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 September 30, 2021

or

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

For the transition period from _______ to _______

Commission File No. 001-16501

WILLIAMS

Williams Industrial Services Group Inc.
(Exact name of registrant as specified in its charter)

Delaware	**73-1541378**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

100 Crescent Centre Parkway, Suite 1240
Tucker, GA 30084
(Address of principal executive offices) (Zip code)

(770) 879-4400
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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 $0.01 per share	**WLMS**	**NYSE American**

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

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

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

As of November 5, 2021, there were 25,915,502 shares of common stock of Williams Industrial Services Group Inc. outstanding.

WILLIAMS INDUSTRIAL SERVICES GROUP INC. AND SUBSIDIARIES

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Part I—FINANCIAL INFORMATION

Item 1. Financial Statements.

WILLIAMS INDUSTRIAL SERVICES GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in thousands, except share data)	September 30, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,556	$ 8,716
Restricted cash	468	468
Accounts receivable, net of allowance of $228 and $351, respectively	39,489	27,549
Contract assets	12,811	7,969
Other current assets	11,526	6,457
Total current assets	66,850	51,159
Property, plant and equipment, net	709	309
Goodwill	35,400	35,400
Intangible assets	12,500	12,500
Other long-term assets	5,687	5,712
Total assets	$ 121,146	$ 105,080
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 8,439	$ 6,210
Accrued compensation and benefits	19,856	15,800
Contract liabilities	2,494	2,529
Short-term borrowings	4,672	352
Current portion of long-term debt	1,050	1,050
Other current liabilities	10,711	7,170
Current liabilities of discontinued operations	188	342
Total current liabilities	47,410	33,453
Long-term debt, net	30,428	30,728
Deferred tax liabilities	2,136	2,440
Other long-term liabilities	1,828	2,098
Long-term liabilities of discontinued operations	4,201	4,466
Total liabilities	86,003	73,185
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Common stock, $0.01 par value, 170,000,000 shares authorized and 26,384,670 and 25,926,333 shares issued, respectively, and 25,915,502 and 25,336,442 shares outstanding, respectively	260	256
Paid-in capital	91,670	90,292
Accumulated other comprehensive income (loss)	(36)	28
Accumulated deficit	(56,745)	(58,673)
Treasury stock, at par (469,168 and 589,891 common shares, respectively)	(6)	(8)
Total stockholders' equity	35,143	31,895
Total liabilities and stockholders' equity	$ 121,146	$ 105,080

See accompanying notes to condensed consolidated financial statements.

WILLIAMS INDUSTRIAL SERVICES GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(in thousands, except per share data)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Revenue	$ 73,351	$ 66,240	$ 225,773	$ 204,936
Cost of revenue	66,590	57,582	203,561	180,014
Gross profit	6,761	8,658	22,212	24,922
Selling and marketing expenses	267	123	709	401
General and administrative expenses	4,248	5,827	16,931	17,413
Depreciation and amortization expense	50	46	137	144
Total operating expenses	4,565	5,996	17,777	17,958
Operating income	2,196	2,662	4,435	6,964
Interest expense, net	1,227	1,541	3,733	4,640
Other (income) expense, net	181	(316)	(1,411)	(937)
Total other expense, net	1,408	1,225	2,322	3,703
Income from continuing operations before income tax	788	1,437	2,113	3,261
Income tax (benefit) expense	(6)	321	256	565
Income from continuing operations	794	1,116	1,857	2,696
Income (loss) from discontinued operations before income tax	(34)	(66)	130	(222)
Income tax (benefit) expense	22	24	59	(56)
Income (loss) from discontinued operations	(56)	(90)	71	(166)
Net income	$ 738	$ 1,026	$ 1,928	$ 2,530
Basic earnings per common share				
Income from continuing operations	$ 0.03	$ 0.04	$ 0.07	$ 0.12
Income (loss) from discontinued operations	0.00	0.00	0.00	(0.01)
Basic earnings per common share	$ 0.03	$ 0.04	$ 0.07	$ 0.11
Diluted earnings per common share				
Income from continuing operations	$ 0.03	$ 0.04	$ 0.07	$ 0.11
Income (loss) from discontinued operations	0.00	0.00	0.00	0.00
Diluted earnings per common share	$ 0.03	$ 0.04	$ 0.07	$ 0.11

See accompanying notes to condensed consolidated financial statements.

WILLIAMS INDUSTRIAL SERVICES GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(in thousands)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Net income	$ 738	$ 1,026	$ 1,928	$ 2,530
Foreign currency translation adjustment	(98)	(34)	(64)	(288)
Comprehensive income	$ 640	$ 992	$ 1,864	$ 2,242

See accompanying notes to condensed consolidated financial statements.

WILLIAMS INDUSTRIAL SERVICES GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)

(in thousands, except share data)	Common Shares $0.01 Per Share		Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Treasury Shares		Total
	Shares	Amount				Shares	Amount	
Balance, December 31, 2019	19,794,270	$ 198	$ 81,964	$ 222	$ (60,211)	(737,075)	$ (9)	$ 22,164
Issuance of common stock	5,384,615	54	6,478	—	—	—	—	6,532
Issuance of restricted stock units	423,341	—	—	—	—	80,207	1	1
Tax withholding on restricted stock units	—	—	(65)	—	—	(41,445)	—	(65)
Stock-based compensation	—	—	376	—	—	—	—	376
Foreign currency translation	—	—	—	(258)	—	—	—	(258)
Net loss	—	—	—	—	(1,001)	—	—	(1,001)
Balance, March 31, 2020	25,602,226	$ 252	$ 88,753	$ (36)	$ (61,212)	(698,313)	$ (8)	$ 27,749
Issuance of common stock	—	4	(48)	—	—	—	—	(44)
Issuance of restricted stock units	407,315	—	—	—	—	138,221	1	1
Tax withholding on restricted stock units	(93,234)	—	(153)	—	—	(31,570)	(1)	(154)
Stock-based compensation	—	—	650	—	—	—	—	650
Foreign currency translation	—	—	—	4	—	—	—	4
Net income	—	—	—	—	2,505	—	—	2,505
Balance, June 30, 2020	25,916,307	$ 256	$ 89,202	$ (32)	$ (58,707)	(591,662)	$ (8)	$ 30,711
Issuance of restricted stock units	10,026	—	—	—	—	4,788	—	—
Tax withholding on restricted stock units	—	—	(9)	—	—	(3,017)	—	(9)
Share-based compensation	—	—	389	—	—	—	—	389
Foreign currency translation	—	—	—	(34)	—	—	—	(34)
Net income	—	—	—	—	1,026	—	—	1,026
Balance, September 30, 2020	25,926,333	$ 256	$ 89,582	$ (66)	$ (57,681)	(589,891)	$ (8)	$ 32,083

(in thousands, except share data)	Common Shares $0.01 Per Share		Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Treasury Shares		Total
	Shares	Amount				Shares	Amount	
Balance, December 31, 2020	25,926,333	$ 256	$ 90,292	$ 28	$ (58,673)	(589,891)	$ (8)	$ 31,895
Issuance of restricted stock units	438,836	4	—	—	—	120,723	2	6
Tax withholding on restricted stock units	—	—	(545)	—	—	—	—	(545)
Stock-based compensation	—	—	625	—	—	—	—	625
Foreign currency translation	—	—	—	4	—	—	—	4
Net loss	—	—	—	—	(1,681)	—	—	(1,681)
Balance, March 31, 2021	26,365,169	$ 260	$ 90,372	$ 32	$ (60,354)	(469,168)	$ (6)	$ 30,304
Issuance of restricted stock units	19,501	—	—	—	—	—	—	—
Tax withholding on restricted stock units	—	—	40	—	—	—	—	40
Stock-based compensation	—	—	424	—	—	—	—	424
Foreign currency translation	—	—	—	30	—	—	—	30
Net income	—	—	—	—	2,871	—	—	2,871
Balance, June 30, 2021	26,384,670	$ 260	$ 90,836	$ 62	$ (57,483)	(469,168)	$ (6)	$ 33,669
Share-based compensation	—	—	834	—	—	—	—	834
Foreign currency translation	—	—	—	(98)	—	—	—	(98)
Net income	—	—	—	—	738	—	—	738
Balance, September 30, 2021	26,384,670	$ 260	$ 91,670	$ (36)	$ (56,745)	(469,168)	$ (6)	$ 35,143

See accompanying notes to condensed consolidated financial statements.

WILLIAMS INDUSTRIAL SERVICES GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in thousands)	Nine Months Ended September 30, 2021	2020
Operating activities:		
Net income	$ 1,928	$ 2,530
Adjustments to reconcile net income to net cash used in operating activities:		
Net (income) loss from discontinued operations	(71)	166
Deferred income tax provision (benefit)	(304)	55
Depreciation and amortization on plant, property and equipment	137	144
Amortization of deferred financing costs	623	546
Amortization of debt discount	150	—
Gain on disposals of property, plant and equipment	—	(136)
Bad debt expense	(123)	19
Stock-based compensation	2,579	1,703
Changes in operating assets and liabilities, net of businesses sold:		
Accounts receivable	(11,896)	(6,530)
Contract assets	(4,824)	(1,553)
Other current assets	(5,113)	(3,684)
Other assets	(214)	1,619
Accounts payable	2,121	(8,914)
Accrued and other liabilities	6,628	7,290
Contract liabilities	(39)	706
Net cash used in operating activities, continuing operations	(8,418)	(6,039)
Net cash used in operating activities, discontinued operations	(348)	(189)
Net cash used in operating activities	(8,766)	(6,228)
Investing activities:		
Purchase of property, plant and equipment	(537)	(88)
Net cash used in investing activities	(537)	(88)
Financing activities:		
Repurchase of stock-based awards for payment of statutory taxes due on stock-based compensation	(501)	(227)
Proceeds from issuance of common stock	—	6,488
Debt issuance costs	—	(325)
Proceeds from short-term borrowings	208,421	172,616
Repayments of short-term borrowings	(204,101)	(175,158)
Repayments of long-term debt	(788)	(350)
Net cash provided by financing activities	3,031	3,044
Effect of exchange rate change on cash	112	(80)
Net change in cash, cash equivalents and restricted cash	(6,160)	(3,352)
Cash, cash equivalents and restricted cash, beginning of period	9,184	7,818
Cash, cash equivalents and restricted cash, end of period	$ 3,024	$ 4,466
Supplemental Disclosures:		
Cash paid for interest	$ 2,781	$ 2,900
Cash paid for income taxes, net of refunds	$ 1,841	$ —
Noncash amendment fee related to revolving credit facility	$ —	$ 150

See accompanying notes to condensed consolidated financial statements.

WILLIAMS INDUSTRIAL SERVICES GROUP INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1—BUSINESS AND BASIS OF PRESENTATION

Business

Williams Industrial Services Group Inc. (together with its wholly owned subsidiaries, “Williams,” the “Company,” “we,” “us” or “our,” unless the context indicates otherwise) was initially formed in 1998 as GEEG Holdings, LLC, a Delaware limited liability company, and in 2001, changed its name to “Global Power Equipment Group Inc.,” a Delaware corporation and became the successor to GEEG Holdings, LLC. Effective June 29, 2018, the Company changed its name to Williams Industrial Services Group Inc. to better align its name with the Williams business, and the Company’s stock now trades on the NYSE American LLC under the ticker symbol “WLMS.” Williams has been safely helping plant owners and operators enhance asset value for more than 50 years. It provides a broad range of construction, maintenance, and support services to infrastructure customers in energy, power, and industrial end markets. The Company’s mission is to be the preferred provider of construction, maintenance, and specialty services through commitment to superior safety performance, focus on innovation, and dedication to delivering unsurpassed value to its customers.

Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) on a basis consistent with that used in the Annual Report on Form 10-K for the year ended December 31, 2020, filed by the Company with the U.S. Securities and Exchange Commission (“SEC”) on March 31, 2021 (the “2020 Report”). In the opinion of management, the unaudited condensed consolidated financial statements reflect all adjustments, including all normal recurring adjustments, necessary to present fairly the unaudited condensed consolidated balance sheets and statements of operations, comprehensive income, stockholders’ equity and cash flows for the periods indicated. All significant intercompany transactions have been eliminated. The December 31, 2020 unaudited condensed consolidated balance sheet data was derived from audited financial statements but does not include all disclosures required by GAAP. These unaudited condensed consolidated interim financial statements and accompanying notes should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the 2020 Report. Accounting measurements at interim dates inherently involve greater reliance on estimates than at year-end. The results of operations for any interim period are not necessarily indicative of operations to be expected for the full year.

The Company reports on a fiscal quarter basis utilizing a “modified” 4-4-5 calendar (modified in that the fiscal year always begins on January 1 and ends on December 31). However, the Company has continued to label its quarterly information using a calendar convention. The effects of this practice are modest and only exist when comparing interim period results. The reporting periods and corresponding fiscal interim periods are as follows:

Reporting Interim Period	Fiscal Interim Period	
	2021	2020
Three Months Ended March 31	January 1, 2021 to April 4, 2021	January 1, 2020 to March 29, 2020
Three Months Ended June 30	April 5, 2021 to July 4, 2021	March 30, 2020 to June 28, 2020
Three Months Ended September 30	July 5, 2021 to October 3, 2021	June 29, 2020 to September 27, 2020

NOTE 2—RECENT ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements

In December 2019, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2019-12, "Income Taxes", which simplifies the accounting for income taxes by removing certain exceptions for investments, intraperiod allocations and interim calculations, and adding guidance to reduce complexity in accounting for income taxes. The update is effective for annual periods beginning after December 15, 2020, and interim periods within those fiscal years. Early adoption is permitted. The Company historically did not rely on the exceptions in computing the tax provision. The Company adopted the guidance as of January 1, 2021. The adoption of ASU 2019-12 did not have a material impact on the Company's financial statements.

NOTE 3—LEASES

The Company primarily leases office space and related equipment, as well as equipment, modular units and vehicles directly used in providing services to its customers. The Company's leases have remaining lease terms of one to ten years. Most leases contain renewal options for varying periods, which are at the Company's sole discretion and included in the expected lease term if they are reasonably certain of being exercised. In accordance with ASU 2016-02, the Company accounts for lease components, such as fixed payments including rent, real estate taxes, and insurance costs, separately from the non-lease components, such as common area maintenance costs.

In accordance with ASU 2016-02, for leases with terms greater than twelve months, the Company records the related right-of-use assets and lease liabilities at the present value of the fixed lease payments over the lease term at the lease commencement date. The Company uses its incremental borrowing rate to determine the present value of the lease as the rate implicit in the lease is typically not readily determinable.

Short-term leases (leases with an initial term of twelve months or less or leases that are cancelable by the lessee and lessor without significant penalties) are expensed on a straight-line basis over the lease term. The majority of the Company's short-term leases relate to equipment used in delivering services to its customers. These leases are entered into at agreed upon hourly, daily, weekly, or monthly rental rates for an unspecified duration and typically have a termination for convenience provision. Such equipment leases are considered short-term in nature unless it is reasonably certain that the equipment will be leased for a term greater than twelve months.

On September 2, 2021, the Company made the decision to relocate its corporate headquarters to Atlanta, Georgia and entered into a ten-year lease agreement. The lease is not presented as a right-of-use asset and lease liability because the commencement date of the lease is not expected to occur until early 2022 after substantial completion of the leasehold improvements as defined in the lease agreement. The lease liability amounts to $3.5 million with a present value of $2.3 million over a ten-year term. If the Company defaults, the landlord has the right to use the security deposit for rent or other payments due to other damages, injury, expense or liability as defined in the lease agreement. Although the security deposit shall be deemed the property of the landlord, any remaining balance of the security deposit shall be returned by the landlord to the Company after termination of the lease as the Company's obligations under the lease have been fulfilled.

The components of lease expense were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
Lease Cost (in thousands)	**2021**	**2020**	**2021**	**2020**
Operating lease cost	$ 619	$ 850	$ 1,711	$ 2,950
Short-term lease cost	1,051	505	2,484	1,972
Sublease income	(5)	—	(5)	—
Total lease cost	$ 1,665	$ 1,355	$ 4,190	$ 4,922

Lease cost related to finance leases was not significant for the three and nine months ended September 30, 2021 and 2020.

Information related to the Company's right-of-use assets and lease liabilities was as follows:

Lease Assets/Liabilities (in thousands)	Balance Sheet Classification	September 30, 2021	December 31, 2020
Lease Assets			
Right-of-use assets	Other long-term assets	$ 1,583	$ 2,029
Lease Liabilities			
Short-term lease liabilities	Other current liabilities	$ 1,603	$ 1,362
Long-term lease liabilities	Other long-term liabilities	673	1,011
Total lease liabilities		$ 2,276	$ 2,373

Supplemental information related to the Company's leases was as follows:

	Nine Months Ended September 30,	
(dollars in thousands)	2021	2020
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash used by operating leases	$ 1,810	$ 3,388
Right-of-use assets obtained in exchange for new operating lease liabilities	1,549	2,226
Weighted-average remaining lease term - operating leases	1.47 years	1.71 years
Weighted-average remaining lease term - finance leases	2.48 years	3.48 years
Weighted-average discount rate - operating leases	9%	9%
Weighted-average discount rate - finance leases	9%	9%

Total remaining lease payments under the Company's operating and finance leases were as follows:

Nine Months Ended September 30,	Operating Leases	Finance Leases
	(in thousands)	
Remainder of 2021	$ 582	$ 2
2022	1,372	6
2023	360	6
2024	103	1
2025	3	—
Total lease payments	$ 2,420	$ 15
Less: interest	(159)	—
Present value of lease liabilities	$ 2,261	$ 15

NOTE 4—CHANGES IN BUSINESS

Discontinued Operations

Electrical Solutions

During the fourth quarter of 2017, the Company made the decision to exit and sell its Electrical Solutions segment (which was comprised solely of Koontz-Wagner Custom Controls Holdings LLC ("Koontz-Wagner"), a wholly owned subsidiary of the Company) in an effort to reduce the Company's outstanding term debt. The Company determined that the decision to exit this segment met the definition of a discontinued operation. As a result, this segment has been presented as a discontinued operation for all periods presented.

On July 11, 2018, Koontz-Wagner filed a voluntary petition for relief under Chapter 7 of Title 11 of the Bankruptcy Code with the U.S. Bankruptcy Court for the Southern District of Texas. The filing was for Koontz-Wagner only, not for the Company as a whole, and was completely separate and distinct from the Williams business and operations. As a result of the July 11, 2018 bankruptcy of Koontz-Wagner, the Company recorded a pension withdrawal liability of $2.9 million related to Koontz-Wagner's International Brotherhood of Electrical Workers Local Union 1392 ("IBEW") multi-employer pension plan.

After an arbitration process, on May 12, 2021, an arbitrator concluded that the IBEW used an incorrect per hour contribution rate in calculating the Company's pension withdrawal liability, which resulted in the Company overpaying. The arbitrator directed IBEW to refund all overpayments, with interest, to the Company and to redetermine the Company's payments going forward using the proper contribution rate. Accordingly, the Company's overall pension withdrawal liability decreased by approximately $0.2 million. The pension liability is expected to be satisfied by annual cash payments of $0.3 million each, paid in quarterly installments, through 2038. The Company recorded a gain on disposal of approximately $0.2 million in the nine months ended September 30, 2021 to reduce its previously recorded estimated withdrawal liability to the new amount.

Mechanical Solutions

During the third quarter of 2017, the Company made the decision to exit and sell substantially all of the operating assets and liabilities of its Mechanical Solutions segment and determined that the decision to exit this segment met the definition of a discontinued operation. As a result, this segment has been presented as a discontinued operation for all periods presented.

As of September 30, 2021 and December 31, 2020, the Company did not have any assets related to its Electrical Solutions' and Mechanical Solutions' discontinued operations. The following table presents a reconciliation of the carrying amounts of major classes of liabilities of Electrical Solutions' and Mechanical Solutions' discontinued operations:

(in thousands)	September 30, 2021	December 31, 2020
Liabilities:		
Current liabilities of discontinued operations	$ 188	$ 342
Liability for pension obligation	2,347	2,670
Liability for uncertain tax positions	1,854	1,796
Long-term liabilities of discontinued operations	4,201	4,466
Total liabilities of discontinued operations	$ 4,389	$ 4,808

The following table presents a reconciliation of the major classes of line items constituting the net income (loss) from discontinued operations. In accordance with GAAP, the amounts in the table below do not include an allocation of corporate overhead.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2021	2020	2021	2020
General and administrative expenses	$ 5	$ 14	$ 39	$ 20
Loss (gain) on disposal - Electrical Solutions	(17)	—	(245)	45
Interest expense	46	52	76	157
Income (loss) from discontinued operations before income tax	(34)	(66)	130	(222)
Income tax expense (benefit)	22	24	59	(56)
Income (loss) from discontinued operations	$ (56)	$ (90)	$ 71	$ (166)

NOTE 5—REVENUE

Disaggregation of Revenue

The Company's contracts generally include a single performance obligation for which revenue is recognized over time, as performance obligations are satisfied, due to the continuous transfer of control to the customer. For cost-plus contracts, the Company recognizes revenue when services are performed and contractually billable based upon the hours incurred and agreed-upon hourly rates. Revenue on fixed-price contracts is recognized and invoiced over time using the cost-to-cost percentage-of-completion method. To the extent a contract is deemed to have multiple performance obligations, the Company allocates the transaction price of the contract to each performance obligation using its best estimate of the standalone selling price of each distinct good or service in the contract. The Company does not adjust the price of the contract for the effects of a significant financing component. Change orders are generally not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as a modification of the existing contract and performance obligation. The Company believes these methods of revenue recognition most accurately reflect the economics of the transactions with its customers.

The Company's contracts may include several types of variable consideration, including change orders, rate true-up provisions, retainage, claims, incentives, penalties, and liquidated damages. The Company estimates the amount of revenue to be recognized on variable consideration using estimation methods that best predict the amount of consideration to which the Company expects to be entitled. The Company includes variable consideration in the estimated transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur or when the uncertainty associated with the variable consideration is resolved. The Company's estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based on an assessment of its anticipated performance and all information (historical, current, and forecasted) that is reasonably available. The Company updates its estimate of the transaction price each reporting period and the effect of variable consideration on the transaction price is recognized as an adjustment to revenue on a cumulative catch-up basis. In circumstances where the Company cannot reasonably determine the outcome of a contract, it recognizes revenue over time as the work is performed, but only to the extent of recoverable costs incurred (i.e. zero margin). A loss provision is recorded for the amount of any estimated unrecoverable costs in excess of total estimated revenue on a contract as soon as the Company becomes aware. The Company generally provides a limited warranty for a term of two years or less following completion of services performed under its contracts. Historically, warranty claims have not resulted in material costs incurred.

Disaggregated revenue by type of contract was as follows:

(in thousands)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Cost-plus reimbursement contracts	$ 63,363	$ 57,123	$ 201,027	$ 182,689
Fixed-price contracts	9,988	9,117	24,746	22,247
Total	$ 73,351	$ 66,240	$ 225,773	$ 204,936

Disaggregated revenue by the geographic area where the work was performed was as follows:

(in thousands)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
United States	$ 64,379	$ 57,984	$ 197,287	$ 178,447
Canada	8,972	8,256	28,486	26,489
Total	$ 73,351	$ 66,240	$ 225,773	$ 204,936

Contract Balances

The Company enters into contracts that allow for periodic billings over the contract term that are dependent upon specific advance billing terms, as services are provided, or as milestone billings based on completion of certain phases of work. Projects with performance obligations recognized over time that have costs and estimated earnings recognized to date in excess of cumulative billings are reported in the Company's unaudited condensed consolidated balance sheets as contract assets. Projects with performance obligations recognized over time that have cumulative billings in excess of costs and estimated earnings recognized to date are reported in the Company's unaudited condensed consolidated balance sheets as contract liabilities. At any point in time, each project in process could have either contract assets or contract liabilities.

The following table provides information about contract assets and contract liabilities from contracts with customers:

(in thousands)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Costs incurred on uncompleted contracts	$ 66,590	$ 57,582	$ 203,561	$ 180,014
Earnings recognized on uncompleted contracts	6,761	8,658	22,212	24,922
Total	73,351	66,240	225,773	204,936
Less—billings to date	(63,034)	(60,850)	(215,456)	(199,546)
Net	$ 10,317	$ 5,390	$ 10,317	$ 5,390
Contract assets	$ 12,811	$ 8,795	$ 12,811	$ 8,795
Contract liabilities	(2,494)	(3,405)	(2,494)	(3,405)
Net	$ 10,317	$ 5,390	$ 10,317	$ 5,390

For the three and nine months ended September 30, 2021, the Company recognized revenue of approximately $1.1 million and $2.2 million, respectively, on approximately $2.5 million that was included in the corresponding contract liability balance on December 31, 2020.

Remaining Performance Obligations

The following table includes estimated revenue expected to be recognized in the future related to performance obligations that were unsatisfied (or partially unsatisfied) as of September 30, 2021:

(in thousands)	Remainder of 2021	2022	2023	Thereafter	Total
Remaining performance obligations	$ 73,416	$ 133,826	$ 95,098	$ 370,166	$ 672,506

NOTE 6—EARNINGS PER SHARE

As of September 30, 2021, the Company's 25,915,502 shares outstanding included 215,956 shares of contingently issued but unvested restricted stock. As of September 30, 2020, the Company's 25,336,442 shares outstanding included 550,857 shares of contingently issued but unvested restricted stock. Restricted stock is excluded from the calculation of basic weighted average shares outstanding, but its impact, if dilutive, is included in the calculation of diluted weighted average shares outstanding.

Basic earnings per common share are calculated by dividing net income by the weighted average common shares outstanding during the period. Diluted earnings per common share are based on the weighted average common shares outstanding during the period, adjusted for the potential dilutive effect of common shares that would be issued upon the vesting and release of restricted stock awards and units and stock options, if any.

Basic and diluted earnings per common share from continuing operations were calculated as follows:

(in thousands, except share and per share data)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Income from continuing operations	$ 794	$ 1,116	$ 1,857	$ 2,696
Basic earnings per common share:				
Weighted average common shares outstanding	25,699,545	24,689,337	25,306,130	23,304,059
Basic earnings per common share	$ 0.03	$ 0.04	$ 0.07	$ 0.12
Diluted earnings per common share:				
Weighted average common shares outstanding	25,699,545	24,689,337	25,306,130	23,304,059
Dilutive effect:				
Unvested portion of restricted stock units and awards	807,030	494,969	791,570	532,739
Weighted average diluted common shares outstanding	26,506,575	25,184,306	26,097,700	23,836,798
Diluted earnings per common share	$ 0.03	$ 0.04	$ 0.07	$ 0.11

The weighted average number of shares outstanding used in the computation of basic and diluted earnings per common share does not include the effect of the following potential outstanding common stock. The effects of the potentially outstanding service-based restricted stock and restricted stock unit awards were not included in the calculation of diluted earnings per common share because the effect would have been anti-dilutive. The effects of the potentially outstanding performance- and market-based restricted stock unit awards were not included in the calculation of diluted earnings per common share because the performance and/or market conditions had not been satisfied as of September 30, 2021 and 2020.

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Unvested service-based restricted stock and restricted stock unit awards	16,666	391,601	—	262,705
Unvested performance- and market-based restricted stock unit awards	833,111	1,585,703	833,111	1,585,703

NOTE 7—INCOME TAXES

The effective income tax expense rate for continuing operations for the three and nine months ended September 30, 2021 and 2020 was as follows:

(in thousands)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Income tax (benefit) expenses	($6)	$321	$256	$565
Effective income tax rate for continuing operations	-0.8%	22.3%	12.1%	17.3%

The effective income tax rate differs from the statutory federal income tax rate of 21% primarily because of the partial valuation allowances recorded on the Company's deferred tax assets and the Canadian income tax provision.

For the three months ended September 30, 2021, the Company recorded income tax benefit from continuing operations of $0.01 million, or (0.8)% of pretax income from continuing operations, compared with income tax expense from continuing operations of $0.3 million, or 22.3% of pretax income from continuing operations, in the corresponding period of 2020. For the nine months ended September 30, 2021, the Company recorded income tax expense from continuing operations of $0.3 million, or 12.1% of pretax income from continuing operations, compared with income tax expense from continuing operations of $0.6 million, or 17.3% of pretax income from continuing operations, in the corresponding period of 2020.

The decrease in income tax provision from continuing operations for the three months ended September 30, 2021, compared with the corresponding period in 2020 was primarily the result of the $0.3 million increase in U.S. deferred tax assets net of a partial valuation allowance, and the $0.05 million decrease in the income tax provision as a result of the year-over-year fluctuation in Canadian pre-tax book income. The $0.3 million U.S. deferred tax asset increase is attributable to the increase in indefinite lived assets, both the net operating loss and the Section 163(j) interest addback. The increase was primarily driven by a $0.8 million favorable tax adjustment related to the Koontz-Wagner bankruptcy estate distribution in the third quarter of 2021, and a $0.6 million favorable tax adjustment as the Company is expecting to pay off half of the payroll tax deferred, under the CARES Act (as defined below), by the end of December 31, 2021.

The Company's net deferred balance was primarily composed of indefinite lived deferred tax liabilities attributable to goodwill and trade names, and indefinite lived deferred tax assets related to the post 2017 net operating losses and the Section 163(j) interest addback. A full valuation allowance was applied to most of the remaining deferred balances. The indefinite lived deferred tax assets enabled the release of the valuation allowance to the extent that it can offset the indefinite lived deferred tax liabilities. Because all indefinite lived deferred tax liabilities are part of continued operations, and the release of valuation allowance is attributable to the future taxable income related to these deferred tax liabilities, the entire valuation allowance released was recorded in continuing operations according to ASC 740-20-45-3. As a result, the favorable tax adjustment related to the Koontz-Wagner bankruptcy estate distribution (arising from the discontinued operation), has been reported as continuing operations. As of September 30, 2021, the Company had $2.1 million net deferred tax liabilities, mainly composed of $12.3 million indefinite lived deferred tax liabilities attributable to goodwill and trade names, partially offset by $6.9 million indefinite lived deferred tax assets attributable to post 2017 net operating losses and $3.1 million indefinite lived deferred tax assets attributable to Section 163(j) interest addback.

The decrease in income tax provision from continuing operations for the nine months ended September 30, 2021 compared with the corresponding period in 2020 was primarily the result of a $0.4 million increase in the U.S. deferred tax assets net of partial valuation allowance, as the Company's indefinite lived intangible assets have been fully amortized for tax purposes as of year-end 2020, partially offset by a $0.1 million increase in the Canadian tax provision.

As of September 30, 2021 and 2020, the Company would have needed to generate approximately $270.4 million and $268.5 million, respectively, of future taxable income in order to realize its deferred tax assets.

The Company's foreign subsidiaries may generate earnings that are not subject to U.S. income taxes so long as they are permanently reinvested in its operations outside of the U.S. pursuant to ASC 740-30. Undistributed earnings of foreign subsidiaries that are no longer permanently reinvested would become subject to deferred income taxes.

As of September 30, 2021, the Company's Canadian subsidiary had approximately $8.3 million in Canadian currency in undistributed earnings. The Company's management asserts that all of the undistributed earnings will be reinvested in the Canadian subsidiary based on the following facts presented at the time of preparing the financial statements: (1) the Company's domestic operations are not in need of working capital from the foreign subsidiary, and any temporary intercompany payable with the Canadian subsidiary will be repaid within one year from the end of the corporation's tax year in which the indebtedness arises; (2) the Canadian subsidiary has not declared dividends since its inception in 2018, and management is not expecting the Canadian subsidiary to declare dividends in the foreseeable future; and (3) the Company's management has developed a strategic growth initiative to pursue nuclear plant maintenance, modifications, and construction in Canada for the long-term. Therefore, the accrual of deferred tax liability with respect to the Company's outside basis difference in its investment in Canada is not needed pursuant to the APB 23 exception.

As of September 30, 2021 and 2020, the Company provided for a total liability of $3.0 million and $2.8 million, respectively, of which $1.9 million for the period ended September 30, 2021, compared to $1.7 million for the corresponding period in 2020, related to discontinued operations, for unrecognized tax benefits related to various federal, foreign and state income tax matters, which were included in long-term liabilities of discontinued operations and other long-term liabilities. If recognized, the entire amount of the liability would affect the effective tax rate. As of September 30, 2021, the Company accrued approximately $1.4 million, of which $0.8 million related to discontinued operations, in both other long-term liabilities of discontinued operations and other long-term liabilities for potential payment of interest and penalties related to uncertain income tax positions.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security ("CARES") Act was enacted and signed into U.S. law to provide economic relief to individuals and businesses facing economic hardship as a result of the COVID-19 pandemic. The Company has incorporated the impact of the CARES Act to the tax provision. In addition, the Company deferred payments of federal employer payroll taxes of approximately $4.9 million (recorded within accrued compensation and benefits on the consolidated balance sheet), as permitted by the CARES Act. The first half of the deferred amounts will be paid by December 2021, and the second half by December 2022.

NOTE 8—DEBT

As of September 30, 2021, the Company was in compliance with all debt covenants. Due to the continued volatility caused by the COVID-19 pandemic, the Company cannot provide any assurance that the assumptions used to estimate its liquidity requirements will remain accurate. As a consequence, the Company's estimates of the effects of the pandemic and their impact on the Company's future earnings and cash flows could change and have a material impact on its results of operations and financial condition, including negatively affecting the Company's ability to remain in compliance with its debt covenants.

The following table provides information about the Company's debt, net of unamortized deferred financing costs:

(in thousands)	September 30, 2021	December 31, 2020
Revolving credit facility	$ 4,672	$ 352
Term loan, current portion of long-term debt	1,050	1,050
Current debt	$ 5,722	$ 1,402
Term loan, noncurrent portion of long-term debt	$ 33,163	$ 33,950
Unamortized debt discount from refinancing to new loan	(841)	(991)
Unamortized deferred financing costs	(1,894)	(2,231)
Long-term debt, net	$ 30,428	$ 30,728
Total debt, net	$ 36,150	$ 32,130

Debt Refinancing

On December 16, 2020 (the "Closing Date"), the Company and certain of its subsidiaries refinanced and replaced its revolving credit facility with MidCap Financial Trust (the "Prior ABL") and its four-year $35.0 million term loan facility with Centre Lane Partners, LLC and entered into (i) the Term Loan Agreement (as defined below), which provided for senior secured term loan facilities in an aggregate principal amount of up to $50.0 million (collectively, the "Term Loan"), consisting of a $35.0 million closing date term loan facility (the "Closing Date Term Loan") and up to $15.0 million of borrowings under a delayed draw facility (the "Delayed Draw Term Loan Facility") with EICF Agent LLC, as agent, and CION Investment Corporation, as a lender and a co-lead arranger, and the other lenders party thereto; and (ii) a senior secured asset-based revolving line of credit of up to $30.0 million (the "Revolving Credit Facility") with PNC Bank, National Association ("PNC"). As of September 30, 2021, the Company had $4.7 million outstanding under the Revolving Credit Facility and $34.2 million outstanding (including both the noncurrent and current portion of the Term Loan) under the Term Loan. The Term Loan Agreement provides for an interest rate of 9.0% (or 8.5% if the Total Leverage Ratio (as defined in the Term Loan Agreement) is less than 2.50:1) plus the London Interbank Offered Rate ("LIBOR") (with a minimum rate of 1.0%) per year.

The Revolving Credit Facility

On the Closing Date, the Company and certain of its subsidiaries (the "Revolving Loan Borrowers") entered into the Revolving Credit and Security Agreement with PNC, as agent for the lenders, and the lenders party thereto (the "Revolving Credit Agreement"), which provides for the Revolving Credit Facility. As part of the Revolving Credit Facility, the Company may access a letter of credit sublimit in an amount up to $2.0 million, a swing loan sublimit in an aggregate principal amount of up to $3.0 million, and a Canadian dollar sublimit in an aggregate principal amount of up to $5.0 million. The Revolving Credit Facility matures on December 16, 2025.

Borrowings under the Revolving Credit Facility bear interest, at the Company's election, at either (1) the base commercial lending rate of PNC, as publicly announced, plus 1.25%, payable in cash on a monthly basis, (2) the 30, 60 or 90 day LIBOR rate, subject to a minimum LIBOR floor of 1.00%, plus 2.25%, payable in cash on the last day of each interest period, or (3) with respect to Canadian dollar loans, the Canadian Dollar Offered Rate ("CDOR"), subject to a minimum CDOR rate of 1.00%, payable in cash on a monthly basis. In addition, upon the occurrence of an event of default, and for so long as such event of default continues, default interest equal to 2.00% per year in excess of the rate otherwise applicable will be payable. The Revolving Credit Agreement also includes customary replacement provisions in the event of the discontinuation of LIBOR.

The Revolving Loan Borrowers' Obligations (as defined in the Revolving Credit Agreement) are guaranteed by certain of the Company's material, wholly-owned subsidiaries, subject to customary exceptions (the "Revolving Loan Guarantors" and, together with the Revolving Loan Borrowers, the "Revolving Loan Credit Parties"). The Revolving Loan Credit Parties' obligations are secured by first-priority security interests on substantially all of the Revolving Loan Credit Parties' accounts and a second-priority security interest in substantially all other assets of the Revolving Loan Credit Parties, subject to the terms of the Intercreditor Agreement between PNC and EICF Agent LLC, as the Revolving Loan Agent and the Term Loan Agent, respectively (as each such term is defined in the Intercreditor Agreement), as described below (the "Intercreditor Agreement").

The Revolving Loan Borrowers may from time to time voluntarily prepay outstanding amounts, plus any accrued but unpaid interest on the aggregate amount being prepaid, under the Revolving Credit Facility, in whole or in part. There is no required minimum prepayment amount. If at any time the amount outstanding under the Revolving Credit Agreement exceeds the borrowing base, or any sublimit, in effect at such time, the excess amount will be immediately due and payable. Subject to the Intercreditor Agreement, the Revolving Credit Agreement also requires mandatory prepayment of outstanding amounts in the event the Revolving Loan Borrowers receive proceeds from certain events and activities, including, among others, certain asset sales and casualty events, the issuance of indebtedness and equity interests, and the recovery of any proceeds from certain specified arbitration proceedings.

The Revolving Credit Agreement provides for a customary unused line fee equal to 0.25% per year on the unused portion of the Revolving Credit Facility, which is payable on a quarterly basis, and a collateral monitoring fee of $2,500, which is payable on a monthly basis. The Revolving Credit Agreement also provides for an early termination fee (the "Early Termination Fee"), payable to the revolving lenders thereunder upon (1) any acceleration of the Obligations and termination of the Revolving Credit Agreement and the obligation of the revolving lenders to make advances thereunder following the occurrence of an Event of Default (as defined in the Revolving Credit Agreement), or (2) any other termination of the Revolving Credit Agreement and the obligation of revolving lenders to make advances thereunder for any reason (the "Early Termination Date"). The Early Termination Fee is calculated as follows: if the Early Termination Date occurs on or prior to the first anniversary of the Closing Date, the Early Termination Fee will be 2.00% of the Revolving Credit Facility; and if prepayment occurs after the first anniversary of the Closing Date and on or prior to the second anniversary of the Closing Date, the Early Termination Fee will be 1.00% of the Revolving Credit Facility. While any letter of credit is outstanding under the Revolving Credit Facility, the Revolving Loan Borrowers must pay a letter of credit fronting fee at a rate equal to 0.25% per year, payable quarterly, in addition to any other customary fees required by the issuer of the letter of credit.

The Revolving Credit Agreement contains customary representations and warranties, as well as customary affirmative and negative covenants, in each case, with certain exceptions, limitations and qualifications. The Revolving Credit Agreement also requires the Revolving Loan Borrowers to regularly provide certain financial information to the lenders thereunder, maintain a springing minimum fixed charge coverage ratio, and comply with certain limitations on capital expenditures.

Events of default under the Revolving Credit Agreement include, but are not limited to, a breach of certain covenants or any representations or warranties, failure to timely pay any amounts due and owing, the commencement of any bankruptcy or other insolvency proceeding, judgments in excess of certain acceptable amounts, the occurrence of a change in control, certain events related to ERISA matters, impairment of security interests in collateral or invalidity of guarantees or security documents, or a default or event of default under the Term Loan Agreement or the Intercreditor Agreement, in each case, with customary exceptions, limitations, grace periods and qualifications. If an event of default occurs, the revolving lenders may, among other things, declare all Obligations outstanding under the Revolving Credit Facility to be immediately due and payable, together with accrued interest and fees, and exercise remedies under the collateral documents relating to the Revolving Credit Agreement.

EICF Agent LLC, as the Term Loan Agent, and PNC, as the Revolving Loan Agent, entered into an Intercreditor Agreement, dated as of the Closing Date, to which the Term Loan Credit Parties (as defined below) and Revolving Loan Credit Parties consented. The Intercreditor Agreement, among other things, specifies the relative lien priorities of the Term Loan Agent and Revolving Loan Agent in the relevant collateral, and contains customary provisions regarding, among other things, the rights of the Term Loan Agent and Revolving Loan Agent to take enforcement actions against the relevant collateral and certain limitations on amending the documentation governing each of the Term Loan and Revolving Credit Facility.

The Term Loan

On the Closing Date, the Company and certain of its subsidiaries (the "Term Loan Borrowers") entered into the Term Loan, Guarantee and Security Agreement with EICF Agent LLC, as agent for the lenders, CION Investment Corporation, as a lender and co-lead arranger, and the other lenders party thereto (the "Term Loan Agreement"), which provides for the Term Loan. The Closing Date Term Loan was fully drawn on the Closing Date, while the Delayed Draw Term Loan Facility is available upon the satisfaction of certain conditions precedent for up to 18 months following the Closing Date. The Term Loan matures on December 16, 2025.

Borrowings under the Term Loan Agreement bear interest at LIBOR, plus a margin of 8.50% (if the Total Leverage Ratio (as defined in the Term Loan Agreement) is less than 2.50:1) or 9.00% per year (if the Total Leverage Ratio is greater than or equal to 2.50:1), subject to a minimum LIBOR floor of 1.00%, payable in cash on a quarterly basis. In addition, upon the occurrence of an event of default, and for so long as such event of default continues, default interest equal to 2.00% per year in excess of the rate otherwise applicable will be payable. The Term Loan Agreement also includes customary replacement provisions in the event of the discontinuation of LIBOR.

The Term Loan Borrowers' Obligations (as defined in the Term Loan Agreement) are guaranteed by certain of the Company's material, wholly-owned subsidiaries, subject to customary exceptions (the "Term Loan Guarantors" and, together with the Term Loan Borrowers, the "Term Loan Credit Parties"). The Term Loan Credit Parties' obligations are secured by first-priority security interests on substantially all of the Term Loan Credit Parties' assets, as well as a second-priority security interest on the Term Loan Credit Parties' accounts receivable and inventory, subject to the Intercreditor Agreement.

Subject to certain conditions, the Term Loan Borrowers may voluntarily prepay the Term Loan on any Payment Date (as defined in the Term Loan Agreement), in whole or in part, in a minimum amount of $1.0 million of the outstanding principal amount, plus a prepayment fee (the "Prepayment Fee"), calculated as follows: if prepayment occurs prior to the first anniversary of the Closing Date, the Prepayment Fee will be 3.00% of the principal amount being prepaid; if prepayment occurs on or after the first anniversary of the Closing Date and prior to the second anniversary of the Closing Date, the Prepayment Fee will be 2.00% of the principal amount being prepaid; and if prepayment occurs on or after the second anniversary of the Closing Date and prior to the third anniversary of the Closing Date, the Prepayment Fee will be 1.00% of the principal amount being prepaid.

Subject to certain exceptions, within 120 days of the end of each calendar year, beginning with the year ending December 31, 2021, the Term Loan Borrowers must prepay the Obligations in an amount equal to (1) (i) if the Total Leverage Ratio is greater than 3:00:1:00, 50.0% of Excess Cash Flow (as defined in the Term Loan Agreement) or (ii) if the Total Leverage Ratio is equal to or less than 3:00:1:00 and greater than 2:00:1:00, 25.0% of Excess Cash Flow, less (2) all voluntary prepayments made on the Term Loan during such calendar year; provided that, so long as no default or event of default has occurred and is continuing or would result therefrom, no such prepayment will be required unless Excess Cash Flow for such calendar year equals or exceeds $0.5 million. The Term Loan Agreement also requires mandatory prepayment of certain amounts in the event the Term Loan Borrowers receive proceeds from certain events and activities, including, among others, certain asset sales and casualty events, the issuance of indebtedness and equity interests, and the receipt of extraordinary receipts (with certain exclusions), plus, in certain instances, the applicable Prepayment Fee, calculated as set forth above.

The Term Loan Agreement contains customary representations and warranties, as well as customary affirmative and negative covenants, in each case, with certain exceptions, limitations and qualifications. The Term Loan Agreement also requires the Term Loan Borrowers to regularly provide certain financial information to the lenders thereunder, maintain a maximum total leverage ratio and a minimum fixed charge coverage ratio, and comply with certain limitations on capital expenditures.

Events of default under the Term Loan Agreement include, but are not limited to, a breach of certain covenants or any representations or warranties, failure to timely pay any amounts due and owing, the commencement of any bankruptcy or other insolvency proceeding, judgments in excess of certain acceptable amounts, the occurrence of a change in control, certain events related to ERISA matters, impairment of security interests in collateral or invalidity of guarantees or security documents, or a default or event of default under the Revolving Credit Agreement or the Intercreditor Agreement, in each case, with customary exceptions, limitations, grace periods and qualifications. If an event of default occurs, the Term Loan lenders may, among other things, declare all Obligations to be immediately due and payable, together with accrued interest and fees, and exercise remedies under the collateral documents relating to the Term Loan Agreement.

Letters of Credit and Bonds

In line with industry practice, the Company is often required to provide letters of credit and payment and performance surety bonds to customers. These letters of credit and bonds provide credit support and security for the customer if the Company fails to perform its obligations under the applicable contract with such customer.

The Revolving Credit Facility provides for a letter of credit sublimit in an amount up to $2.0 million. As of September 30, 2021, the Company had $0.5 million letters of credit outstanding under this sublimit and $0.4 million cash collateralized standby letters of credit outstanding pursuant to its prior revolving credit facility with Wells Fargo Bank, National Association. There were no amounts drawn upon these letters of credit as of September 30, 2021.

In addition, as of September 30, 2021 and December 31, 2020, the Company had outstanding payment and performance surety bonds of $67.1 million and $31.0 million, respectively.

Deferred Financing Costs

Deferred financing costs are amortized over the terms of the related debt facilities using the straight-line method. The following table summarizes the amortization of deferred financing costs related to the Company's debt facilities and recognized in interest expense on the unaudited condensed consolidated statements of operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2021	2020	2021	2020
Term loan	$ 112	$ 110	$ 337	$ 330
Revolving credit facility	96	72	286	217
Total	$ 208	$ 182	$ 623	$ 547

The following table summarizes unamortized deferred financing costs included on the Company's unaudited condensed consolidated balance sheets:

(in thousands)	Location	September 30, 2021	December 31, 2020
Term loan	Long-term debt, net	$ 1,894	$ 2,231
Revolving credit facility	Other long-term assets	1,604	1,890
Total		$ 3,498	$ 4,121

NOTE 9—FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

ASC 820–Fair Value Measurement defines fair value as the exit price, which is the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a three-tier fair value hierarchy, which categorizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in the active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The Company’s financial instruments as of September 30, 2021 and December 31, 2020 consisted primarily of cash and cash equivalents, restricted cash, receivables, payables, and debt instruments. The carrying values of these financial instruments approximate their respective fair values, as they are either short-term in nature or carry interest rates that are periodically adjusted to market rates.

NOTE 10—COMMITMENTS AND CONTINGENCIES

Litigation and Claims

The Company is from time-to-time party to various lawsuits, including personal injury claims and other proceedings that arise in the ordinary course of its business. With respect to all such lawsuits, claims and proceedings, the Company records a reserve when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The Company does not believe that the resolution of any currently pending lawsuits, claims and proceedings, either individually or in the aggregate, will have a material adverse effect on its financial position, results of operations or liquidity. However, the outcomes of any currently pending lawsuits, claims and proceedings cannot be predicted, and therefore, there can be no assurance that this will be the case.

The Company completed a bankruptcy filing of its Koontz-Wagner subsidiary on July 11, 2018. This could require the Company to incur legal fees and other expenses related to liabilities from this bankruptcy filing. While the Company does not anticipate these liabilities will have a material adverse effect on its results of operations, cash flows and financial position, and although the statute of limitations has run on certain claims that the Chapter 7 Trustee for the Koontz-Wagner estate might assert, there can be no assurance of the outcome. The filing was for Koontz-Wagner only, not for the Company as a whole, and was completely separate and distinct from the Williams business and operations. For additional information, please refer to “Note 4—Changes in Business” to the unaudited condensed consolidated financial statements.

The acquiror of certain assets from a former operating unit of the Company has been named as a defendant in an asbestos personal injury lawsuit and has submitted a claim for indemnification and tendered defense of the matter to the Company. The Company has assumed defense of the matter subject to a reservation of rights and objection to the claim for indemnification. Neither the Company nor its predecessors ever mined, manufactured, produced, or distributed asbestos fiber, the material that allegedly caused the injury underlying this action. The Company does not expect that this claim will have a material adverse effect on its financial position, results of operations or liquidity. Moreover, during 2012, the Company secured insurance coverage that will help to reimburse the defense costs and potential indemnity obligations of its former operating unit relating to these claims. The Company intends to vigorously defend all currently active actions, and it does not anticipate that this action will have a material adverse effect on its financial position, results of operations or liquidity. However, the outcomes of any legal action cannot be predicted and, therefore, there can be no assurance that this will be the case.

Insurance

The Company maintains insurance coverage for most insurable aspects of its business and operations. The Company’s insurance programs, including, but not limited to, health, general liability, and workers’ compensation, have varying coverage limits depending upon the type of insurance. For the three and nine months ended September 30, 2021, insurance expense, including insurance premiums related to the excess claim coverage and claims incurred for continuing operations, was $0.3 million and $1.5 million, respectively.

The Company’s consolidated balance sheets include amounts representing its probable estimated liability related to insurance-related claims that are known and have been asserted against the Company, and for insurance-related claims that are believed to have been incurred but had not yet been reported as of September 30, 2021. As of September 30, 2021, the Company provided $0.4 million cash collateralized in letters of credit and $0.6 million of non-depleting cash collateral as security for possible general liability and workers’ compensation claims.

Executive Severance

On September 30, 2021, the Company had outstanding severance arrangements with officers and senior management. The Company’s maximum commitment under all such arrangements, which would apply if the employees covered by these arrangements were each terminated without cause, was $2.8 million on September 30, 2021.

NOTE 11—STOCK-BASED COMPENSATION PLANS

During the first nine months of 2021, the Company granted 164,388 service-based restricted stock awards under the 2015 Equity Incentive Plan, as amended and restated on May 12, 2020 (the “2015 Plan”), at a grant date fair value of $3.29 per share, to its non-employee directors, which vest in full on February 4, 2022.

During the first nine months of 2021, the Company granted 307,616 service-based restricted stock units under the 2021 long-term incentive (“LTI”) program and the 2015 Plan at a grant date fair value of $3.48 per share. These service-based restricted stock units could be paid in cash or shares at the election of the Compensation Committee of the Board of Directors and shall vest in full on March 31, 2024.

During the first nine months of 2021, the Company also granted performance-based awards under the 2021 LTI program and the 2015 Plan with an aggregate cash value of approximately $2.2 million, which could be paid in cash or shares at the election of the Compensation Committee of the Board of Directors. The 2021 performance-based awards have three annual performance periods (fiscal years 2021, 2022 and 2023), with operating income and free cash flow goals (equally weighted) for each year, and threshold performance resulting in awards earned at 50% of the target opportunity and maximum performance resulting in awards earned at 200% of the target. The annual achievement levels are averaged over the three-year performance period and the earned amounts, if any, vest on March 31, 2024. The Company includes these cash-based awards in other current liabilities on the consolidated balance sheet, effective as of April 2021.

In addition, during the first nine months of 2021, the Company granted service-based restricted stock units and performance-based restricted stock units to two employees. On May 17, 2021, the Company granted 37,500 service-based restricted stock units and performance-based restricted stock units covering a target number of 37,500, and a maximum number of 75,000, shares of common stock, as an inducement award outside of the 2015 Plan at a grant date fair value of $5.00 per share. The service-based restricted stock units vest in full on May 17, 2022 and the earned amounts of the performance-based restricted stock units, if any, vest on March 31, 2024. The performance-based awards have three annual performance periods (fiscal years 2021, 2022 and 2023), with operating income and free cash flow goals (equally weighted) for each year, and threshold performance resulting in awards earned at 50% of the target opportunity and maximum performance resulting in awards earned at 200% of the target. On June 15, 2021, the Company granted 41,666 service-based restricted stock units and performance-based restricted stock units covering a target number of 33,334, and a maximum number of 66,668, shares of common stock under the 2015 Plan at a grant date fair value of $6.27 per share. These awards may be paid in cash or shares at the election of the Compensation Committee of the Board of Directors. The service-based restricted stock units vested with respect to 25,000 shares of common stock on the date of grant (June 15, 2021), while 8,333 will vest on March 31, 2022 and 8,333 will vest on March 31, 2023. The earned amounts of the performance-based restricted stock units, if any, will vest on March 31, 2023 and have two annual performance periods (fiscal years 2021 and 2022), with operating income and free cash flow goals (equally weighted) for each year, and threshold performance resulting in awards earned at 50% of the target opportunity and maximum performance resulting in awards earned at 200% of the target. The initial expense for the 25,000 units that vested at the grant date of June 15, 2021 was $0.2 million.

During the first nine months of 2020, the Company granted 580,312 service-based restricted stock units and 1,178,213 performance-based restricted stock units under the 2020 LTI program and the 2015 Plan, at a grant date fair value of $1.22 per share, which could be paid in cash or shares at the election of the Compensation Committee of the Board of Directors. The service-based restricted stock units vest in equal annual installments over a period of three years. The 2020 performance-based awards have three annual performance periods (fiscal years 2020, 2021 and 2022), with operating income and free cash flow goals (equally weighted) for each year, and threshold performance resulting in awards earned at 50% of the target opportunity and maximum performance resulting in awards earned at 200% of the target. The annual achievement levels are averaged over the three-year performance period and the earned amounts, if any, vest on March 31, 2023. The three-year average payout level for each performance objective replaces the actual payout level for any fiscal year where the actual payout is less than the three-year average.

The Company previously granted (i) performance-based restricted stock units under the 2016 LTI program, which were scheduled to vest if the Company achieved a per share stock price of $5.50 for 30 consecutive trading days prior to August 5, 2021, (ii) performance-based restricted stock units under the 2017 LTI program, which were scheduled to vest if the Company achieved a per share stock price of $6.00 for 30 consecutive trading days prior to March 31, 2021 (pursuant to an extension from the initial vesting date of March 31, 2020, which extension was approved by the Compensation Committee in February 2020), and (iii) performance-based restricted stock units under the 2018 LTI program, which were scheduled to vest if the Company achieved a per share stock price of at least $5.00 for any period of 30 consecutive trading days prior to June 30, 2021 (collectively, the “LTI Performance Awards”). On March 5, 2021, the Compensation Committee of the Board of Directors extended the performance period for each of the LTI Performance Awards to December 31, 2022. In accordance with ASC Topic 718, “Compensation—Stock Compensation” (“ASC 718”), the Company conducted a lattice valuation model in order to revalue the market price for the LTI Performance Awards at the March 5, 2021 modification date. The 2018 LTI program met the market objective by achieving a per share stock price of $5.00 for 30 consecutive days, and approximately 261,463 shares will vest for recipients remaining employed through December 31, 2022. The modification resulted in an approximately $0.8 million incremental cost, which will be expensed over a twenty-month period starting in April 2021.

During the first nine months of 2021, the Compensation Committee of the Board of Directors approved modifying the 2020 performance-based awards granted in 2020. This modification resulted in the adjustment of the 2021 and 2022 performance goals; in addition, the three-year average payout level for each performance objective will replace the actual payout level for any fiscal year (including, without limitation, 2020) where the actual payout is less than the three-year average. As of September 30, 2021, the payout would be 549,181 at threshold, 1,098,362 at target, and 2,196,724 at maximum. The grant price was adjusted from $1.22 per share to $3.49 share per the modification date of March 5, 2021.

During the first nine months of 2021, the Compensation Committee approved modifying the 2019 performance-based restricted stock unit awards. The performance goal for 2020 was year-end backlog performance expressed in margin dollars. Because of

COVID-19, the Company's ability to book backlog in the normal course was impaired during 2020, particularly in Florida, New York, and Canada and with respect to new customers. As a result, the Compensation Committee authorized an adjustment to the 2020 performance results to add $51.9 million of orders to December 31, 2020 backlog that were booked in early 2021 but delayed due to the impact of the COVID-19 pandemic, which resulted in a payout of 156,014 shares under the 2015 Plan.

While the majority of restricted stock units and awards were granted as equity, in accordance with ASC 718, the Company has two cash-based plans that are classified as a liability. Stock-based compensation expense for the three months ended September 30, 2021 and 2020 was $1.1 million and $0.6 million, respectively, and for the nine months ended September 30, 2021 and 2020 was $2.6 million and $1.7 million, respectively, and was included in general and administrative expenses on the Company's unaudited condensed consolidated statements of operations.

NOTE 12—OTHER SUPPLEMENTARY INFORMATION

The following table summarizes other current assets included on the Company's unaudited condensed consolidated balance sheets:

(in thousands)	September 30, 2021	December 31, 2020
Sales tax receivable - Canada	$ 4,245	$ 2,097
Unamortized commercial insurance premiums	3,321	1,903
Prepaid expenses	1,354	432
Letters of credit	883	474
Cash collateral on commercial insurance claims	595	585
Surety bond	500	45
Workers' compensation refund	-	265
Prepaid health insurance premiums	-	207
Other short-term assets	628	449
Total	$ 11,526	$ 6,457

The following table summarizes other current liabilities included on the Company's unaudited condensed consolidated balance sheets:

(in thousands)	September 30, 2021	December 31, 2020
Sales tax payable - Canada	$ 4,601	$ 2,372
Accrued job costs	2,985	1,081
Short-term lease liability	1,603	1,362
Accrued stock compensation - liability	1,082	387
Accrued workers' compensation and general liabilities	304	506
Other accrued expenses	136	1,462
Total	$ 10,711	$ 7,170

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

Cautionary Statement Regarding Forward-Looking Statements

This Form 10-Q and its exhibits contain or incorporate by reference various forward-looking statements that express a belief, expectation or intention or are otherwise not statements of historical fact. Forward-looking statements generally use forward-looking words, such as "may," "will," "could," "should," "would," "project," "believe," "anticipate," "expect," "estimate," "continue," "potential," "plan," "forecast" and other words that convey the uncertainty of future events or outcomes. These forward-looking statements are not guarantees of our future performance and involve risks, uncertainties, estimates and assumptions that are difficult to predict. Therefore, our actual outcomes and results may differ materially from those expressed in these forward-looking statements. Investors should not place undue reliance on any of these forward-looking statements. Except as required by law, we undertake no obligation to further update any such statements, or the risk factors described in our 2020 Report under the heading "Part I—Item 1A. Risk Factors," to reflect new information, the occurrence of future events or circumstances or otherwise. The forward-looking statements in this Form 10-Q do not constitute guarantees or promises of future performance. Forward-looking statements may include information concerning the following, among other items:

- our level of indebtedness;
- our ability to make interest and principal payments on our debt and satisfy the financial and other covenants contained in our debt facilities, as well as our ability to engage in certain transactions and activities due to limitations and covenants contained in such facilities;
- our ability to generate sufficient cash resources to continue funding operations, including investments in working capital required to support growth-related commitments that we make to our customers, and the possibility that we may be unable to obtain any additional funding as needed or incur losses from operations in the future;
- exposure to market risks from changes in interest rates, including changes to or replacement of the LIBOR;
- failure to maintain effective internal control over financial reporting and disclosure controls and procedures in the future;
- our ability to attract and retain qualified personnel, skilled workers, and key officers, including the potential impact of the federal COVID-19 vaccination mandate, or any mandates imposed by our customers, on our ability to recruit and retain employees;
- failure to successfully implement or realize our business strategies, plans and objectives of management, and liquidity, operating and growth initiatives and opportunities, including our expansion into international markets and our ability to identify potential candidates for, and consummate, acquisition, disposition, or investment transactions;
- the loss of one or more of our significant customers;
- our competitive position;
- market outlook and trends in our industry, including the possibility of reduced investment in, or increased regulation of, nuclear power plants and declines in public infrastructure construction and reductions in government funding, including funding by state and local agencies;
- the failure of the U.S. Congress to pass infrastructure-related legislation benefiting our end markets;
- costs exceeding estimates we use to set fixed-price contracts;
- harm to our reputation or profitability due to, among other things, internal operational issues, poor subcontractor performances or subcontractor insolvency;
- potential insolvency or financial distress of third parties, including our customers and suppliers;
- our contract backlog and related amounts to be recognized as revenue;
- our ability to maintain our safety record, the risks of potential liability and adequacy of insurance;
- adverse changes in our relationships with suppliers, vendors, and subcontractors, including increases in cost, disruption of supply or shortage of labor, freight, equipment or supplies, including as a result of the COVID-19 pandemic;
- compliance with environmental, health, safety and other related laws and regulations, including those related to climate change;
- limitations or modifications to indemnification regulations of the U.S. or Canada;
- our expected financial condition, future cash flows, results of operations and future capital and other expenditures;
- the impact of general economic conditions, including inflation, the current economic disruption and any recession resulting from the COVID-19 pandemic;
- the impact of the COVID-19 pandemic on our business, results of operations, financial condition, and cash flows, including global supply chain disruptions and the potential for additional COVID-19 cases to occur at our active or future job sites, as previously occurred at our Plant Vogtle site in Georgia, which potentially could impact cost and labor availability;

- information technology vulnerabilities and cyberattacks on our networks;
- our failure to comply with applicable laws and regulations, including, but not limited to, those relating to privacy and anti-bribery;
- our participation in multiemployer pension plans;
- the impact of any disruptions resulting from the expiration of collective bargaining agreements;
- the impact of natural disasters and other severe catastrophic events (such as the ongoing COVID-19 pandemic);
- the impact of changes in tax regulations and laws, including future income tax payments and utilization of net operating loss and foreign tax credit carryforwards;
- volatility of the market price for our common stock;
- our ability to maintain our stock exchange listing;
- the effects of anti-takeover provisions in our organizational documents and Delaware law;
- the impact of future offerings or sales of our common stock on the market price of such stock;
- expected outcomes of legal or regulatory proceedings and their anticipated effects on our results of operations; and
- any other statements regarding future growth, future cash needs, future operations, business plans and future financial results.

These forward-looking statements represent our intentions, plans, expectations, assumptions, and beliefs about future events and are subject to risks, uncertainties, and other factors, including unpredictable or unanticipated factors that we have not discussed in this Form 10-Q. In addition, some of these risks, uncertainties and other factors have been, and may further be, exacerbated by the COVID-19 pandemic. Many of those factors are outside of our control and could cause actual results to differ materially from the results expressed or implied by the forward-looking statements.

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. Investors should consider the areas of risk and uncertainty described above, as well as those discussed in the 2020 Report under the heading "Part I—Item 1A. Risk Factors" and in this Form 10-Q under the heading "Part II—Item 1A. Risk Factors." Except as may be required by applicable law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, and we caution investors not to rely upon them unduly.

The following discussion provides an analysis of the results of continuing operations, an overview of our liquidity and capital resources and other items related to our business. Unless otherwise specified, the financial information and discussion in this Form 10-Q are as of and for the three and nine months ended September 30, 2021 and are based on our continuing operations; they exclude any results of our discontinued operations. Please refer to "Note 4—Changes in Business" to the unaudited condensed consolidated financial statements included in this Form 10-Q for additional information on our discontinued operations.

This discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements and notes thereto included in this Form 10-Q and our audited consolidated financial statements and notes thereto included in the 2020 Report.

Backlog

The services we provide are typically carried out under construction contracts, long-term maintenance contracts and master service agreements. Total backlog represents the dollar amount of revenue expected to be recorded in the future for work performed under awarded contracts.

Revenue estimates included in our backlog can be subject to change as a result of project accelerations, cancellations or delays due to various factors, including, but not limited to, the customer's budgetary constraints and adverse weather. These factors can also cause revenue amounts to be recognized in different periods and at levels other than those originally projected. Additional work that is not identified under the original contract is added to our estimated backlog when we reach an agreement with the customer as to the scope and pricing of that additional work. Backlog is reduced as work is performed and revenue is recognized, or upon cancellation.

Backlog is not a measure defined by GAAP, and our methodology for determining backlog may vary from the methodology used by other companies in determining their backlog amounts. Backlog may not be indicative of future operating results and projects in our backlog may be cancelled, modified, or otherwise altered by our customers. We utilize our calculation of backlog to assist in measuring aggregate awards under existing contractual relationships with our customers. We believe our backlog disclosures will assist investors in better understanding this estimate of the services to be performed pursuant to awards by our customers under existing contractual relationships.

The following tables summarize our backlog:

(in thousands)	September 30, 2021	December 31, 2020
Cost plus	$ 604,323	$ 430,694
Lump sum	68,183	13,156
Total	$ 672,506	$ 443,850

(in thousands)	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021
Backlog - beginning of period	$ 664,357	$ 443,850
New awards	76,774	376,228
Adjustments and cancellations, net	4,726	78,201
Revenue recognized	(73,351)	(225,773)
Backlog - end of period	$ 672,506	$ 672,506

Total backlog as of September 30, 2021 was $672.5 million, compared with $443.9 million on December 31, 2020, an increase of $228.7 million, which was primarily driven by our decommissioning work, which accounted for $224.6 million of the increase. Our fossil and wastewater markets also contributed to a $28.3 million increase in backlog. These increases were partially offset by a reduction in our nuclear market backlog of $29.4 million. We estimate that approximately $207.4 million, or 30.8% of total backlog on September 30, 2021, will be converted to revenue within the next twelve months and $73.4 million, or 10.9% of total backlog, will be converted to revenue within the remainder of the fiscal year. As of December 31, 2020, we estimated that approximately $165.3 million, or 37.2% of total backlog, would convert to revenue in 2021.

Results of Operations

The Company continues to monitor several factors that may cause actual results of operations and financial results to differ from our historical results or current expectations. These factors include: inflationary pressures, the political environment, work delays on projects and supplies, labor shortages and rising labor costs, new laws, regulations and guidelines, new project requirements, and the impact of the COVID-19 pandemic, including the consequences of governmental and other measures designed to prevent the spread of the virus, including the potential impact of applicable vaccine mandates on our labor supply and future results of operations, as well as any impact of such mandates on our customers, the continued sporadic outbreaks of COVID-19 cases and the ongoing spread of the new COVID-19 variants, the impact of COVID-19 vaccines, including the speed at which they, or related “boosters,” are approved, disseminated and widely adopted, and their effectiveness against COVID-19 and its evolving strains, and the ultimate duration and scope of the pandemic. These and other factors could affect the Company’s operational results and cause them to not be comparable to those of the same period in previous years. For instance, the effects of the COVID-19 pandemic led the Company to implement enhanced safety standards and processes on a project in Georgia that experienced COVID-19 cases on site and caused work delays on projects in New York due to specific state, local, municipal and customer mandated stay-at-home orders and new project requirements that were established to protect workers and the general public. Additionally, during the third quarter of 2020, we experienced a delay in a nuclear project and an outage cycle in Louisiana and have experienced a slow-down in business development activities and bid opportunities, particularly on the eastern shore of the Lake Huron area in Ontario, Canada due to COVID-19. Although the majority of stay-at-home orders were phased-out by the end of the second quarter of 2020, we are still experiencing impacts associated with the COVID-19 project specific protocols. While the Company has not yet experienced a material negative impact on its operational results, these project specific requirements are expected to remain in place for the foreseeable future, which will continue to impact project schedules and workflow going forward.

In addition, federal and state governments have increased spending as part of efforts to mitigate the impact of COVID-19 on the economy. The amount and timing of such spending will be directly impacted by the duration of required efforts to contain COVID-19 and the severity of the negative impacts created by the virus and its effect on the economy. Any recovery from the COVID-19 pandemic and related economic impact may also be slowed or reversed by a number of factors, including any widespread resurgence in COVID-19 infections. The results presented in this Form 10-Q are not necessarily indicative of future operating results.

The following summary and discussion of our results of operations is based on our continuing operations and excludes any results of our discontinued operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2021	2020	2021	2020
Revenue	$ 73,351	$ 66,240	$ 225,773	$ 204,936
Cost of revenue	66,590	57,582	203,561	180,014
Gross profit	6,761	8,658	22,212	24,922
Selling and marketing expenses	267	123	709	401
General and administrative expenses	4,248	5,827	16,931	17,413
Depreciation and amortization expense	50	46	137	144
Total operating expenses	4,565	5,996	17,777	17,958
Operating income	2,196	2,662	4,435	6,964
Interest expense, net	1,227	1,541	3,733	4,640
Other expense (income), net	181	(316)	(1,411)	(937)
Income from continuing operations before income tax	788	1,437	2,113	3,261
Income tax expense	(6)	321	256	565
Income from continuing operations	$ 794	$ 1,116	$ 1,857	$ 2,696

Revenue for the three months ended September 30, 2021 increased $7.1 million, or 10.7%, compared with the corresponding period in 2020. The increase was driven primarily by our growth in the decommissioning market of $8.6 million. In addition, our volume increased in the fossil fuel markets by $3.7 million. These increases were partially offset by reduced volume in the nuclear and industrial markets of $2.5 million and $2.6 million, respectively.

Revenue for the nine months ended September 30, 2021 increased $20.8 million, or 10.2%, compared with the corresponding period in 2020. The increase was primarily driven by our growth in the decommissioning market of $19.1 million, and the timing of a planned utility outage related to our long-term maintenance and modification contract of $18.3 million. In addition, our volume increased in the fossil fuel market by $10.8 million. These increases were partially offset by reduced volume in the nuclear market of $27.4 million.

Gross profit for the three months ended September 30, 2021 decreased $1.9 million, or 21.9%, compared with the corresponding period in 2020. The decrease was primarily driven by cost overruns on uncompleted fixed price projects in the industrial markets we serve in Florida. We also incurred start-up costs associated with our expansion in the northeast transportation and distribution of natural gas during the three months ended September 31, 2021. The decrease was partially offset by growth in the decommissioning market accounting for a greater portion of revenue compared to the corresponding period in 2020. Our decommissioning projects have a lower gross margin profile compared to other services we provide.

Gross profit for the nine months ended September 30, 2021 decreased $2.7 million, or 10.9%, compared with the corresponding period in 2020. The decrease was primarily driven by cost overruns on uncompleted fixed price projects in the industrial markets we serve in Florida. The decrease was partially offset by growth in the decommissioning market and the timing of a planned utility outage related to our long-term maintenance and modification contract, each of which has a lower gross margin profile compared to other services we perform and accounted for a greater portion of revenue compared to the corresponding period in 2020.

Operating income for the three months ended September 30, 2021 decreased $0.5 million compared with the corresponding period in 2020, due primarily to the decrease in gross profit of $1.9 million. This was partially offset by a decrease of $1.4 million in operating expenses, driven by lower general and administrative costs.

Operating income for the nine months ended September 30, 2021 decreased $2.5 million compared with the corresponding period in 2020, due primarily to the decrease in gross profit of $2.7 million. This was partially offset by a decrease of $0.2 million in operating expenses, driven by lower general and administrative costs.

General and Administrative Expenses

	Three Months Ended September 30,		Nine Months Ended September 30,	
($ in thousands)	**2021**	**2020**	**2021**	**2020**
Employee-related expenses	$ 1,946	$ 3,111	$ 8,916	$ 8,835
Stock-based compensation expense	1,119	614	2,579	1,702
Professional fees	(10)	843	1,876	3,088
Other expenses	1,193	1,259	3,560	3,788
Total	$ 4,248	$ 5,827	$ 16,931	$ 17,413

Total general and administrative expenses for the three months ended September 30, 2021 decreased by $1.6 million, or 27.1%, compared with the corresponding period in 2020. Employee related costs decreased by $1.2 million due to cost reductions in a short term incentive program, which was partially offset by growth in headcount. Professional fees decreased by $0.9 million resulting from a claim recovery on previously incurred expenses. These decreases were partially offset by an increase in stock-based compensation expense of $0.5 million, driven by additional restricted stock units granted in 2021.

Total general and administrative expenses for the nine months ended September 30, 2021 decreased by $0.5 million, or 2.8%, compared with the corresponding period in 2020. The decrease was primarily driven by decreases of $1.2 million and $0.2 million, respectively, in professional fees and other expenses resulting from a claim recovery on previously incurred expenses and cost reduction initiatives. These decreases were partially offset by increases of $0.1 million in employee related costs and $0.9 million in stock-based compensation expenses due to accelerated vesting of a restricted stock award and a new grant of restricted stock units.

Total Other (Income) Expense, Net

	Three Months Ended September 30,		Nine Months Ended September 30,	
($ in thousands)	**2021**	**2020**	**2021**	**2020**
Interest expense, net	$ 1,227	$ 1,541	$ 3,733	$ 4,640
Other (income) expense, net	181	(316)	(1,411)	(937)
Total	$ 1,408	$ 1,225	$ 2,322	$ 3,703

Total other expense, net, for the three months ended September 30, 2021 increased $0.2 million, or 14.9%, compared with the corresponding period in 2020. The increase was primarily due to the recognition of a $0.4 million impairment charge related to a sublease, partially offset by $0.2 million reduction in interest expense due to refinancing our debt in December 2020, compared with the corresponding period in 2020.

Total other expense, net, for the nine months ended September 30, 2021 decreased $1.4 million, or 37.3%, compared with the corresponding period in 2020. The decrease was primarily due to receipt of a $1.0 million distribution from the assets of a former subsidiary related to a previous intercompany receivable that we recognized as a loss in 2018, coupled with a $1.0 million decrease in interest expense and fees related to the refinancing of our debt in 2020. These decreases were partially offset by a $0.3 million reduction in joint venture earnings due to lower volume as construction activities for Plant Vogtle Units 3 and 4 move closer to completion, and a $0.4 million impairment charge related to a sublease, compared with the corresponding period in 2020.

Income Tax Expense

($ in thousands)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Income tax (benefit) expense	$ (6)	$ 321	$ 256	$ 565

Income tax expense for the interim periods is based on estimates of the effective tax rate for the entire fiscal year. The effective income tax rate is based upon the estimated income during the calendar year, the estimated composition of the income in different jurisdictions and discrete adjustments, if any, in the applicable quarterly periods for settlements of tax audits or assessments and the resolution or identification of tax position uncertainties.

For the three months ended September 30, 2021, we recorded income tax benefit from continuing operations of $0.01 million, or (0.8)% of pretax income from continuing operations, compared with income tax expense from continuing operations of $0.3 million, or 22.3% of pretax income from continuing operations, in the corresponding period of 2020. For the nine months ended September 30, 2021, we recorded income tax expense from continuing operations of $0.3 million, or 12.1% of pretax income from continuing operations, compared with income tax expense from continuing operations of $0.6 million, or 17.3% of pretax income from continuing operations, in the corresponding period of 2020.

The difference between our effective tax rate and the federal statutory tax rate for the three and nine months ended September 30, 2021 and 2020 is primarily related to the Canadian income tax provision and the partial valuation allowance recorded on our U.S. deferred tax assets.

The decrease in income tax provision from continuing operations for the three months ended September 30, 2021 compared with the corresponding period in 2020, was primarily the result of the $0.3 million increase in the U.S. deferred tax assets net of a partial valuation allowance, and the $0.05 million decrease in the income tax provision due to the year-over-year fluctuation in the pre-tax Canadian book income.

The decrease in income tax provision from continuing operations for the nine months ended September 30, 2021 compared with the corresponding period in 2020 was primarily the result of the $0.4 million increase in the U.S. deferred tax assets net of the partial valuation allowance as the Company's indefinite lived intangible assets have been fully amortized for tax purposes as of year-end 2020, partially offset by the $0.1 million increase in the Canadian income tax provision.

Tax Cuts and Jobs Acts of 2017

On December 22, 2017, the Tax Cuts and Jobs Act was signed into law, making significant changes to the Internal Revenue Code. Such changes include, but are not limited to, a U.S. federal corporate tax rate decrease from 35% to 21% effective for tax years beginning after December 31, 2017, the transition of U.S. international taxation from a worldwide tax system to a territorial system, and a one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings as of December 31, 2017.

Due to changes in interpretations and assumptions, and future guidance that may be issued and actions we may take in response to the Tax Cuts and Jobs Act, the ultimate impact of the Tax Cuts and Jobs Act may change in future periods. The Tax Cuts and Jobs Act is highly complex, and we will continue to assess the impact of certain aspects of the Tax Cuts and Jobs Act. For additional information, please refer to "Note 7—Income Taxes" to the consolidated financial statements included in this Form 10-Q.

Discontinued Operations

See "Note 4—Changes in Business" to the unaudited condensed consolidated financial statements included in this Form 10-Q for information regarding discontinued operations.

Liquidity and Capital Resources

During the nine months ended September 30, 2021, our principal sources of liquidity were borrowings under the Revolving Credit Facility and effective management of our working capital. Our principal uses of cash were to pay for customer contract-related material, labor and subcontract labor, operating expenses, and interest expense on the Term Loan and the Revolving Credit Facility. See discussion in "Note 8—Debt" to the unaudited condensed consolidated financial statements included in this Form 10-Q for additional information about the Term Loan and the Revolving Credit Facility.

Net Cash Flows

Our net consolidated cash flows, including cash flows related to discontinued operations, consisted of the following:

(in thousands)	Nine Months Ended September 30, 2021	2020
Cash flows provided by (used in):		
Operating activities	$ (8,765)	$ (6,228)
Investing activities	(537)	(88)
Financing activities	3,031	3,044
Effect of exchange rate changes on cash	111	(80)
Net change in cash, cash equivalents and restricted cash	$ (6,160)	$ (3,352)

Cash and Cash Equivalents

As of September 30, 2021, our operating unrestricted cash and cash equivalents decreased by $6.2 million to $2.6 million from $8.7 million as of December 31, 2020. As of September 30, 2021, $1.0 million of operating cash was held in U.S. bank accounts and $1.6 million was held in Canadian bank accounts. Total liquidity (the sum of unrestricted cash and availability under the Revolving Credit Facility) was $21.7 million as of September 30, 2021. The decreased liquidity is primarily driven by more cash used towards cost of sales resulting in greater revenue and an increase in accounts receivable and contract assets. This is part of normal operations as our accounts receivable and contract assets will convert to customer receipts and is expected to be a temporary reduction in liquidity.

Operating Activities

Cash flows from operating activities result primarily from earnings sources and are affected by changes in operating assets and liabilities, which consist primarily of working capital balances related to our projects. For the nine months ended September 30, 2021, cash used in operating activities totaled $8.8 million, an increase in cash used of $2.6 million compared to the corresponding period in 2020, primarily due to an increase in accounts receivable of $5.4 million, an increase in contract assets of $3.3 million, an increase in other current assets and other assets of $3.3 million, a decrease in contract liabilities of $0.7 million and a decrease in net income of $0.6 million. This increase in cash used was partially offset by an increase in accounts payable and accrued liabilities of $10.4 million and an increase in non-cash stock-based compensation of $0.9 million.

Investing Activities

For the nine months ended September 30, 2021, net cash used for investing activities increased $0.4 million compared to the nine months ended September 30, 2020, primarily due to an increase in investment in operating equipment primarily related to our water and wastewater projects.

Financing Activities

For the nine months ended September 30, 2021, net cash provided by financing activities of $3.0 million was primarily composed of cash provided by our borrowings under the Revolving Credit Facility exceeding our repayments from customer cash receipts by $4.3 million, which was partially offset by cash used in connection with our stock-based awards for payments of statutory taxes of $0.5 million and a $0.8 million principal payment we made on the Term Loan.

During the nine months ended September 30, 2020, net cash provided by financing activities of $3.0 million was primarily composed of the proceeds from the successful completion of our subscription rights offering in the first quarter of 2020, pursuant to which we received net proceeds of $6.5 million and issued 5,384,615 shares of our common stock. This was partially offset by net cash used by repayments of customer cash receipts under our Prior ABL exceeding our borrowings by $2.5 million, and a $0.4 million principal payment coupled with $0.3 million debt issuance costs related to our prior term loan facility with Centre Lane Partners, LLC.

Effect of Exchange Rate Changes on Cash

For both the nine months ended September 30, 2021 and 2020, the effect of Canadian foreign exchange rate changes on our cash balances was not material.

Dividends

We have not declared dividends since the first quarter of 2015 and do not anticipate declaring dividends in the near term. As of September 30, 2021, the terms of the Term Loan and Revolving Credit Facility restricted our ability to pay dividends. In addition, the timing and amounts of any dividends would be subject to determination and approval by our Board of Directors.

Liquidity Outlook

Overall, we expect liquidity to continue to improve through the remainder of 2021 as a result of refinancing our debt with terms that reflect improving operational performance and expected increased net profits. However, we may experience periodic short-term constraints on our liquidity as a result of the cash flow requirements of specific projects. A high percentage of our cost of service comes from weekly craft labor payrolls, and the lag between incurrence of those payrolls and the subsequent collection of the resulting customer billings results in negative cash flows for that time period. Although we utilize the Revolving Credit Facility to address those time period negative cash flows, contract terms restricting customer invoicing frequency, delays in customer payments, and underlying surety bonds negatively impact our available borrowing base.

We believe that we have sufficient resources to satisfy the remainder of our 2021 working capital requirements as we successfully refinanced and replaced our prior credit facilities with new credit facilities to better accommodate our growth initiatives as we pass our restructuring phase and move to implement our future growth initiatives.

While we have been adversely affected by the COVID-19 pandemic, we currently cannot predict the ultimate impact of the COVID-19 pandemic on our business, results of operations, financial condition and cash flows, as such impact is dependent on future developments, including the duration and severity of the pandemic and the related length of its impact on the global economy, which remain uncertain and cannot be predicted at this time. In April 2020, the Company experienced a temporary suspension of projects in New York which required a phased reopening that resulted in the job sites being fully functional by the beginning of June 2020. In addition, there was an increase in COVID-19 cases at Plant Vogtle in July 2020, which resulted in the Company working with customers, clients, and job site leadership to provide more strategic focus and resources towards implementing enhanced safety protocols to fight the spread of the COVID-19 virus. During the third quarter of 2020, the Company was informed of delays in a nuclear project and outage cycle in Louisiana and experienced a slow-down in business development activities and bid opportunities, particularly on the eastern shore of the Lake Huron area in Ontario, Canada, due to COVID-19, these developments did not materially impact our cash and the deployment of our capital resources during 2020. We have seen a decrease in new business development based on restrictions on travel and in-person meetings, and stricter safety guidelines, coupled with decreased spending related to market uncertainty due to COVID-19. Any recovery from the COVID-19 pandemic and related economic impact may also be slowed or reversed by a number of factors, including the continued sporadic outbreaks of COVID-19 cases, the ongoing spread of new COVID-19 variants and the impact of COVID-19 vaccines, including the speed at which they are approved, disseminated and widely adopted and their effectiveness against COVID-19 and its evolving strains, as well as the potential impact of the federal vaccination mandate, on our labor supply and future results of operations, as well as any impact of applicable vaccine mandates on our customers. Management will continue to closely monitor conditions using the data available and will draw on the expertise of health officials, including the latest recommendations from the Centers for Disease Control and Prevention and the on-site medical professionals. Our liquidity, as well as our ability to satisfy our working capital requirements, may be adversely affected to some degree by the COVID-19 pandemic. We currently believe that the impact of COVID-19 will not negatively impact our ability to comply with the covenants under our existing credit facilities. However, we cannot provide any assurance that the assumptions used to estimate our liquidity requirements will remain accurate due to the unprecedented nature and the unpredictability of the COVID-19 global pandemic and its potential impact on us and our customer base. As a consequence, our estimates of the duration and severity of the pandemic and its impact on our future earnings and cash flows could change and have a material impact on our results of operations and financial condition. In addition, even after the COVID-19 pandemic has subsided, we may continue to experience an adverse impact to our business as a result of the pandemic's global economic impact, including any recession that has occurred or may occur in the future. In the event that we are unable to address potential liquidity shortfalls in the future, management will need to seek additional funding, which may not be available on reasonable terms, if at all.

Off-Balance Sheet Transactions

Our liquidity is currently not dependent on the use of off-balance sheet transactions but, in line with industry practice, we are often required to provide payment and performance surety bonds to customers and may be required to provide letters of credit. If performance assurances are extended to customers, generally our maximum potential exposure is limited in the contract with our customers. We frequently obtain similar performance assurances from third-party vendors and subcontractors for work performed in the ordinary course of contract execution. However, the total costs of a project could exceed our original cost estimates, and we could experience reduced gross profit or possibly a loss for a given project. In some cases, if we fail to meet certain performance standards, we may be subject to contractual liquidated damages.

As of September 30, 2021, we had a contingent liability for issued and outstanding standby letters of credit, generally issued to secure performance on customer contracts. As of September 30, 2021, we had $0.5 million outstanding letters of credit under the Revolving Credit Facility sublimit and $0.4 million of outstanding cash collateralized standby letters of credit pursuant to a prior revolving credit facility with Wells Fargo Bank, National Association, and there were no amounts drawn upon these letters of credit. In addition, as of September 30, 2021, we had outstanding surety bonds of $67.1 million. Our subsidiaries also provide financial guarantees for certain contractual obligations in the ordinary course of business.

Critical Accounting Policies and Use of Estimates

There have been no material changes to our critical accounting policies as set forth in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," included in our 2020 Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and are not required to provide the information required under this item.

Item 4. Controls and Procedures.

Disclosure controls and procedures are those controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company's management, under the supervision of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Form 10-Q. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of that date, the Company's disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

Under the applicable SEC rules, management is required to evaluate any changes in internal control over financial reporting that occurred during each fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

While we continue to implement design enhancements to our internal control procedures, there were no changes to our internal control over financial reporting which were identified in connection with the evaluation required by Rule 13a-15(d) under the Exchange Act during the third quarter of 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

In addition, as a smaller reporting company and non-accelerated filer, the Company currently is not subject to the auditor attestation requirements under Section 404 of the Sarbanes-Oxley Act. However, as a result of our public float as of the last business day of the second quarter of 2021, the Company met the requirements to become an accelerated filer for the fiscal year ending December 31, 2022 and will become subject to the auditor attestation requirements under Section 404 of the Sarbanes-Oxley Act when filing the Annual Report on Form 10-K for the year ending December 31, 2021.

Part II—OTHER INFORMATION

Item 1. Legal Proceedings.

The information included under "Litigation and Claims" in "Note 10—Commitments and Contingencies" to the unaudited condensed consolidated financial statements in this Form 10-Q is incorporated by reference into this Item.

Item 1A. Risk Factors.

Our business faces significant risks and uncertainties. Certain important factors may have a material adverse effect on our business prospects, financial condition, and results of operations, and you should carefully consider them. There have not been any material changes to our risk factors from those reported in our 2020 Report, except as set forth below, although some of those risk factors have been, and may further be, exacerbated by the impact of the COVID-19 pandemic. The disclosure of any risk factor should not be interpreted to imply that the risk has not already materialized.

The new rules concerning mandatory COVID-19 vaccinations could have a material adverse impact on our business and results of operations.

On September 9, 2021, President Biden announced a proposed new rule that would require all employers with at least 100 employees to ensure that their employees are fully vaccinated or require unvaccinated workers to get a negative test at least once a week. On November 4, 2021, the U.S. Department of Labor's Occupational Safety and Health Administration ("OSHA") issued an emergency regulation to carry out this mandate, which requires covered employers to comply with the vaccine mandate beginning with January 4, 2022 or face substantial penalties for non-compliance. As a company with more than 100 employees, we are subject to the OSHA regulation concerning COVID-19 vaccination. We may also be impacted by President Biden's September 9, 2021 executive order requiring certain COVID-19 precautions for government contractors and their subcontractors, including mandatory employee vaccination (subject to medical and religious exemptions). At this time, it is not possible to predict with certainty the exact impact that the new OSHA regulation or the requirements for government contractors and their subcontractors will have on us or on our workforce, but they could result in increased costs, labor disruptions or employee attrition. If we lose employees, it may be difficult in the current competitive labor market to find replacement employees, which could have an adverse effect on future revenues and costs. In addition, additional uncertainty could be caused by ongoing legal challenges to the OSHA standard and the vaccine mandate for federal contractors, which leads to uncertainty about the potential timing of when or if these mandates might actually take effect, as well as uncertainty regarding competing and potentially conflicting laws and regulations, such as the recent executive order issued by the governor of Texas prohibiting vaccine mandates. Accordingly, the new OSHA regulation, or any other vaccine mandate applicable to us, could have a material adverse effect on our business and results of operations.

Item 5. Other Information

The Company entered into an employment agreement with Damien Vassall on November 15, 2021, in connection with his appointment as Vice President, Chief Financial Officer. The employment agreement provides for an initial term of one year with automatic one-year renewals unless written notice of non-renewal is delivered by either party at least 90 days prior to the expiration of the then-current term. The agreement provides Mr. Vassall with an annual base salary of $275,000 and a short-term incentive ("STI") opportunity of 50% of his annual salary.

If the Company terminates Mr. Vassall's employment other than for disability or cause (including by reason of not renewing the term), or if he resigns for good reason (as those terms are defined in the agreement), then, provided that he signs and does not revoke a release of claims, he would be entitled to (i) continued base salary for one year, (ii) subsidized health insurance premiums for one year, (iii) the STI earned for the prior year, if not paid, and (iv) if terminated on or after April 1, a pro-rated STI based on actual results. If, however, the termination occurs within 90 days before, or two years after, a change in control of the Company, then the Company would pay or provide to Mr. Vassall the following additional benefits: (i) his target STI for the year in which the termination occurs (in lieu of the pro-rated bonus described above), and (ii) his then-outstanding equity incentive awards would become vested in full (without pro-ration), with any specified performance objectives deemed to be satisfied at the "target" level. The Company would pay lower amounts of severance benefits if Mr. Vassall's employment were terminated due to death or disability. The employment agreement contains standard restrictive covenants in favor of the Company.

Item 6. Exhibits.

Exhibit	Description
10.1*	Employment Agreement, dated November 15, 2021 between the Company and Damien Vassall.♦
31.1	Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.♦
31.2	Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.♦
32.1	Certification by the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2	Certification by the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Stockholders' Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to Condensed Consolidated Financial Statements.♦
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).♦

♦ Filed herewith.

* Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

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

WILLIAMS INDUSTRIAL SERVICES GROUP INC.

Date: November 17, 2021

By: /s/ DAMIEN A VASSALL

Damien A. Vassall
Vice President, Chief Financial Officer
(Duly authorized officer and principal financial and accounting officer of the registrant)

Exhibit 10.1

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT ("Agreement") is effective as of the 15th day of November, 2021 (the "Effective Date"), between Williams Industrial Services Group Inc. (the "Company") and Damien Vassall ("Executive"). In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment Term. The Company shall continue to employ Executive, and Executive accepts continued employment with the Company, upon the terms and subject to the conditions set forth in this Agreement, for the period beginning on the Effective Date and ending on the first anniversary of the Effective Date, unless terminated earlier pursuant to the provisions of this Agreement (the "Term"). The Term shall be automatically renewed for successive one-year periods on the terms and subject to the conditions of this Agreement commencing on the first anniversary of the Effective Date, and on each anniversary date thereafter, unless terminated earlier pursuant to the provisions of this Agreement or unless either the Company or Executive gives the other party written notice, at least 90 calendar days prior to the end of such initial or extended Term, of its or his intention not to renew this Agreement or the employment of Executive. For purposes of this Agreement, any reference to the "Term" of this Agreement shall include the original term and any extension thereof.

2. Position and Duties; Location.

(a) Position and Duties. During the Term, Executive shall be employed by the Company as Vice President, Chief Financial Officer. Executive shall report solely to the Chief Executive Officer ("CEO") and the Board of Directors of the Company (the "Board") and shall have such duties, responsibilities and authorities as are customarily associated with his position and such additional duties and responsibilities consistent with his positions as may, from time to time, be properly and lawfully assigned to him.

(b) Engaging in Other Activities. During the Term, Executive shall devote substantially all of his business time, energies and talents to serving as an officer of the Company, and shall perform his duties conscientiously and faithfully, subject to the reasonable and lawful directions of the CEO and the Board and in accordance with the policies, rules and decisions adopted from time to time by the Company and the Board. During the Term, it shall not be a violation of this Agreement for Executive, subject to the requirements of Section 7 hereof, to (i) serve on civic or charitable boards, (ii) with the consent of the Board, which consent shall not be unreasonably withheld, serve on corporate boards unrelated to the Company (and retain all compensation in whatever form for such service), (iii) deliver lectures and fulfill speaking engagements, and (iv) manage personal investments, so long as such activities (individually or in the aggregate) do not significantly interfere with the performance of Executive's responsibilities as set forth in Section 2(a) of this Agreement or Executive's fiduciary duties to the Company.

(c) Location. Executive shall perform his duties and responsibilities hereunder principally at the Company's corporate headquarters, which currently is in Tucker, Georgia (subject to applicable remote work or work-at-home policies or requirements); provided that Executive may be required under reasonable business circumstances to travel outside of such location in connection with performing his duties under this Agreement.

(d) Affiliates. Executive agrees to serve, without additional compensation, as an officer and director of each of the other members of the Company's affiliates, as determined by the Board, provided that such service is covered by Section 3(f) of this Agreement. As used in this Agreement, the term "affiliate" shall mean any entity controlled by, controlling, or under common control with, the Company.

(e) Stock Ownership Guidelines. Executive acknowledges and agrees to comply with the Company's stock ownership guidelines for his position, as the same may be amended from time to time.

(f) Compensation Recovery Policy. Executive acknowledges that, notwithstanding any provision of this Agreement to the contrary, any incentive compensation or performancebased compensation paid or payable to Executive hereunder shall be subject to repayment or recoupment obligations arising under applicable law or the Company's Compensation Recovery Policy, as the same may be amended from time to time.

3. Compensation and Benefits.

(a) Base Salary. During the Term, the Company shall pay Executive an annualized base salary ("Annual Base Salary") at a rate of $275,000 U.S., effective as of the Effective Date, and payable in regular installments in accordance with the Company's normal payroll practices. During the Term, the Annual Base Salary shall be reviewed by the Board at such time as the salaries of other senior executives of the Company are reviewed generally. The Annual Base Salary shall not be reduced other than in connection with an across-the-board salary reduction which applies in a comparable manner to other senior executives of the Company. If so increased or reduced, then such adjusted salary will thereafter be the Annual Base Salary for all purposes under this Agreement.

(b) Annual Incentive. For each fiscal year during the Term, Executive shall be eligible to participate in the Company's Short-Term Incentive Plan, or any successor plan (the "STIP"), under terms and conditions no less favorable than other senior executives of the Company; provided that Executive's "target" short-term incentive opportunity shall not be less than 50% of his Annual Base Salary as of the last day of the fiscal year (the "Target SIT"). Executive's payment under the STIP for any fiscal year during the Term shall be based on the extent to which the predetermined performance objectives established by the Board or a committee thereof have been achieved for that year. The annual incentive for any fiscal year, if earned, will be paid to Executive by the Company in accordance with the terms, and subject to the conditions, of the STIP.

(c) Vacation. During the Term, Executive shall be eligible for paid vacation in accordance with the Company's policies, as may be in effect from time to time, for its senior executives generally; provided that Executive shall be entitled to paid vacation time at a rate of no less than four (4) weeks per calendar year. Executive shall use such vacation time at such reasonable time or times each year as he may determine after consultation with the CEO.

(d) Expense Reimbursement. Executive shall be reimbursed for all reasonable travel and other out-of-pocket expenses actually and properly incurred by Executive during the Term in connection with carrying out his duties hereunder in accordance with the Company's policies, as may be in effect from time to time, for its senior executives generally.

(e) Benefits. During the Term, and except as otherwise provided in this Agreement, Executive shall be eligible to participate in all welfare, perquisites, fringe benefit, insurance, retirement and other benefit plans, practices, policies and programs, maintained by the Company and its affiliates applicable to senior executives of the Company generally, in each case as amended from time to time.

(f) Indemnification and Insurance. The Company shall indemnify Executive to the full extent provided for in its corporate charter, bylaws or any other indemnification policy or procedure as in effect from time to time and applicable to its other directors and senior executives and to the maximum extent that the Company indemnifies any of its other directors and senior executives, and he will be entitled to the protection of any insurance policies the Company may elect to maintain generally for the benefit of its directors and senior executives against all costs, charges, liabilities and expenses incurred or sustained by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director, officer or employee of the Company or any of its affiliates or his serving or having served any other enterprise, plan or trust as a director, officer, employee or fiduciary at the request of the Company or any of its affiliates (other than any dispute, claim or controversy arising under or relating to this Agreement).

4. Termination of Employment.

(a) Death and Disability. Executive's employment shall terminate automatically upon Executive's death. If the Company determines in good faith that the Disability (as defined below) of Executive has occurred during the Term, it may give to Executive written notice in accordance with Section 10 of this Agreement of its intention to terminate Executive's employment; provided that such notice is provided no later than 150 calendar days following the determination of Executive's Disability. In such event, Executive's employment shall terminate effective on the 30th calendar day after receipt of such notice by Executive (the "Disability Effective Date"), provided that, within the 30 calendar days after such receipt, Executive shall not have returned to full-time performance of Executive's duties. For purposes of this Agreement, "Disability" shall mean the inability of Executive to perform the essential duties of the position held by Executive by reason of any medically determined physical or mental impairment that is reasonably expected to result in death or lasts for 120 consecutive calendar days in any one-year period, all as determined by an independent licensed physician mutually acceptable to the Company and Executive or Executive's legal representative.

(b) Cause. Executive's employment with the Company may be terminated by the Company with or without Cause. For purposes of this Agreement, "Cause" shall mean: (i) the continued failure of Executive to perform substantially Executive's duties with the Company or any of its affiliates or Executive's material disregard of the directives of the CEO or the Board (in each case other than any such failure resulting from any medically determined physical or mental impairment) that is not cured by Executive within 20 calendar days after a written demand for substantial performance is delivered to Executive by the Company which specifically identifies the manner in which the CEO or the Board believes that Executive has not substantially performed Executive's duties or disregarded a directive; (ii) willful material misrepresentation at any time by Executive to the CEO or the Board; (iii) Executive's commission of any act of fraud, misappropriation (other than misappropriation of a de minimis nature) or embezzlement against or in connection with the Company or any of its affiliates or their respective businesses or operations; (iv) a conviction, guilty plea or plea of *nolo contendere* of Executive for any crime involving dishonesty or for any felony; (v) a material breach by Executive of his fiduciary duties of loyalty or care to the Company or any of its affiliates or a material violation of the Company's Code of Business Conduct and Ethics or any other material breach of a Company policy, as the same may be amended from time to time; (vi) the engaging by Executive in illegal conduct, gross misconduct, gross insubordination or gross negligence that is materially and demonstrably injurious to the Company's business or financial condition; or (vii) a material breach by Executive of his obligations under Section 7 or 8 of this Agreement that is not cured (if curable) by Executive within 20 calendar days after written demand for such cure is delivered to Executive by the Company which specifically identifies the manner in which the Company believes that Executive has materially breached his obligations.

(c) Good Reason. Executive's employment with the Company may be terminated by Executive with or without Good Reason. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following without Executive's consent: (i) a material reduction by the Company of Executive's title, duties, responsibilities or reporting relationship set forth in Section 2(a); (ii) a material reduction by the Company of Executive's Annual Base Salary (other than as permitted in Section 3(a) of this Agreement) or Executive's Target STI; (iii) the relocation of Executive's principal place of employment as set forth in Section 2(c) of this Agreement by more than 35 miles; or (iv) any other material breach of this Agreement by the Company. A termination of Executive's employment by Executive shall not be deemed to be for Good Reason unless (x) Executive gives notice to the Company of the existence of the event or condition constituting Good Reason within 30 calendar days after such event or condition initially occurs or exists, and (y) the Company fails to cure such event or condition within 30 calendar days after receiving such notice. Additionally, Executive must terminate his employment within 120 calendar days after the initial occurrence of the circumstance constituting Good Reason for such termination to be "Good Reason" hereunder.

(d) Notice of Termination. Any termination by the Company for Cause, or by Executive for Good Reason, shall be communicated by Notice of Termination to the other party in accordance with Section 10. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 calendar days after the giving of such notice). The failure by the Company or Executive to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause or Good Reason shall not waive any right of the Company or Executive, respectively, hereunder or preclude the Company or Executive, respectively, from asserting such fact or circumstance in enforcing the Company's or Executive's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if Executive's employment is terminated by the Company for Cause, or by Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein within 30 calendar days after such notice, as the case may be, (ii) if Executive's employment is terminated by the Company other than for Cause or Disability, or if Executive voluntarily resigns without Good Reason, the date on which the terminating party notifies the other party that such termination shall be effective, provided that on a voluntary resignation without Good Reason, the Company may, in its sole discretion, make such termination effective on any date it elects in writing between the date of the notice and the proposed date of termination specified in the notice, (iii) if Executive's employment is terminated by reason of death, the date of death of Executive, or (iv) if Executive's employment is terminated by the Company due to Disability, the Disability Effective Date.

(f) Resignation from All Positions. Notwithstanding any other provision of this Agreement, upon the termination of Executive's employment by the Company for any reason, Executive shall immediately resign from all positions that he holds or has ever held with the Company and its affiliates. Executive hereby agrees to execute any and all documentation to effectuate such resignations upon request by the Company, but he shall be treated for all purposes as having so resigned upon termination of his employment, regardless of when or whether he executes any such documentation.

5. Severance Payments.

(a) Good Reason, Other than for Cause. If the Company shall terminate Executive's employment other than for Disability or Cause (including by reason of not renewing the Term), or if Executive shall terminate employment for Good Reason:

(i) The Company shall pay, or cause to be paid, to Executive the sum of: (A) the portion of Executive's Annual Base Salary earned through the Date of Termination, to the extent not previously paid; and (B) any accrued vacation pay, to the extent not previously paid (the sum of the amounts described in clauses (A) and (B) shall be referred to as the "Accrued Benefits"). The Accrued Benefits shall be paid in a single lump sum within 30 calendar days after the Date of Termination.

(ii) Subject to Section 6 hereof, the Company shall continue to pay, or cause to be paid, to Executive, continued Annual Base Salary (without taking into account any reduction to the Annual Base Salary that constitutes Good Reason for Executive's termination), for the 12-month period commencing on the Date of Termination (such period, the "Severance Period"), payable over the Severance Period in equal semi-monthly or other installments (not less frequently than monthly), commencing with the first regular payroll date occurring after the Release required by Section 6 becomes effective and irrevocable in accordance with its terms (and with the first such installment including any such Annual Base Salary amount that otherwise would have been paid earlier in the Severance Period, and the remaining installments being paid as otherwise scheduled assuming payments had begun immediately after the Date of Termination). Notwithstanding the foregoing, if the termination described in this Section 5(a) occurs within 90 calendar days prior to, or within 2 years following, a Change in Control (as defined in the Company's 2015 Equity Incentive Plan (the "Equity Incentive Plan")), then, in addition to the amounts described in the first sentence of this Section 5(a)(ii): (A) the Company shall pay or cause to be paid to Executive, in lieu of any Pro-Rated Annual Incentive under Section 5(a)(iv), a lump sum payment equal to Executive's Target STI under the STIP for the year in which the Date of Termination occurs (without pro-ration), payable on the first regular payroll date occurring after the Release required by Section 6 becomes effective and irrevocable in accordance with its terms; and (B) to the extent that the same treatment is not otherwise provided under the Equity Incentive Plan and the applicable award agreements, each of Executive's then outstanding equity incentive awards shall become vested in full (without proration), with any specified performance objectives with respect to such outstanding awards deemed to be satisfied at the "target" level.

(iii) Subject to Section 6 hereof, the Company shall pay to Executive the amount of any annual incentive that has been earned by Executive under the STIP for a completed fiscal year or other measuring period preceding the Date of Termination (or that would have been earned by Executive had his employment continued through the date such annual incentive is paid to other senior executives), but has not yet been paid to Executive (the "Prior Year Annual Incentive"), payable in a single lump sum no later than the date that annual incentives are payable to other participants in the STIP for that fiscal year (pursuant to the terms of the STIP).

(iv) Subject to Section 6 hereof, if and only if Executive's Date of Termination occurs at least three (3) full calendar months after the beginning of the Company's fiscal year, and except as otherwise provided in Section 5(a)(ii), Executive will be eligible to receive an annual incentive under the STIP for the fiscal year during which the Date of Termination occurs, determined as if Executive had remained employed for the entire year (and any additional period of time necessary to be eligible to receive the annual incentive for the year), based on actual Company performance during the entire fiscal year and without regard to any discretionary adjustments that have the effect of reducing the amount of the annual incentive (other than discretionary adjustments applicable to all senior executives who did not terminate employment), and assuming that any individual goals applicable to Executive were satisfied at the "target" level, pro-rated based on the number of days in the Company's fiscal year through (and including) the Date of Termination (the "Pro-Rated Annual Incentive"). The Pro-Rated Annual Incentive shall be payable in a single lump sum at the same time that payments are made to other participants in the STIP for that fiscal year (pursuant to the terms of the STIP).

(v) Subject to Section 6 hereof, if Executive timely elects continued health and dental coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company will pay Executive's full COBRA premiums to continue his coverage (including coverage for his eligible dependents, if applicable) (the "COBRA Premiums") for the 12-month period commencing on the Date of Termination (the "COBRA Premium Period"). The COBRA Premium Period runs concurrently with the Severance Period.

During the COBRA Premium Period, an amount equal to the applicable COBRA Premiums (or such other amounts as may be required by law) will be included in Executive's income for tax purposes to the extent required by applicable law and the Company may withhold taxes from Executive's other compensation for this purpose. Notwithstanding the foregoing, if Executive becomes re-employed with another employer and is eligible to receive substantially equivalent health benefits under another employer-provided plan, then the Company's payment obligations and Executive's right to the subsidized premium payments as described in this Section 5(a)(v) shall cease.

(vi) To the extent not theretofore paid or provided, the Company shall pay or provide, or cause to be paid or provided, to Executive (or his estate) any other amounts, benefits or equity awards required to be paid or provided or which Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company, including any benefits to which Executive is entitled under Part 6 of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits") in accordance with the terms and normal procedures of each such plan, program, policy or practice or contract or agreement, based on accrued and vested benefits through the Date of Termination.

(b) Cause; Other than for Good Reason. If, during the Term, Executive's employment is terminated for Cause, or if Executive voluntarily terminates his employment without Good Reason, then the Company shall pay or provide to Executive the Accrued Benefits, payable in accordance with Section 5(a)(i) of this Agreement, and the Other Benefits, and no further amounts shall be payable to Executive under this Section 5 after the Date of Termination.

(c) Disability and Death. If, during the Term, Executive's employment is terminated for Disability or Executive dies, then the Company shall pay or provide to Executive (or his estate) (i) the Accrued Benefits, payable in accordance with Section 5(a)(i) of this Agreement, (ii) the Other Benefits, (iii) subject to Section 6 hereof, the Prior Year Annual Incentive, payable in accordance with Section 5(a)(iii) of this Agreement, (iv) subject to Section 6 hereof, and if and only if Executive's Date of Termination occurs at least 3 full calendar months after the beginning of the Company's fiscal year, the Pro-Rated Annual Incentive, payable in accordance with Section 5(a)(iv) of this Agreement, and (v) in the case of termination for Disability, and subject to Section 6 hereof, an amount equal to the excess, if any, of Executive's Annual Base Salary for 6 months, over the amounts payable to Executive under the Company's short-term disability insurance program, which amount shall be payable in equal semi-monthly or other installments (not less frequently than monthly) over the period commencing on the Date of Termination and ending 6 months thereafter, with the installments that otherwise would be paid within the first 60 calendar days after the Date of Termination being paid in a lump sum (without interest) on the 60th day after the Date of Termination and the remaining installments being paid as otherwise scheduled assuming payments had begun immediately after the Date of Termination.

(d) Full Settlement; Offset. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company or any of its affiliates may have against Executive or others, except as otherwise may be provided in this Section or Section 2(f) hereof. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Executive obtains other employment.

(e) Section 280G. In the event it shall be determined that any payment or distribution by the Company or any of its affiliates to or for the benefit of Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (the "Total Payments"), is or will be subject to the excise tax (the "Excise Tax") imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), then the Total Payments shall be reduced to the maximum amount that could be paid to Executive without giving rise to the Excise Tax (the "Safe Harbor Cap"), if the net after-tax benefit to Executive after reducing Executive's Total Payments to the Safe Harbor Cap is greater than the net after-tax (including the Excise Tax) benefit to Executive without such reduction. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing first the cash payments made pursuant to Section 5(a)(ii) of this Agreement, then to the payment made pursuant to Section 5(a)(iii) of this Agreement, then to any payment made pursuant to Section 5(a)(iv) of this Agreement, then to any payment made pursuant to Section 5(a)(v) of this Agreement, and then to any other payment that triggers such Excise Tax in the following order:(i) reduction of cash payments; (ii) cancellation of accelerated vesting of performance-based equity awards (based on the reverse order of the date of grant); (iii) cancellation of accelerated vesting of other equity awards (based on the reverse order of the date of grant); and (iv) reduction of any other payments due to Executive (with benefits or payments in any group having different payment terms being reduced on a pro-rata basis). All mathematical determinations, and all determinations as to whether any of the Total Payments are "parachute payments" (within the meaning of Section 280G of the Code), that are required to be made under this paragraph, including determinations as to whether the Total Payments to Executive shall be reduced to the Safe Harbor Cap and the assumptions to be utilized in arriving at such determinations, shall be made at the Company's expense by a nationally recognized accounting firm mutually acceptable to the Company and Executive.

6. Release. Notwithstanding anything contained herein to the contrary, the Company shall not be obligated to make any payment or provide any benefit under Sections 5(a)(ii), (iii), (iv) and (v), or Sections 5(c)(iii), (iv) and (v) hereof unless: (a) Executive or Executive's legal representative first executes within 50 calendar days after the Date of Termination a release of claims agreement in the form attached hereto as Exhibit A, with such changes as the Company, after consulting with Executive or Executive's legal representative, may determine to be required or reasonably advisable in order to make the release enforceable and otherwise compliant with applicable law (the "Release"), (b) Executive does not revoke the Release, and (c) the Release becomes effective and irrevocable in accordance with its terms.

7. Restrictive Covenants. Executive acknowledges and agrees that he shall at all times be subject to, and obligated to comply with, the restrictive covenants contained in the equity award agreements issued under a Company equity plan, as amended from time-to-time, or in any separate restrictive covenant agreement between Executive and the Company, as applicable, whether executed prior to or after the Effective Date (the "Restrictive Covenants") .

Executive agrees that in the event of a breach by Executive of the Restrictive Covenants, the Company, in addition and supplementary to other rights and remedies existing in its favor, may (with the sole exception of the Accrued Benefits, Other Benefits or any other payments that may be required by state or federal law (if any)), cease any further payments under Section 5 hereof and/or vesting of equity awards.

8. Cooperation in Investigations and Proceedings. During the Term and for a period of 5 years thereafter, Executive shall cooperate with the Company and its affiliates, upon the Company's reasonable request, with respect to any internal investigation or administrative, regulatory or judicial proceeding involving matters occurring, in whole or in part, during such employment with the Company and within the scope of Executive's duties and responsibilities to the Company during his employment with the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's reasonable request to give testimony without requiring service of a subpoena or other legal process, and turning over to the Company all relevant Company documents which are or may have come into Executive's possession during his employment). In requesting Executive's cooperation, the Company shall take into account his other personal and professional obligations. Executive shall be reimbursed for the reasonable expenses Executive incurs in connection with any such cooperation and/or assistance and shall receive from the Company hourly compensation equal to the Annual Base Salary immediately prior to the Date of Termination divided by 1,800 hours, in each case in connection with any assistance or cooperation that occurs after the Date of Termination. Any such reimbursements or *per diem* compensation shall be paid to Executive no later than the 15th day of the month immediately following the month in which such expenses were incurred or such cooperation and/or assistance was provided (subject to Executive's timely submission to the Company of proper documentation with respect thereto). Executive agrees that in the event of a breach by Executive of this Section 8, the Company, in addition and supplementary to other rights and remedies existing in its favor, may (with the sole exception of the Accrued Benefits, Other Benefits or any other payments that may be required by state or federal law (if any)), cease any further payments under Section 5 hereof and/or vesting of equity awards.

9. Survival. Subject to any limits on applicability contained therein, Sections 2(f), 3(f), 4(f), 5, 6, 7, 8, 10, 11, 12, 13, 14, 16, 17, 19 and 20 shall survive and continue in full force in accordance with their terms notwithstanding any termination of the Term or this Agreement.

10. Notices. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered, sent by reputable overnight carrier or mailed by first class mail, return receipt requested, to the recipient. Notices to Executive shall be sent to the address of Executive most recently provided to the Company. Notices to the Company should be sent to Williams Industrial Services Group Inc., 100 Crescent Centre Parkway, Suite 1240, Tucker, GA 30084, Attention: Chief Executive Officer. Any notice under this Agreement will be deemed to have been given when so delivered, sent or mailed.

11. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

12. Source of Payment. Any payments to Executive under this Agreement shall be paid from the Company's general assets.

13. Complete Agreement. This Agreement (along with the other documents referenced herein) embodies the complete agreement and understanding between the parties with respect to the subject matter hereof and effective as of its date supersedes and preempts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way (including, but not limited to, any offer letter from the Company to Executive, which the parties acknowledge is hereby superseded, replaced in its entirety and considered null and void as of the Effective Date). The parties hereby acknowledge that, as of the Effective Date, Executive shall cease to participate in the Company's Executive Severance Plan without further action or notice, that the payments and benefits provided under Section 5 shall be in full satisfaction of the Company's obligations to Executive upon his termination of employment and in no event shall Executive be entitled to severance benefits (or other damages in respect of a termination of employment or claim for breach of this Agreement) beyond those specified in Section 5 hereof.

14. Withholding of Taxes. The Company and its affiliates may withhold from any amounts payable under this Agreement all federal, state, city or other taxes as the Company and its affiliates are required to withhold pursuant to any law or government regulation or ruling.

15. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and both of which taken together shall constitute one and the same agreement.

16. Successors and Assigns.

(a) This Agreement is personal to Executive, and, without the prior written consent of the Company, shall not be assignable by Executive other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. Except as provided in Section 16(c), without the prior written consent of Executive this Agreement shall not be assignable by the Company, except to an affiliate.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. "Company" means the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid that assumes and agrees to perform this Agreement by operation of law or otherwise.

17. Choice of Law; Jurisdiction; Venue. This Agreement shall be governed, construed, interpreted and enforced in accordance with the substantive laws of the State of Georgia, without regard to conflicts of law principles. Executive agrees and consents to jurisdiction, and agrees that venue is proper, in the state courts of or federal courts in the State of Georgia. Any action seeking an order, ruling, declaratory judgment, or similar relief that this Agreement, or any section, paragraph or subpart thereof, is unenforceable in whole or in part, shall be brought in the Superior Court of Dekalb County, Georgia or the United States District Court for the Northern District of Georgia, or, if Executive resides in Georgia, the Superior Court of the Georgia county in which Executive resides, which courts shall be the sole and exclusive venues for any such action, unless such claim is raised as a counterclaim or defense against an action seeking enforcement of any section, paragraph or subpart of this Agreement.

18. Voluntary Agreement. Executive and the Company represent and agree that each has reviewed all aspects of this Agreement, has carefully read and fully understands all provisions of this Agreement, and is voluntarily entering into this Agreement. Each party represents and agrees that such party has had the opportunity to review any and all aspects of this Agreement with legal, tax or other adviser(s) of such party's choice before executing this Agreement.

19. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

20. Section 409A Compliance.

(a) In General. Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), imposes payment restrictions on "nonqualified deferred compensation" *(i.e.,* potentially including payments owed to Executive upon termination of employment). Failure to comply with these restrictions could result in negative tax consequences to Executive, including immediate taxation, interest and a 20% additional income tax. It is the Company's intent that this Agreement be exempt from the application of, or otherwise comply with, the requirements of Section 409A. Specifically, any taxable benefits or payments provided under this Agreement are intended to be separate payments that qualify for the "short-term deferral" exception to Section 409A to the maximum extent possible, and to the extent they do not so qualify, are intended to qualify for the involuntary separation pay exceptions to Section 409A, to the maximum extent possible. If neither of these exceptions applies, and if Executive is a "specified employee" within the meaning of Section 409A, then notwithstanding any provision in this Agreement to the contrary and to the extent required to comply with Section 409A, all amount that would otherwise be paid or provided during the first 6 months following the Date of Termination shall instead be accumulated through and paid or provided (without interest) on the first business day following the 6-month anniversary of the Date of Termination.

(b) Separation from Service. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of

Section 409A and Executive is no longer providing services (at a level that would preclude the occurrence of a “separation from service” within the meaning of Section 409A) to the Company or its affiliates as an employee or consultant, and for purposes of any such provision of this Agreement, references to a “termination,” “termination of employment” or like terms shall mean “separation from service” within the meaning of Section 409A. Notwithstanding any other provision of this Agreement to the contrary, but only to the extent necessary to comply with Section 409A, if the period in which the Release required by Section 6 of this Agreement must be provided and become effective and irrevocable in accordance with its terms begins in one calendar year and ends in a second calendar year, payment of any nonqualified deferred compensation shall be made or commence on the later of (i) the first payroll date of the second calendar year, or (ii) the first payroll date after the date that the Release becomes effective and irrevocable in accordance with its terms

(c) Reimbursements. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A: (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other taxable year, and (iii) such payments shall be made on or before the last business day of Executive’s taxable year following the taxable year in which the expense occurred, or such earlier date as required hereunder.

[Signatures are on the following page]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

WILLIAMS INDUSTRIAL SERVICES GROUP INC.	**EXECUTIVE**
By: Tracy D. Pagliara Its: Chief Executive Officer	Damien Vassall

EXHIBIT A
GENERAL RELEASE

This General Release (this "Release") is made and entered into as of this [●] day of [●], 20[●], by and between Williams Industrial Services Group Inc. (the "Company") and Damien Vassall ("Executive").

1. Employment Status. Executive's employment with the Company and its affiliates terminated effective as of [●], 20[●] (the "Separation Date").

2. Payments and Benefits. Upon the effectiveness of the terms set forth herein, the Company shall provide Executive with the benefits set forth in Sections 5(a)(ii), (iii), (iv) (if applicable) and (v) of the Employment Agreement between Executive and the Company dated as of November 15, 2021 (the "Employment Agreement"), upon the terms, and subject to the conditions, of the Employment Agreement.

3. No Liability. This Release does not constitute an admission by the Company or its affiliates or their respective officers, directors, partners, agents, or employees, or by Executive, of any unlawful acts or of any violation of federal, state or local laws.

4. Release. In consideration of the payments and benefits set forth in Section 2 of this Release, Executive for himself, his heirs, administrators, representatives, executors, successors and assigns (collectively, "Releasors") does hereby irrevocably and unconditionally release, acquit and forever discharge the Company, its respective affiliates and their respective successors and assigns (the "Company Group") and each of its officers, directors, partners, agents, and former and current employees, including without limitation all persons acting by, through, under or in concert with any of them (collectively, ("Releasees"), and each of them, from any and all claims, demands, actions, causes of action, costs, expenses, attorney fees, and all liability whatsoever, whether known or unknown, fixed or contingent, which Executive has, had, or may ever have against the Releasees relating to or arising out of Executive's employment or separation from employment with the Company Group, from the beginning of time and up to and including the date Executive executes this Release. This Release includes, without limitation: (a) law or equity claims; (b) contract (express or implied) or tort claims; (c) claims for wrongful discharge, retaliatory discharge, whistle blowing, libel, slander, defamation, unpaid compensation, intentional infliction of emotional distress, fraud, public policy contract or tort, and implied covenant of good faith and fair dealing; (d) claims under or associated with any of the Company Group's incentive compensation plans or arrangements; (e) claims arising under any federal, state, or local laws of any jurisdiction that prohibit age, sex, race, national origin, color, disability, religion, veteran, military status, sexual orientation, or any other form of discrimination, harassment, or retaliation (including without limitation under the Age Discrimination in Employment Act of 1967 as amended by the Older Workers Benefit Protection Act ("ADEA"), Title VII of the Civil Rights Act of 1964 as amended by the Civil Rights Act of 1991, the Equal Pay Act of 1963, and the Americans with Disabilities Act of 1990, the Rehabilitation Act, the Family and Medical Leave Act, the Sarbanes-Oxley Act, the Employee Polygraph Protection Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Genetic Information Nondiscrimination Act of 2008 ("GINA"), the Fair Labor

Standards Act ("FLSA"), the Lilly Ledbetter Fair Pay Act or any other foreign, federal, state or local law or judicial decision); (f) claims arising under the Employee Retirement Income Security Act; and (g) any other statutory or common law claims related to Executive's employment with the Company Group or the separation of Executive's employment with the Company Group.

Without limiting the foregoing paragraph, Executive represents that he understands that this Release specifically releases and waives any claims of age discrimination, known or unknown, that Executive may have against the Company Group as of the date he signs this Release. This Release specifically includes a waiver of rights and claims under the Age Discrimination in Employment Act of 1967, as amended, and the Older Workers Benefit Protection Act. Executive acknowledges that as of the date he signs this Release, he may have certain rights or claims under the Age Discrimination in Employment Act, 29 U.S.C. §626 and he voluntarily relinquishes any such rights or claims by signing this Release.

Notwithstanding the foregoing provisions of this Section 4, nothing herein shall release the Company Group from (i) any obligation under the Employment Agreement; (ii) any obligation to provide benefit entitlements under any Company benefit or welfare plan that were vested as of the Separation Date; and (iii) from any rights or claims that relate to events or circumstances that occur after the date that the Executive executes this Release.

5. **Bar.** Executive acknowledges and agrees that if he should hereafter make any claim or demand or commence or threaten to commence any action, claim or proceeding against the Releasees with respect to any cause, matter or thing which is the subject of the release under Section 4 of this Release, this Release may be raised as a complete bar to any such action, claim or proceeding, and the applicable Releasee may recover from Executive all costs incurred in connection with such action, claim or proceeding, including attorneys' fees, along with the benefits set forth in Section 2 of the Release.

6. **Right to Engage in Protected Activity.** Nothing contained in this Release limits Executive's ability to file a charge or complaint with any federal, state or local governmental agency or commission (a "Government Agency"). In addition, nothing in this Release or the Employment Agreement or any other Company agreement, policy, practice, procedure, directive or instruction shall prohibit Executive from reporting possible violations of federal, state or local laws or regulations to any Government Agency or making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations. Executive does not need prior authorization of any kind to make any such reports or disclosures and Executive is not required to notify the Company that Executive has made such reports or disclosures. If Executive files any charge or complaint with any Government Agency, and if the Government Agency pursues any claim on Executive's behalf, or if any other third party pursues any claim on Executive's behalf, Executive waives any right to monetary or other individualized relief (either individually, or as part of any collective or class action) from the Releasees that arises out of alleged facts or circumstances on or before the effective date of this Release; provided that nothing in this Release or the Separation Agreement limits any right Executive may have to receive a whistleblower award or bounty for information provided to the Securities and Exchange Commission or other Government Agency.

7. **Governing Law.** This Release shall be governed by and construed in accordance with the laws of the State of Georgia, without regard to conflicts of laws principles.

8. **Acknowledgment.** Executive has read this Release, understands it, and voluntarily accepts its terms, and Executive acknowledges that he has been advised by the Company to seek the advice of legal counsel (at Executive's cost) before entering into this Release. Executive acknowledges that he was given a period of 21 calendar days within which to consider and execute this Release, and to the extent that he executes this Release before the expiration of the 21-day period, he does so knowingly and voluntarily and only after consulting his attorney. Executive acknowledges and agrees that the promises made by the Company Group hereunder represent substantial value over and above that to which Executive would otherwise be entitled. Executive acknowledges and reconfirms the promises in Section 7 and 8 of the Employment Agreement.

9. **Revocation.** Executive has a period of 7 calendar days following the execution of this Release during which Executive may revoke this Release by delivering written notice to the Company pursuant to Section 10 of the Employment Agreement, and this Release shall not become effective or enforceable until such revocation period has expired. Executive understands that if he revokes this Release, it will be null and void in its entirety, and he will not be entitled to any payments or benefits provided in this Release, including without limitation under Section 2 of the Release.

10. **Miscellaneous.** This Release is the complete understanding between Executive and the Company Group in respect of the subject matter of this Release and supersedes all prior agreements relating to Executive's employment with the Company Group, except as specifically excluded by this Release. Executive has not relied upon any representations, promises or agreements of any kind except those set forth herein in signing this Release. In the event that any provision of this Release should be held to be invalid or unenforceable, each and all of the other provisions of this Release shall remain in full force and effect. If any provision of this Release is found to be invalid or unenforceable, such provision shall be modified as necessary to permit this Release to be upheld and enforced to the maximum extent permitted by law. Executive agrees to execute such other documents and take such further actions as reasonably may be required by the Company Group to carry out the provisions of this Release.

11. **Counterparts.** This Release may be executed by the parties hereto in counterparts, which taken together shall be deemed one original.

WILLIAMS INDUSTRIAL SERVICES GROUP INC.	**EXECUTIVE**
[Form of release-Do not sign]	***[Form of release- Do not sign]***
By: Its:	Damien Vassall

Exhibit 31.1

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Tracy D. Pagliara, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Williams Industrial Services Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Date: November 17, 2021

By: /s/ Tracy D. Pagliara
Tracy D. Pagliara
President and Chief Executive Officer

Exhibit 31.2

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

I, Damien A. Vassall, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Williams Industrial Services Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Date: November 17, 2021

By: /s/ Damien A. Vassall
Damien A. Vassall
Vice President and Chief Financial Officer

Exhibit 32.1

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

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Tracy D. Pagliara, the President and Chief Executive Officer of Williams Industrial Services Group Inc. (the "**Company**"), hereby certify, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the period ended September 30, 2021 (the "**Report**") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 17, 2021

By: /s/ Tracy D. Pagliara
Tracy D. Pagliara
President and Chief Executive Officer

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

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

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Randall R. Lay, the Senior Vice President and Chief Financial Officer of Williams Industrial Services Group Inc. (the "**Company**"), hereby certify, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the period ended September 30, 2021 (the "**Report**") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 17, 2021

By: /s/ Damien A. Vassall
Damien A. Vassall
Vice President and Chief Financial Officer

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.