

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

FORM 10-Q

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



For the quarterly period ended 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 number: 001-33225



Great Lakes Dredge & Dock Corporation  
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

20-5336063

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

9811 Katy Freeway

,

Suite 1200

,

Houston

,

TX

(Address of principal executive offices)

77024

(Zip Code)

( 346 ) 359-1010

(Registrant's telephone number, including area code)

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 (Par Value \$0.0001)

GLDD

Nasdaq Stock Market, LLC

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule

405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

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

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

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

As of August 2, 2024,

67,188,921  
shares of the Registrant's Common Stock, par value \$.0001 per share, were outstanding.

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Great Lakes Dredge & Dock Corporation and Subsidiaries

Quarterly Report Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934  
For the Quarterly Period ended June 30, 2024

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PART I — Financial Information

Item 1. Financial Statements.

GREAT LAKES DREDGE & DOCK CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets  
(Unaudited)  
(in thousands, except per share amounts)

	June 30, 2024	December 31, 2023
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 23,134	\$ 22,841
Accounts receivable—net	56,279	54,810
Contract revenues in excess of billings	70,509	68,735
Inventories	31,952	33,912
Prepaid expenses	2,258	1,486
Other current assets	35,134	44,544
Total current assets	219,266	226,328
PROPERTY AND EQUIPMENT—Net	653,283	614,608
OPERATING LEASE ASSETS	74,670	88,398
GOODWILL	76,576	76,576
INVENTORIES—Noncurrent	86,905	86,325
OTHER	16,967	18,605
TOTAL	\$ 1,127,667	\$ 1,110,840
<b>LIABILITIES AND EQUITY</b>		
CURRENT LIABILITIES:		
Accounts payable	\$ 90,447	\$ 83,835
Accrued expenses	27,892	37,361

Operating lease liabilities	26,851	28,687
Billings in excess of contract revenues	20,574	29,560
Total current liabilities	165,764	179,443
LONG-TERM DEBT	411,475	412,070
OPERATING LEASE LIABILITIES—Noncurrent	49,169	61,444
DEFERRED INCOME TAXES	72,338	62,232
OTHER	10,898	10,103
Total liabilities	709,644	725,292
COMMITMENTS AND CONTINGENCIES (Note 8)		
EQUITY:		
Common stock—\$.0001 par value; 90,000 authorized, 67,189 and 66,623 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively.	7	6
Additional paid-in capital	319,776	317,337
Retained earnings	98,917	70,220
Accumulated other comprehensive loss	( 677 )	( 2,015 )
Total equity	418,023	385,548
TOTAL	\$ 1,127,667	\$ 1,110,840

See notes to unaudited condensed consolidated financial statements.



Great Lakes Dredge & Dock Corporation and Subsidiaries

Condensed Consolidated Statements of Operations  
(Unaudited)  
(in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Contract revenues	\$ 170,086	\$ 132,667	\$ 368,746	\$ 290,711
Costs of contract revenues	140,246	114,768	293,332	260,677
Gross profit	29,840	17,899	75,414	30,034
General and administrative expenses	16,161	14,462	32,272	27,479
Other gains	(906)	(243)	(2,922)	(261)
Operating income	14,585	3,680	46,064	2,816
Interest expense—net	(4,198)	(3,175)	(8,089)	(6,560)
Other income	128	2,024	553	2,251
Income (loss) before income taxes	10,515	2,529	38,528	(1,493)
Income tax provision	(2,842)	(796)	(9,831)	(5)
Net income (loss)	\$ 7,673	\$ 1,733	\$ 28,697	\$ 1,498
Basic earnings (loss) per share	\$ 0.11	\$ 0.03	\$ 0.43	\$ 0.02
Basic weighted average shares	67,118	66,462	66,924	66,363
Diluted earnings (loss) per share	\$ 0.11	\$ 0.03	\$ 0.42	\$ 0.02
Diluted weighted average shares	67,697	66,805	67,615	66,363

See notes to unaudited condensed consolidated financial statements.



**Great Lakes Dredge & Dock Corporation and Subsidiaries**  
**Condensed Consolidated Statements of Comprehensive Income (Loss)**  
**(Unaudited)**  
**(in thousands)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss)	\$ 7,673	\$ 1,733	\$ 28,697	\$ 1,498
Net change in cash flow derivative hedges—net of tax (1)	50	978	1,338	431
Comprehensive income (loss)	\$ 7,723	\$ 2,711	\$ 30,035	\$ 1,929

(1) Net of income tax provision of \$ (

17  
) and \$ (

331  
) for the three months ended June 30, 2024 and 2023, respectively. Net of income tax (provision) benefit of \$ (

453  
) and \$

145  
for the six months ended June 30, 2024 and 2023, respectively .

See notes to unaudited condensed consolidated financial statements.

## Great Lakes Dredge &amp; Dock Corporation and Subsidiaries

Condensed Consolidated Statements of Equity  
(Unaudited)  
(in thousands)

	Shares of Common Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
BALANCE—January 1, 2024	66,623	6	317,337	70,220	(2,015)	385,548
Share-based compensation	21	1	2,396	—	—	2,397
Vesting of restricted stock units and impact of shares withheld for taxes	411	—	(970)	—	—	(970)
Exercise of options and purchases from employee stock plans	134	—	1,013	—	—	1,013
Net income	—	—	—	28,697	—	28,697
Other comprehensive income—net of tax	—	—	—	—	1,338	1,338
BALANCE—June 30, 2024	67,189	7	319,776	98,917	677	418,023
BALANCE—January 1, 2023	66,188	6	312,091	56,314	(191)	368,220
Share-based compensation	33	1	2,210	—	—	2,211
Vesting of restricted stock units and impact of shares withheld for taxes	156	—	(542)	—	—	(542)
Exercise of options and purchases from employee stock plans	115	—	562	—	—	562
Net loss	—	—	—	(1,498)	—	(1,498)
Other comprehensive loss —net of tax	—	—	—	—	(431)	(431)
BALANCE—June 30, 2023	66,492	7	314,321	54,816	622	368,522

Accumulated

	Shares of Common Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Other Comprehensive Loss	Total
BALANCE—March 31, 2024	66,941	6	318,517	91,244	(727)	409,040
	\$	\$	\$	\$	\$	\$
Share-based compensation	11	1	1,397	—	—	1,398
Vesting of restricted stock units and impact of shares withheld for taxes	224	—	289	—	—	289
Exercise of options and purchases from employee stock plans	13	—	151	—	—	151
Net income	—	—	—	7,673	—	7,673
Other comprehensive income—net of tax	—	—	—	—	50	50
BALANCE—June 30, 2024	67,189	7	319,776	98,917	677	418,023
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
BALANCE—March 31, 2023	66,416	6	312,533	53,083	1,600	364,022
	\$	\$	\$	\$	\$	\$
Share-based compensation	13	1	1,995	—	—	1,996
Vesting of restricted stock units and impact of shares withheld for taxes	63	—	207	—	—	207
Net income	-	—	—	1,733	—	1,733
Other comprehensive income—net of tax	-	—	—	—	978	978
BALANCE—June 30, 2023	66,492	7	314,321	54,816	622	368,522
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

See notes to unaudited condensed consolidated financial statements.

Great Lakes Dredge & Dock Corporation and Subsidiaries

Condensed Consolidated Statements of Cash Flows  
(Unaudited)  
(in thousands)

	Six Months Ended June 30,	
	2024	2023
<b>OPERATING ACTIVITIES:</b>		
Net income (loss)		(
	\$ 28,697	\$ 1,498
Adjustments to reconcile net income (loss) to net cash flows provided by operating activities:		)
Depreciation and amortization	22,128	21,787
Deferred income taxes	9,654	5
Gain on sale of assets	(	(
	2,821	261
	)	)
Amortization of capitalized contract costs	8,394	4,989
Amortization of deferred financing fees	874	483
Share-based compensation expense	2,563	2,435
Changes in assets and liabilities:		
Accounts receivable	(	
	1,469	2,960
	)	
Contract revenues in excess of billings	(	
	1,774	22,717
	)	
Inventories		(
	1,380	5,378
	)	)
Prepaid expenses and other current assets	(	
	767	1,172
	)	
Accounts payable and accrued expenses	(	(
	1,581	26,268
	)	)
Billings in excess of contract revenues	(	
	8,986	14,052
	)	
Other noncurrent assets and liabilities		(
	517	3,098
	)	)
Cash provided by operating activities	56,809	34,097
<b>INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(	(
	64,263	54,777
	)	)

Proceeds from dispositions of property and equipment	9,033	1,180
Cash used in investing activities	(55,230)	(53,597)
<b>FINANCING ACTIVITIES:</b>		
Deferred financing fees	(11,261)	—
Taxes paid on settlement of vested share awards	(970)	(542)
Exercise of options and purchases from employee stock plans	1,013	562
Borrowing under revolving loans	16,000	80,000
Borrowing under Second Lien Credit Agreement	100,000	—
Repayments of revolving loans	(106,000)	(25,000)
Payments on finance lease obligations	(988)	—
Cash (used in) provided by financing activities	(2,206)	55,020
Net (decrease) increase in cash, cash equivalents and restricted cash	(627)	35,520
Cash, cash equivalents and restricted cash at beginning of period	23,761	6,546
Cash, cash equivalents and restricted cash at end of period	23,134	42,066
	<u>\$</u>	<u>\$</u>
<b>Supplemental Cash Flow Information</b>		
Cash paid for interest	13,803	9,957
	<u>\$</u>	<u>\$</u>
Cash paid for income taxes	1,471	258
	<u>\$</u>	<u>\$</u>
<b>Non-cash Investing and Financing Activities</b>		
Property and equipment purchased but not yet paid	3,212	1,965
	<u>\$</u>	<u>\$</u>

See notes to unaudited condensed consolidated financial statements.

## GREAT LAKES DREDGE & DOCK CORPORATION AND SUBSIDIARIES

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(dollar amounts in thousands, except per share amounts or as otherwise noted)

#### 1. Basis of presentation

The unaudited condensed consolidated financial statements and notes herein should be read in conjunction with the audited consolidated financial statements of Great Lakes Dredge & Dock Corporation and Subsidiaries (the "Company" or "Great Lakes") and the notes thereto, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. The condensed consolidated financial statements included herein have been prepared by the Company without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted pursuant to the SEC's rules and regulations, although management believes that the disclosures are adequate and make the information presented not misleading. In the opinion of management, all adjustments, which are of a normal and recurring nature (except as otherwise noted), that are necessary to present fairly the Company's financial position as of June 30, 2024 and December 31, 2023, and its results of operations for the three and six months ended June 30, 2024 and 2023 and cash flows for the six months ended June 30, 2024 and 2023 have been included.

The components of costs of contract revenues include labor, equipment (including depreciation, maintenance, insurance and long-term rentals), subcontracts, fuel, supplies, short-term rentals and project overhead. Hourly labor is generally hired on a project-by-project basis. Costs of contract revenues vary significantly depending on the type and location of work performed and assets utilized.

The Company has

one

operating segment which is also the Company's reportable segment and reporting unit of which the Company tests goodwill for impairment. The Company performed its most recent test of impairment as of July 1, 2023 with no indication of impairment as of the test date. When performing the quantitative test, the Company assessed the fair values of its reporting unit using both a market-based approach and an income-based approach. The assessment used estimates based on assumptions that the Company believes to be reasonable, but such assumptions are subject to unpredictability and uncertainty. Likewise, changes in terminal value and discount rate assumptions, unfavorable economic environment or market conditions and other factors in the future may cause a different assessment. Changes in these estimates and assumptions could materially affect the determination of fair value, and may result in the impairment of goodwill in the event that actual results differ from those estimates. As of the test date, the fair value of the reporting unit was in excess of its carrying value by at least

10

%. The Company will continue to monitor for changes in facts or circumstances that may impact its estimates. The Company will perform its next scheduled annual impairment test of goodwill in the third quarter of 2024 should no triggering events occur which would require a test prior to the next annual test.

The condensed consolidated statements of operations and comprehensive income (loss) for the interim periods presented herein are not necessarily indicative of the results to be expected for the full year.

**Recently Issued Accounting Pronouncements**—In December 2023, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, "Income Taxes (Topic 740)" ("ASU 2023-09"). The amendments in ASU 2023-09 address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. One of the amendments in ASU 2023-09 includes disclosure of, on an annual basis, a tabular rate reconciliation of (i) the reported income tax expense (or benefit) from continuing operations, to (ii) the product of the income (or loss) from continuing operations before income taxes and the applicable statutory federal income tax rate of the jurisdiction of domicile using specific categories, including separate disclosure for any reconciling items within certain categories that are equal to or greater than a specified quantitative threshold of

5

%. ASU 2023-09 also requires disclosure of, on an annual basis, the year to date amount of income taxes paid (net of refunds received) disaggregated by federal, state, and foreign jurisdictions, including additional disaggregated information on income taxes paid (net of refunds received) to an individual jurisdiction equal to or greater than

5

% of total income taxes paid (net of refunds received). The amendments in ASU 2023-09 are effective for annual periods beginning after December 15, 2024, and should be applied prospectively. Management is currently evaluating the impact of this guidance.

On January 1, 2024, we adopted FASB ASU 2023-07, "Segment Reporting (Topic 280)" ("ASU 2023-07"). The amendments in ASU 2023-07 improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. ASU 2023-07 requires a public entity to report a measure of segment profit or loss that the chief operating decision maker (CODM) uses to assess segment performance and make decisions about allocating resources. ASU 2023-07 also requires other specified segment items and amounts, such as depreciation, amortization, and depletion expense, to be disclosed under certain circumstances. The amendments in ASU 2023-07 also do not

change how a public entity identifies its operating segments, aggregates those operating segments, or applies the quantitative thresholds to determine its reportable segments. The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, adopted retrospectively. The adoption of ASU 2023-07 did not have a material effect on the Company's consolidated financial statements or disclosures.

**Reclassifications**—Certain reclassifications have been made to prior period condensed consolidated statements of cash flows to conform to current period presentation. These reclassifications have

no  
effect on net cash flows.

2. Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) attributable to common stockholders by the weighted-average number of common shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that it reflects the potential dilution that could occur if dilutive securities or other obligations to issue common stock were exercised or converted into common stock.

The computations for basic and diluted earnings (loss) per share are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss)				(
	\$ 7,673	\$ 1,733	\$ 28,697	\$ 1,498 )
Weighted-average common shares outstanding — basic				
	67,118	66,462	66,924	66,363
Effect of stock options and restricted stock units				
	579	343	691	—
Weighted-average common shares outstanding — diluted				
	67,697	66,805	67,615	66,363
Earnings (loss) per share — basic				(
	\$ 0.11	\$ 0.03	\$ 0.43	\$ 0.02 )
Earnings (loss) per share — diluted				(
	\$ 0.11	\$ 0.03	\$ 0.42	\$ 0.02 )

For the six months ended June 30, 2023,

319  
stock options and restricted stock units were excluded from the diluted weighted average common shares outstanding because the Company incurred a loss during this period.

For the three and six months ended June 30, 2024, respectively, there were

60  
and

59  
stock options (“NQSOs”) and restricted stock units (“RSUs”) excluded from the calculation of diluted earnings per share, based on the application of the treasury stock method, as such NQSOs and RSUs were determined to be anti-dilutive. For the three and six months ended June 30, 2023, respectively, there were

918  
and

554  
NQSOs and RSUs excluded from the calculation of diluted earnings per share, based on the application of the treasury stock method, as such NQSOs and RSUs were determined to be anti-dilutive.

### 3. Accrued expenses

Accrued expenses at June 30, 2024 and December 31, 2023 were as follows:

	June 30, 2024	December 31, 2023
Insurance	\$	\$
	13,217	12,521
Payroll and employee benefits	8,510	11,986
Finance lease liabilities	1,673	1,047
Interest	1,641	2,388
Income and other taxes	846	1,900
Contract reserves	500	3,964
Fuel hedge contracts	324	2,918
Other	1,181	637
Total accrued expenses	\$	\$
	27,892	37,361

#### 4. Long-term debt

##### **Second lien credit agreement**

On April 24, 2024, the Company, Great Lakes Dredge & Dock Company, LLC, NASDI Holdings, LLC, Great Lakes Environmental & Infrastructure Solutions, LLC, Great Lakes U.S. Fleet Management, LLC, and Drews Services LLC (collectively, the "Credit Parties") entered into a \$

150.0

million second lien credit agreement (as amended, supplemented or otherwise modified from time to time, the "Second Lien Credit Agreement") with Guggenheim Corporate Funding, LLC, on behalf of one or more clients, as the lender, and Guggenheim Credit Services, LLC as Administrative Agent, Collateral Agent and Lead Arranger ("GCS"). The material terms of the Second Lien Credit Agreement are summarized below.

The Second Lien Credit Agreement provides for (i) a senior secured second-lien term loan facility in an aggregate principal amount of \$

100.0

million, which was funded in full on the initial closing date (the "Closing Date") and (ii) a senior secured second-lien delayed draw term loan facility in the aggregate principal amount up to \$

50.0

million, which is available to the Company for a period of 12 months following the Closing Date, subject to the terms and conditions as set forth therein. Net proceeds to the Company, after payment of original discount on the initial loans, a closing fee on the delayed draw facility and other debt issuance costs, including those associated with the ABL Amendment described below, were approximately \$

88.7

million.

The Second Lien Credit Agreement contains customary representations, mandatory prepayments and affirmative and negative covenants, including a minimum liquidity covenant that requires the Credit Parties to maintain consolidated liquidity of (a) \$

12.5

million at any time the fixed charge coverage ratio for the most recently ended four fiscal quarter period is less than

1.10

to 1.00 and (b) \$

50.0

million at any time the fixed charge coverage ratio for the most recently ended four fiscal quarters is greater than or equal to

1.10

to 1.00. For the first 18 months following the Closing Date, the Company may prepay all or a part of the loans under the Second Lien Credit Agreement by paying the principal amount of the loans to be prepaid plus a customary "make-whole" premium, subject to a make-whole carveout of up to \$

25.0

million (less the amount of any undrawn delayed draw term loan commitments at such time) at

103

% with proceeds from a qualifying Maritime Administration ("MARAD") financing. Thereafter, the Company may prepay all or a part of the loans under the Second Lien Credit Agreement by paying, (i) in months 19-30 following the Closing Date,

103

% of the principal amount of the loans to be prepaid, plus accrued and unpaid interest and (ii) in months 31 to 42 after the Closing Date,

101

% of the principal amount of loans to be prepaid, plus accrued and unpaid interest.

The Second Lien Credit Agreement also contains customary events of default (including non-payment of principal or interest on any material debt and breaches of covenants) as well as events of default relating to certain actions by the Company's surety bonding providers. The obligations of the Credit Parties under the Second Lien Credit Agreement are unconditionally guaranteed, on a joint and several basis, by each borrower (other than the Company) and subsidiary guarantor under the ABL Credit Agreement (as defined below), each existing or future issuer or guarantor under the indenture governing the Company's

5.25

% Senior Notes due 2029, and each other existing and subsequently acquired or formed material direct or indirect wholly-owned domestic subsidiary of the Company.

The loans under the Second Lien Credit Agreement funded on the Closing Date were used to repay amounts outstanding under the ABL Credit Agreement, to pay fees and expenses associated with the transactions and for general corporate purposes, including to fund upcoming new build payments. The delayed draw portion of the term loans, if funded, will be used to fund future new build payments, ongoing working capital and for other general corporate purposes. The Second Lien Credit Agreement matures on the earlier of April 24, 2029 and the date that is ninety-one (91) days prior to the scheduled maturity date of the Company's

5.25

% Senior Notes due 2029.

The obligations under the Second Lien Credit Agreement are secured on a second-priority basis by substantially all of the assets of the Credit Parties. The outstanding obligations thereunder shall be secured by a valid second priority perfected lien on substantially all of the U.S. flagged and located vessels of the Credit Parties and a valid perfected lien on all domestic accounts receivable and substantially all other assets of the Credit Parties, subject to the permitted liens and interests of other parties (including the Company's surety bonding providers). Pursuant to the terms of that certain Intercreditor Agreement dated as of April 24, 2024, (as amended, restated, supplemented, or otherwise modified from time to time, the "Intercreditor Agreement"), by and between PNC Bank, National Association, as first lien agent, and GCS, as second lien agent, the obligations under the Second Lien Credit Agreement are subordinated to the first-priority liens securing the obligations under the ABL Credit Agreement.

Interest on the term loan facility under the Second Lien Credit Agreement is equal to either a base rate option ("Base Rate Loan") or a Secured Overnight

Financing Rate ("SOFR") option ("Term SOFR Loan") at the Company's election. In the case of a Base Rate Loan, interest on the unpaid principal amount shall equal (i) the greatest of (a) the "Prime Rate" in the United States as quoted from time to time by The Wall Street Journal or the highest per annum rate of interest published by the Federal Reserve Board, (b) the federal funds effective rate (but not less than zero) plus

0.50

% and (c) Term SOFR for a one-month interest period on such day, plus

1.00

%, plus (ii)

6.75

%. In the case of a Term SOFR Loan, interest on the unpaid principal amount shall equal the Term SOFR

Reference Rate on the day that is two business days prior to the first day of such applicable interest period, plus

7.75

%. In addition, the Company is required to pay a quarterly fee of

1.00

% per annum on the undrawn commitments in respect of the delayed draw term loan facility.

The Company had \$

100.0

million and

zero

borrowings on the Second Lien Credit Agreement as of June 30, 2024 and December 31, 2023, respectively. The weighted average interest rate on the Second Lien Credit Agreement borrowings during the quarter ended June 30, 2024 is

13.07

%.

#### **Credit agreement**

On April 24, 2024, the Credit Parties, PNC Bank, National Association ("PNC"), as agent for the lenders, and certain financial institutions party thereto entered into an amendment to the ABL Credit Agreement described below (the "ABL Amendment"). The ABL Amendment (w) eliminates the Company's ability to increase the commitments under the senior secured revolving credit facility (x) modifies the pricing of loans and undrawn commitments as summarized below, (y) adds a minimum liquidity covenant, for so long as the Second Lien Credit Agreement has not been prepaid and terminated, that requires the Credit Parties to maintain consolidated liquidity of (a) \$

12.5

million at any time the fixed charge coverage ratio for the most recently ended four fiscal quarter period is less than

1.10

to 1.00 and (b) \$

50.0

million at any time the fixed charge coverage ratio for the most recently ended four fiscal quarters is greater than or equal to

1.10

to 1.00 and (z) makes certain other customary changes in connection with the Credit Parties' entry into the Second Lien Credit Agreement. The Company has availability of up to \$

200.0

million for the issuance of letters of credit under the ABL Amendment.

The ABL Amendment modifies the Applicable Margin for Advances as follows: (i) following the ABL Amendment closing date through and including the date immediately prior to the date on which the Borrowing Base Certificate is required to be delivered for most recently completed fiscal quarter (commencing with the fiscal quarter ending on September 30, 2024) (the "Adjustment Date"), (a) the Applicable Margin for Domestic Rate Loans Advances is

1.50

% and (b) the Applicable Margins for Term SOFR Rate Loans Advances is

2.50

%, (ii) beginning as of the Adjustment Date, to the extent the quarterly average undrawn availability for the prior fiscal quarter is (x) greater than

66.7

% of the Maximum Revolving Advance Amount, (a) the Applicable Margin for Domestic Rate Loans Advances is

1.25

% and (b) the Applicable Margins for Term SOFR Rate Loans Advances is

2.25

%; (y) to the extent the quarterly average undrawn availability for the prior fiscal quarter is less than or equal to

66.7

% of the Maximum Revolving Advance Amount but greater than

33.3

%, (a) the Applicable Margin for Domestic Rate Loans Advances is

1.50

% and (b) the Applicable Margins for Term SOFR Rate Loans Advances is

2.50

%; and (z) to the extent the quarterly average undrawn availability for the prior fiscal quarter is less than or equal to

33.3

% of the Maximum Revolving Advance Amount, (a) Applicable Margin for Domestic Rate Loans Advances is

1.75

% and (b) the Applicable Margin for Term SOFR Rate Loans Advances is

2.75

%. Additionally, the Company has an option to borrow at Green Loan Advance Rates, each of which will be

0.05

% lower than the corresponding applicable rate if the Company certifies that it will use such proceeds to invest in renewable energy and clean transportation projects and it complies with green loan principles.

On July 29, 2022, the Credit Parties entered into a second amended and restated revolving credit and security agreement (as amended, supplemented or otherwise modified from time to time, the "ABL Credit Agreement") with certain financial institutions from time to time party thereto as lenders, PNC Bank, National Association, as Agent (the "Agent"), PNC Capital Markets, CIBC Bank USA, Bank of America, N.A. and Truist Securities, Inc., as Joint Lead Arrangers and Joint Bookrunners, CIBC Bank USA and Truist Bank as Co-Syndication Agents, Bank of America, N.A., as Documentation Agent and PNC Bank National Association, as Green Loan Coordinator. The ABL Credit Agreement amends and restates the prior ABL Credit Agreement dated as of May 3, 2019 by and among the financial institutions from time to time party thereto as lenders, the Agent and the Credit Parties party thereto such that the terms and conditions of the prior credit agreement have been subsumed and replaced in their entirety by the terms and conditions of the ABL Credit Agreement, including the amount available under the revolving credit facility. The terms of the ABL Credit Agreement are summarized below.

The ABL Credit Agreement provides for a senior secured revolving credit facility in an aggregate principal amount of up to \$

300.0

million. The maximum borrowing capacity under the ABL Credit Agreement is determined by a formula and may fluctuate depending on the value of the collateral included in such formula at the time of determination.

The ABL Credit Agreement contains a green loan option where the Company can borrow at the lower interest rates described below so long as such funds are used to fund capital investments related to renewable energy and clean transportation projects and are consistent with green loan principles. The green loan option is subject to a \$

35.0

million sublimit.

The ABL Credit Agreement contains customary representations and affirmative and negative covenants, including a springing financial covenant that requires the Credit Parties to maintain a fixed charge coverage ratio (ratio of earnings before income taxes, depreciation and amortization, net interest expenses, non-cash charges and losses and certain other non-recurring charges, minus capital expenditures, income and franchise taxes, to net cash interest expense plus scheduled cash principal payments with respect to debt plus restricted payments paid in cash) of not less than

1.10

to 1.00. The springing financial covenant is triggered when the

undrawn availability of the ABL Credit Agreement is less than

12.5

% of the maximum loan amount for five consecutive days. The ABL Credit Agreement also contains customary events of default (including non-payment of principal or interest on any material debt and breaches of covenants) as well as events of default relating to certain actions by the Company's surety bonding providers. The obligations of the Credit Parties under the ABL Credit Agreement are unconditionally guaranteed, on a joint and several basis, by each existing and subsequently acquired or formed material direct and indirect domestic subsidiary of the Company. Borrowings under the ABL Credit Agreement will be used to pay fees and expenses related to the ABL Credit Agreement, finance acquisitions permitted under the ABL Credit Agreement, finance ongoing working capital, for other general corporate purposes, and with respect to any green loan, fund capital investments related to renewable energy and clean transportation projects. The ABL Credit Agreement matures on the earlier of July 29, 2027 or the date that is ninety-one (91) days prior to the scheduled maturity date of the Company's unsecured senior notes, which is currently June 1, 2029, if the Company fails to refinance its unsecured senior notes prior to their scheduled maturity date but only if such scheduled maturity date is prior to the maturity date of the ABL Credit Agreement.

The obligations under the ABL Credit Agreement are secured by substantially all of the assets of the Credit Parties. The outstanding obligations thereunder shall be secured by a valid first priority perfected lien on substantially all of the U.S. flagged and located vessels of the Credit Parties and a valid perfected lien on all domestic accounts receivable and substantially all other assets of the Credit Parties, subject to the permitted liens and interests of other parties (including the Company's surety bonding providers).

The Company had

zero

and \$

90.0

million borrowings on the revolver as of June 30, 2024 and December 31, 2023, respectively. There were \$

45.5

million and \$

49.8

million letters of credit outstanding as of June 30, 2024 and December 31, 2023, respectively. The Company had \$

254.5

million and \$

122.3

million of availability under the ABL Amendment as of June 30, 2024 and December 31, 2023, respectively. Availability was

no

t suppressed as of June 30, 2024. Availability was suppressed by \$

37.9

million as of December 31, 2023, as a result of certain limitations of borrowing related to reserves and compliance with the Company's obligations set forth in the ABL Credit Agreement.

Capitalized terms used but not defined herein in Note 4, Long-term debt, shall have the meanings ascribed to such terms in the Second Lien Credit Agreement and the ABL Amendment, as applicable.

#### **Senior Notes and subsidiary guarantors**

In May 2021, the Company sold \$

325.0

million of unsecured

5.25

% Senior Notes (the "2029 Notes") pursuant to a private offering. The 2029 Notes were priced to investors at par and will mature on June 1, 2029. The Company used the net proceeds from the offering, together with cash on hand, to redeem all \$

325.0

million aggregate principal amount of its outstanding

8.00

% Senior Notes due 2022.

The Company's obligations under these 2029 Notes are guaranteed by each of the Company's existing and future

100

% owned domestic subsidiaries that are co-borrowers or guarantors under the ABL Amendment. Such guarantees are full, unconditional and joint and several. The parent company issuer has no independent assets or operations and all non-guarantor subsidiaries have been determined to be minor.

The weighted average interest rates on the Company's outstanding borrowings were

7.10

% and

5.57

% as of June 30, 2024 and December 31, 2023, respectively.

#### **5. Fair value measurements**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A fair value hierarchy has been established by GAAP that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring

fair value. The accounting guidance describes three levels of inputs that may be used to measure fair value:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company is exposed to counterparty credit risk associated with non-performance of its various derivative instruments. The Company's risk would be limited to any unrealized gains on current positions. To help mitigate this risk, the Company transacts only with counterparties that are rated as investment grade or higher. In addition, all counterparties are monitored on a continuous basis.

The Company utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. At times, the Company holds certain derivative contracts that it uses to manage commodity price risk or foreign currency risk. The Company does not hold or issue derivatives for speculative or trading purposes. The fair values of these financial instruments are summarized as follows:

	Fair Value Hierarchy Levels	Fair Value at			
		June 30, 2024		December 31, 2023	
		Assets	Liabilities	Assets	Liabilities
Derivatives designated as cash flow hedging instruments:					
Fuel hedge contracts					
	2	\$ —	\$ 324	\$ —	\$ 2,918
Foreign currency exchange hedge contracts	2	—	138	358	—
Total derivatives		\$ —	\$ 462	\$ 358	\$ 2,918

Fuel hedge contracts

The Company is exposed to certain market risks, primarily commodity price risk as it relates to diesel fuel purchase requirements, which occur in the normal course of business. The Company enters into heating oil commodity swap contracts to hedge the risk that fluctuations in diesel fuel prices could have an adverse impact on cash flows associated with its domestic dredging contracts. The Company's goal is to hedge approximately

80  
% of the eligible fuel requirements for work in dredging backlog.

As of June 30, 2024, the Company was party to various swap arrangements to hedge the price of a portion of its diesel fuel purchase requirements for work in its backlog to be performed through December 2025. As of June 30, 2024, there were

11.5  
million gallons remaining on these contracts representing forecasted domestic fuel purchases through December 2025. Under these swap agreements, the Company will pay fixed prices ranging from \$

2.35  
to \$  
  
2.90  
per gallon.

At June 30, 2024 and December 31, 2023, the fair value liabilities of the fuel hedge contracts were estimated to be \$

324  
and \$  
  
2,918  
, respectively, and are recorded in accrued expenses in the condensed consolidated balance sheets. For fuel hedge contracts considered to be highly effective, the losses reclassified to earnings from changes in fair value of derivatives, net of cash settlements and taxes, for the six months ended June 30, 2024 were \$

238  
. The remaining gains and losses included in accumulated other comprehensive loss at June 30, 2024 will be reclassified into earnings over the next eighteen months, corresponding to the period during which the hedged fuel is expected to be utilized. Changes in the fair value of fuel hedge contracts not considered highly effective are recorded as cost of contract revenues in the statement of operations. The fair values of fuel hedges are corroborated using inputs that are readily observable in public markets; therefore, the Company determines fair value of these fuel hedges using Level 2 inputs.

Foreign currency exchange hedge contracts

The Company is exposed to certain market risks, including foreign currency exchange rate risks related to the purchase of new vessel build materials in Europe. The Company sometimes enters into foreign currency exchange forward contracts to hedge the risk that fluctuations in the Euro in relation to the US Dollar could have an adverse impact on cash flows associated with its equipment builds.

As of June 30, 2024, the Company was party to various foreign exchange forward contract arrangements to hedge the purchase of materials through November 2024. As of June 30, 2024, there were

3.9  
million Euro of payments remaining on these hedge contracts. Under these hedge contracts, the Company will pay fixed prices ranging from \$  
  
1.09  
to \$  
  
1.13  
per Euro.

As of June 30, 2024 . the fair value liability of foreign currency exchange hedge contracts was \$

138

and is recorded in accrued expenses in the condensed consolidated balance sheets. As of December 31, 2023, the fair value asset of foreign currency exchange hedge contracts was \$

358

and is recorded in prepaid expenses and other current assets in the condensed consolidated balance sheets. For foreign currency exchange hedge contracts considered to be highly effective, the losses reclassified to earnings from changes in fair value of derivatives, net of cash settlements and taxes, for the six months ended June 30, 2024 were \$

42

. The remaining gains and losses included in accumulated other comprehensive loss at June 30, 2024 will be reclassified into earnings over the next five months, corresponding to the period during which the hedged currency is expected to be utilized. Changes in the fair value of foreign currency exchange hedge contracts not considered highly effective are recorded as other expenses in the statement of operations. The fair values of foreign currency exchange hedges are corroborated using inputs that are readily observable in public markets; therefore, the Company determines the fair value of these foreign currency exchange hedges using Level 2 inputs.

### Accumulated other comprehensive income (loss)

Changes in the components of the accumulated balances of other comprehensive income (loss) are as follows:

		Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023
Derivatives:					
<b>Fuel Hedge Contracts</b>					
Reclassification of derivative losses to earnings—net of tax					
		359	1,434	238	1,804
	\$	\$	\$	\$	\$
Change in fair value of derivatives—net of tax					
		(	(		(
		310	252	1,700	2,158
		)	)		)
Net change in cash flow derivative fuel hedges—net of tax					
		49	1,182	1,938	354
	\$	\$	\$	\$	\$
<b>Foreign Currency Exchange Hedge Contracts</b>					
Reclassification of derivative losses (gains) to earnings—net of tax					
		6	279	42	321
	\$	\$	\$	\$	\$
Change in fair value of derivatives—net of tax					
		(		(	
		5	75	642	244
		)		)	
Net change in cash flow derivative foreign currency hedges—net of tax					
		1	204	600	77
	\$	\$	\$	\$	\$
Total net change in cash flow derivative hedges - net of tax					
		50	978	1,338	431
	\$	\$	\$	\$	\$

Adjustments reclassified from accumulated balances of other comprehensive income (loss) to earnings are as follows:

		Three Months Ended June 30,		Six Months Ended June 30,	
Statement of Operations Location		2024	2023	2024	2023
Derivatives:					
Fuel hedge contracts	Costs of contract revenues	482	1,918	319	2,413
		\$	\$	\$	\$
Foreign currency exchange hedge contracts			(		(
		7	372	56	424
	Other expense (income)		)		)
	Income tax benefit				
		124	390	95	502
		365	1,156	280	1,487
		\$	\$	\$	\$

### Other financial instruments

The carrying value of financial instruments included in current assets and current liabilities approximates fair value due to the short-term maturities of these instruments. Based on timing of the cash flows and comparison to current market interest rates, the carrying values of the ABL Amendment and Second Lien Credit Agreement approximate fair value at June 30, 2024. In May 2021, the Company sold \$

325,000 of the 2029 Notes, which were outstanding at June 30, 2024 (see Note 4, Long-term debt). The fair value of the 2029 Notes was \$

290,001 at June 30, 2024, which is a Level 1 fair value measurement as the senior notes' value was obtained using quoted prices in active markets. It is

impracticable to determine the fair value of outstanding letters of credit or performance, bid and payment bonds due to uncertainties as to the amount and timing of future obligations, if any.

## 6. Share-based compensation

On May 5, 2021, the Company's stockholders approved the Great Lakes Dredge & Dock Corporation 2021 Long-Term Incentive Plan (the "Incentive Plan"), which previously had been approved by the Company's board of directors subject to stockholder approval. The Incentive Plan replaces the 2017 Long-Term Incentive Plan (the "Prior Plan") and is largely based on the Prior Plan, but with updates to the available shares and other administrative changes. The Incentive Plan permits the granting of stock options, stock appreciation rights, restricted stock and restricted stock units to the Company's employees and directors for up to

1.5

million shares of common stock, plus the number of shares that remained available for future grant under the Prior Plan as of the effectiveness of the Incentive Plan.

The Prior Plan permitted the granting of stock options, stock appreciation rights, restricted stock and restricted stock units to the Company's employees and directors for up to

3.3

million shares of common stock, plus an additional

1.7

million shares underlying equity awards issued under the 2007 Long-Term Incentive Plan. The Company may also issue share-based compensation as inducement awards to new employees upon approval of the Board of Directors and/or the applicable committee or committees thereof, as may be required.

During the six months ended June 30, 2024, the Company granted

686

restricted stock units to certain employees. In addition, all non-employee directors on the Company's board of directors are paid a portion of their board-related compensation in stock grants or restricted stock units. Compensation cost charged to expense related to share-based compensation arrangements was \$

1.8

million and \$

2.2

million for the three months ended June 30, 2024 and 2023, respectively. Compensation cost charged to expense related to share-based compensation arrangements was \$

2.6

million and \$

2.4

million for the six months ended June 30, 2024 and 2023, respectively.

## 7. Revenue

At June 30, 2024, the Company had \$

807.9

million of remaining performance obligations, which the Company refers to as total dredging backlog. Total dredging backlog does not include \$

273.1

million of domestic low bids pending formal award and additional phases ("options") pending on projects currently in dredging backlog at June 30, 2024. Additionally, it does not include \$

44.6

million of performance obligations or \$

12.7

million of options pending award related to offshore wind contracts. Approximately

40

% of the Company's dredging backlog at June 30, 2024 is expected to be completed during the remainder of 2024, with the remaining balance expected to be completed between 2025 and 2026.

### Revenue by category

The following series of tables presents the Company's revenue disaggregated by several categories.

Domestically, the Company's work generally is performed in coastal waterways and deep-water ports. The U.S. dredging market consists of four primary types of work: capital, coastal protection, maintenance and rivers & lakes. Foreign projects typically involve capital work.

The Company's contract revenues by type of work, for the periods indicated, are as follows:

Revenues	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Dredging:				
Capital—U.S.				
	\$ 70,747	\$ 38,157	\$ 140,647	\$ 70,632

Coastal protection				
	70,195	56,490	134,121	107,795
Maintenance				
	28,464	35,809	92,875	107,737
Rivers & lakes				
	680	2,211	1,103	4,547
Total revenues				
	<u>170,086</u>	<u>132,667</u>	<u>368,746</u>	<u>290,711</u>
	\$	\$	\$	\$

The Company's contract revenues by type of customer, for the periods indicated, are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
Revenues	2024	2023	2024	2023
Dredging:				
Federal government				
	118,687	107,368	253,476	249,530
	\$	\$	\$	\$
State and local government				
	21,463	25,299	69,163	41,181
Private				
	29,936	-	46,107	-
	<u>29,936</u>	<u>-</u>	<u>46,107</u>	<u>-</u>
Total revenues				
	<u>170,086</u>	<u>132,667</u>	<u>368,746</u>	<u>290,711</u>
	\$	\$	\$	\$

Accounts receivable at June 30, 2024 and December 31, 2023 are as follows:

	June 30, 2024	December 31, 2023
Completed contracts		
	\$ 6,810	\$ 2,920
Contracts in progress		
	42,027	40,743
Retainage		
	7,806	11,511
	56,643	55,174
Allowance for credit losses	( 364 )	( 364 )
Total accounts receivable—net		
	<u>\$ 56,279</u>	<u>\$ 54,810</u>

The components of contracts in progress at June 30, 2024 and December 31, 2023 are as follows:

	June 30, 2024	December 31, 2023
Costs and earnings in excess of billings:		
Costs and earnings for contracts in progress		
	\$ 300,495	\$ 206,330
Amounts billed	( 246,366 )	( 196,520 )
Costs and earnings in excess of billings for contracts in progress		
	54,129	9,810
Costs and earnings in excess of billings for completed contracts		
	16,380	58,925
Total contract revenues in excess of billings		
	\$ 70,509	\$ 68,735
Current portion of contract revenues in excess of billings		
	\$ 70,509	\$ 68,735
Long-term contract revenues in excess of billings	—	—
Total contract revenues in excess of billings		
	<u>\$ 70,509</u>	<u>\$ 68,735</u>
Billings in excess of costs and earnings:		

Amounts billed	(	(
	155,330	258,948
	\$ )	\$ )
Costs and earnings for contracts in progress		
	134,756	229,388
Total billings in excess of contract revenues	(	(
	20,574	29,560
	\$ )	\$ )

At June 30, 2024 and December 31, 2023, costs to fulfill a contract with a customer recognized as an asset were \$

21.8  
million and \$

22.2  
million, respectively, and are recorded in other current assets and other noncurrent assets in the condensed consolidated balance sheets. These costs relate to pre-contract and pre-construction activities. During the three and six months ended June 30, 2024, the Company amortized \$

4.0  
million and \$

8.4  
million, respectively, of pre-construction costs. During the three and six months ended June 30, 2023, the Company amortized \$

1.3  
million and \$

5.0  
million, respectively, of pre-construction costs.

## 8. Commitments and contingencies

### Commercial commitments

Performance and bid bonds are customarily required for dredging and marine construction projects. The Company has bonding agreements with Argonaut Insurance Company, ACE Holdings, Liberty Mutual Insurance Company, Philadelphia Indemnity Insurance Company, Ascot Insurance Companies and AXIS Insurance Company under which the Company can obtain performance, bid and payment bonds. The Company also has outstanding bonds with Travelers Casualty and Surety Company of America, Berkley Insurance Company and Zurich American Insurance Company. Bid bonds are generally obtained for a percentage of bid value and amounts outstanding typically range from \$

1.0  
million to \$

10.0  
million. At June 30, 2024, the Company had outstanding performance bonds with a notional amount of approximately \$

998.3  
million. The revenue value remaining in dredging backlog related to the outstanding performance bonds totaled approximately \$

448.1  
million.

Certain foreign projects performed by the Company have warranty periods, typically spanning between one to three years beyond project completion, whereby the Company retains responsibility to maintain the project site to certain specifications during the warranty period. Generally, any potential liability of the Company is mitigated by insurance, shared responsibilities with consortium partners, and/or recourse to owner-provided specifications.

### Legal proceedings and other contingencies

As is customary with negotiated contracts and modifications or claims to competitively bid contracts with the federal government, the government has the right to audit the books and records of the Company to ensure compliance with such contracts, modifications, or

claims, and the applicable federal laws. The government has the ability to seek a price adjustment based on the results of such audit. Any such audits have not had, and are not expected to have, a material impact on the financial position, operations, or cash flows of the Company.

Various legal actions, claims, assessments and other contingencies arising in the ordinary course of business are pending against the Company and certain of its subsidiaries. The Company will defend itself vigorously on all matters. These matters are subject to many uncertainties, and it is possible that some of these matters could ultimately be decided, resolved, or settled adversely to the Company. Although the Company is subject to various claims and legal actions that arise in the ordinary course of business, except as described below, the Company is not currently a party to any material legal proceedings or environmental claims. The Company records an accrual when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. The Company does not believe any of its proceedings, individually or in the aggregate, would be expected to have a material effect on results of operations, cash flows or financial condition.

***Lease obligations***

The Company leases certain operating equipment and office facilities under long-term operating and financing leases expiring at various dates through 2030. The equipment leases contain renewal or purchase options that specify prices at the then fair value upon the expiration of the lease terms. The leases also contain default provisions that are triggered by an acceleration of debt maturity under the terms of the Company's ABL Amendment, or, in certain instances, cross default to other equipment leases and certain lease arrangements require that the Company maintain certain financial ratios comparable to those required by its ABL Amendment. Additionally, the leases typically contain provisions whereby the Company indemnifies the lessors for the tax treatment attributable to such leases based on the tax rules in place at lease inception. The tax indemnifications do not have a contractual dollar limit. To date, no lessors have asserted any claims against the Company under these tax indemnification provisions.

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

### ***Cautionary note regarding forward-looking statements***

Certain statements in this Quarterly Report on Form 10-Q may constitute "forward-looking" statements as defined in Section 27A of the Securities Act of 1933 (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), the Private Securities Litigation Reform Act of 1995 (the "PSLRA") or in releases made by the Securities and Exchange Commission ("SEC"), all as may be amended from time to time. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Great Lakes Dredge & Dock Corporation and its subsidiaries ("Great Lakes" or the "Company"), or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements that are not historical fact are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as the words "plan," "believe," "expect," "anticipate," "intend," "estimate," "project," "may," "would," "could," "should," "seeks," or "scheduled to," or other similar words, or the negative of these terms or other variations of these terms or comparable language, or by discussion of strategy or intentions.

These cautionary statements are being made pursuant to the Securities Act, the Exchange Act and the PSLRA with the intention of obtaining the benefits of the "safe harbor" provisions of such laws. Great Lakes cautions investors that any forward-looking statements made by Great Lakes are not guarantees or indicative of future performance. Important assumptions and other important factors that could cause actual results to differ materially from those forward-looking statements with respect to Great Lakes, include, but are not limited to, risks and uncertainties that are described in Item 1A. "Risk Factors" of Great Lakes' Annual Report on Form 10-K for the year ended December 31, 2023 and in other securities filings by Great Lakes with the SEC.

Although Great Lakes believes that its plans, intentions, and expectations reflected in or suggested by such forward-looking statements are reasonable, actual results could differ materially from a projection or assumption in any forward-looking statements. Great Lakes' future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. The forward-looking statements contained in this Quarterly Report on Form 10-Q are made only as of the date hereof and Great Lakes does not have or undertake any obligation to update or revise any forward-looking statements whether as a result of new information, subsequent events or otherwise, unless otherwise required by law.

### ***General***

Great Lakes is the largest provider of dredging services in the United States which is complemented with a long history of performing significant international projects. The Company is also fully engaged in expanding its core business into the rapidly developing offshore wind energy industry. The Company operates in one operating segment, which is also the Company's one reportable segment and reporting unit.

Dredging generally involves the enhancement or preservation of the navigability of waterways or the protection of shorelines through the removal or replenishment of soil, sand or rock. Domestically, the Company's work generally is performed in coastal waterways and deep water ports. The U.S. dredging market consists of four primary types of work: capital, coastal protection, maintenance and rivers & lakes.

The Company's bid market is defined as the aggregate dollar value of domestic dredging projects on which the Company bid or could have bid if not for capacity constraints or other considerations ("bid market"). The Company experienced an average combined bid market share in the U.S. of 33% over the three-year period ended December 31, 2023, including 36%, 56%, 23% and 22% of the domestic capital, coastal protection, maintenance and rivers & lakes sectors, respectively, exclusive of liquefied natural gas ("LNG") projects.

The Company's largest domestic customer is the U.S. Army Corps of Engineers (the "Corps"), which has responsibility for federally funded projects related to navigation and flood control of U.S. waterways. In the first six months of 2024, the Company's dredging revenues earned from contracts with federal government agencies, including the Corps as well as other federal entities such as the U.S. Coast Guard and the U.S. Navy, were approximately 69% of dredging revenues, which is below the average of the three-year period ended December 31, 2023 of 74%. The decrease in the federal government revenue percentage is a result of additional revenues from state and local governments and private customers in the first half of 2024.

The Company's vessels are subject to periodic regulatory dry dock inspections to verify that the vessels have been maintained in accordance with the rules of the U.S. Coast Guard and the American Bureau of Shipping ("ABS") and that recommended repairs have been satisfactorily completed. Regulatory dry dock frequency is a statutory requirement mandated by the U.S. Coast Guard and the ABS. The Company's vessels undergo regulatory dry-docks every two to three years or every five years, depending on the vessel type and may also go into dry dock on an as-needed basis for upgrades, maintenance and repairs. During the second quarter of 2024, the Company commenced and completed regulatory dry dock inspections on two dredges, and completed the regulatory dry dock inspection that commenced during the first quarter of 2024. Two of these dredges are expected to return to work in the third quarter of

2024. By comparison, the Company experienced regulatory dry dock inspections on two dredges in the second quarter of 2023. The Company does not have any regulatory dry dock inspections planned for the remainder of 2024.

As of the end of the second quarter of 2024, the Company had one dredge cold stacked. The cold stacked equipment can be easily reactivated when market conditions are favorable for the Company. During the second quarter of 2024, the Company began the reactivation of one of the previously cold stacked vessels in anticipation of commencing a contract in late 2024 or 2025.

The Company plans to participate in the offshore wind market, and in November 2021, the Company entered into a \$197 million contract with Philly Shipyard to build the first U.S. flagged Jones Act compliant, inclined fall-pipe vessel for subsea rock installation for wind turbine foundations, the *Acadia*, which is expected to be delivered and operational in the second half of 2025. This vessel represents a significant critical advancement in building the U.S. logistics infrastructure to support the future of the new U.S. offshore wind industry. Offshore wind has been recognized around the world as a reliable source of renewable energy. The Company continues to pursue and tender bids, both domestically and internationally, for multiple offshore wind projects for the *Acadia*, to protect and stabilize offshore wind structures, cables and pipelines.

The offshore wind market reached historic milestones in the first quarter of 2024, with two commercial-scale offshore wind farms becoming operational and supplying power to the grid in New York and Massachusetts. New Jersey also awarded 3.7 gigawatts ("GW") of Power Purchase Agreements in January 2024, and the results of the tri-state (Massachusetts, Rhode Island, and Connecticut) solicitation for 6 GW of offshore wind, are expected in the third quarter of 2024. In February 2024, the Vineyard Wind project, located about 14 miles off Martha's Vineyard, completed installation of five turbines and is supplying power to the New England grid, while continuing to install additional turbines. In March 2024, the South Fork Wind project was completed, with all 12 offshore wind turbines constructed and the wind farm successfully delivering power to Long Island and the Rockaways. In June 2024, Equinor and Ørsted signed final power deals with New York State Energy Research & Development Authority for the Empire Wind and Sunrise Wind projects. Notably, the Company has been awarded rock installation contracts for both projects, and expects to be using the *Acadia* to protect and stabilize foundations and cables for these projects with combined capacity of 1.7 GW. On July 17, 2024, construction began on the Sunrise Wind project which is expected to provide power to approximately 600,000 New York homes. On July 2, 2024, the U.S. Department of the Interior ("DOI") approved the Atlantic Shores South offshore wind energy project off the New Jersey Coast, which is expected to power close to one million homes with clean renewable energy. This brings total DOI approvals to more than 13 GW of clean energy from offshore wind energy projects. Also in July 2024, the Bureau of Ocean Energy Management approved the construction and operation of two offshore wind energy facilities, New England Wind 1 and New England Wind 2, that could power close to a million homes. In addition to the U.S. offshore wind market, there are several other market opportunities that the *Acadia* is well suited for, such as rock placement in the international offshore wind market, rock protection over pipelines in the oil and gas and carbon capture markets and telecommunications and power cable protection. As such, we continue to pursue and bid on a number of other offshore wind farm and cable and pipeline protection projects for the *Acadia*, both domestically and internationally, with work planned for 2026 and beyond.

## Results of operations

The following tables set forth the components of net income (loss) and Adjusted EBITDA, as defined below, as a percentage of contract revenues for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Contract revenues	100.0%	100.0%	100.0 %	100.0 %
Costs of contract revenues	(82.5)	(86.5)	(79.5)	(89.7)
Gross profit	17.5	13.5	20.5	10.3
General and administrative expenses	9.5	10.9	8.8	9.5
Other gains	(0.5)	(0.2)	(0.8)	(0.1)
Operating income	8.5	2.8	12.5	0.9
Interest expense—net	(2.5)	(2.4)	(2.2)	(2.3)
Other income	0.1	1.5	0.1	0.8
Income (loss) before income taxes	6.1	1.9	10.4	(0.6)
Income tax provision	(1.7)	(0.6)	(2.7)	-
Net income (loss)	<u>4.4</u>	<u>1.3</u>	<u>7.7</u>	<u>(0.6)</u>
Adjusted EBITDA	<u>15.2 %</u>	<u>12.5 %</u>	<u>18.6 %</u>	<u>9.2 %</u>

Adjusted EBITDA, as provided herein, represents net income (loss) from continuing operations, adjusted for net interest expense, income taxes, depreciation and amortization expense, debt extinguishment, accelerated maintenance expense for new international deployments, goodwill or asset impairments and gains on bargain purchase acquisitions. Adjusted EBITDA is not a measure derived in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company presents Adjusted EBITDA as an additional measure by which to evaluate the Company's operating trends. The Company believes that Adjusted EBITDA is a measure frequently used to evaluate performance of companies with substantial leverage and that the Company's primary stakeholders (i.e., its stockholders, bondholders and banks) use Adjusted EBITDA to evaluate the Company's period to period performance. Additionally, management believes that Adjusted EBITDA provides a transparent measure of the Company's recurring operating performance and allows management and investors to readily view operating trends, perform analytical comparisons and identify strategies to improve operating performance. For this reason, the Company uses a measure based upon Adjusted EBITDA to assess performance for purposes of determining compensation under the Company's incentive plan. Adjusted EBITDA should not be considered an alternative to, or more meaningful than, amounts determined in accordance with GAAP including: (a) operating income as an indicator of operating performance; or (b) cash flows from operations as a measure of liquidity. As such, the Company's use of Adjusted EBITDA, instead of a GAAP measure, has limitations as an analytical tool, including the inability to determine profitability or liquidity due to the exclusion of accelerated maintenance expense for new international deployments, goodwill or asset impairments, gains on bargain purchase acquisitions, interest and income tax expense and the associated significant cash requirements and the exclusion of depreciation and amortization, which represent significant and unavoidable operating costs given the level of indebtedness and capital expenditures needed to maintain the Company's business. For these reasons, the Company uses operating income to measure the Company's operating performance and uses Adjusted EBITDA only as a supplement.

The following is a reconciliation of Adjusted EBITDA to net income (loss):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
(in thousands)				
Net income (loss)	\$ 7,673	\$ 1,733	\$ 28,697	\$ (1,498)
Adjusted for:				
Interest expense—net	4,198	3,175	8,089	6,560
Income tax provision	2,842	796	9,831	5
Depreciation and amortization	11,108	10,937	22,128	21,787
Adjusted EBITDA	<u>\$ 25,821</u>	<u>\$ 16,641</u>	<u>\$ 68,745</u>	<u>\$ 26,854</u>

The Company's contract revenues by type of work, for the periods indicated, were as follows:

Revenues (in thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Dredging:						
Capital—U.S.	\$ 70,747	\$ 38,157	85.4%	\$ 140,647	\$ 70,632	99.1%
Coastal protection	70,195	56,490	24.3%	134,121	107,795	24.4%
Maintenance	28,464	35,809	(20.5)%	92,875	107,737	(13.8)%
Rivers & lakes	680	2,211	(69.2)%	1,103	4,547	(75.7)%
Total revenues	<u>\$ 170,086</u>	<u>\$ 132,667</u>	<u>28.2%</u>	<u>\$ 368,746</u>	<u>\$ 290,711</u>	<u>26.8%</u>

Total revenue was \$170.1 million for the three months ended June 30, 2024, up \$37.4 million, or 28%, from \$132.7 million for the same period in the prior year. For the six months ended June 30, 2024, total revenue was \$368.7 million, up \$78.0 million, or 27%, from \$290.7 million for the same period in the prior year. For the three and six months ended June 30, 2024, the Company experienced a significant increase in domestic capital and coastal protection revenues, due in part to the delivery of the *Galveston Island*, the Company's newest hopper dredge which began operations in February 2024, as compared to the same periods in the prior year. These increases were partially offset by decreases in maintenance and rivers & lakes revenues during the current year periods.

Capital dredging consists primarily of port expansion projects, which involve the deepening of channels and berthing basins to allow access by larger, deeper draft ships and the provision of land fill used to expand port facilities. In addition to port work, capital projects also include coastal restoration and land reclamations, trench digging for pipelines, tunnels and cables, and other dredging related to the construction of breakwaters, jetties, canals and other marine structures. For the three months ended June 30, 2024, domestic capital dredging revenue was \$70.7 million, up \$32.5 million, or 85%, compared to \$38.2 million for the same period in 2023. The increase in capital dredging revenues for the three months ended June 30, 2024 was mostly due to a higher amount of revenue earned on projects in Texas in the second quarter of 2024 when compared to the same period in the prior year. This increase was partially offset by lower revenue earned on projects in Virginia in the current quarter. For the six months ended June 30, 2024, domestic capital dredging revenue was \$140.6 million, up \$70.0 million, or 99%, compared to \$70.6 million for the same period in the prior year. The increase in capital dredging revenues for the six months ended June 30, 2024 was mostly due to a higher amount of revenue earned on projects in Texas in the current year when compared to the prior year period.

Coastal protection projects involve moving sand from the ocean floor to shoreline locations where erosion threatens shoreline assets. Coastal protection revenue for the quarter ended June 30, 2024 was \$70.2 million, an increase of \$13.7 million, or 24%, compared to \$56.5 million in the prior year period. The increase in coastal protection revenue for the three months ended June 30, 2024 was attributable to an increase in the amount of revenue earned on projects in Florida and New Jersey in the current year when compared to the prior year period. This increase was partially offset by lower revenue earned on projects in New York in the current quarter. Coastal protection revenue for the six months ended June 30, 2024 was \$134.1 million, an increase of \$26.3 million, or 24%, compared to \$107.8 million in the prior year period. The increase in coastal protection revenue for the six months ended June 30, 2024 was attributable to an increase in revenue earned on projects in Florida and Alabama in the current year when compared to the prior year period. This increase was partially offset by lower revenue earned on projects in New York in the current year to date period.

Maintenance dredging consists of the re-dredging of previously deepened waterways and harbors to remove silt, sand and other accumulated sediments. Due to natural sedimentation, most channels generally require maintenance dredging every one to three years, thus creating a recurring source of dredging work that is typically non-deferrable if optimal navigability is to be maintained. In addition, severe weather such as hurricanes, flooding and droughts can also cause the accumulation of sediments and drive the need for maintenance dredging. Maintenance revenue for the second quarter of 2024 was \$28.5 million, down \$7.3 million, or 21%, from \$35.8 million in the same period of 2023. The decrease in maintenance revenues for the three months ended June 30, 2024 was mostly attributable to a decrease in revenue earned on projects in North Carolina, Alabama and Texas when compared with prior year quarter. This decrease was slightly offset by an increase in revenue earned on projects in Louisiana, Mississippi and Puerto Rico in the current year quarter. Maintenance revenue for the six months ended June 30, 2024 was \$92.9 million, down \$14.8 million, or 14%, from \$107.7 million in the prior year period. The decrease in maintenance revenues for the six months ended June 30, 2024 was primarily attributable to a decrease in revenue earned on projects in North Carolina, South Carolina, Alabama and Texas when compared with prior year quarter. This decrease was slightly offset by an increase in revenue earned on projects in Louisiana, Mississippi and Puerto Rico in the same period in the prior year.

Rivers & lakes dredging and related operations typically consist of lake and river dredging, inland levee and construction dredging, environmental restoration and habitat improvement and other marine construction projects. During the three months ended June 30, 2024, rivers & lakes revenue was \$0.7 million, a decrease of \$1.5 million, or 69%, from \$2.2 million during the same period of 2023. During the six months ended June 30, 2024, rivers & lakes revenue was \$1.1 million, a decrease of \$3.4 million, or 76%, from \$4.5

million in the prior year period. The decrease in river & lakes revenue for the three and six months ended June 30, 2024 was mostly attributable to a decrease in revenue earned on projects in Tennessee and Arkansas as compared to same periods of 2023.

Consolidated gross profit for the three months ended June 30, 2024 was \$29.8 million, up \$11.9 million, or 66%, compared to \$17.9 million in same period of 2023. Gross profit margin for the three months ended June 30, 2024 increased to 17.5% from 13.5% in the same period in the prior year. Consolidated gross profit for the six months ended June 30, 2024 was \$75.4 million, up \$45.4 million, or 151%, compared to \$30.0 million in the same period in the prior year. Gross profit margin for the six months ended June 30, 2024 increased to 20.5% from 10.3% in the same period in the prior year. The higher gross profit and profit margins experienced for the three and six months ended June 30, 2024 were driven by increased revenues as well as improved utilization and project performance in the current year quarter. Additionally, the project mix during the current year periods include a larger proportion of higher margin capital and coastal protection projects than the same periods in the prior year.

During the three and six months ended June 30, 2024, general and administrative expenses were \$16.2 million and \$32.3 million, respectively, compared to the same periods in the prior year in which the three and six month periods totaled \$14.5 million and \$27.5 million, respectively. For the three and six months ended June 30, 2024, general and administrative expenses include higher stock compensation and employee benefit expenses, partially offset by lower severance and office expenses.

Operating income for the second quarter of 2024 was \$14.6 million, up \$10.9 million from \$3.7 million in the same period of the prior year. Operating income for the six months ended June 30, 2024 was \$46.1 million, up \$43.3 million from \$2.8 million in the same period of the prior year. The increase in operating income for the three and six months ended June 30, 2024 was a result of higher gross profit, as well as gains on the sale of assets in the current year periods when compared to the same periods in the prior year, partially offset by higher general and administrative expenses in the current year periods when compared to the same periods in the prior year.

For the three months ended June 30, 2024, net interest expense was \$4.2 million, \$1.0 million higher compared to \$3.2 million for the same period in the prior year. Net interest expense for the six months ended June 30, 2024 was \$8.1 million, \$1.5 million higher compared to \$6.6 million for the same period in the prior year. The increase in net interest expense for the three and six months ended June 30, 2024 was primarily due to higher borrowings and the execution of the Second Lien Credit Agreement during the second quarter.

Income tax provision for the three months ended June 30, 2024 was \$2.8 million compared to \$0.8 million for the same period in the prior year. For the six months ended June 30, 2024, the income tax provision was \$9.8 million compared to a negligible income tax provision in the prior year period. The effective tax rate for the six months ended June 30, 2024 was 25.5%, while the effective tax rate for the same period of 2023 was nearly zero. The lower effective tax rate incurred in 2023 was primarily due to near break-even net loss offset by lower deductions for stock compensation in that period.

Net income for the three months ended June 30, 2024 was \$7.7 million, up \$6.0 million from \$1.7 million in the same period in the prior year. Diluted earnings per share was \$0.11 per share for the three months ended June 30, 2024, compared to \$0.03 per share for the three months ended June 30, 2023. Net income for the six months ended June 30, 2024 was \$28.7 million, an increase of \$30.2 million, or 2,013%, from a net loss of \$1.5 million for the same period in the prior year. Diluted earnings per share were \$0.42 for the six months ended June 30, 2024, compared to a diluted loss per share of \$0.02 for the six months ended June 30, 2023. The increase in net income for the three and six months ended June 30, 2024 was primarily driven by the substantial improvement to gross profit and the gain on sale of assets. This increase was slightly offset by an increases in general and administrative expenses and the income tax provision.

Adjusted EBITDA (as defined on page 20) for the three months ended June 30, 2024 was \$25.8 million, up \$9.2 million, from \$16.6 million in the same quarter in the prior year. The increase in Adjusted EBITDA during the second quarter of 2024 was driven by the increase in gross profit, excluding depreciation partially offset by an increase in general and administrative expense. For the six months ended June 30, 2024 Adjusted EBITDA was \$68.7 million, up \$41.8 million, from \$26.9 million during the same period in the prior year. The increase in Adjusted EBITDA during the first half of 2024 was driven by the increase in gross profit, excluding depreciation, as well as an increased income tax provision in the current period, partially offset by an increase in general and administrative expense.

## Bidding activity and backlog

The following table sets forth, by type of work, the Company's backlog as of the dates indicated:

Backlog (in thousands)	June 30, 2024	December 31, 2023	June 30, 2023
Dredging:			
Capital—U.S.	\$ 683,131	\$ 741,839	\$ 243,646
Coastal protection	38,205	138,394	34,835
Maintenance	82,070	152,104	147,143
Rivers & lakes	4,468	6,765	8,931
Total backlog	<u>\$ 807,874</u>	<u>\$ 1,039,102</u>	<u>\$ 434,555</u>

Total dredging backlog does not include \$273.1 million of domestic low bids pending formal award and additional phases ("options") pending on projects currently in dredging backlog at June 30, 2024. Additionally, it does not include \$44.6 million of performance obligations or \$12.7 million of options pending award related to offshore wind contracts. The Company expects to perform on its offshore wind contracts using the *Acadia*, which is expected to be delivered and operational in the second half of 2025.

The Company's contract backlog represents our estimate of the revenues that will be realized under the portion of the contracts remaining to be performed. These estimates are based primarily upon the time and costs required to mobilize the necessary assets to and from the project site, the amount and type of material to be dredged and the expected production capabilities of the equipment performing the work. However, these estimates are necessarily subject to variances based upon actual circumstances. Because of these factors, as well as factors affecting the time required to complete each job, backlog is not always indicative of future revenues or profitability. Additionally, 21% of our June 30, 2024 dredging backlog relates to federal government contracts, which can be canceled at any time without penalty to the government, subject to our contractual right to recover our actual committed costs and profit on work performed up to the date of cancellation. Our backlog may fluctuate significantly from quarter to quarter based upon the type and size of the projects we are awarded from the bid market. A quarterly increase or decrease of our backlog does not necessarily result in an improvement or a deterioration of our business. Our backlog includes only those projects for which we have obtained a signed contract with the customer.

The 2024 Energy and Water Appropriations Bill, which passed in the first quarter, provided a record \$8.7 billion in total funding to the Corps for fiscal year 2024. This funding included \$5.6 billion for the Corps' Operations and Maintenance work, \$2.8 billion for the Harbor Maintenance Trust Fund to maintain and modernize our nation's waterways, \$2.2 billion for flood and storm damage reduction, and \$18 million for Beneficial Use of Dredged Material. In 2023, the Disaster Relief Supplemental Appropriations Act was also approved which included \$1.48 billion for the Corps to make necessary repairs to infrastructure impacted by hurricanes and other natural disasters, and to initiate beach renourishment projects that will increase coastal resiliency. We expect this increased budget and additional funding will continue to support a strong bid market so far in 2024, with a robust beach renourishment market and capital projects for additional phases of the Mobile and Sabine-Neches deepening projects.

The 2025 Corps' budget is expected to be another record appropriation. On June 28, 2024, the U.S. House of Representatives (the "House") Energy and Water Appropriations Subcommittee passed their 2025 Appropriations Bill providing the Corps with a budget of \$9.96 billion, which is \$2.7 billion above the President's Budget request. The bill includes \$5.7 billion for Operations and Maintenance projects, of which \$3.1 billion is from the Harbor Maintenance Trust Fund. On August 1, 2024, the Senate Appropriation Committee approved its draft of the 2025 Energy and Water spending bill which provides \$10.3 billion in total funding for the Corps.

The Water Resources Development Act ("WRDA") is on a two-year renewal cycle and includes legislation that authorizes the financing of Corps' projects for studies, flood and hurricane protection, dredging, ecosystem restoration and other construction projects aimed at improving rivers and harbors in the United States. WRDA 2022 featured authorization for the New York and New Jersey shipping channels to be deepened to 55 feet, estimated at \$6 billion, as well as the Coastal Texas Protection and Restoration Program, estimated at \$34.4 billion. The Coastal Texas Protection and Restoration Program includes dune and marsh restoration to safeguard the Texas Gulf Coast from hurricane surges. WRDA 2024 appears to have strong bipartisan support and has already been approved by the U.S. Senate Environment and Public Works Committee and the House Transportation and Infrastructure Committee. The House and Senate approved their versions of WRDA 2024 on July 22, 2024 and August 1, 2024, respectively. The two bodies will now conference to resolve any differences. This moves WRDA 2024 one step closer to full Congressional approval.

The domestic dredging bid market for the quarter ended June 30, 2024 was \$561.8 million, a \$45.5 million decrease compared to the same period in the prior year. Total domestic dredging bid market for the current year period included awards for seven domestic capital projects, seven coastal protection projects, nine maintenance projects, and two river maintenance projects. The total domestic dredging bid market through June 30, 2024 was \$873.7 million, of which the Company won 9.4%, which is below the Company's average of 33% for the three-year period ended December 31, 2023. Variability in contract wins from quarter to quarter is not unusual and one quarter's win rate is generally not indicative of the win rate the Company is likely to achieve for a full year.

The Company's contracted dredging backlog was \$807.9 million at June 30, 2024 compared to \$1,039.1 million of dredging backlog at December 31, 2023. Total dredging backlog does not include \$273.1 million of domestic low bids pending formal award and options pending on projects currently in dredging backlog at June 30, 2024. Additionally, it does not include \$44.6 million of performance obligations related to offshore wind contracts or \$12.7 million of options pending award related to offshore wind contracts. Subsequent to June 30, 2024, the Company was low bidder on additional projects totaling approximately \$181.6 million. At December 31, 2023, the total dredging backlog does not include \$44.6 million of performance obligations related to offshore wind contracts or \$179.4 million of domestic low bids pending formal award and options pending on projects in dredging backlog as of that date. Included in the June 30, 2024 backlog are two LNG projects, including the Rio Grande LNG project, which is the largest project undertaken in the Company's history, and the Port Arthur LNG Phase 1 project for Marine Dredging and Disposal. Subcontractor work has begun on both of these LNG projects and dredging work is anticipated to start in the third quarter of 2024.

Domestic capital dredging backlog at June 30, 2024 was \$683.1 million, a decrease of \$58.7 million from December 31, 2023. During the six months ended June 30, 2024, the Company was awarded one domestic capital dredging contract in Florida for \$59.8 million. During the six months ended June 30, 2024, the Company continued to earn revenue on deepening projects in Virginia and Texas. Government funded projects coming into the pipeline include Sabine-Neches and Mobile. These deepenings continue the trend of ensuring all East Coast and Gulf of Mexico ports will be able to accommodate the deeper draft vessels currently used on several trade routes. The nation's governors continue to show commitment to their respective ports through engagement and funding. Finally, Congress has also shown a commitment to ports and waterways, providing record annual budgets for the Corps for port deepening and channel maintenance. In addition to this port work, a greater amount of coastal restoration and rehabilitation projects are being funded in the Gulf Coast region as the states utilize available monies for ecosystem priorities, a portion of which is allocated to dredging.

Coastal protection dredging backlog at June 30, 2024 was \$38.2 million, a decrease of \$100.2 million from December 31, 2023. During the six months ended June 30, 2024, the Company was awarded one coastal protection project in New Jersey for \$13.2 million. During the six months ended June 30, 2024, the Company continued to earn revenue on coastal protection projects in New York, New Jersey, Alabama and Florida, which were in dredging backlog at December 31, 2023. Coastal protection and storm impacts continue to provide the major impetus for coastal project investment at federal and state levels. Strong hurricane and storm seasons have resulted in an increase in beach erosion and other damage which adds to the recurring nature of our business and the need for more frequent coastal protection and port maintenance projects.

Maintenance dredging backlog at June 30, 2024 was \$82.1 million, a decrease of \$70.0 million from December 31, 2023. In the six months ended June 30, 2024, the Company was awarded one maintenance project for a total of \$9.3 million in Florida. During the six months ended June 30, 2024, the Company continued to earn revenue on projects in Louisiana, Texas, Mississippi, Puerto Rico and Florida that were in dredging backlog at December 31, 2023.

Rivers & lakes backlog at June 30, 2024 was \$4.5 million, a decrease of \$2.3 million compared to rivers & lakes backlog at December 31, 2023. For the six months ended June 30, 2024, the Company continued to earn revenue on a project Arkansas which was in dredging backlog at December 31, 2023.

#### ***Liquidity and capital resources***

The Company continues to actively manage its liquidity. The Company's principal sources of liquidity are net cash flows provided by operating activities, proceeds from previous issuances of long-term debt, and draws on our revolver. The Company's principal uses of cash are to meet debt service requirements, finance capital expenditures, provide working capital and other general corporate purposes.

The Company's cash provided by operating activities for the six months ended June 30, 2024 and 2023 was \$56.8 million and \$34.1 million, respectively. Normal increases or decreases in the level of working capital relative to the level of operational activity impact cash flow from operating activities. The increase in cash provided by operating activities during the six months ended June 30, 2024, relates primarily to significantly higher current period earnings in the current year, partially offset by the increases in contract revenues in excess of billings, decreases in billings in excess of contract revenues and changes in working capital compared to the same period in the prior year.

The Company's cash flows used in investing activities for the six months ended June 30, 2024 and 2023 were \$55.2 million and \$53.6 million, respectively. Investing activities primarily relate to investments in our new build program, normal course upgrades and capital maintenance of the Company's dredging fleet. During the six months ended June 30, 2024, the Company invested \$4.0 million in the

*Galveston Island*, \$15.5 million in the *Amelia Island* and \$36.6 million in the *Acadia*, as well as maintenance capital expenditures. These investments were partially offset by the disposition of certain equipment for approximately \$9.0 million during the current year.

The Company's cash flows (used in) provided by financing activities for the six months ended June 30, 2024 and 2023 totaled a use of \$2.2 million and proceeds of \$55.0 million, respectively. The increase in net cash flows used in financing activities is primarily due to net repayments on the Company's revolving debt facility during the six months ended June 30, 2024 of \$90.0 million, compared to net borrowings of \$55.0 million on the Company's revolving debt facility during the six months ended June 30, 2023. On April 24, 2024, the Credit Parties entered into a \$150.0 million second lien credit agreement (as amended, supplemented or otherwise modified from time to time, the "Second Lien Credit Agreement") with Guggenheim Corporate Funding, LLC, on behalf of one or more clients, as the lender, and Guggenheim Credit Services, LLC as Administrative Agent, Collateral Agent and Lead Arranger. The Company borrowed \$100.0 under the Second Lien Credit Agreement on the closing date and has the option to borrow an additional \$50.0 million for a period of 12 months following the closing date of the initial loan. The net proceeds from the Second Lien Credit Agreement were used to repay amounts outstanding under the ABL Credit Agreement, to pay fees and expenses associated with the Second Lien Credit Agreement and ABL Amendment and for general corporate purposes, including to fund upcoming new build payments. Additionally, the deferred financing fees associated with the Second Lien Credit Agreement of approximately \$11.3 million increased the net cash flows used in financing activities during the six months ended June 30, 2024.

The Company expects to spend between approximately \$130 million and \$150 million on capital expenditures in 2024 which is comprised of vessels in our new build program and maintenance capital expenditures. The Company anticipates that remaining new build program payments will be made with cash on hand, future cash flows generated from operations, revolver availability, proceeds from the Second Lien Credit Agreement and potential new sources of financing.

#### ***Commitments, contingencies and liquidity matters***

Refer to Note 4, Long-term debt, in the Notes to Condensed Consolidated Financial Statements for discussion of the Company's ABL Amendment, Second Lien Credit Agreement and 2029 Notes. Additionally, refer to Note 8, Commitments and contingencies, in the Notes to Condensed Consolidated Financial Statements for discussion of the Company's surety agreements.

The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the volume of trading activities, our credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of our long- or short-term financial prospects if the level of our business activity decreased due to a market downturn. If internal sources of liquidity prove to be insufficient, we may not be able to successfully obtain additional financing on favorable terms, or at all. During the second quarter of 2024, Moody's Investor Services changed our outlook from negative to stable and reaffirmed our corporate credit rating at B2, and S&P Global Ratings changed our outlook from negative to stable and reaffirmed our corporate credit rating at CCC+. These credit ratings are below investment grade and could raise our cost of financing. As a consequence, we may not be able to issue additional debt in amounts and/or with terms that we consider to be reasonable. One or more of these occurrences could limit our ability to pursue other business opportunities.

The Company believes its cash and cash equivalents, its anticipated cash flows from operations and availability under its revolving credit facility and the option to borrow additional funds under the Second Lien Credit Agreement will be sufficient to fund the Company's operations, capital expenditures and the scheduled debt service requirements for the next twelve months. Beyond the next twelve months, the Company's ability to fund its working capital needs, planned capital expenditures, scheduled debt payments and dividends, if any, and to comply with all the financial covenants under the ABL Amendment, Second Lien Credit Agreement and bonding agreements, depends on its future operating performance and cash flows, which in turn, are subject to prevailing economic conditions and to financial, business and other factors, some of which are beyond the Company's control.

#### ***Critical accounting policies and estimates***

In preparing its consolidated financial statements, the Company follows GAAP, which is described in Note 1, Basis of presentation, to the Company's Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. The application of these principles requires significant judgments or an estimation process that can affect the results of operations, financial position and cash flows of the Company, as well as the related footnote disclosures. The Company continually reviews its accounting policies and financial information disclosures. Except as noted in Note 1, Basis of presentation, of the Company's financial statements, there have been no material changes in the Company's critical accounting policies or estimates since December 31, 2023.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk.**

The market risk of the Company's financial instruments as of June 30, 2024 has not materially changed since December 31, 2023. The market risk profile of the Company on December 31, 2023 is disclosed in Item 7A. "Quantitative and Qualitative Disclosures about Market Risk" of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

**Item 4. Controls and Procedures.*****a) Evaluation of disclosure controls and procedures.***

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, as required by Rule 13a-15(b) and 15d-15(b) under the Securities Exchange Act of 1934 (the "Exchange Act") as of June 30, 2024. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act (a) is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding disclosure and (b) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2024 in providing such a reasonable assurance.

***b) Changes in internal control over financial reporting.***

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

## PART II — Other Information

### Item 1. Legal Proceedings.

See Note 8, Commitments and contingencies, in the Notes to Condensed Consolidated Financial Statements.

### Item 1A. Risk Factors.

There have been no material changes during the six months ended June 30, 2024 to the risk factors previously disclosed in Item 1A. "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

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

None.

### Item 3. Defaults Upon Senior Securities.

None.

### Item 4. Mine Safety Disclosures.

Not applicable.

### Item 5. Other Information.

#### *Securities Trading Plans of Executive Officers and Directors*

Rule 10b5-1 under the Exchange Act provides an affirmative defense that enables pre-arranged transactions in securities in a manner that avoids concerns about initiating transactions at a future date while possibly in possession of material nonpublic information. Our Securities Trading and Disclosure of Confidential Information policy permits our officers and directors to enter into trading plans designed to comply with Rule 10b5-1.

On May 16, 2024, Lasse Petterson, Director and President and Chief Executive Officer, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5-1(c) providing for the sale of up to

500,000

shares of our common stock by May 31, 2025.

During the quarterly period ended June 30, 2024, none of our other officers (as defined in Rule 16a-1(f) under the Exchange Act) or directors adopted or terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

**Item 6. Exhibits**

<b>Number</b>	<b>Document Description</b>
<a href="#"><u>3.1</u></a>	<a href="#"><u>Second Amended and Restated Certificate of Incorporation of Great Lakes Dredge &amp; Dock Corporation, effective May 9, 2024. *</u></a>
<a href="#"><u>31.1</u></a>	<a href="#"><u>Certification Pursuant to Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *</u></a>
<a href="#"><u>31.2</u></a>	<a href="#"><u>Certification Pursuant to Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *</u></a>
<a href="#"><u>32.1</u></a>	<a href="#"><u>Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **</u></a>
<a href="#"><u>32.2</u></a>	<a href="#"><u>Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **</u></a>
101	Interactive Data Files pursuant to Rule 405 of Regulation S-T formatted in Inline Extensible Business Reporting Language ("Inline XBRL") *
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101) *

\* Filed herewith

\*\* Furnished herewith

\*\*\* Previously filed

**SIGNATURE**

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

Great Lakes Dredge & Dock Corporation  
(registrant)

By: /s/ SCOTT KORNBLAU  
**Scott Kornblau**  
**Senior Vice President and Chief Financial Officer**  
**(Principal Financial Officer and Duly Authorized Officer)**

Date: August 6, 2024

**SECOND AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION**

**OF**

**GREAT LAKES DREDGE & DOCK CORPORATION  
a Delaware corporation**

Great Lakes Dredge & Dock Corporation (the "Corporation"), a corporation organized and existing under the DGCL (as defined below), does hereby certify as follows:

1. The Corporation was originally incorporated under the name Great Lakes Dredge & Dock Holdings Corp., pursuant to the original Certificate of Incorporation of the Corporation, filed with the Secretary of State of the State of Delaware on August 7, 2006.

2. This Second Amended and Restated Certificate of Incorporation (the "Amended and Restated Certificate of Incorporation") was duly adopted by the Board of Directors of the Corporation and by the stockholders of the Corporation, in accordance with Section 242 and Section 245 of the DGCL.

3. The text of the certificate of incorporation of the Corporation is hereby amended and restated to read in its entirety as follows:

**ARTICLE 1  
NAME**

The name of the Corporation is Great Lakes Dredge & Dock Corporation.

**ARTICLE 2  
REGISTERED OFFICE AND AGENT**

The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the city of Wilmington, county of New Castle. The name and address of the registered agent is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

**ARTICLE 3  
PURPOSE**

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law (the "DGCL").

**ARTICLE 4  
CAPITAL STOCK**

Section 1. Authorized Shares. The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is 171,000,000 shares, of which:

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170,000,000 shares, par value \$0.0001 per share, shall be shares of common stock (the "Common Stock"); and

1,000,000 shares, par value \$0.0001 per share, shall be shares of initially undesignated preferred stock (the "Preferred Stock").

Section 2. Common Stock. Except as (i) otherwise required by law or (ii) expressly provided in this Amended and Restated Certificate of Incorporation (as amended from time to time), each share of Common Stock shall have the same powers, rights and privileges and shall rank equally, share ratably and be identical in all respects as to all matters.

(a) Dividends. Subject to the rights of the holders of Preferred Stock, and to the other provisions of this Amended and Restated Certificate of Incorporation (as amended from time to time), holders of Common Stock shall be entitled to receive equally, on a per share basis, such dividends and other distributions in cash, securities or other property of the Corporation as may be declared thereon by the Board of Directors of the Corporation (the "Board") from time to time out of assets or funds of the Corporation legally available therefor.

(b) Voting Rights. At every annual or special meeting of stockholders of the Corporation, each holder of Common Stock shall be entitled to cast one (1) vote for each share of Common Stock standing in such holder's name on the stock transfer records of the Corporation; provided, however, that, except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to this Amended and Restated Certificate of Incorporation (including any certificates of designation relating to any series of Preferred Stock).

(c) Liquidation Rights. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, after payment or provision for payment of the Corporation's debts and amounts payable upon shares of Preferred Stock entitled to a preference, if any, over holders of Common Stock upon such dissolution, liquidation or winding up, the remaining net assets of the Corporation shall be distributed among holders of shares of Common Stock, ratably among such holders based on the number of shares of Common Stock held by each such person. A merger or consolidation of the Corporation with or into any other corporation or other entity, or a sale or conveyance of all or any part of the assets of the Corporation (which shall not in fact result in the liquidation of the Corporation and the distribution of assets to its stockholders) shall not be deemed to be a voluntary or involuntary liquidation or dissolution or winding up of the Corporation within the meaning of this paragraph (c).

(d) Preemptive Rights. Except as may be set forth in a written agreement to which such holder is party with the Corporation, no holder of Common Stock shall have any preemptive rights with respect to the Common Stock or any other securities of the Corporation, or to any obligations convertible (directly or indirectly) into securities of the Corporation whether now or hereafter authorized.

Section 3. Preferred Stock. The Board is authorized, subject to limitations prescribed by law or any exchange on which the Corporation's securities may then be listed, to provide by resolution or resolutions for the issuance of shares of Preferred Stock in one or more series, to establish the number of shares to be included in each such series, and to fix the voting powers (if any), designations, powers, preferences, and relative, participating, optional or other rights, if any, of the shares of each such series, and any qualifications, limitations or restrictions thereof. Irrespective of the provisions of Section 242(b)(2) of the DGCL, the number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote, without the separate vote of the holders of the Preferred Stock as a class.

Section 4. Definitions. Solely for the purposes of this Article Four and Article Five, the following terms shall have the meanings ascribed below:

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such first Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made. For the purpose of this definition, "control" means (i) the ownership or control of 50% or more of the equity interest in any Person, or (ii) the ability to direct or cause the direction of the management or affairs of a Person, whether through the direct or indirect ownership of voting interests, by contract or otherwise.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that person or a combination thereof. For purposes hereof, references to a "Subsidiary" of any Person shall be given effect only at such times that such Person has one or more Subsidiaries, and, unless otherwise indicated, the term "Subsidiary" refers to a Subsidiary of the Corporation.

## **ARTICLE 5 RESTRICTIONS ON TRANSFER AND OWNERSHIP**

Section 1. Maritime Laws. It is the policy of the Corporation that Non-U.S. Citizens should beneficially own, individually or in the aggregate, no more than the Permitted Percentage of each class or series of the capital stock of the Corporation. To help ensure that at no time Non-U.S. Citizens, individually or in the aggregate, become the beneficial owners of more than the Permitted Percentage of the issued and outstanding shares of any class or series of capital stock of

the Corporation, and to enable the Corporation to submit any proof that it is a U.S. Citizen as required by any applicable law or by any contract with the United States government (or any agency thereof) or any other Person, the Corporation shall have the power to take the actions prescribed in Sections 2 through 9 of this Article Five. The provisions of this Article Five are intended to ensure that the Corporation continues to qualify as a U.S. Citizen under the Maritime Laws so that the Corporation does not cease to be qualified under the Maritime Laws to own and operate vessels that may engage in dredging in the navigable waters of the United States, or in towing or the transportation of merchandise and passengers between ports or places in the United States to which the Coastwise Laws apply, or the transportation of valueless material or dredged material from a point in the United States or on the high seas within the United States exclusive economic zone to another point in the United States or on the high seas within the United States exclusive economic zone. The Board (or any duly authorized committee thereof) is specifically authorized to make all determinations in accordance with applicable law and this Amended and Restated Certificate of Incorporation to implement the provisions of this Article Five.

#### Section 2. Stock Certificates.

(a) To implement the policy set forth in Section 1 of this Article Five, the Corporation shall institute a dual stock certificate system such that: (i) each certificate representing shares of each class or series of capital stock of the Corporation that are beneficially owned by a U.S. Citizen shall be marked "U.S. Citizen" and each certificate representing shares of each class or series of capital stock of the Corporation that are beneficially owned by a Non-U.S. Citizen shall be marked "Non-U.S. Citizen", but with all such certificates to be identical in all other respects and to comply with all provisions of the laws of the State of Delaware; (ii) an application to transfer shares shall be set forth on the back of each certificate, in which a Person seeking to take title to the shares represented by such certificate shall apply to the Corporation to transfer the number of shares indicated therein and shall certify as to its citizenship and the citizenship of any beneficial owner for whom or for whose account such Person will hold such shares; and (iii) the stock transfer records of the Corporation may be maintained in such manner as to enable the percentages of the shares of each class or series of the Corporation's capital stock that are beneficially owned by U.S. Citizens and by Non-U.S. Citizens to be confirmed.

(b) A statement shall be set forth on the face or back of each certificate representing shares of each class or series of capital stock of the Corporation to the effect that: (i) such shares and the beneficial ownership thereof are subject to restrictions on transfer set forth in the Amended and Restated Certificate of Incorporation; and (ii) the Corporation will furnish without charge to each stockholder of the Corporation who so requests a copy of the Amended and Restated Certificate of Incorporation.

#### Section 3. Transfers.

(a) Any purported transfer of beneficial ownership of any shares of any class or series of capital stock of the Corporation (excluding, for the avoidance of doubt, the original issuance of such shares by the Corporation), the effect of which would be to cause one or more Non-U.S. Citizens in the aggregate to beneficially own shares of any class or series of capital stock of the Corporation in excess of the Permitted Percentage for such class or series, shall be void and

ineffective, and, to the extent that the Corporation knows of such purported transfer, neither the Corporation nor its transfer agent (if any) shall register such purported transfer on the stock transfer records of the Corporation and neither the Corporation nor its transfer agent (if any) shall recognize the purported transferee thereof as a stockholder of the Corporation for any purpose whatsoever except to the extent necessary to effect any remedy available to the Corporation under this Article Five. In no event shall any such registration or recognition make such purported transfer effective unless the Board shall have expressly and specifically authorized the same.

(b) A citizenship certification, and such other documentation under Section 8 of this Article Five, may be required by the Corporation or its transfer agent (if any) from all transferees (and from any recipient upon original issuance) of shares of capital stock of the Corporation and, if such transferee (or recipient) is acting as a fiduciary or nominee for a beneficial owner, with respect to such beneficial owner, and registration of transfer (or the closing of such original issue) shall be denied upon refusal to furnish such certificate.

Section 4. Excess Shares. If on any date (including, without limitation, any record date) (each, an “Excess Share Date”) the number of shares of a class or series of capital stock of the Corporation beneficially owned by Non-U.S. Citizens exceeds the Permitted Percentage with respect to such class or series of capital stock, irrespective of the date on which such event becomes known to the Corporation (such shares in excess of the Permitted Percentage, the “Excess Shares”), then the shares of such class or series of capital stock of the Corporation that constitute “Excess Shares” for purposes of this Article Five shall be those shares that have been acquired by or become beneficially owned by Non-U.S. Citizens, starting with the most recent acquisition of beneficial ownership of such shares by a Non-U.S. Citizen and including, in reverse chronological order of acquisition, all other acquisitions of beneficial ownership of such shares by Non-U.S. Citizens from and after the acquisition of beneficial ownership of such shares by a Non-U.S. Citizen that first caused such Permitted Percentage to be exceeded; provided that, (i) the Corporation shall have the sole power to determine, in the exercise of its reasonable judgment, those shares of such class or series that constitute Excess Shares in accordance with the provisions of this Article Five; (ii) the Corporation may, in its reasonable discretion, rely on any reasonable documentation provided by Non-U.S. Citizens with respect to the date of their acquisition of beneficial ownership of Excess Shares; (iii) if the acquisition of beneficial ownership of more than one Excess Share occurs on the same date, then the order in which such acquisitions shall be deemed to have occurred on such date shall be determined by lot or such shares shall be treated as Excess Shares on a pro rata basis as the Corporation may, in its reasonable discretion, deem appropriate; (iv) Excess Shares that result from a determination that a beneficial owner has ceased to be a U.S. Citizen will be deemed to have been acquired, for purposes of this Article Five, as of the date that such beneficial owner ceased to be a U.S. Citizen; and (v) the Corporation may adjust upward to the nearest whole share the number of shares of such class or series deemed to be Excess Shares. Any determination made by the Corporation pursuant to this Section 4 as to which shares of any class or series of the Corporation’s capital stock constitute Excess Shares of such class or series shall be conclusive and shall be deemed effective as of the applicable Excess Share Date for such class or series.

Section 5. Additional Remedies for Exceeding Permitted Percentage. In the event that (i) Section 3(a) of this Article Five would not be effective for any reason to prevent the transfer (a “Proposed Transfer”) of beneficial ownership of any Excess Share of any class or series of the capital stock of the Corporation to a Non-U.S. Citizen (a “Proposed Transferee”), (ii) a change in

the status (a "Status Change") of a U.S. Citizen to a Non-U.S. Citizen (a "Disqualified Person") causes a share of any class or series of capital stock of the Corporation of which such U.S. Citizen is the beneficial owner immediately prior to such change to constitute an Excess Share, or (iii) the original issuance by the Corporation of a share of any class or series of capital stock of the Corporation to a Non-U.S. Citizen (a "Disqualified Recipient") that results in such share constituting an Excess Share, then, effective as of immediately before the consummation of such Proposed Transfer (in the case of such Proposed Transferee) or such Status Change (in the case of such Disqualified Person), and as of the time of issuance of such Excess Share (in the case of such Disqualified Recipient), such Excess Share shall to the fullest extent permitted by law be eligible for redemption by the Corporation in accordance with Section 6 of this Article Five, and such Non-U.S. Citizen (each, a "Restricted Person") shall neither acquire nor have any rights or interests in such Excess Share subject to redemption.

#### Section 6.Redemption.

(a) Without limiting the generality of the foregoing, in the event that the restrictions on transfer set forth in Section 3(a) would not be effective for any reason whatsoever or would not be a best practice to prevent the beneficial ownership by Non-U.S. Citizens of shares of the class or series of capital stock of the Corporation from exceeding the Permitted Percentage for such class or series, as determined by the Corporation in its sole discretion, then the Corporation, by action of the Board, in its sole discretion, shall have the power to redeem such Excess Share, unless such redemption is not permitted under the DGCL or other provisions of applicable law; provided that the Corporation shall not have any obligation under this Section 6 to redeem any one or more Excess Shares.

(b) Until such time as any Excess Shares subject to redemption by the Corporation pursuant to this Section 6 are so redeemed by the Corporation at its option and beginning on the first Excess Share Date for the classes or series of the Corporation's capital stock of which such Excess Shares are a part, (i) the holders of such Excess Shares subject to redemption shall to the fullest extent permitted by law (so long as such excess exists) not be entitled to any voting rights with respect to such Excess Shares, and (ii) the Corporation shall (so long as such Excess Shares exist) pay into an escrow account dividends and any other distributions (upon liquidation or otherwise) in respect of such Excess Shares.

Full voting rights shall be restored to any shares of a class or series of capital stock of the Corporation that were previously deemed to be Excess Shares, and any dividends or distributions with respect thereto that have been previously paid into an escrow account shall be due and paid solely to the holders of record of such shares, promptly after such time as, and to the extent that, such shares have ceased to be Excess Shares (including as a result of the sale of such shares to a U.S. Citizen prior to the issuance of a Redemption Notice pursuant to Section 6(c)(iii) of this Article Five); provided that such shares have not been already redeemed by the Corporation at its option pursuant to this Section 6.

(c) The terms and conditions of redemptions by the Corporation of Excess Shares of any class or series of the Corporation's capital stock under this Section 6 shall be as follows:

(i) the per share redemption price (the “Redemption Price”) to be paid for each Excess Share shall be the sum of (A) the Fair Market Value of such Excess Share as of the date of redemption of such Excess Share plus (B) an amount equal to the amount of any dividend or any other distribution (upon liquidation or otherwise) declared in respect of such Excess Share prior to the date on which such Excess Share is called for redemption and which amount has been paid into an escrow account by the Corporation pursuant to Section 6(b) of this Article Five;

(ii) the Redemption Price shall be paid in cash (by wire transfer or bank or cashier's check) or by the issuance of Redemption Notes, as determined by the Board in its sole discretion;

(iii) written notice of the date on which the Excess Shares shall be redeemed (the “Redemption Date”), together with a letter of transmittal to accompany certificates representing the Excess Shares that are surrendered for redemption (if any), shall be given either by hand delivery or by overnight courier service or by first-class mail, postage prepaid, to each holder of record of the Excess Shares to be redeemed, at such holder's last known address as the same appears on the stock register of the Corporation (unless such notice is waived in writing by any such holders) (the “Redemption Notice”);

(iv) the Redemption Date (for purposes of determining right, title and interest in and to the Excess Shares to be redeemed) shall be the later of (A) the date specified in the Redemption Notice sent to the record holders of the Excess Shares (which shall not be earlier than the date of such notice), and (B) the date on which the Corporation shall have irrevocably deposited or set aside a sum sufficient to pay the Redemption Price to such record holders or the date on which the Corporation shall have paid the Redemption Price (including, without limitation, the delivery of any applicable Redemption Notes) to such record holders;

(v) each Redemption Notice to each holder of record of the Excess Shares to be redeemed shall specify (A) the Redemption Date (as determined pursuant to Section 6(c)(iv) of this Article Five), (B) the number and the class or series of shares of capital stock to be redeemed from such holder as Excess Shares (and, to the extent such Excess Shares are certificated, the certificate number(s) representing such Excess Shares), (C) the Redemption Price and the manner of payment thereof, (D) the place where certificates for such Excess Shares (if such Excess Shares are certificated) are to be surrendered for cancellation against the simultaneous payment of the Redemption Price, (E) any instructions as to the endorsement or assignment for transfer of such certificates (if any) and the completion of the accompanying letter of transmittal, and (F) the fact that all right, title and interest in respect of the Excess Shares to be redeemed (including, without limitation, voting, dividend and distribution rights) shall cease and terminate on the Redemption Date, except for the right to receive the Redemption Price, without interest;

(vi) if a Redemption Notice has been duly sent to the record holders of the Excess Shares to be redeemed and the Corporation has irrevocably deposited or set aside cash consideration sufficient to pay the Redemption Price to such record holders of such Excess Shares, then dividends shall cease to accrue on all such Excess Shares to be redeemed, all such Excess Shares shall no longer be deemed outstanding and all right, title and interest in respect of such Excess Shares shall forthwith cease and terminate, except only the right of the record holders thereof to receive the Redemption Price, without interest;

(vii) without limiting clause (vi) above, on and after the Redemption Date, all right, title and interest in respect of the Excess Shares to be redeemed by the Corporation (including, without limitation, voting and dividend and distribution rights) shall forthwith cease and terminate, such Excess Shares shall no longer be deemed to be outstanding shares for the purpose of voting or determining the total number of shares entitled to vote on any matter properly brought before the stockholders for a vote thereon (and may be either retired or held by the Corporation as treasury stock), and the holders of record of such Excess Shares shall thereafter be entitled only to receive the Redemption Price, without interest; and

(viii) upon surrender of the certificates (if any) for any Excess Shares so redeemed in accordance with the requirements of the Redemption Notice and the accompanying letter of transmittal (and otherwise in proper form for transfer as specified in the Redemption Notice) the holder of record of such Excess Shares shall be entitled to payment of the Redemption Price. In case fewer than all the shares represented by any such certificate are redeemed, a new certificate (or certificates), to the extent such shares were certificated, shall be issued representing the shares not redeemed, without cost to the holder of record.

Section 7. Citizenship Determinations. The Corporation shall have the power to determine, in the exercise of its reasonable judgment, the citizenship of the beneficial owners of any class or series of the Corporation's capital stock for the purposes of this Article Five. In determining the citizenship of the beneficial owners or their transferees or, in the case of original issuance, any recipient (and, if such transferees or recipients are acting as fiduciaries or nominees for any beneficial owners, with respect to such beneficial owners) of any class or series of the Corporation's capital stock, the Corporation may rely on the stock transfer records of the Corporation and the citizenship certifications required under Section 3(b) of this Article Five and the written statements and affidavits required under Section 8 of this Article Five given by the beneficial owners or their transferees, or, in the case of original issuance, any recipients (or any beneficial owners for whom such transferees or recipients are acting as fiduciaries or nominees) (in each case whether such certifications, written statements or affidavits have been given on their own behalf or on behalf of others) to prove the citizenship of such beneficial owners, transferees or recipients (or any beneficial owners for whom such transferees or recipients are acting as fiduciaries or nominees). The determination of the citizenship of such beneficial owners, transferees and recipients (and any beneficial owners for whom such transferees or recipients are acting as fiduciaries or nominees) may also be subject to proof in such other manner as the Corporation may deem reasonable pursuant to Section 8(b) of this Article Five. The determination of the Corporation at any time as to the citizenship of such beneficial owners, transferees and recipients (and any beneficial owners for whom such transferees or recipients are acting as fiduciaries or nominees) in accordance with the provisions of Article Five shall be conclusive.

Section 8. Requirement to Provide Citizenship Information.

(a) In furtherance of the policy set forth in Section 1 of this Article Five, and without limiting any other provision of this Article Five, the Corporation may, to the fullest extent permitted by law, require the beneficial owners of shares of any class or series of the Corporation's capital stock to confirm their citizenship status from time to time in accordance with the provisions of this Section 8, and, as a condition to acquiring and having beneficial ownership of shares of any

class or series of capital stock of the Corporation, every beneficial owner of any such shares must comply with the following provisions:

(i) promptly upon a beneficial owner's acquisition of beneficial ownership of five (5%) percent or more of the outstanding shares of any class or series of capital stock of the Corporation after the date of filing of this Amended and Restated Certificate of Incorporation, and at such other times as the Corporation may determine by written notice to such beneficial owner, such beneficial owner must provide to the Corporation a written statement or an affidavit, as specified by the Corporation, duly signed, stating the name and address of such beneficial owner, the number of shares of each class or series of capital stock of the Corporation beneficially owned by such beneficial owner as of a recent date, the legal structure of such beneficial owner, a statement as to whether such beneficial owner is a U.S. Citizen, and such other information required by 46 C.F.R. part 355;

(ii) promptly upon request by the Corporation, any beneficial owner must provide to the Corporation a written statement or an affidavit, as specified by the Corporation, duly signed, stating the name and address of such beneficial owner, the number of shares of each class or series of capital stock of the Corporation beneficially owned by such beneficial owner as of a recent date, the legal structure of such beneficial owner, a statement as to whether such beneficial owner is a U.S. Citizen, and such other information required by 46 C.F.R. part 355;

(iii) promptly upon request by the Corporation, any beneficial owner must provide to the Corporation a written statement or an affidavit, as specified by the Corporation, duly signed, stating the name and address of such beneficial owner, together with reasonable documentation of the date and time of such beneficial owner's acquisition of beneficial ownership of the shares of any class or series of capital stock of the Corporation specified by the Corporation in its request;

(iv) every beneficial owner must provide, or authorize such beneficial owner's broker, dealer, custodian, depository, nominee or similar agent with respect to the shares of each class or series of the Corporation's capital stock beneficially owned by such beneficial owner to provide, to the Corporation such beneficial owner's address; and

(v) every beneficial owner must provide to the Corporation, at any time such beneficial owner ceases to be a U.S. Citizen, as promptly as practicable but in no event less than two business days after the date such beneficial owner ceases to be a U.S. Citizen, a written statement, duly signed, stating the name and address of such beneficial owner, the number of shares of each class or series of capital stock of the Corporation beneficially owned by such beneficial owner as of a recent date, the legal structure of such beneficial owner, and a statement as to such change in status of such beneficial owner to a Non-U.S. Citizen.

(b) The Corporation may at any time require reasonable proof, in addition to the citizenship certifications required under Section 3(b) of this Article Five and the written statements and affidavits required under Section 8(a) of this Article Five, of the citizenship of the beneficial owner or the proposed transferee or, in the case of original issuance, the recipient (and, if such transferee or recipient is acting as a fiduciary or nominee for a beneficial owner, with respect to such beneficial owner) of shares of any class or series of the Corporation's capital stock.

(c) In the event that (i) the Corporation requests in writing (in which express reference is made to this Section 8 of this Article Five) from a beneficial owner of shares of any class or series of the Corporation's capital stock a citizenship certification required under Section 3(b) of this Article Five, a written statement, an affidavit and/or reasonable documentation required under Section 8(a) of this Article Five, and/or additional proof of citizenship required under Section 8(b) of this Article Five, and (ii) such beneficial owner fails to provide the Corporation with the requested documentation by the date set forth in such written request, then (x) the voting rights of such beneficial owner's shares of the Corporation's capital stock shall, to the fullest extent permitted by law, be suspended, and (y) any dividends or other distributions (upon liquidation or otherwise) with respect to such shares shall be paid into an escrow account, until such requested documentation is submitted in form and substance reasonably satisfactory to the Corporation, subject to the other provisions of this Article Five; provided, however, that the Corporation, acting through its Board, shall have the power, in its sole discretion, to extend the date by which such requested documentation must be provided and/or to waive the application of sub-clauses (x) and/or (y) of this clause (ii) to any of the shares of such beneficial owner in any particular instance.

(d) In the event that (i) the Corporation requests in writing (in which express reference is made to this Section 8 of this Article Five) from a beneficial owner of, or the proposed transferee of, or, in the case of original issuance, the recipient (and, if such transferee or recipient is acting as a fiduciary or nominee for a beneficial owner, with respect to such beneficial owner) of, shares of any class or series of the Corporation's capital stock a citizenship certification required under Section 3(b) of this Article Five, a written statement, an affidavit and/or reasonable documentation required under Section 8(a) of this Article Five, and/or additional proof of citizenship required under Section 8(b) of this Article Five, and (ii) such Person fails to submit the requested documentation in form and substance reasonably satisfactory to the Corporation, subject to the other provisions of this Article Five, by the date set forth in such written request, the Corporation, acting through its Board, shall have the power, in its sole discretion, to refuse to accept any application to transfer ownership of such shares (if any) or to register such shares on the stock transfer records of the Corporation, until such requested documentation is so submitted.

Section 9. Severability. Each provision of this Article Five is intended to be severable from every other provision. If any one or more of the provisions contained in this Article Five is held to be invalid, illegal or unenforceable, the validity, legality or enforceability of any other provision of this Article Five shall not be affected, and this Article Five shall be construed as if the provisions held to be invalid, illegal or unenforceable had never been contained herein.

Section 10. NASDAQ Transactions. Nothing in this Article Five shall preclude the settlement of any transaction entered into through the facilities of The Nasdaq Stock Market or any other National Securities Exchange for so long as any class or series of the capital stock of the Corporation is quoted for trading on The Nasdaq Stock Market or listed for trading on any other National Securities Exchange. The fact that the settlement of any transaction occurs shall not negate the effect of any provision of this Article Five and any transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article Five.

Section 11. Certain Definitions. Solely for purposes of this Article Five, the following terms shall have the meanings ascribed below:

A Person shall be deemed to be the “beneficial owner” of, or to “beneficially own”, or to have “beneficial ownership” of, shares or interests in an entity to the extent such Person would be deemed to be the “beneficial owner” thereof pursuant to Rule 13d-3 promulgated by the Securities and Exchange Commission under the Exchange Act, as such rule may be amended or supplemented from time to time, and any successor rule to such rule, and such terms shall apply to and include the holder of record of any such shares or interests.

“Coastwise Laws” shall mean the United States cabotage laws set forth in Title 46, United States Code, Chapter 551, including but not limited to the Jones Act, the Dredge Act, the Towing Vessel Act, and the Passenger Vessel Services Act.

“Code” shall mean the Internal Revenue Code of 1986, as amended, any successor statutes thereto, and the regulations promulgated thereunder, in each case as amended or supplemented from time to time.

“Disqualified Person” shall have the meaning ascribed to such term in Section 5(a) of this Article Five.

“Disqualified Recipient” shall have the meaning ascribed to such term in Section 5(a) of this Article Five.

“Excess Shares” shall have the meaning ascribed to such term in Section 4 of this Article Five.

“Excess Share Date” shall have the meaning ascribed to such term in Section 4 of this Article Five.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended or supplemented from time to time.

“Fair Market Value” of one share of a particular class or series of the capital stock of the Corporation as of any date shall mean the average of the daily Market Price (as defined herein) of one share of such capital stock for the 20 consecutive Trading Days (as defined herein) immediately preceding such date, or, if such capital stock is not listed or admitted for unlisted trading privileges on any National Securities Exchange, the fair value of a share of such class or series of capital stock on such date as determined in good faith by the Board.

“Maritime Laws” shall mean collectively those United States laws governing the ownership, documentation, and operation of United States documented vessels with coastwise trade endorsements, including the Coastwise Laws, Title 46 United States Code Chapter 121, and Title 46 United States Code Section 50501, and any successor statutes thereto, and the regulations promulgated thereunder, in each case as amended or supplemented from time to time.

The “Market Price” of a share of a class or series of capital stock of the Corporation for a particular day shall mean: (A) the last reported sales price, regular way, on such day, or, in case no sale takes place on such day, the average of the reported closing bid and asked prices, regular way, on such day, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted for unlisted trading privileges on the principal

National Securities Exchange on which such class or series of capital stock is then listed or admitted for unlisted trading privileges; or (B) if such class or series of capital stock is not then listed or admitted for unlisted trading privileges on any National Securities Exchange, the last quoted price on such day, or, if not so quoted, the average of the closing bid and asked prices on such day in the over-the-counter market, as reported by The Nasdaq Stock Market or such other system then in use; or (C) if on any such day such class or series of capital stock is not quoted by any such organization, the average of the bid and asked prices on such day as furnished by a professional market maker making a market in such capital stock selected by the Corporation; or (D) if on any such day no market maker is making a market in such capital stock, the fair value of a share of such class or series of capital stock on such day as determined in good faith by the Board (or a duly authorized committee thereof).

“National Securities Exchange” shall mean an exchange registered with the Securities and Exchange Commission under Section 6(a) of the Exchange Act, as such section may be amended or supplemented from time to time, and any successor to such statute, or The Nasdaq Stock Market or any successor thereto.

“Non-U.S. Citizen” shall mean any Person other than a U.S. Citizen.

“Permitted Percentage” shall mean, with respect to any class or series of capital stock of the Corporation, the lesser of (i) 22.5% of the shares of such class or series of capital stock of the Corporation from time to time issued and outstanding, and (ii) 90% of the maximum percentage of the issued and outstanding shares of such class or series of capital stock of the Corporation permitted to be beneficially owned, individually or in the aggregate, by Non-U.S. Citizens under the Maritime Laws so that the Corporation does not cease to be qualified under the Maritime Laws to own and operate vessels that may engage in dredging in the navigable waters of the United States and to transport dredged material between points in the United States.

“Proposed Transfer” shall have the meaning ascribed to such term in Section 5(a) of this Article Five.

“Proposed Transferee” shall have the meaning ascribed to such term in Section 5(a) of this Article Five.

“Redemption Date” shall have the meaning ascribed to such term in Section 6(c)(iii) of this Article Five.

“Redemption Notes” shall mean interest-bearing promissory notes of the Corporation with a maturity of not more than 10 years from the date of issue and bearing interest at a fixed rate equal to the yield on the U.S. Treasury Note having a maturity comparable to the term of such promissory notes as published in *The Wall Street Journal* or comparable publication at the time of the issuance of the promissory notes.

“Redemption Notice” shall have the meaning ascribed to such term in Section 6(c)(iii) of this Article Five.

“Redemption Price” shall have the meaning ascribed to such term in Section 6(c)(i) of this Article Five.

“Restricted Person” shall have the meaning ascribed to such term in Section 5(a) of this Article Five.

“Status Change” shall have the meaning ascribed to such term in Section 5(a) of this Article Five.

“Trading Day” shall mean a day on which the principal National Securities Exchange on which shares of any class or series of the capital stock of the Corporation are listed is open for the transaction of business or, if such capital stock is not listed or admitted for unlisted trading privileges on any National Securities Exchange, a day on which banking institutions in New York City generally are open.

“U.S. Citizen” shall mean a citizen of the United States within the meaning of the Maritime Laws (as defined herein) for purposes of owning or operating vessels in the United States coastwise trade.

## **ARTICLE 6 BOARD OF DIRECTORS**

Section 1. Number of Directors. Subject to any rights of the holders of any class or series of Preferred Stock to elect additional directors under specified circumstances, the number of directors which shall constitute the Board of Directors shall initially be eight (8) members and thereafter shall be established from time to time by resolution of the Board.

Section 2. Election and Term of Office. The directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote in the election of directors; provided that, whenever the holders of any class or series of capital stock of the Corporation are entitled to elect one or more directors pursuant to the provisions of this Amended and Restated Certificate of Incorporation (including, but not limited to, any duly authorized certificate of designation), such directors shall be elected by a plurality of the votes of such class or series present in person or represented by proxy at the meeting and entitled to vote in the election of such directors. The directors shall be elected and shall hold office only in this manner, except as expressly provided in Sections 2, 3 and 4 of this Article Six. Each director shall hold office until a successor is duly elected and qualified or until his or her earlier death, disqualification, resignation or removal. Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide. No Non-U.S. Citizen shall be qualified to serve as a director if the placement of such person on the Board of Directors would result in the total number of directors who are Non-U.S. Citizens to be more than a minority of the minimum number of directors necessary to achieve a quorum. No person may serve as the chairperson of the Board unless that person is a U.S. Citizen.

Section 3. Classes of Directors. Until the election of directors at the annual meeting of stockholders to be held in 2027, the directors shall be divided into three classes, designated Class I, Class II and Class III. The term of the current Class I directors shall, consistent with having been elected to a three-year term at the 2022 annual meeting, terminate on the date of the 2025 annual meeting; the term of the current Class II directors shall, consistent with having been elected to a

three-year term at the 2023 annual meeting, terminate on the date of the 2026 annual meeting; and the term of the current Class III directors to be elected at the annual meeting of stockholders to be held in 2024 shall, consistent with having been elected to a three-year term at the 2024 annual meeting, terminate on the date of the 2027 annual meeting. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors shorten the term of any incumbent director. Commencing with the election of directors at the annual meeting of stockholders to be held in 2025, successors to the class of directors whose term expires at such annual meeting shall be elected for a one-year term. Commencing with the election of directors at the annual meeting of stockholders to be held in 2027, the classification of the Board shall terminate. Notwithstanding anything in this Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation to the contrary, the term of any director that, in accordance with this Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation, ceases to be qualified to serve as a director of the Corporation shall automatically terminate as of the time such director ceases to be qualified.

Section 4. Removal of Directors; Vacancies. Any director serving in a class of directors elected for a term expiring at the third annual meeting following the election of such class shall be removable only for cause, and all other directors shall be removable either with or without cause. Any director, or all of the directors, may be removed from office at any time at a meeting called for that purpose, but only by the affirmative vote of the holders of at least 66-2/3% of the voting power of all outstanding shares of stock entitled to vote thereon, voting together as a single class. Such removal rights are subject to the rights of the holders of any series of Preferred Stock then outstanding. Vacancies and newly created directorships resulting from any increase in the authorized number of directors and vacancies created from the death, disqualification, resignation or removal of any director shall be filled by directors possessing a majority of the voting power of all directors. Notwithstanding anything herein to the contrary, in the event that a vacancy arising from the death, disqualification, resignation, or removal of any directors shall cause the proportion of Non-U.S. Citizen directors to exceed the proportion permitted under Section 2 of this Article Six, then the Non-U.S. Citizen director with the shortest tenure of service as a director shall be automatically disqualified from serving as a director, his or her term as a director shall immediately expire, he or she shall automatically cease to be a director and the size of the Board shall be reduced by one directorship. The preceding sentence shall apply successively to one or more Non-U.S. Citizen directors to permit the Board to comply with Section 2 of Article Six. Any director so disqualified may be reappointed as a director if the vacancy or vacancies that caused such disqualification have been filled in accordance with this Amended and Restated Certificate of Incorporation and the Bylaws of the Corporation.

Section 5. Rights of Holders of Preferred Stock. Notwithstanding the provisions of this Article Six, whenever the holders of one or more series of Preferred Stock issued by the Corporation shall have the right, voting separately or together by series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorship shall be governed by the rights of such Preferred Stock as set forth in the certificate of designations governing such series.

Section 6. Bylaws. The Board of Directors is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation. Notwithstanding the foregoing and anything contained in this Amended and Restated Certificate of Incorporation to the contrary, the Bylaws of the Corporation shall not be altered or amended by the stockholders without the affirmative vote of the holders of 66-2/3% of the voting power of all capital stock of the Corporation entitled to vote generally in the election of directors (voting together as a single class).

**ARTICLE 7  
RESERVED**

**ARTICLE 8  
LIMITATION OF LIABILITY**

To the fullest extent permitted by the DGCL, or any other applicable law, as it now exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader exculpation rights than permitted prior thereto), no director or officer of the Corporation shall be liable to the Corporation or its stockholders for monetary damages arising from a breach of fiduciary duty owed to the Corporation or its stockholders. Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director or officer of the Corporation existing at the time of such repeal or modification. For purposes of this Article Eight, "officer" shall have the meaning provided in Section 102(b)(7) of the DGCL, as it presently exists or may hereafter be amended from time to time.

**ARTICLE 9  
INDEMNIFICATION**

Section 1. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "Indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer or in any other capacity while so serving, shall be indemnified and held harmless by the Corporation to the full extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), or by other applicable law as then in effect, against all expense, liability and loss (including attorneys' fees and related disbursements, judgments, fines, excise taxes or penalties under the Employee Retirement Income Security Act of 1974, as amended from time to time ("ERISA"), penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such Indemnitee in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director, officer, partner, member or trustee and shall inure to the benefit of his or her heirs, executors and administrators. Each person who is or was serving as a director or officer of a subsidiary of the

Corporation shall be deemed to be serving, or have served, at the request of the Corporation. Any indemnification (but not advancement of expenses) under this Article Nine (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the DGCL, as the same exists or hereafter may be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment). Such determination shall be made with respect to a person who is a director or officer at the time of such determination (a) by a majority vote of the directors who were not parties to such proceeding (the "Disinterested Directors"), even though less than a quorum, (b) by a committee of Disinterested Directors designated by a majority vote of Disinterested Directors, even though less than a quorum, (c) if there are no such Disinterested Directors, or if such Disinterested Directors so direct, by independent legal counsel in a written opinion, or (d) by the stockholders. Notwithstanding anything in this Article Nine to the contrary, in no event shall the Corporation have any obligation to indemnify a director or officer of the Corporation for any proceeding initiated by such person seeking indemnification unless such proceeding either (i) is a proceeding to enforce such director's or officer's rights under this Article Nine or (ii) was authorized by the Board.

Section 2. Advancement of Expenses. Expenses (including attorneys' fees, costs and charges) incurred by a director or officer of the Corporation in defending a proceeding shall be paid by the Corporation in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay all amounts so advanced in the event that it shall ultimately be determined that such director or officer is not entitled to be indemnified by the Corporation as authorized in this Article Nine. The majority of the Disinterested Directors or a committee thereof may, in the manner set forth above, and upon approval of such director or officer of the Corporation, authorize the Corporation's counsel to represent such person, in any proceeding, whether or not the Corporation is a party to such proceeding.

Section 3. Procedure for Indemnification. Any indemnification or advance of expenses (including attorneys' fees, costs and charges) under this Article Nine shall be made promptly, and in any event within 30 days upon the written request of the director or officer (and, in the case of advance of expenses, receipt of a written undertaking by or on behalf of Indemnitee to repay such amount if it shall ultimately be determined that Indemnitee is not entitled to be indemnified therefor pursuant to the terms of this Article Nine). The right to indemnification or advances as granted by this Article Nine shall be enforceable by the director or officer in any court of competent jurisdiction, if the Corporation denies such request, in whole or in part, or if no disposition thereof is made within 30 days. Such person's costs and expenses incurred in connection with successfully establishing his/her right to indemnification, in whole or in part, in any such action shall also be indemnified by the Corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of expenses (including attorney's fees, costs and charges) under this Article Nine where the required undertaking, if any, has been received by the Corporation) that the claimant has not met the standard of conduct set forth in the DGCL, as the same exists or hereafter may be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), but the burden of

proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, its independent legal counsel and its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he/she has met the applicable standard of conduct set forth in the DGCL, as the same exists or hereafter may be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), nor the fact that there has been an actual determination by the Corporation (including its Board of Directors, its independent legal counsel and its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 4. Other Rights; Continuation of Right to Indemnification. The indemnification and advancement of expenses provided by this Article Nine shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any law (common or statutory), bylaw, agreement, vote of stockholders or Disinterested Directors or otherwise, both as to action in his/her official capacity and as to action in another capacity while holding office or while employed by or acting as agent for the Corporation, and shall continue as to a person who has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of such person. All rights to indemnification under this Article Nine shall be deemed to be a contract between the Corporation and each director or officer of the Corporation who serves or served in such capacity at any time while this Article Nine is in effect. Any repeal or modification of this Article Nine or any repeal or modification of relevant provisions of the DGCL or any other applicable laws shall not in any way diminish any rights to indemnification of such director or officer or the obligations of the Corporation arising hereunder with respect to any proceeding arising out of, or relating to, any actions, transactions or facts occurring prior to the final adoption of such modification or repeal. For the purposes of this Article Nine, references to "the Corporation" include all constituent corporations absorbed in a consolidation or merger as well as the resulting or surviving corporation, so that any person who is or was a director or officer of such a constituent corporation or is or was serving at the request of such constituent corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise shall stand in the same position under the provisions of this Article Nine, with respect to the resulting or surviving corporation, as he or she would if he or she had served the resulting or surviving corporation in the same capacity.

Section 5. Insurance. The Corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee or agent of the Corporation or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss asserted against him or her and incurred by him or her in any such capacity, whether or not the Corporation would have the power to indemnify such person against such expenses, liability or loss under the DGCL.

Section 6. Reliance. Persons who after the date of the adoption of this provision become or remain directors or officers of the Corporation or who, while a director or officer of the Corporation, become or remain a director, officer, employee or agent of a subsidiary, shall be conclusively presumed to have relied on the rights to indemnity, advance of expenses and other

rights contained in this Article Nine in entering into or continuing such service. The rights to indemnification and to the advance of expenses conferred in this Article Nine shall apply to claims made against an Indemnitee arising out of acts or omissions which occurred or occur both prior and subsequent to the adoption hereof.

Section 7.Savings Clause. If this Article Nine or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each person entitled to indemnification under the first paragraph of this Article Nine as to all expense, liability and loss (including attorneys' fees and related disbursements, judgments, fines, ERISA excise taxes and penalties, penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such person and for which indemnification is available to such person pursuant to this Article Nine to the full extent permitted by any applicable portion of this Article Nine that shall not have been invalidated and to the full extent permitted by applicable law.

## **ARTICLE 10 ACTION BY WRITTEN CONSENT; SPECIAL MEETINGS OF STOCKHOLDERS**

The stockholders of the Corporation may not take any action by written consent in lieu of a meeting, and must take any actions at a duly called annual or special meeting of stockholders and the power of stockholders to consent in writing without a meeting is specifically denied. Special meetings of stockholders of the Corporation may be called only by the Board of Directors pursuant to a resolution adopted by the affirmative vote of directors holding a majority of the voting power of all directors then in office. Notwithstanding the foregoing, the provisions of the first sentence of this Article Ten shall not apply at any time when the Corporation's Common Stock is not registered under Section 12 of the Securities Exchange Act of 1934, as amended.

## **ARTICLE 11 RESERVED**

## **ARTICLE 12 SECTION 203**

The Corporation expressly elects to be governed by Section 203 of the DGCL.

## **ARTICLE 13 AMENDMENT**

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation. Notwithstanding any other provision of this Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation, and notwithstanding the fact that a lesser percentage or separate class vote may be specified by law, this Amended and Restated Certificate of Incorporation, the Bylaws of the Corporation or otherwise, but in addition to any affirmative vote of the holders of any particular class or series of the capital stock required by law, this Amended and Restated Certificate of Incorporation, the Bylaws of the Corporation or

otherwise, the affirmative vote of the holders of (i) at least 66-2/3% of the voting power of all shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt any provision inconsistent with, to amend or repeal any provision of, or to adopt a bylaw inconsistent with Article Seven, Article Eight, Article Nine, Article Ten, Article Eleven or this Article Thirteen of this Amended and Restated Certificate of Incorporation or (ii) at least a majority of the voting power of all shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt any provision inconsistent with, to amend or repeal any provision of, or to adopt a bylaw inconsistent with any other provision of this Amended and Restated Certificate of Incorporation.

\* \* \* \* \*

**IN WITNESS WHEREOF**, this Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 9th day of May, 2024.

By: /s/Vivienne R. Schiffer

Name: Vivienne R. Schiffer Title: Senior Vice President, Chief Legal

Officer, Chief Compliance Officer  
and Corporate Secretary

CERTIFICATIONS PURSUANT TO  
SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002

## CERTIFICATION

I, Lasse J. Petterson, certify that:

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

Date: August 6, 2024

/s/ LASSE J. PETTERSON

Lasse J. Petterson

President and Chief Executive Officer

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CERTIFICATIONS PURSUANT TO  
SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002

## CERTIFICATION

I, Scott Kornblau, certify that:

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

Date: August 6, 2024

/s/ SCOTT KORNBLAU

Scott Kornblau

Senior Vice President and Chief Financial Officer

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

In connection with the Quarterly Report of Great Lakes Dredge & Dock Corporation (the "Company") on Form 10-Q for the period ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lasse J. Petterson, President and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by Great Lakes Dredge & Dock Corporation for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

/s/ LASSE J. PETTERSON

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Lasse J. Petterson  
President and Chief Executive Officer

Date: August 6, 2024

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Great Lakes Dredge & Dock Corporation and will be retained by Great Lakes Dredge & Dock Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

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

In connection with the Quarterly Report of Great Lakes Dredge & Dock Corporation (the "Company") on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott Kornblau, Senior Vice President and Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by Great Lakes Dredge & Dock Corporation for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

/s/ SCOTT KORNBLAU

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Scott Kornblau

Senior Vice President and Chief Financial Officer

Date: August 6, 2024

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Great Lakes Dredge & Dock Corporation and will be retained by Great Lakes Dredge & Dock Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

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