the entire issued and registered share capital in Babcock & Wilcox Renewable Service A/S, company reg. (CVR) no. 39134268, a public limited company (in Danish: "aktieselskab") incorporated and registered under the laws of Denmark and having its registered address at Energivej 16, 6670 Holsted (the "Company");
- B. The Seller has agreed to sell and the Buyer has agreed to purchase the Shares (as defined below) in each case on the terms and subject to the conditions set forth in this Agreement (the "Transaction");
- C. With a view to facilitate an efficient process and coverage in the event of breach of the Seller's Warranties (as defined below) as well as to ensure a clean exit for the Seller subject to the terms of this Agreement, the Seller and the Buyer have agreed that the Buyer simultaneously with Closing (as defined below) will arrange for a buy-side warranty and indemnity insurance to be taken out in the name of the Buyer on the terms and conditions set out in the W&I Insurance Policy (as defined below) and this Agreement;

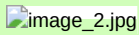
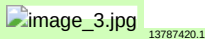
NOW, it is hereby acknowledged, agreed as follows:

1 Definitions and interpretation

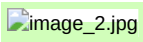
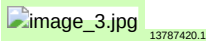
- 1.1 In this Agreement, including the undersigned hereby Schedules:



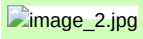
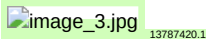
“Accounting Principles”	means the accounting policies, practices and procedures set out in the relevant Accounts for the financial years 2022 and 2023 to the extent not contrary to Danish GAAP;
“Accounts”	means the audited financial statements of each of the Group Companies for the financial years ending on the 31 December 2022 and 31 December 2023, respectively;
“Accounts Date”	means 31 December 2023;
“Adjustment Amount”	has the meaning set out in Clause 3.3.1;
“Affiliates”	means with respect to any Person, any other Person directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with such Person. For the purposes of this definition, “control”, when used in respect of any Person means the ownership of more than 50% of the outstanding voting securities or the possession, directly or indirectly, of the power to direct or cause the direction of the management of such Person, whether through ownership of voting securities, by contract or otherwise and the terms “controlling” and “controlled” shall have meanings correlative to the foregoing;
“Agreement”	has the meaning set out in the preamble;
“Basket Amount”	has the meaning set out in Clause 9.6.2(b);
“Business Day”	means a day other than a Saturday or Sunday or a public holiday where banks are open for banking business in Denmark, Switzerland and the United States of America, except banking business conducted exclusively through the internet;
“Buyer”	has the meaning set out in the preamble;
“Buyer’s Group”	means the Buyer and its Affiliates at the relevant time, including the Group after Closing, and “member of the Buyer’s Group” means any of them;
“Buyer’s Knowledge”	means the actual knowledge of [***] and [***];
“Buyer’s Warranties”	has the meaning set out in Clause 11.111.1;

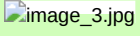


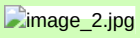
“Cash”	has the meaning set out in Schedule 3.1.2;
“Claim”	means any claim by the Buyer against the Seller in respect of a Loss arising from a Seller’s Breach, an alleged Seller’s Breach or otherwise pursuant to this Agreement;
“Claim Notice”	has the meaning set out in Clause 9.3.1;
“Clause”	means a clause of this Agreement;
“Closing”	means the completion of the transactions contemplated by this Agreement in the manner set out in Clause 5;
“Closing Date”	means the date on which Closing occurs;
“Company”	has the meaning set out in the preamble;
“Competent Authorities”	means any (i) national, supra-national, state, municipal or local government (including any sub-division, court, administrative agency or commission or other authority of any supra-national, national, state, municipal or local government) or any governmental or quasi-governmental or private body exercising any regulatory, taxing, importing or other governmental or quasi-governmental authority (including any tribunal, securities exchange, competition or antitrust authority, or supervisory body);
“Confidential Information”	has the meaning set out in Clause 16.1;
“Consent”	means any consent, permission, assignment, renewal, extension, approval, clearance or authorisation;
“Covered Person”	has the meaning set out in Clause 6.1.3;
“Data Room”	has the meaning set out in Clause 7.1;
“Data Room Documentation”	has the meaning set out in Clause 7.1;
“Debt”	has the meaning set out in Schedule 3.1.2;



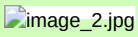
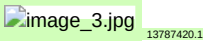
“Disclosed”	means any information or matter disclosed by or on behalf of the Seller in the Data Room Documentation, including disclosure under the Q&A module in the Data Room and recorded management presentations and due diligence expert session Disclosed in the Data Room Documentation, in each case in a manner and relevant context that would allow a professional buyer, who has been assisted and advised by professional advisers, to reasonably discern the relevance of such information or matter based on reading and analysing the information provided, in each case without the need to draw conclusions from several unrelated documents and materials;
“Encumbrance”	means any actual, deferred, contingent or potential security interest, equity arrangement, security interest, lien, encumbrance, pledge, mortgage, deed of trust, hypothecation, conditional sale or similar restriction of any kind;
“Enterprise Value”	has the meaning set out in Clause 3.1.1;
“Estimated Claim”	has the meaning set out in Clause 9.3.1;
“Estimated Net Debt”	means the estimated Net Debt as at Closing, to be estimated by the Seller and presented to the Buyer in accordance with Clause 3.1.4;
“Estimated Working Capital Difference”	means the estimated Working Capital Difference as at Closing, to be estimated by the Seller and presented to the Buyer in accordance with Clause 3.1.4;
“Exchange Rate”	has the meaning set out in Clause 3.4.2;
“Expert”	has the meaning set out in Clause 3.2.4;
“External Claim”	has the meaning set out in Clause 9.4.1;
“Final Purchase Price Calculation”	has the meaning set out in Clause 3.2.1;
“Final Net Debt”	means the Net Debt at Closing as agreed or determined in accordance with Clause 3.2;
“Final Working Capital”	means the Working Capital at Closing as agreed or determined in accordance with Clause 3.2;



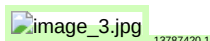
“Fundamental Warranties”	means the warranties set out in paragraphs 1-2 an 19 in Schedule 8.1;
“Group”	means the Company and the Subsidiaries, and “Group Company” means any one of them;
“Initial Purchase Price”	has the meaning set out in Clause 3.1.4;
“Intra-Group Indebtedness”	has the meaning set out in Clause 4.1.1;
“Key Employees”	means [***] and [***];
“Law(s)”	means any national, supranational, state, municipal or local, or other law (including case law, statute, administrative practice and applicable legal principles) or regulation in any country or jurisdiction and the regulations and orders issued thereunder;
“Legacy Contract Service Agreement”	means the legacy contract service agreement between the Company as provider and a member of the Seller’s Group as recipient attached hereto as Schedule 1.1(a);
“Liabilities”	means all liabilities, duties and obligations of every description, whether deriving from contract, Law or otherwise, whether present or future, actual or contingent or ascertained or unascertained and whether owed or incurred severally or jointly or as principal or surety;
“License Agreement”	means the license agreement between the Company as licensee and a member of the Seller’s Group as licensor attached hereto as Schedule 1.1(b);
“Loss”	means any and all direct and reasonably foreseeable (in Danish “advækvate”) losses, damages, penalties, fines, interests, costs (including reasonable legal costs) and expenses (including Taxation), in each case of any nature whatsoever as determined in accordance with general principles of Danish law and as otherwise set out in this Agreement;
“Lower Threshold”	has the meaning set out in Clause 9.6.2(a);
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"MT 760 Guarantee"	has the meaning set out in Clause 6.3.1;
"Net Debt"	means Debt minus Cash;
"Party"	has the meaning set out in the preamble;
"Person"	means any individual, firm, corporate body, unincorporated association, government, state or agency of state, association, joint venture or partnership, in each case whether or not having a separate legal personality as well as any company, corporation or other corporate body wherever and however incorporated or established;
"Purchase Price"	has the meaning set out in Clause 3.1.1;
"Reference Working Capital"	means EUR [***];
"Schedule"	means any schedule to this Agreement;
"Seller"	has the meaning set out in the preamble;
"Seller's Advisor Account"	means Seller's client account with [***];
"Seller's Advisor Account Amount"	means EUR [***];
"Seller's Bank Account"	means Seller's bank account with [***];
"Seller's Breach"	means any breach of any of the Seller's Warranties or any covenant or agreement made in this Agreement by the Seller;
"Seller's Group"	means the Seller and the Seller's Affiliates controlled from time to time by the Seller, excluding after Closing the Group, and "member of the Seller's Group" means any of them;
"Seller's Knowledge"	means the actual knowledge of [***] and [***] after having made due enquiries with the Key Employees;
"Seller's Trademarks"	has the meaning set out in Clause 6.4.1;

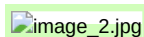


<b>"Seller's Warranties"</b>	means the warranties of the Seller set out in Schedule 8.1;
<b>"Shares"</b>	means the entire issued and outstanding share capital of the Company;
<b>"Signing"</b>	means the signing of this Agreement by the Parties;
<b>"Specific Indemnities"</b>	has the meaning set out in Clause 10.1;
<b>"Subsidiaries"</b>	means each of (i) Babcock & Wilcox Renewable Service AB, org. no. 559244-4656 and (ii) Babcock & Wilcox Services France SAS, reg. no. 927 763 789;
<b>"Tax" or "Taxation"</b>	means any form of taxes (direct as indirect) of whatever nature, including without limitation income taxes, corporate taxes, joint taxation remuneration (in Danish " <i>sambeskatningsbidrag</i> ") or similar remuneration for non-Danish jurisdictions, capital gains taxes, payroll taxes, VAT, labour market and other social contribution taxes and duties, including withholding taxes, real estate taxes, energy and environmental taxes and duties, excise duties, customs, duties on salaries, contribution to any labour market funds and/or special pension funds, and any interest, surcharges, fees, and any form of penalties or payments related hereto;
<b>"Tax Warranties"</b>	means the Seller's Warranties set out in paragraph 19 of Schedule 8.1;
<b>"Transaction"</b>	has the meaning set out in the preamble;
<b>"VAT"</b>	means (i) within the European Union, any Tax imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC) together with any supplemental legislation; and (ii) outside the European Union, any Tax corresponding to, or similar to, the common system of value added tax referred to in paragraph (i) of this definition;



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Page:  
10 of #NUM\_PAGES#



<b>"W&amp;I Insurance Policy"</b>	means the buy-side warranty and indemnity insurance policy issued as per the Closing Date by the W&I Insurer attached hereto as Schedule 1.1(c);
<b>"W&amp;I Insurer"</b>	means Euclid Transactional UK Limited;
<b>"Working Capital"</b>	has the meaning set out in Schedule 3.1.2;
<b>"Working Capital Difference"</b>	means any difference between the Reference Working Capital and the Final Working Capital, calculated by subtracting the Reference Working Capital from the Final Working Capital.

- 1.2 Each Party has participated jointly in the negotiation and drafting of this Agreement and agree that in the event of any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as hereinafter provided: 1. Defined Terms. Capitalized if drafted jointly and no burden of proof shall arise favouring or disfavouring any Party by virtue of the authorship of any provisions of this Agreement.
- 1.3 For the purposes of this Agreement, the provisions on interpretation as set out in Schedule A shall apply.
- 2 **Sale and purchase of the Shares**
- 2.1 At Closing, the Seller shall transfer the Shares to the Buyer and the Buyer shall purchase the Shares from the Seller on the terms used and subject to the conditions in this Amendment Agreement, in each case with all rights attached thereto as of Closing.
- 2.2 Title to the Shares shall pass from the Seller to the Buyer at Closing free from all Encumbrances and with all rights accruing to them as from the Closing Date.
- 3 **Purchase Price**

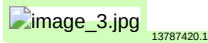
### 3.1 Purchase Price and Initial Purchase Price

#### 3.1.1 The purchase price for the Shares is:

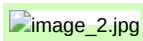
- (a) EUR 81,400,000 (the "Enterprise Value") minus
- (b) the Final Net Debt plus (or minus, if it is a negative number)
- (c) the Working Capital Difference

(the "Purchase Price").

#### 3.1.2 The principles for calculating the Purchase Price, including Final Net Debt and Working Capital Difference, are set out in Schedule 3.1.2. The Final Purchase Price



Page:  
11 of #NUM\_PAGES#



Calculation in accordance with Schedule 3.1.2 shall be determined as set out in Clause 3.2.

#### 3.1.3 For illustrative purposes, included in Schedule 3.1.2 are calculations of the Net Debt, the Working Capital and the Working Capital Difference as per 30 June 2024, each calculated on the basis of the principles set out in Schedule 3.1.2.

#### 3.1.4 The Seller has delivered to the Buyer a calculation of the Enterprise Value less the Estimated Net Debt and plus the Estimated Working Capital Difference, in each case as set out in Schedule 3.1.2 and as determined in accordance with the principles set out in Schedule 3.1.2 (the "Initial Purchase Price"). The Initial Purchase Price is calculated as EUR 80,710,093.02.

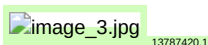
### 3.2 Final Purchase Price Calculation

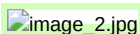
#### 3.2.1 The Buyer shall prepare a draft calculation of the Final Net Debt, the Final Working Capital and the Working Capital Difference, in each case in accordance with Schedule 3.1.2 (the "Final Purchase Price Calculation") for submission to the Seller no later than sixty (60) Business Days after Closing. The Final Purchase Price Calculation must be in the format set out in Schedule 3.1.2.

#### 3.2.2 The Seller shall have forty-five (45) Business Days from the respective meanings assigned date of submission by the Buyer of the Final Purchase Price Calculation to such terms provide notice to the Buyer if the Seller has objections to any matter or item in the Credit Agreement unless otherwise defined herein. 2. Amendments to Credit Agreement. The Credit Agreement is hereby amended as follows: (a) Section 1.01 Final Purchase Price Calculation. Such notice shall be in writing, specify the nature of the Credit Agreement objections and include proposals for adjustment of each disputed matter or item in the Final Purchase Price Calculation. For the purpose of preparing such notice, the Buyer shall ensure that the Seller and its advisers are granted reasonable access to all relevant material regarding the Group and reasonable access to interview individuals within normal working hours with knowledge of matters of relevance to the Final Purchase Price Calculation. Further, the Seller and its advisers shall be granted reasonable access to the working papers and records of the auditors having reviewed the Final Purchase Price Calculation.

#### 3.2.3 If the Seller agrees to the Final Purchase Price Calculation or if the Seller does not notify the Buyer within the time limit set out in Clause 3.2.2 of any objections to the Final Purchase Price Calculation, the Final Purchase Price Calculation shall be deemed final and binding on the Parties, and the Initial Purchase Price shall be adjusted on the basis thereof as provided for in Clause 3.3.

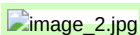
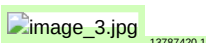
#### 3.2.4 If the Seller notifies the Buyer in accordance with and within the time limit set out in Clause 3.2.2 of any objections to the Final Purchase Price Calculation, the Parties shall attempt to resolve their differences and reach agreement within 20 Business Days after the Seller's objection notice. If the Parties fail to reach a full agreement, then





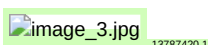
adjustment of the Initial Purchase Price shall be made as provided for in Clause 3.3 with respect to any undisputed amounts. Further, if the subject matter of a disputed item relates to the accounting aspects of the Final Purchase Price Calculation, including the application of the Accounting Principles, either of the Parties may request that an accountant who is hereby amended a partner of an internationally recognised audit firm with offices in Denmark which does not at the time of appointment have a substantial ongoing engagement with any of the Parties or their respective Affiliates (the "Expert") be appointed to decide in the disputed items. If the Parties cannot agree on the Expert to be appointed within ten (10) Business Days after the relevant Party's request for such appointment, either Party may ask FSR – Danish Auditors (in Danish "FSR – Danske Revisorer") to nominate an Expert, who shall then be appointed by the Parties as follows: (i) By amending Expert.

- 3.2.5 The Expert shall act as an expert and not as an arbitrator and shall not decide on legal issues. The Buyer shall ensure that the definition Expert is granted access to the Group's books and records and has reasonable access to interview relevant employees of "Borrowing Base" the Buyer's Group. Further, the Expert shall be granted access to the working papers and records of the auditors having reviewed the Final Purchase Price Calculation, subject only to the Expert signing and delivering a customary auditor's release letter.
- 3.2.6 The Expert shall review the objections made by amending the Buyer and restating clause (a) amendments, if any, proposed by the Buyer and the Seller and shall decide on the disputed items and determine the Final Purchase Price Calculation, provided that the Expert cannot deviate from the Parties' positions, including to make an increase in the Purchase Price greater than as proposed by the Seller or a decrease in the Purchase Price greater than as proposed by the Buyer. The Expert shall apply the principles set out in Schedule 3.1.2 and shall not have any discretion to deviate from these principles. The Final Purchase Price Calculation determined by the Expert shall be final and binding on the Parties, and the Initial Purchase Price shall be adjusted on the basis thereof as provided for in Clause 3.3, save in case of fraud or manifest error, or if the dispute concerns a legal issue. In the event of fraud or manifest error, the relevant part of the determination shall be void and the matter remitted to read the Expert. In the event the dispute concerns a legal issue, the dispute shall be resolved by arbitration in accordance with Clause 20. The Expert shall to the extent possible (and provided the Parties have fulfilled their duties to provide access and information in accordance with Clause 3.2.5) deliver his/her decision to the Parties no later than twenty (20) Business Days after having been appointed.
- 3.2.7 Each Party shall bear its own costs relating to the calculation of the Purchase Price. The Parties shall bear the expenses of the Expert in accordance with the Expert's determination, taking into account whether a Party has prevailed in its entirety as follows: " (a) the least of (i) \$25,000,000, (ii) 55% multiplied argumentation, or, if there is no determination, 50% by the face amount of Eligible Trade Receivables, (iii) Cost of Eligible Inventory, multiplied Seller and 50% by the NOLV Percentage, Buyer.



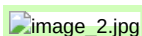
- 3.3 Adjustment of the Initial Purchase Price
- 3.3.1 As soon as the Final Purchase Price Calculation has been agreed or (iv) finally determined as provided for in Clause 3.2 (or by arbitration in accordance with Clause 20 if the Cost dispute concerns a legal issue), it shall be final and binding on the Parties and the Initial Purchase Price shall be adjusted on a EUR for EUR basis on the basis thereof (such adjustment amount being the "Adjustment Amount"). For illustrative purposes, included in Schedule 3.1.2 are formulas for the calculations of Eligible Inventory, multiplied the Adjustment Amount.
- 3.3.2 Subject to Clause 9.8.1, the Purchase Price as adjusted in accordance with the foregoing is fixed and not subject to further adjustment.
- 3.4 Currency

- 3.4.1 The Initial Purchase Price, the Final Purchase Price Calculation, and the Adjustment Amount shall be calculated in EUR.
- 3.4.2 Whenever conversion of values to or from any foreign currency for a particular date or period shall be required for purpose of the Final Purchase Price Calculation, including calculation of the Adjustment Amount, such conversion shall be made using the closing mid-point rate for exchanges between those currencies quoted on the website of Danish National Bank for the Closing Date (the "Exchange Rate").
- 3.5 Payment of the Initial Purchase Price and any Adjustment Amount
- 3.5.1 At Closing, the Buyer shall pay i) the Seller's Advisor Account Amount in cash to the Seller's Advisor Account and ii) the Initial Purchase Price less the Seller's Advisor Account Amount in cash to the Seller's Bank Account. The payment shall be made by wire transfer of immediately available and freely transferable funds (same day interest), it being agreed that any transfer costs, deductions and charges shall be borne by the Inventory Advance Rate; plus" (ii) By amending Buyer.
- 3.5.2 Payment of the Adjustment Amount, either by the Buyer to the Seller or by the Seller to the Buyer (as the case may be), shall be made within ten (10) Business Days after the Final Purchase Price Calculation has been agreed or finally determined, as provided for in Clause 3.2 (or by arbitration in accordance with Clause 20 if there has been a dispute concerning a legal issue), by wire transfer of immediately available and restating freely transferable funds (same day interest) to an account designated in writing by the definition Buyer or the Seller, as applicable, it being agreed that any transfer costs, deductions and charges shall be borne by the paying Party.
- 4 Pre-Closing covenants and actions
- 4.1 Settlement of "Early Termination Fee" to read in its entirety as follows: "Early Termination Fee" has cash pool arrangement
- 4.1.1 The Parties agree that



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Page:  
14 of #NUM\_PAGES#



- (a) the meaning specified Group Companies' participation in the Fee Letter described in clause (i) Seller's Group's (excluding the Group Companies) cash pool arrangement and
- (b) any other intra-group financing or loan arrangements between any member of the definition Seller's Group (excluding the Group Companies) and the Group Companies, excluding any excluding any intra-group agreement or arrangement pursuant to which any amount is or shall be owed, outstanding or accrued in the ordinary course (including any VAT arising on such amount) as between any member of Seller's Group (excluding the Group Companies) and any member of the Group in respect of intercompany trading activity and the provision of services, facilities and benefits between them;
- (the "Intra-Group Indebtedness")

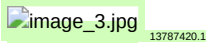
shall be terminated with effect from no later than the Closing Date in a manner to be determined by the Seller and that all amounts owed to or by any member of the Group and any member of Seller's Group under the Intra-Group Indebtedness shall be settled no later than the Closing Date.

- 4.2 Resignations at Closing
- 4.2.1 The Buyer has instructed that the following members of the board of directors should resign from their current positions with effect from Closing: [\*\*\*] (as chairman of the Company and the Subsidiaries) and [\*\*\*] (as board member for the Company and Babcock & Wilcox Services France SAS).
- 4.3 Preparation of Closing
- 4.3.1 The Seller has prior to the Closing Date delivered a statement of the Initial Purchase Price, cf. Clause 3.1.4, and an overview of the Intra-Group Indebtedness and the method for terminating such term." Intra-Group Indebtedness.

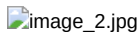
## 5 Closing

- 5.1 Signing of this Agreement and Closing will take place simultaneously and will be completed by electronic exchanges of actions and documents on 28 June 2024.
- 5.2 At Closing, subject to the Buyer's performance of its obligations pursuant to Clause 5.3, the Seller shall do, deliver or procure the delivery of the following to the Buyer:
- (a) deliver documentary evidence that all relevant corporate bodies of the Seller have authorised the execution, delivery and Closing of this Agreement and the consummation by the Seller of its obligations hereunder;

- (b) deliver documentary evidence that the Person(s) executing this Agreement on behalf of the Seller is/are duly authorised to do so;



Page:  
15 of #NUM\_PAGES#

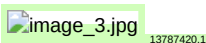


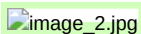
## 2 (iii) By amending

- (c) deliver the License Agreement and restating Legacy Contract Service Agreement, each duly executed by the definition parties (other than the member of "Fee Letter" the Buyer's Group) thereto, including the Company;
- (d) deliver the share register of the Company, updated to read reflect that the Shares in the Company have, subject to Closing, been transferred to the Buyer free from any Encumbrances;
- (e) confirm that there are no share certificates relating to the French Subsidiary and that the original share certifications relating to the Swedish Subsidiary is in the possession of the Company;
- (f) cause the members of the board of directors and/or auditors of the Group Companies who shall resign from their current positions as of Closing, cf. Clause 4.1, to resign from their positions with effect from Closing and to sign a letter of resignation, substantially in the form set out in Schedule 5.2(f);
- (g) deliver to the Buyer two (2) electronic copies of the Data Room Documentation;
- (h) deliver evidence of settlement by Seller's Group on the one side and the Group on the other side of any Intra-Group Indebtedness;
- (i) deliver the Company's general meeting's consent to completion of the Transaction, cf. the Company's articles of association;
- (j) deliver a signed assignment declaration whereby CEO, [\*\*\*], retroactively and free-of-charge assigns to the Company any and all IP rights pertaining to IP assets developed, created and modified by him during his employment with the Company;
- (k) present such other documents and perform such other actions as the Buyer may reasonably require in order to properly perfect its entirety as follows: " "Fee Letter" means, collectively, (i) rights under this Agreement.

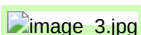
5.3 At Closing, subject to the letter agreement, dated Seller's performance of its obligations pursuant to Clause 5.2, the Buyer shall do, deliver or procure the delivery of the following to the Seller:

- (a) deliver documentary evidence that all relevant corporate bodies of the Buyer have authorised the execution, delivery and Closing of this Agreement and the consummation by the Buyer of its obligations hereunder;
- (b) deliver documentary evidence that the Person(s) executing this Agreement on behalf of the Buyer is/are duly authorised to do so;

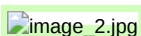




- (c) deliver a copy of the Inception No Claims Declaration (as defined in the W&I Insurance Policy) duly executed by the Buyer and delivered by the Buyer to the W&I Insurer on the Closing Date; and
  - (d) deliver a copy of the W&I Insurance Policy duly issued by the W&I Insurer to the Buyer (for the avoidance of doubt, presenting an agreed form version with confirmation that the broker holds an executed copy of the W&I Insurance Policy in escrow shall suffice for the purposes of fulfilling this deliverable).
  - (e) pay the Seller's Advisor Account Amount to, and which at Closing shall be received by, Gorrisen Federspiel in accordance with Clause 3.5, and deliver documentation evidencing that the Seller's Advisor Account Amount has been transferred to the Seller's Advisor Account in immediately available funds with value as of the Closing Date, between Date;
  - (f) pay the Borrower Initial Purchase Price less the Seller's Advisor Account Amount to, and which at Closing shall be received by, the Administrative Agent, Seller in accordance with Clause 3.5, and (ii) deliver documentation evidencing that the letter agreement, dated Initial Purchase Price less the Seller's Advisor Account Amount has been transferred to the Seller's Bank Account in immediately available funds with value as of the First Amendment Effective Date, between Closing Date;
  - (g) pay the Borrower insurance premium to the W&I Insurer and any other payment required under the W&I Insurance Policy in accordance with the W&I Insurance Policy; and
  - (h) present such other documents and perform such other actions as the Seller may reasonably require in order to properly perfect its rights under this Agreement.
- 5.4 Subject to Clause 5.5, all of the actions required to be performed at Closing pursuant to this Clause 5 shall be deemed to have occurred simultaneously, and none of such actions shall be considered performed, until and unless all such actions have been performed or the requirement thereof waived by the relevant Party.
- 5.5 The Buyer shall not be obligated to complete the sale and purchase of the Shares unless the Seller fully comply with its obligations under Clause 5.2 and the Administrative Agent." (iv) By adding Seller shall not be obligated to complete the sale and purchase of the Shares unless the Buyer fully complies with its obligations under Clause 5.3. Notwithstanding the foregoing, neither the Buyer nor the Seller shall be entitled to refuse to proceed to Closing if any of the actions or deliverables required to be carried out or delivered by the other Party in accordance with Clause 5.2 or Clause 5.3 have not been completed if such action or deliverable is immaterial or does not affect the ability to consummate the transactions envisaged by this Agreement in all material respects (in which case, such immaterial



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- deliverable or action shall be undertaken by the relevant Party as soon as possible following new definitions thereto in appropriate alphabetical order: " "Increased Inventory Period" means Closing).
- 5.6 Subject to Clause 5.5, if the period between March 1 and July 31 Seller's obligations under Clause 5.2 are not complied with on the Closing Date, the Buyer may, and/or if the Buyer's obligations under Clause 5.3 are not complied with on the Closing Date, then the Seller may:
- (a) waive any deliverable by the non-complying Party, with the effect that Closing may occur; or
  - (b) defer Closing ten (10) Business Days (so that the provisions of each calendar year (other than with respect this Clause 5 will apply to the calendar year 2024, deferred Closing); or

- (c) proceed to Closing as far as practicable (without limiting its rights under this Agreement as a consequence thereof, including, on the part of the Seller, requesting specific performance of the Buyer's obligations under Clause 5.3(a)); or
- (d) provided the breach is material or cannot be cured by deferring Closing, submit a written notice of immediate termination of this Agreement to the non-complying Party, in which case all obligations of the period between Parties under this Agreement will immediately terminate, except for those expressly stated to remain in force notwithstanding termination.

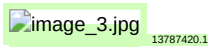
## 6 Post-Closing tasks

### 6.1 Corporate changes and discharge from Liability

6.1.1 The Buyer shall as soon as reasonably practicable after the First Amendment Effective Closing Date, and July 31, 2024, (to the extent possible) no later than one (1) Business Day thereafter, provide the Seller with documentation confirming that the necessary filings have been made with the Competent Authorities (i) to reflect the change of new legal and beneficial owners of the Group Company, where required and (ii) to de-register the relevant members of the board of directors of the Group Companies having resigned at Closing.

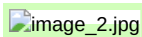
6.1.2 The Buyer undertakes promptly to provide the Seller with evidence of such completed de-registrations referred to in Clause 6.1.1 and of the appointment of new members to the extent elected by board of directors of the Borrower for each applicable calendar year in a written notice Group Companies to the Administrative Agent by February 1 comply with any statutory requirements after having received confirmation of completion of such calendar year; provided, further, that notwithstanding the foregoing, the Increased Inventory Period for the calendar year 2024 shall be the period commencing on the First Amendment Effective Date and ending on July 31, 2024, registrations from a Competent Authority. For the avoidance of doubt, the new members to the board of directors shall be authorised to act as board members instead of the resigning members to the furthest extend possible under applicable Law, and subject to the indemnification set out in Clause 6.1.3.

6.1.3 Subject to Closing, the Buyer:



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Page:  
18 of #NUM\_PAGES#



- (a) hereby irrevocably waives, and agrees to procure that the Group Companies waive, any claim against Persons having served as members of the board of directors or executive officers of the Group Company (the "Covered Persons") at any time prior to Closing based on such Covered Persons' acts or omissions as board members or executive officers in the Group Companies prior to Closing, except in case of fraud (in Danish "bedrageri") or wilful misconduct (in Danish "forsæt"), as the Buyer shall seek its remedy against the Seller only in accordance with the terms of this Agreement; and
- (b) procure that the Group Companies will discharge each of the Covered Persons that resigned or were removed from the relevant Group Company on Closing from Liability for the period prior to Closing at the next annual general meeting in the relevant Group Company in accordance with the general principles of such resolutions under applicable Law. Immediately after passing such resolution, the Buyer shall deliver the relevant extract of such resolution to the Seller, evidencing such discharge.

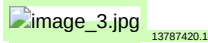
6.1.4 The Covered Persons shall be entitled to rely on and enforce Clause 6.1.3 as third-party beneficiaries (in Danish "egentligt tredjemandsløfte").

6.1.5 Notwithstanding anything to the contrary in this Agreement, the Buyer shall indemnify and hold harmless the Seller as well as the resigning members of the board of directors of the Group Companies from all costs and damages arising out of or related to the Buyer's breach of its obligations under Clause 6.1.

### 6.2 Insurance arrangements

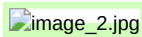
6.2.1 The Buyer acknowledges that all insurance cover arranged in relation to the Group by the Seller or any of its Affiliates (other than the Group) shall be terminated for the Group with effect from Closing, and the Buyer undertakes (i) not to make any claim (and to procure that the Group does not make any claim) under any such policies in relation to insured events arising after the Closing Date; and (ii) to ensure that the Group is covered by insurance arranged by the Buyer with effect from Closing. The Seller shall cooperate in good faith with the Buyer, including take such steps as the Buyer may reasonably request (at no cost of the Seller), to reasonably assist the Buyer in being able to take out insurance covering the Group, provided that the Buyer shall be the sole responsible for taking out any and all insurances to cover the Group after Closing.

6.2.2 The Seller or its Affiliate that has taken out insurance covering the Group shall provide reasonable assistance to the Group and the Buyer in respect of insurance claims that have been made by the Group prior to Closing under an insurance policy covering the Group, but held or maintained by the Seller or its Affiliate.



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Page:  
19 of #NUM\_PAGES#



### 6.3 Release of guarantees etc.

6.3.1 Babcock & Wilcox Enterprises, Inc. has issued the [\*\*\*], attached hereto as Schedule 6.3.1 (the "[\*\*\*]"). The Buyer shall procure the release of Babcock & Wilcox Enterprises, Inc. from the [\*\*\*] as soon as reasonably practicable and in no event later than ninety (90) calendar days following the Closing Date. The Seller shall upon the request by the Buyer procure that Babcock & Wilcox Enterprises, Inc. provides the necessary information and such other reasonable assistance as reasonably requested by the Buyer to enable the Buyer to procure such release.

6.3.2 In the event that the Buyer fails to procure the release of Babcock & Wilcox Enterprises, Inc. from the [\*\*\*] within the aforementioned deadline, the Buyer shall pay to the Seller liquidated damages in an amount equal to the actual bank costs incurred by Babcock & Wilcox Enterprises, Inc., as evidenced by bank statements or invoices, in maintaining the [\*\*\*] for the period from the day that is ninety (90) calendar days after the Closing Date and until Babcock & Wilcox Enterprises, Inc. is so released. The liquidated damages shall be paid by the Buyer to the Seller at the end of each calendar month in which the Buyer fails to procure the release.

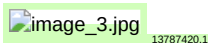
6.3.3 If, within one (1) calendar year subsequent to Closing, the Seller provides written notice to the Buyer or the Buyer becomes aware that any member of the Seller's Group remains obligated – whether actually or potentially – under any guarantee, (other than the [\*\*\*]), which relates to the Liabilities of, or is for the benefit of any of the Group Companies, then the Buyer shall procure the release of such member of the Seller's Group from any such obligation as soon as reasonably practicable and in no event later than ninety (90) calendar days following the identification thereof. The liquidated damages provisions set out in Clause 6.3.2 do not apply to any failure by the Buyer to secure a release under this Clause 6.3.3.

6.3.4 In addition to Clauses 6.3.2 and 6.3.3, the Buyer undertakes to indemnify the members of the Seller's Group against any claim made against the Seller pursuant to the [\*\*\*] or any such guarantee identified and notified to the Buyer within one (1) calendar year from the Closing Date to the extent that such claim arises due to the Buyer's failure to release the concerned guarantee and the Group's failure to perform as warranted in relation to the guarantee.

### 6.4 Use of Seller's Trademarks

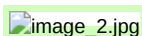
6.4.1 Unless specifically permitted by the Seller, the Buyer shall:

- (a) procure that as soon as practically possible and no later than three (3) months after Closing the Group Companies and the Buyer's Group ceases any and all use of any trademark, business name, designation or domain name used or held by any member of the Seller's Group, including "Babcock & Wilcox", "Babcock", "Wilcox", "B&W" (the "Seller's Trademarks") or any other trademark.



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Page:  
20 of #NUM\_PAGES#



business name, designation or domain name which, in the reasonable opinion of the Seller, is substantially or confusingly similar to any of the Seller's Trademarks, including in each Group Company's corporate name;

- (b) as soon as practically possible and no later than three (3) months after Closing cause the Group Companies to remove any display of Seller's Trademarks, from all sites, buildings, websites, online, business documents, products, uniforms etc. of the Group Companies, and at the Seller's instructions, and to the extent possible, either return to the Seller or destroy such displays.

6.4.2 The Buyer acknowledges and agrees that all rights in and to the Seller's Trademarks and to all the reputation and goodwill associated with the Seller's Trademarks throughout the world, including any reputation that may accrue as a result of the use of the Seller's Trademarks, are reserved to and shall belong absolutely to the Seller.

#### 6.5 Certain assistance undertaking

6.5.1 The Parties have agreed on the IT services, including IT accesses, for the Company as set out in Schedule 6.5.1.

#### 6.6 Transfer of UK employees

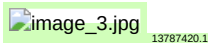
6.6.1 The Parties agree, at their own cost, to complete the transfer of the employment of [\*\*\*] and [\*\*\*] from B&W Volund Ltd to an Affiliate of the Buyer (by offering such employees substantially similar terms to ensure such transfer) within four (4) weeks following the Closing Date and perform, execute and deliver, and to cause their respective Affiliates to perform, execute and deliver, such further acts, documents, notifications, certificates, agreements and other documentation as may be required by applicable Law or as may be reasonably required by the Parties, in order to complete the transfer.

#### 6.7 Further assurances

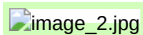
6.7.1 The Parties agree, at their own cost, to perform, execute and deliver, and to cause their respective Affiliates to perform, execute and deliver, such further acts, documents, certificates, agreements and other documentation as may be required by applicable Law or as may be reasonably required by the Parties, whether on or after Closing, in order to consummate and implement the transactions contemplated by this Agreement.

#### 6.8 Information, records and assistance post-Closing

6.8.1 The Buyer shall ensure that the Group will keep such books and other business records that relate to the period prior to Closing at least to the extent and for the period prescribed by applicable Law. The Buyer shall further ensure that for such period the Group Companies will allow the Seller and its advisers access, upon reasonable prior written notice, to review and copy such books and other business records at no charge.



Page:  
21 of #NUM\_PAGES#



Without limiting the generality of the foregoing, the Buyer shall procure that for a period following Closing and until 31 August 2024, the Company shall make available and give the Seller's Group reasonable access free of charge to [\*\*\*] and [\*\*\*] (being employees of the Company) who shall be obliged to provide reasonable information and assistance to Seller's Group for the purpose of rendering the Seller's Group able to finalise and submit the financial reporting under applicable Law.

6.8.2 The obligations set out in this Clause 6.8 are subject to the provisions of Clause 16.

### 7 Due diligence

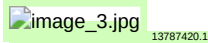
7.1 During the period from 1 April 2024 to the Signing Date, the Buyer and the Buyer's advisers have conducted an independent due diligence of the Group, including having (a) had access to documentation concerning or relevant for the Group (the "Data Room Documentation") provided in a virtual data room on the second proviso data site HighQ under the project name "Seed" (the "Data Room"), (b) had access to submit questions and inquiries regarding the Group and the Data Room Documentation, and (c) participated in the immediately preceding sentence, (x) management presentation held on 11 April 2024 and the Borrower Q&A sessions held on 2 May 2024 (Legal), 3 May 2024 (Financial) and 8 May 2024 (Tax).

7.2 A list of the Data Room Documentation is attached as Schedule 7.2.

### 8 Seller's Warranties

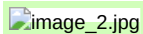
8.1 By executing this Agreement, the Seller has made the warranties set out in Schedule 8.1 (the "Seller's Warranties") to the Buyer as of the Signing Date.

- 8.2 The Seller's Warranties, except for the Fundamental Warranties, are in each case made subject to and qualified by (and, accordingly, the Buyer shall not be entitled to any Claim of indemnification for a Seller's Breach of the Seller's Warranties, except the Fundamental Warranties, to the extent that the Buyer's Loss is attributable to) any and all matters, facts or circumstances matters, facts or circumstances Disclosed and/ or within the Buyer's Knowledge in each case prior to Closing.
- 8.3 The Seller's Warranties are the Seller's complete representations and warranties regarding the Seller, the Shares and the Group and, consequently, the Buyer cannot rely on any implied warranties, representations, assumptions, etc., including based on any information provided or answer given to any request during the due diligence process. Notwithstanding anything to the contrary in this Agreement, the Seller gives no representation or warranty and accept no Liability whatsoever with respect to any matter which is, or may amount to, an opinion, budget, forecast, assessment or projection as to the future operation or profitability of the Group, nor does the Seller give any representation or warranty with respect to any opinion, budget, forecast, assessment or projection with regard to any information provided to the Buyer during the due diligence or otherwise.



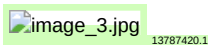
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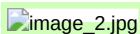
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22 of #NUM\_PAGES#



## 9 Seller's Liability

- 9.1 No liability for Seller's Breaches of the Seller's Warranties
- 9.1.1 The Parties acknowledge and agree that the W&I Insurance Policy has been put in place by the Buyer in order for the Buyer to obtain protection in the event of any Seller's Breach of the Seller's Warranties and for the Seller to not elect incur any Liability in respect of such Seller's Breach, except in case of fraud ("bedrageri") or wilful misconduct ("forsæt") by the Seller.
- 9.1.2 The Parties acknowledge and agree that notwithstanding anything in this Agreement to utilize an Increased Inventory Period the contrary, the Seller shall not have any Liability towards the Buyer and the Buyer shall not be entitled to take any actions or have any recourse against the Seller in respect of any Seller's Breach of the Seller's Warranties, and that the Buyer's sole remedy for a Seller's Breach of the Seller's Warranties shall be to raise claims under the W&I Insurance Policy, irrespective of whether (a) a Loss is covered by the W&I Insurance Policy or not (including for the avoidance of doubt as a result of the lapse, expiration, termination or failure to take out the W&I Insurance Policy, in each case for whatever reason) and/or (b) one or more of the Seller's Warranties are excluded from the coverage under the W&I Insurance Policy due to the terms of the W&I Insurance Policy, in each case except in cases where such Claim is based on or the result of fraud ("bedrageri") or wilful misconduct ("forsæt") by the Seller, in which case Clause 9.1.4 shall apply. For the avoidance of doubt, Seller may be liable towards the Buyer and/ or the Group in respect of the Specific Indemnities.
- 9.1.3 The W&I Insurer has accepted (and the Buyer undertakes that the terms of the W&I Insurance Policy provides) that the W&I Insurer will have no claims, rights of subrogation, or any recourse against the Seller or any member of the Seller's Group in respect of a Seller's Breach of the Seller's Warranties, except in case of fraud ("bedrageri") or wilful misconduct ("forsæt") by the Seller, and in such case only against the Seller. The Buyer undertakes to the Seller that at the Closing Date the W&I Insurance Policy shall provide for, and it shall at no time be amended to omit or otherwise prevent, the express waiver and release of all of the W&I Insurer's rights of subrogation, contribution and rights acquired by assignment (and any similar or equivalent rights) against the Seller and any members of the Seller's Group, save in case of fraud ("bedrageri") or wilful misconduct ("forsæt") by the Seller. The Buyer further undertakes that the W&I Insurance Policy contains a "third-party rights" clause that may be relied on, and enforced by, the Seller, to defend against any attempted claim, recourse, or subrogation by the W&I Insurer, notwithstanding that the Seller is not a party to the W&I Insurance Policy, and that the W&I Insurance Policy shall at no time be amended to omit such right of the Seller.
- 9.1.4 In case of a Seller's Breach of any of the Seller's Warranties arising out of or as a result of fraud ("bedrageri") or wilful misconduct ("forsæt") by the Seller, the Buyer or the W&I Insurer (as they may decide) shall in accordance with the terms of the W&I





Insurance Policy be entitled to direct a Claim for such Seller's Breach directly against the Seller only, in which case the Seller shall indemnify the Buyer in accordance with the general principles of Danish Law.

9.1.5 The Buyer irrevocably and unconditionally agrees and acknowledges that the Liability of the Seller pursuant to this Agreement in no way shall be affected to the detriment of the Seller by:

- (a) the Buyer taking or omitting to take any action, which has the effect of invalidating, waiving or limiting the coverage of the W&I Insurance Policy (or any Claim to which the W&I Insurance Policy relates), including failing to pay the premium when due;
- (b) the expiration or termination of the W&I Insurance Policy or insolvency of the underwriters or revocation, cancellation or modification of the W&I Insurance Policy;
- (c) the inability of, or any denial by, the W&I Insurer to pay any amounts contemplated by the W&I Insurance Policy; or
- (d) any amendment, variation or termination of the W&I Insurance Policy, without the prior written Consent of the Seller.

## 9.2 Seller's liability for other Seller's Breaches

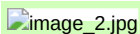
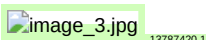
9.2.1 Without limiting the generality of Clause 9.1, to the extent that Seller has any liability towards the Buyer for any calendar year that is shorter than Seller's Breach, the period between March 1 Seller shall indemnify the Buyer for any and July 31 all Losses incurred by the Buyer as a result of such calendar year, Seller's Breach in accordance with this Clause 9 and (y) subject to the limitations set out herein.

9.2.2 Only Losses which have been actually incurred by the Buyer are subject to indemnification, subject to the remaining limitations of this Clause 9.

9.2.3 The provisions set out in this Clause 9.2 and Clauses 9.3-9.8 shall in no event result in any Liability in respect of any Seller's Breach of the Seller's Warranties to the extent not explicitly set out in Clause 9.1.

## 9.3 Claim Notice

9.3.1 In order for a Claim to be valid, the Buyer must promptly give notice (the "Claim Notice") to the Seller stating in detail (with copies of relevant supporting documents attached) (i) the specific grounds giving rise to such Claim; (ii) the Seller's Breach; and (iii) the amount of the Loss resulting from such Seller's Breach or a reasonable estimated amount of the Loss if it is not possible to state the Administrative Agent actual amount of the Loss in the Claim Notice (the "Estimated Claim"). The Buyer shall as soon as practically



possible provide any such other supporting evidence for the Claim as may be reasonably required by the Seller to assess the merits of the Claim and the calculation of the Loss (to the extent such documentation is reasonably available or obtainable by the Buyer).

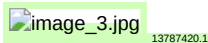
9.3.2 The Buyer shall provide the Seller with a Claim Notice in compliance with Clause 9.3.1 as soon as possible and in no event later than 60 Business Days after the date on which the Buyer became, or ought to have become, aware of the circumstances giving rise to the Claim, failing which the Buyer's right to indemnification shall expire (and the Seller shall be released from any Liability towards such indemnification) to the extent of i) any increase in the Buyer's Loss and ii) any Loss that could have been mitigated or otherwise reduced in the absence of such failure. The Seller shall have no Liability for any Seller's Breach to the extent the Buyer has not received provided a

written Claim Notice in compliance with Clause 9.3.1 in respect of such Seller's Breach within 90 Business Days after the date on which the Buyer became, or ought to have become, aware of the circumstances giving rise to the Claim.

#### 9.4 External Claims

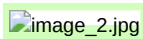
9.4.1 Within 40 Business Days from the receipt by a Group Company or the Buyer of notice from a third-party of any claim which may entitle the Buyer to make a Claim against the Seller (and, for the avoidance of doubt not the W&I Insurer) under the terms of this Agreement (an "External Claim"), the Buyer shall notify the Seller in writing, and the Buyer shall thereafter consult in good faith with the Seller in respect of the External Claim and permit the Seller and its advisers reasonable access to the relevant employees of the Buyer's Group and, as applicable, documents, information and records for the purpose of investigating the matter and enabling the Seller to take any action permitted by this Clause 9.4.

9.4.2 The Seller shall, at any time after receiving notice of election an External Claim, be entitled, in its sole discretion, by notice in writing to utilize an Increased Inventory Period the Buyer, to assume control of the defence of any External Claim on behalf of the Buyer, using counsel of its own choice. If the Seller assumes control of the defence, the Buyer shall cooperate with the Seller and its advisers, at the Seller's costs, in the defence of the External Claim, including gathering reasonable information, documentation and evidence, ensuring reasonable access to employees of the Buyer's Group, as applicable, for reasonable interviews and presence at trial and taking all such action which the Seller may reasonably request. The Seller shall in reasonable consultation of the Buyer defend, settle or otherwise make arrangements regarding the External Claim in respect of which the Seller has assumed control of the defence, provided that before entering into any settlement of such External Claim, the Seller shall consult and seek the Buyer's Consent (not to be unreasonably withheld, conditioned or delayed) unless the Seller commit to fully indemnifying the Buyer for any calendar year and all Losses with respect to such External Claim subject to the monetary and other limitations of this Agreement.



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Page:  
25 of #NUM\_PAGES#



9.4.3 Irrespective of whether the Seller has assumed control of the defence of an External Claim, the Buyer must not admit any Liability with respect to, or settle, compromise or discharge such third-party claim, without the prior written Consent of the Seller (not to be unreasonably withheld, conditioned or delayed).

9.4.4 If the Seller does not, or until the Seller does, assume control of the defence, the Buyer shall keep the Seller informed of all material developments in relation to the External Claim, including by February 1 providing such information as the Seller may reasonably require. The Buyer's failure to cooperate as set forth above will relieve the Seller of its obligation to the extent that the Buyer's failure to cooperate has had a negative impact on the External Claim, if any, to indemnify the Buyer with respect to any Losses arising from or in connection with the External Claim to the extent the Seller has been prejudiced, or the Losses have been increased, by such calendar year, failure by the Borrower Buyer.

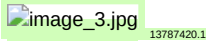
#### 9.5 Losses

9.5.1 The Seller shall only be liable for indirect Losses to the extent reasonably foreseeable (in Danish "adækvate") and shall not be liable for any other contingent, punitive, indirect or consequential Losses.

9.5.2 Any Loss in respect of which a Claim is notified to the Seller shall be calculated in EUR subject to the following principles and otherwise in accordance with Danish Law:

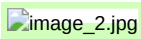
- (a) the amount of Loss shall be calculated on a EUR for EUR basis without taking into account any multiple or other method used for the calculation of the Purchase Price;
- (b) the amount of any Tax benefit or saving obtained or available to the Buyer and/or the Buyer's Group, including the Group, as a result of the Loss in respect of which a Claim is made, shall be deducted when calculating the Loss;
- (c) the amount of any compensation or other recovery (including without limitation insurance proceeds) obtained or available to the Buyer and/or the Buyer's Group, including the Group, under the W&I Insurance Policy or any other insurance shall be deducted when calculating the Loss;
- (d) any occurrence of, or increase of, a Loss attributable to any change in the applicable Law, or any change in Tax rates, after the Closing Date shall be disregarded when calculating the Loss;

- (e) any occurrence of, or increase of, a Loss as a result of any act or omission on the part of the Buyer or the Buyer's Group, including the Group following the Closing Date, or any of their directors, officers, employees or agents shall be disregarded when calculating the Loss;



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Page:  
26 of #NUM\_PAGES#



- (f) any occurrence of, or increase of, a Loss as a result of a change in the Accounting Principles following Closing to conform to those used by the Buyer or the Buyer's Group shall be disregarded when calculating the Loss;
- (g) no Loss shall be deemed to have declined its been suffered to the extent that the matter giving rise to such Loss was taken into account in the calculation of the Purchase Price;
- (h) the Buyer shall not be entitled to indemnification or other restitution (i) more than once in respect of the same Loss (no double counting) or (ii) to the extent that a write-down, revaluation of value, impairment, allowance, provision or reserve for or of such Loss or category of Losses has been made in the Accounts; and
- (i) when calculating whether or not a Loss exceeds the thresholds in Clause 9.6.2 (i.e. the Lower Threshold and the Basket Amount), Losses sustained in foreign currencies shall be converted into DKK or EUR, as relevant, by applying the Exchange Rate at the time when the Claim Notice is delivered to the Seller.

9.5.3 In the event that the amount of any deduction to be made, or amount to be disregarded, for the purposes of calculating the Loss due with respect to a Claim (in each case as referred to in this Clause 9.5) is determined or assessed only after the payment by the Seller to the Buyer of an amount with respect to a Loss, the Buyer shall repay (subject to any withholding taxes or other relevant deductions) to the Seller promptly after such determination or assessment, an amount by which the Loss paid to the Buyer should have been reduced, had such determination or assessment been taken into account in the original calculation of Loss.

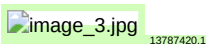
9.5.4 The Buyer is under an obligation to mitigate the Losses (in Danish "*tabsbegrænsningsforpligtelse*") in accordance with Danish Law and the Buyer shall procure that each member of the Buyer's Group, including the Group, shall do the same.

#### 9.6 Monetary limitations

9.6.1 Without limiting the generality of Clause 9.1, the Seller's Liability under the Agreement shall be limited to the amounts set out in this Clause 9.6.

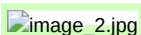
9.6.2 The Seller shall not be liable in respect of any Claim for breach of the Seller's Warranties unless:

- (a) the Liability of the Seller in respect of such Claim, as finally determined, exceeds an amount equal to the De Minimis (as defined in the W&I Insurance Policy) for the applicable Seller's Warranties (the "**Lower Threshold**"); and



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27 of #NUM\_PAGES#



(b) the aggregate amount of all Claims (excluding those Claims that do not reach the Lower Threshold), as finally determined, exceeds an amount equal to the Retention "as defined in the W&I Insurance Policy) (the "Basket Amount"), and the Seller shall in such event be liable for the full amount of Losses and not only Losses exceeding the Basket Amount (tipping basket).

9.6.3 The maximum aggregate Liability of the Seller for any and all Claims for breach of the Seller's Warranties shall in no event exceed EUR 20,000,000.

9.6.4 The limitations in Clauses 9.6.2 and 9.6.3 shall not apply in case of fraud (in Danish: "bedrageri") or wilful misconduct (in Danish: "forsæt") by the Seller or a breach of the Fundamental Warranties.

9.6.5 Notwithstanding anything to the contrary in this Agreement, the maximum aggregate Liability of the Seller for any and all Claims under this Agreement shall be limited to the Purchase Price.

#### 9.7 Time limitations

9.7.1 The Seller shall not be liable in respect of any Claim unless a Claim Notice has been submitted by the Buyer to the Seller:

(a) in respect of a Claim resulting from a breach of the Fundamental Warranties, by no later than the date falling 60 months from the Closing Date;

(b) in respect of a Claim resulting from a breach of the Tax Warranties, by no later than the date falling 60 months from the Closing Date; and

(c) in respect of any Claim resulting from any other Seller Breaches (other than those referred to in Clause 9.7.1(a) and (b)), by no later than the date falling 36 months from the Closing Date.

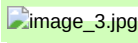
9.7.2 The limitations in this Clause 9.7 shall not apply in case of fraud (in Danish: "bedrageri") or wilful misconduct (in Danish: "forsæt") by the Seller.

#### 9.8 Miscellaneous

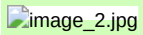
9.8.1 Any payment by the Seller to the Buyer pursuant to any Claim shall be deemed an adjustment to the Purchase Price.

9.8.2 The Buyer has not relied on or been induced to enter into this Agreement by any representation, warranty or assumption save as specifically and explicitly set forth in this Agreement.

9.8.3 The remedies provided for in this Clause 9 shall be the exclusive remedies available to the Buyer with respect to any and all Seller's Breaches and Claims. Subject to

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Page:  
28 of #NUM\_PAGES#



termination in accordance with the terms of this Agreement, the Buyer is not entitled to and hereby waive any right under applicable Law to rescind this Agreement (in Danish "hæve aftalen"), claim for a proportionate reduction of the Purchase Price (in Danish "forholdsmæssigt afslag") or claim for any breach of any implied condition (in Danish "bristede forudsætninger").

#### 10 Specific indemnities

10.1 Notwithstanding anything to the contrary in this Agreement, the Seller undertakes to indemnify and hold harmless the Buyer, on a EUR for EUR basis, from and against any Losses incurred by the Group or the Buyer relating to the period prior to the Closing Date as a result of or in connection with:

10.1.1 [\*\*\*];

10.1.2 [\*\*\*];

10.1.3 [\*\*\*];

10.1.4 [\*\*\*]; and

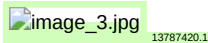
10.1.5 [\*\*\*];

(all indemnities set out in this Clause 10.1 being the ("Specific Indemnities")).

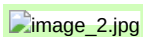
10.2 For the avoidance of doubt, the limitations and requirements set out in Clauses 9.6, 9.6.4 and 9.7 shall not apply to any Specific Indemnities provided under Clause 10.

10.3 If the Buyer has a right to make be indemnified by the Seller under Clause 10.1.1 and/or Clause 10.1.5, the Seller shall be entitled, in its sole discretion, to assume control of the defence of any such election claims and the Buyer shall cooperate with the Seller and its advisers, at the Seller's costs, in the defence of such claims, including gathering reasonable information, documentation and evidence, ensuring reasonable access to employees of the Buyer's Group, as applicable, for reasonable interviews and presence at trial and taking all such action which the Seller may reasonably request as further set out in Clause 9.4.

10.4 The Buyer shall not be entitled to indemnification under Clause 10.1.1 more than once in respect of the same Loss (no double counting). The Buyer shall not be entitled to indemnification under Clause 10.1.1 to the extent any provision or reserve for such calendar year." "NOLV Percentage" means, as of Loss was made in the Accounts, it being under stood that the Seller shall only indemnify the Group or the Buyer for any date of determination, (i) at all times other Loss related to the indemnification under Clause 10.1.1 exceeding EUR [\*\*\*].



Page:  
29 of #NUM\_PAGES#



10.5 The Buyer shall not be entitled to any indemnification under Clause 10.1.1 to the extent that a Claim for such indemnification has been made later than during an Increased Inventory Period, the product 5<sup>th</sup> anniversary of the Appraisal Percentage multiplied by the Appraised Value of Eligible Inventory, and (ii) during an Increased Inventory Period, the greater of (x) the product of the Appraisal Percentage multiplied by the Appraised Value of Eligible Inventory, and (y) (1) during the period between March 1 and June 30 of such Increased Inventory Period, 30%, or (2) during the period between July 1 and July 31 of such Increased Inventory Period, 25%." 3. Ratification of Loan Documents. Except as otherwise expressly provided herein, all terms and conditions of the Credit Closing Date.

## 11 Buyer's Warranties

11.1 By executing this Agreement, the Collateral Documents and Buyer has made the other Loan Documents remain in full force and effect. The Loan Parties hereby ratify, confirm, and reaffirm that all following representations and warranties of (the "Buyer's Warranties") to the Loan Parties contained in the Credit Agreement, the Collateral Documents and each other Loan Document are true and correct in all material respects on and Seller as of the date hereof, except hereof. The Buyer's Warranties shall be deemed to be repeated at Closing:

11.1.1 The Buyer has the extent that (x) such representations corporate power and warranties specifically refer authority to an earlier date, in enter into and perform its obligations under this Agreement and any ancillary documents referred to herein. This Agreement and any other documents executed by the Buyer, which case they are true and correct in to be delivered at Closing, have been approved by all material respects on and as relevant corporate bodies of such earlier date, or (y) such representations entity and warranties contain a materiality qualification, will, when executed, constitute binding obligations on the Buyer and will be enforceable against the Buyer in which case they are true accordance with their respective terms.

11.1.2 The execution of, entering into, performance of, and correct in all respects. The Guarantors hereby acknowledge, confirm and agree that the Guaranteed Obligations of the Guarantors under the Guaranty include, without limitation, all Obligations of the Loan Parties at any time and from time to time outstanding under the Credit compliance with this Agreement and the other Loan Documents, as such Obligations have been amended pursuant to this Amendment. The Loan Parties consummation of the transactions contemplated hereby acknowledge, confirm and agree that will not violate, conflict with, result in a breach of, or constitute a default under, any order, judgment, injunction award, or decree of any court or arbitrator or governmental board against or binding on the Collateral Documents and Buyer or violate any and all Collateral



3 previously pledged statute, Law, or regulation applicable to the Administrative Agent, for Buyer.

11.1.3 There are no actions, claims, other proceedings or investigations pending or threatened against or involving the benefit Buyer or any of the Secured Parties, pursuant thereto, shall continue to secure all applicable Obligations of the Loan Parties at any time and from time to time outstanding under the Credit Agreement and the other Loan Documents. 4. Conditions to Effectiveness. This Amendment shall not be effective until each of the following conditions precedent has been fulfilled to the reasonable satisfaction of the Administrative Agent: (a) The Administrative Agent shall have received counterparts of (i) this Amendment, and the Fee Letter described in clause (ii) of the definition thereof (as amended hereby), in each case duly executed and delivered by each of the parties hereto and thereto. (b) All action on the part of the Loan Parties necessary for the valid execution, delivery and performance by the Loan Parties of this Amendment and the documents, instruments and agreements to be executed in connection herewith shall have been duly and effectively taken and evidence thereof reasonably satisfactory to the Administrative Agent shall have been provided to the Administrative Agent. (c) Since the date of the balance sheet included in the Audited Financial Statements, there shall not have occurred any event or circumstance, either its Affiliates which, individually or in the aggregate, that has had may affect the validity or could reasonably be expected to have a Material Adverse Effect. (d) The Administrative Agent and enforcement of this Agreement or prevent the Lenders shall have received payment for all fees and expenses owing pursuant to (i) the Fee Letter described in clause (ii) of the definition thereof (as amended hereby), and (ii) Section 11.04 of the Credit Agreement. (e) No Default or Event of Default shall have occurred and be continuing. (f) The Administrative Agent shall have received a consent letter Buyer from the Existing Reimbursement Facility Agent under the Intercreditor Agreement, pursuant to which the Existing Reimbursement Facility Agent shall have provided consent to the amendments contemplated hereby (to the extent required pursuant to the Intercreditor Agreement), which consent letter shall be in form and substance reasonably satisfactory to the Administrative Agent and duly executed by the Existing Reimbursement Facility Agent. (g) The Administrative Agent shall have received such additional documents, instruments, and agreements as the Administrative Agent may reasonably request in connection with consummating the transactions contemplated hereby. 5. Representations

11.1.4 The Buyer is entering into this Agreement on its own behalf and Warranties. (a) not as agent, intermediary, representative of, or otherwise on behalf of, any other third-party.

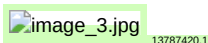
11.1.5 To the Buyer's Knowledge on the Closing Date, no matters, facts or circumstances exist, which render any of the Sellers' Warranties untrue or incorrect.

11.1.6 The execution, delivery Buyer has obtained sufficient financing for payment of the Purchase Price when due.

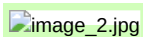
11.2 The Buyer's Warranties are given by the Buyer and performance shall in no event be construed as having been given by each Loan Party of this Amendment have been duly authorized by all necessary corporate or other organizational action, and do not and will not (i) contravene the terms on behalf of any of such Person's Organization Documents; (ii) conflict with other member of the Buyer's Group.

## 12 Buyer's Liability

12.1 The Buyer shall indemnify the Seller for any and all Losses incurred by the Seller or result in any member of the Seller's Group arising out of or resulting from any breach by the



Page:  
30 of #NUM\_PAGES#



Buyer or contravention its Affiliates of or this Agreement, including the creation Buyer's Warranties, in accordance with the general principles of (or the requirement to create) any Lien under, or require any payment Danish Law.

12.2 Any claim to be made under (1) this Agreement by any Contractual Obligation (including, without limitation, member of the Unsecured Notes Documents, Seller's Group may only be brought by the Existing L/C Facility Documents, Seller against the Existing Reimbursement Facility Documents Buyer, irrespective of whether the Loss or Liability was suffered by the Seller or any other member of Seller's Group. Under no circumstances may the Seller direct (and shall procure that no member of the Seller's Group directs) any claim for any Loss or Liability or any other claims against any member of the Buyer's group except the Buyer. Any Loss, whether suffered by the Seller or any member of the Seller's Group, shall be directed by the Seller to the Buyer, and the Specified Guarantor Subordinated Debt Documents) Seller shall not be concerned with the subsequent allocation of Liability within the Buyer's Group, and the Buyer shall not be concerned with the subsequent distribution or allocation of any compensation for such Liability within the Seller's Group.

## 13 Restrictive covenants

13.1 For two (2) years after the Closing Date, the Seller undertakes to neither directly operate or have a financial interest in any business competing with the business of the Group, provided that nothing shall prohibit the Seller in fulfilling any obligation existing as of Closing under any new build agreement, including in relation to warranty or spare parts. The business of the Group shall for the purpose of this Clause 13 be understood as the business conducted by the Group as at Closing and geographically

limited to the jurisdictions in which such Person is a party business was conducted. The Buyer agrees that the restrictive covenant in this Clause 13 does not apply to any ownership of shares or affecting other ownership rights in any company which competes with the Group's business, provided that either (a) the revenue derived from such Person or competing business during the properties immediately preceding calendar year represent no more than 5% of the total revenue of such Person company during that time period; or (b) such ownership does not exceed 5% of such company.

- 13.2 The Seller hereby covenants and undertakes to refrain, and to procure that all of its Affiliates (from time to time) refrain, within 24 months of the Closing Date, from soliciting, engaging or enticing away or attempting to solicit, engage or entice away from the Group any employee of the Group Companies as per the Closing Date, provided, however, that the period shall be six (6) months from the Closing Date for such employees who are considered salaried employees (in Danish "lønmodtager") under the Danish Act on Restrictive Covenants (in Danish "jobklausullover"). This Clause 13.1 shall not apply to (i) general advertisements for employment conducted by the Seller, any of its Subsidiaries, except where Affiliates or Persons acting on behalf thereof (including any such conflict, breach or contravention could not reasonably be expected to

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4 have a Material Adverse Effect, or (2) recruitment efforts by order, injunction, writ or decree recruitment agency) and the hiring Governmental Authority or any arbitral award to which such Person or its property is subject, or (iii) violate any Applicable Law, except where, in Persons responding thereto, provided that case of this clause (ii), such violation could aforementioned have reasonably be expected to have a Material Adverse Effect. (b) This Amendment has been duly executed and delivered by each Loan Party. This Amendment constitutes a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party in accordance with its terms. (c) The Loan Parties, together with their Subsidiaries on a Consolidated basis, are Solvent. (d) Since specifically targeted date of the balance sheet included in the Audited Financial Statements, there has not occurred any event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect. (e) None of any Loan Party's Organization Documents (including, without limitation, authorizing resolutions) attached to those certain Secretary's Certificates delivered to the Administrative Agent on the Closing Date have been amended, modified, supplemented, revoked or rescinded since the Closing Date, and all of such Organization Documents remain in full force and effect as of the date hereof. (f) No Default or Event of Default has occurred and is continuing. 6. Miscellaneous. (a) Each of the Loan Parties hereby acknowledges and agrees that it has no offsets, defenses, claims, or counterclaims against the Administrative Agent, the other Secured Parties, or their respective Related Parties, with respect to the Obligations, and that if any of the Loan Parties now has, or ever did have, any offsets, defenses, claims, or counterclaims against such Persons, whether known or unknown, at law or in equity, from the beginning of the world through this date and through the time of execution of this Amendment, all of them are hereby expressly WAIVED, and each of the Loan Parties hereby RELEASES such Persons from any liability therefor. (b) The provisions of Section 11.18 (Electronic Execution; Electronic Records; Counterparts) of the Credit Agreement are hereby incorporated herein, mutatis mutandis. (c) This Amendment, the Credit Agreement, the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent or the L/C Issuer, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. (d) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A

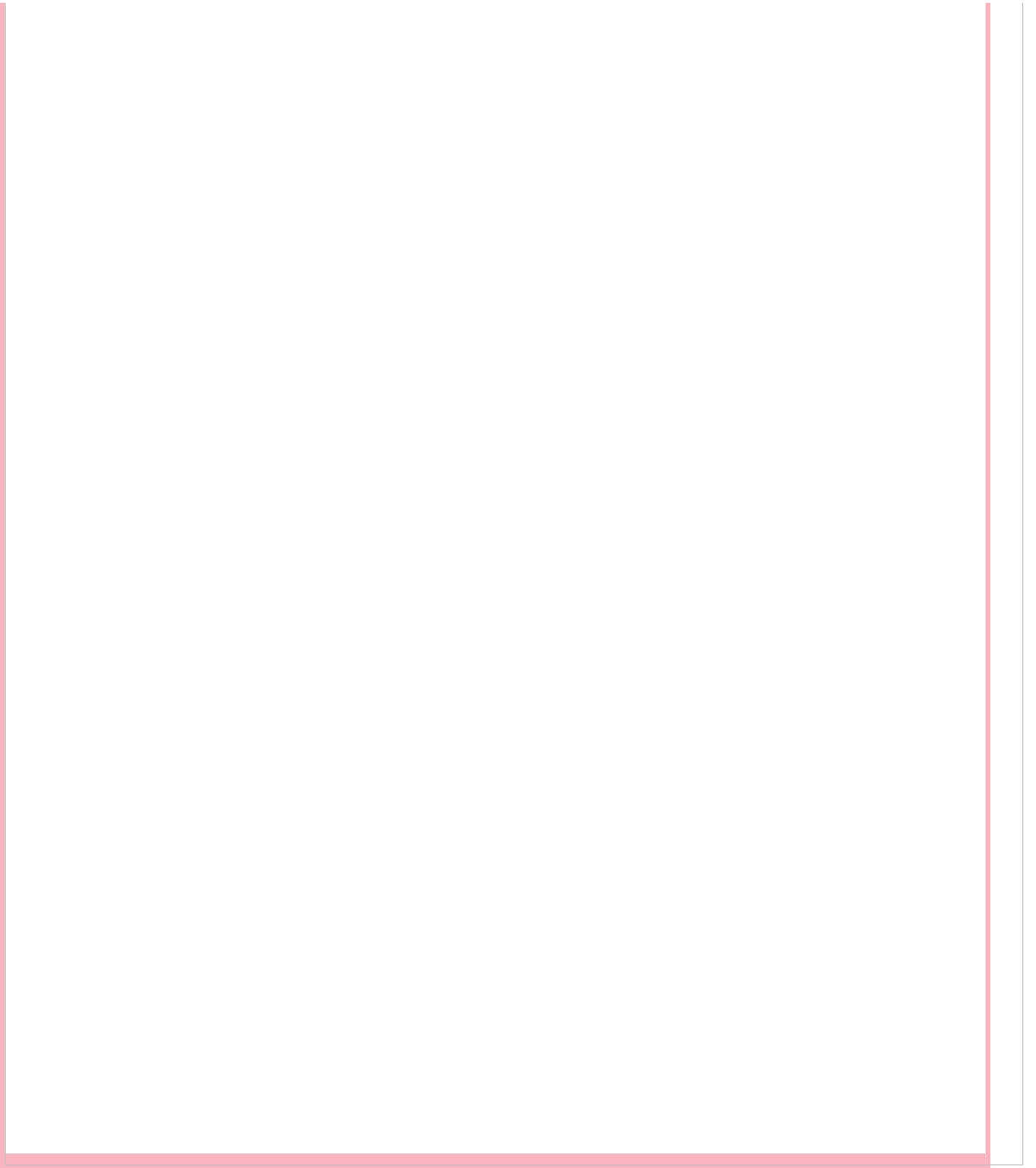
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5 TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT, THE CREDIT AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY), EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. (e) If any provision of this Amendment, the Credit Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Amendment, the Credit Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. (f) The Loan Parties represent and warrant that they have consulted with independent legal counsel of their selection in connection with this Amendment and are not relying on any representations or warranties of the Administrative Agent or the other Secured Parties or their respective counsel in entering into this Amendment. (g) THIS AMENDMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AMENDMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK. [SIGNATURE PAGES FOLLOW]

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Signature Page to First Amendment to Credit Agreement IN WITNESS WHEREOF, the parties have hereunto caused this Amendment to be executed and their seals to be hereto affixed as of the date first above written. BABCOCK & WILCOX ENTERPRISES, INC., as Borrower By: \_\_\_\_\_ Name: Rodney E. Carlson Title: Treasurer AMERICON EQUIPMENT SERVICES, INC. AMERICON, LLC BABCOCK & WILCOX CONSTRUCTION CO. LLC BABCOCK & WILCOX EQUITY INVESTMENTS, LLC BABCOCK & WILCOX HOLDINGS, LLC BABCOCK & WILCOX INTERNATIONAL SALES AND SERVICE CORPORATION BABCOCK & WILCOX INTERNATIONAL, INC. THE BABCOCK & WILCOX COMPANY BABCOCK & WILCOX TECHNOLOGY, LLC DIAMOND OPERATING CO., INC. DIAMOND POWER CHINA HOLDINGS, INC. DIAMOND POWER EQUITY INVESTMENTS, INC. DIAMOND POWER INTERNATIONAL, LLC SOFCO – EFS HOLDINGS LLC BABCOCK & WILCOX SPIG, INC. BABCOCK & WILCOX CANADA CORP. BABCOCK & WILCOX NEW ENERGY HOLDINGS, LLC BABCOCK & WILCOX SOLAR ENERGY, INC. BABCOCK & WILCOX CHANUTE, LLC BABCOCK & WILCOX FPS INC., as Guarantors By: \_\_\_\_\_ Name: Rodney E. Carlson Title: Treasurer DocuSign Envelope ID: D563F673-C617-40AE-B7F8-4C12F480C12E

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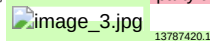
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Schedule I Guarantors American Equipment Services, Inc. American, LLC Babcock & Wilcox Construction Co., LLC Babcock & Wilcox Equity Investments, LLC Babcock & Wilcox Holdings, LLC Babcock & Wilcox International Sales and Service Corporation Babcock & Wilcox International, Inc. The Babcock & Wilcox Company Babcock & Wilcox Technology, LLC Diamond Operating Co., Inc. Diamond Power China Holdings, Inc. Diamond Power Equity Investments, Inc. Diamond Power International, LLC Sofco – EFS Holdings LLC Babcock & Wilcox SPIG, Inc. Babcock & Wilcox Canada Corp. Babcock & Wilcox New Energy Holdings, LLC Babcock & Wilcox Solar Energy, Inc. Babcock & Wilcox Chanute, LLC Babcock & Wilcox FPS Inc.

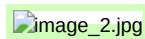


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EXECUTION COPY April 30, 2024 Babcock & Wilcox Enterprises, Inc. 1200 E. Market Street, Suite 650 Akron, Ohio 44305 First Amendment Fee Letter Ladies and Gentlemen: Reference is made to (a) that certain Credit Agreement, dated as of January 18, 2024 (as amended (including pursuant to the First Amendment referred to below), modified, extended, restated, replaced, amended and restated, or supplemented from time to time, the "Credit Agreement"), by, among others, (i) Babcock & Wilcox Enterprises, Inc., a Delaware corporation (the "Borrower") relevant employee(s), (ii) the Guarantors party thereto from time hiring of Persons who on an unsolicited basis



Page:  
31 of #NUM\_PAGES#



approaches the Seller or its Affiliates or (iii) any Person who has been terminated by the Group Companies.

13.3 In addition to time, (iii) the Lenders party thereto from time to time, other rights and (iv) Axos Bank, as Administrative Agent, L/C Issuer and Swingline Lender, and (b) that certain First Amendment to Credit Agreement, dated as remedies of the date hereof (the "First Amendment"), by, among others, Buyer under this Agreement, in case of any Seller's Breach of Clause 13.1, the Borrower, Buyer is entitled to seek an injunction (in Danish "*fogedforbud*") before the Guarantors party thereto, ordinary courts against the Lenders party thereto, and the Administrative Agent. Unless otherwise defined herein, capitalized terms shall have the meanings set forth in the Credit Agreement Seller or the First Amendment, as applicable. The Borrower has requested, and relevant Affiliate without having to put up any security.

13.4 In case of a breach of the Administrative Agent and restrictive covenants set out in Clauses 13.1 and/or 13.2, the Lenders have agreed, to amend the Credit Agreement to, among other things, increase amounts available to be borrowed based on Inventory in the Borrowing Base. In connection with, and in consideration of, such amendments Seller shall pay liquidated damages to the Credit Agreement, the Borrower hereby agrees as follows (this letter agreement being hereinafter referred to as this "First Amendment Fee Letter"): 1. Amendment Fee. The Borrower shall pay to the Administrative Agent, for the ratable benefit of the Revolving Lenders, an amendment fee (the "Amendment Fee") Buyer in the amount of \$75,000. The Amendment Fee DKK 700,000 for each violation if the breach is not remedied within ten (10) Business Days of notice from the Buyer alleging that a breach has occurred. Where the violation consists of the setting up and maintenance of a certain state of affairs, a violation shall be earned by, deemed to exist for each month such violation persists and payable in full by shall make the Borrower Seller liable to the Administrative Agent on the First Amendment Effective Date. 2. Increased Inventory Fee. For each pay further damages calculated as DKK 700,000 per calendar year in month within which the Borrower elects to utilize an Increased Inventory Period, the Borrower shall pay to the Administrative Agent, for the account of each Revolving Lender in accordance with its Applicable Revolving Percentage, an increased inventory fee (the "Increased Inventory Fee") equal to \$75,000. Each Increased Inventory Fee shall be fully earned on March 1 of the calendar year for which such an election violation persists.

#### 14 Tax and exit from joint taxation

14.1 The Company is made and shall be payable in full on the earliest to occur of (i) April 30 of such year, (ii) the occurrence of an Event of Default following March 1 of such year, and (iii) the last day of the Availability Period for the Revolving Facility. 3. General. All fees payable under this First Amendment Fee Letter constitute compensation for services rendered and do not constitute interest or a charge for the use of money. All fees payable hereunder shall be fully earned when due and shall not be subject

to refund or rebate mandatory joint taxation under any circumstances. All fees payable hereunder will be paid in immediately available funds and shall not be subject to reduction by way of setoff or counterclaim or otherwise affected under any

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2 circumstance. All fees received by the Administrative Agent hereunder may be shared the Administrative Agent and its Affiliates Danish Law with Babcock & Wilcox A/S, company reg. (CVR) no. 25 05 36 64, as the Administrative Agent may determine administration company.

- 14.2 The Parties have agreed that the provisions set out in its sole discretion. Each of Schedule 14.2 shall apply in relation to Tax and the foregoing fees shall be payable in Dollars in immediately available funds, free and clear of and without deduction for any and all present or future applicable taxes, levies, imposts, deductions, charges or withholdings and all liabilities Company's exit from the joint taxation with respect thereto and shall be in addition Babcock & Wilcox A/S.

## 15 Announcements

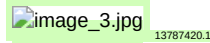
- 15.1 The Seller has prepared (and the Buyer has had reasonable opportunity to any other fees, costs or expenses which may be due to comment on) the Administrative Agent company announcements and/or the Lenders pursuant to the terms of the Credit Agreement. You agree not to disclose any or all of the terms of press releases concerning this First Amendment Fee Letter to any Person other than (a) to your employees, attorneys, direct Agreement and indirect investors, consultants, or accountants, in each case, to whom it is necessary or advisable to disclose the information, and then only on a confidential basis in connection with the transactions contemplated hereby (it being understood to be released at the Closing Date).

- 15.2 Subject to Clause 15.1, no disclosure or announcement relating to the existence or subject matter of this Agreement shall be made or issued by or on behalf of the Seller (or any member of the Seller's Group) or the Buyer (or any member of the Buyer's Group) without the prior written Consent approval of the other Party (which Consent may be subject to reasonable conditions, but shall otherwise not be unreasonably withheld or delayed).

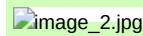
## 16 Confidentiality

- 16.1 The Parties shall treat as confidential all information obtained as a result of entering into or performing this Agreement and which relates to:

- (a) the provisions of this Agreement and any other document referred to herein or drawn up to carry out the transactions contemplated hereby;



Page:  
32 of #NUM\_PAGES#



- (b) the negotiations relating to the Transaction;
- (c) the subject-matter of this Agreement;
- (d) the existence, or subject matter of, or rulings delivered in, any arbitration or other dispute in relation to this Agreement;
- (e) the other Parties and such Parties' businesses, financials or other affairs; and
- (f) in respect of the Buyer until Closing, the business, financial or other affairs of or relating to the Group

(the "Confidential Information") and shall abstain from using and from disclosing any such Confidential Information to any third-party.

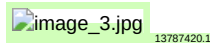
- 16.2 Notwithstanding Clause 16.1, each Party may disclose Confidential Information:

- (a) if and to the extent required by Law or for the purpose of any judicial proceedings between the Parties, including arbitration pursuant to Clause 20;

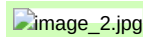
- (b) if and to the extent required by any securities exchange, regulatory or governmental body to which that Party is subject or submits, wherever situated, whether or not the Persons requirement for information has the force of Law;
- (c) to whom such disclosure is its professional advisers, auditors, and bankers or prospective financing sources, its direct or indirect investors, together with their directors, officers, advisers or agents who are, in each case, subject to a duty of confidentiality to the disclosing party and who are made will be informed aware of the confidential nature of the terms information disclosed;
- (d) if and to the extent the Confidential Information has come into the public domain through no fault of this First Amendment Fee Letter that Party or the Party's Affiliates;
- (e) if and instructed to keep the extent the Party to whom the Confidential Information relates gives prior written Consent to the disclosure; or
- (f) to its Affiliates on a need to know basis, subject to such terms confidential), Affiliates observing the duty of confidentiality set out herein.

16.3 Any Confidential Information to be disclosed pursuant to Clauses 16.2(a) or 16.2(b) must be disclosed only after notice to the other Party and (b) only to the extent required or necessary.

## 17 Miscellaneous



Page:  
33 of #NUM\_PAGES#



- 17.1 This Agreement, including all Schedules, as amended from time to time, constitute the whole and only agreement between the Parties relating to the transactions contemplated hereby.
- 17.2 This Agreement may be required by law or any court or regulatory agency having jurisdiction over you or any of your direct or indirect beneficial owners (in which case you agree to inform the Administrative Agent promptly thereof). You agree that this First Amendment Fee Letter shall be a part of, and shall be specifically incorporated in, the Credit Agreement, which documents constitute one entire agreement. This First Amendment Fee Letter may not only be amended or any provision hereof waived or modified, except by an instrument in writing signed by each of the parties hereto. THIS FIRST AMENDMENT FEE LETTER AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS FIRST AMENDMENT FEE LETTER AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. This First Amendment Fee Letter may be in the form Parties.
- 17.3 No waiver of an Electronic Record and may be executed using Electronic Signatures. Each any provision or condition of the Loan Parties and each of the Administrative Agent and each Lender Party agrees that any Electronic Signature on or associated with this First Amendment Fee Letter Agreement shall be valid effective unless it is in writing and binding on such Person to the same extent as a manual, original signature, and that any First Amendment Fee Letter entered into by Electronic Signature, will constitute the legal, valid and binding obligation of such Person enforceable against such Person in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. This First Amendment Fee Letter may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same instrument. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance of a manually signed paper First Amendment Fee Letter which has been converted into electronic form (such as scanned into PDF format), or an electronically signed First Amendment Fee Letter converted into another format, for transmission, delivery and/or retention. The Administrative Agent may, at its option, create one or more copies of this First Amendment Fee Letter in the form of an imaged Electronic Record ("Electronic Copy"), which shall be deemed created in the ordinary course of the Administrative Agent's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Administrative Agent is not under any



slide3



3 obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature, the Administrative Agent shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the Party/ies waiving compliance.

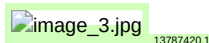
17.4 No delay or omission by any Loan Party without to this Agreement in exercising any right, power, or remedy provided by Law or under this Agreement or any other documents referred to in it shall affect that right, power, or remedy, or operate as a waiver thereof, except as specifically set out in this Agreement. The single or partial exercise of any right, power, or remedy provided by Law or under this Agreement does not preclude any other or further verification exercise of it or the exercise of any other right, power, or remedy, except as specifically set out in this Agreement. The rights, powers and remedies provided under this Agreement are cumulative and do not exclude any rights, powers, and remedies provided by Law, unless otherwise provided for in this Agreement.

17.5 Neither this Agreement nor any rights according to this Agreement are assignable by any of the Parties wholly or partly, except that the Buyer may assign its rights under this Agreement to the W&I Insurer. Further, notwithstanding the foregoing, the Buyer may assign the benefit of this Agreement to any bank or financial institution by way of security for the purposes of or in connection with the financing or refinancing (whether in whole or in part) by the Buyer of the acquisition of the Shares; provided that any such assignee shall not be entitled to receive under this Agreement any greater amount than that to which the assignor would have been entitled and neither the Buyer nor the Seller, as applicable, shall be under any greater obligation or Liability than if such assignment had never occurred.

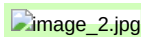
17.6 The provisions of this Agreement are independent and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason, any other provision may be invalid or unenforceable in whole or in part. If one or more provisions of this Agreement are held to be contrary to applicable Laws, the Parties agree that the offending provision(s) shall be amended to the extent necessary to make it enforceable and so that original commercial intent of such Clauses are maintained to the extent possible.

## 18 Costs and expenses

18.1 Except as otherwise specifically set out in this Agreement, each Party shall pay its own legal, accountancy and other costs, charges and expenses in relation to the negotiation, preparation and implementation of the Transaction.



Page:  
34 of #NUM\_PAGES#



18.2 Insurance premium, broker fees and any other insurance or underwriting fees or expenses in connection with the W&I Insurance Policy shall be borne by the Buyer.

## 19 Notices

19.1 Every communication and notice to be made under this Agreement must be made in English in writing and sent by hand, registered or couriered mail or by email to a Party at the address or email address and for the attention of the individual as set out below:

to the Seller:

B&W PGG Luxembourg Finance SARL  
c/o Babcock & Wilcox Enterprises, Inc.  
1200 E. Market Street, Suite 650  
Akron, OH 44305 U.S.A.  
For the attention of with a copy to:  
Gorissen Federspiel Advokatpartnerselskab

Axeltrov 2, 1609 Copenhagen W  
Denmark

For the attention of to the Buyer:  
Hitachi Zosen Inova AG  
Hardturmstrasse 127, 8005 Zurich, Switzerland  
For the attention of with a copy to:  
Lundgrens Advokatpartnerselskab

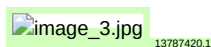
Tuborg Boulevard 12, 4. sal, 2900 Hellerup  
Denmark

For the attention of or to such other Person, address or email address which a Party may in writing notify to the other Parties.

19.2 Any notice given under this Agreement shall be effective upon receipt and shall be deemed to have been received (i) at the time of delivery, if delivered by hand, registered post or courier; or (ii) at the time of transmission if delivered by email.

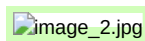
## 20 Governing Law and arbitration

20.1 This Agreement, and any dispute or claim arising out of or in connection with this Agreement, is governed by and construed in accordance with the Laws of Denmark, excluding any provision on applicable Law (conflict of Laws rules).



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Page:  
35 of #NUM\_PAGES#



20.2 Any dispute or claim arising out of or in connection with this Agreement, including any dispute concerning the existence, breach, termination or invalidity thereof, must be settled exclusively by arbitration in accordance with the Rules of Procedure of the Danish Institute of Arbitration (Danish Arbitration) as applicable and adopted by the Danish Institute of Arbitration at the time when such arbitration proceedings are commenced.

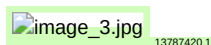
20.3 The arbitration tribunal will be composed of three (3) arbitrators.

20.4 The Seller shall appoint one (1) arbitrator, the Buyer shall appoint one (1) arbitrator and the Institute shall appoint a third arbitrator who shall be the Chairman of the arbitration tribunal. If a Party has not appointed an arbitrator within thirty (30) calendar days of having requested or received notice of the arbitration, such arbitrator shall be appointed by the Institute.

20.5 The place of arbitration will be Copenhagen, Denmark, and the language of the arbitration will be English.

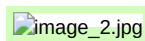
20.6 The Parties are not entitled to disclose any information relating to the arbitration proceedings to any third-party, including information on any decision or arbitration award, unless the other Parties have Consented in writing to such disclosure. However, each Party is entitled to disclose information relating to the arbitration proceedings to (a) its legal advisers, auditors and direct and indirect investors, together with their directors, officers, advisers or agents who are, in each case, subject to a duty of confidentiality to the disclosing party and who are made aware of the confidential nature of the information disclosed; and (b) upon the request a third-party if such disclosure is made to comply with current Law or decisions from Competent Authorities.

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36 of #NUM\_PAGES#



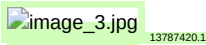
Signature page – Share Sale and Purchase Agreement – Babcock & Wilcox Renewable Service A/S

For and on behalf of the Administrative Agent, Seller:

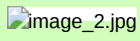
Name: [\*\*\*]      Name:  
Title: Category A Manager      Title:

For and on behalf of the Buyer:

Name: [\*\*\*]      Name: [\*\*\*]  
Title: CEO      Title: EVP Systems & Service Solutions

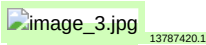


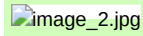
Page:  
37 of #NUM\_PAGES#



Schedule A – Interpretation

- 1 All references to statutes, statutory provisions, enactments, EU Directives or EU Regulations shall include references to any Electronic Signature consolidation, re-enactment, modification or replacement of the same, any statute, statutory provision, enactment, EU Directive or EU Regulation of which it is a consolidation, re-enactment, modification or replacement and any subordinate legislation in force under any of the same from time to time except to the extent that any consolidation, re-enactment, modification or replacement enacted after the Closing Date would extend or increase the Liability of either Party to the other under this Agreement.
- 2 Any reference to a document in the "agreed form" is to the form of the relevant document in the terms agreed between the Seller and the Buyer prior to the execution of this Agreement and signed or initialled for identification purposes only by or on behalf of the Seller and the Buyer (in each case with such amendments as may be agreed by or on behalf of the Seller and the Buyer).
- 3 References to this Agreement include the recitals and Schedules which form part of this Agreement for all purposes. References in this Agreement to the Parties, the recitals, Schedules and Clauses are references respectively to the Parties and their legal personal representatives, successors and permitted assigns, the recitals and Schedules to and Clauses of this Agreement.
- 4 Save where specifically required or indicated otherwise;
- 4.1 words importing one gender shall be promptly followed treated as importing any gender, words importing individuals shall be treated as importing corporations and vice versa, words importing the singular shall be treated as importing the plural and vice versa, and words importing the whole shall be treated as including a reference to any part thereof;
- 4.2 references to the word "include" or "including" (or any similar term) are not to be construed as implying any limitation and general words introduced by such manually executed counterpart. Section the word "other" (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;
- 4.3 any reference to "writing" or "written" includes any method of reproducing words or text in a legible and non-transitory form which, for the avoidance of doubt, shall include email; and
- 4.4 references to times of the day are to that time in Denmark and references to a day are to a period of twenty-four (24) hours running from midnight to midnight.

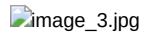




5 Clause and paragraph headings herein and the table of contents are included inserted for convenience ease of reference only and shall not affect the interpretation of this First Amendment Fee Letter. The Borrower agrees that (1) this First Amendment Fee Letter constitutes the letter agreement described in clause (ii) of the definition of "Fee Letter" set forth in the Credit Agreement, and (b) this First Amendment Fee Letter shall be a part of, and shall be specifically incorporated in, the Credit Agreement, which documents constitute one entire agreement. Nothing herein constitutes an amendment or novation of any other letter agreement described in the definition of "Fee Letter" set forth in the Credit Agreement, each of which remains in full force and effect as of the date hereof. The provisions of this First Amendment Fee Letter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent. Nothing in this First Amendment Fee Letter, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 11.06(d) of the Credit Agreement and, to the extent expressly contemplated thereby, the Related Parties of each of the Administrative Agent, the L/C Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this First Amendment Fee Letter. This First Amendment Fee Letter and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. No party has been authorized by the Administrative Agent to make any oral or written statements inconsistent with this First Amendment Fee Letter. [SIGNATURE PAGES FOLLOW]

construction.

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Signature Page to First Amendment Fee Letter ACCEPTED AND AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN: BABCOCK & WILCOX ENTERPRISES, INC., as Borrower By: \_\_\_\_\_ Name: \_\_\_\_\_  
Rodney E. Carlson Title: Treasurer DocuSign Envelope ID: D563F673-C617-40AE-B7F8-4C12F480C12E

13787420.1

## EXHIBIT 31.1

### CERTIFICATION

I, Kenneth M. Young, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Babcock & Wilcox Enterprises, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

- b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: ~~May 9, 2024~~ August 8, 2024

/s/ Kenneth M. Young

Kenneth M. Young

Chairman and Chief Executive Officer

## EXHIBIT 31.2

### CERTIFICATION

I, Louis Salamone, certify that:

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

- b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 9, 2024 August 8, 2024

/s/ Louis Salamone

Louis Salamone

Executive Vice President and Chief Financial Officer

(Principal Accounting Officer and Chief Accounting Officer)

(Principal Financial and Accounting Officer)

Duly Authorized Representative

**EXHIBIT 32.1**

**BABCOCK & WILCOX ENTERPRISES, INC.**

Certification Pursuant to

Section 906 of the Sarbanes-Oxley Act of 2002

(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), I, Kenneth M. Young, President and Chief Executive Officer of Babcock & Wilcox Enterprises, Inc., a Delaware corporation (the "Company"), hereby certify, to my knowledge, that:

- (1) the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2024 June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of B&W as of the dates and for the periods expressed in the Report.

Dated: May 9, 2024 August 8, 2024

/s/ Kenneth M. Young

Kenneth M. Young

Chairman and Chief Executive Officer

**EXHIBIT 32.2**

**BABCOCK & WILCOX ENTERPRISES, INC.**

Certification Pursuant to

Section 906 of the Sarbanes-Oxley Act of 2002

(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), I, Louis Salamone, Chief Financial Officer of Babcock & Wilcox Enterprises, Inc., a Delaware corporation (the "Company"), hereby certify, to my knowledge, that:

- (1) the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2024 June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of B&W as of the dates and for the periods expressed in the Report.

Dated: May 9, 2024 August 8, 2024

/s/ Louis Salamone

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Louis Salamone

Executive Vice President and Chief Financial Officer

(Principal Accounting Officer and Chief Accounting Officer

(Principal Financial and Accounting Officer)

Duly Authorized Representative)

#### DISCLAIMER

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