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

Amendment No. 1
to
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SHIMMICK CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1600
(Primary Standard Industrial
Classification Code Number)

84-3749368
(I.R.S. Employer
Identification No.)

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(510) 777-5000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Approximate date of commencement of proposed sale to the public: **As soon as practicable after the effective date of this registration statement.**

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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
Non-accelerated filer

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 7(a)(2)(B) of the Securities Act.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION DATED OCTOBER 23, 2023

PRELIMINARY PROSPECTUS

4,550,000 Shares



Common Stock

This is Shimmick Corporation's initial public offering, and prior to this offering, there has been no public market for our common stock. We are offering 4,550,000 shares of our common stock and anticipate that the initial public offering price will be between \$10.00 and \$12.00 per share. We have applied for listing of our common stock on The Nasdaq Stock Market LLC ("Nasdaq") under the symbol "SHIM."

We are an "emerging growth company" and a "smaller reporting company" under the federal securities laws and will be subject to reduced public company reporting requirements. See "*Prospectus Summary — Implications of Being an Emerging Growth Company and a Smaller Reporting Company.*"

After the completion of this offering, our controlling stockholder (see "*Principal Stockholders*") will continue to control a majority of the voting power of our common stock. As a result, although we do not expect to rely on the "controlled company" exemption, we will be a "controlled company" under the listing standards of Nasdaq and the rules of the Securities and Exchange Commission ("SEC"), and we will qualify for exemptions from certain corporate governance requirements. See "*Management — Controlled Company Exemption.*"

Investing in our common stock involves a high degree of risk. Please read "[Risk Factors](#)" beginning on page 20 of this prospectus for a discussion of some of the risks you should consider before investing.

	<u>Per Share</u>	<u>Total</u>
Public offering price	\$	\$
Underwriting discounts and commissions (1)	\$	\$
Proceeds, before expenses, to us	\$	\$

(1) The underwriters will receive compensation in addition to the underwriting discounts and commissions. See "*Underwriting.*"

We have granted the underwriters an option, exercisable within 30 days of the date of this prospectus, to purchase a maximum of 682,500 additional shares of our common stock from us at the initial public offering price, less the underwriting discounts and commissions, to cover over-allotments of shares, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of our common stock to purchasers against payment on or about _____, 2023.

Sole Book-Running Manager

Roth Capital Partners

Co-Manager

Craig-Hallum Capital Group

, 2023

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You should rely only on the information contained or incorporated by reference in this prospectus and in any free writing prospectus that we have authorized for use in connection with this offering. Neither we nor the underwriters have authorized any other person to provide you with additional or different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the underwriters are making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. You should assume that the information in this prospectus is accurate only as of the date on the front cover of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

NON-GAAP FINANCIAL MEASURES

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (“GAAP”). We also supplement our consolidated financial statements with non-GAAP financial measures in this prospectus, including Adjusted net income (loss) and Adjusted EBITDA. For a discussion of the limitations on these measures and the rationales for using these measures see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures.*”

FISCAL YEAR

We operate on a 52-week or 53-week fiscal year ending on the Friday closest to December 31 each year. Our fiscal year is divided into four quarters of 13 weeks, each beginning on a Saturday and containing one 5-week period along with two 4-week periods. When a 53-week fiscal year occurs, we report the additional week in the fourth fiscal quarter. References to fiscal year 2022 are to our 52-week fiscal year ended December 30, 2022 and references to fiscal year 2021 are to our 52-week fiscal year ended December 31, 2021.

MARKET DATA AND FORECASTS

We are responsible for the disclosures contained in this prospectus. However, unless otherwise indicated, information in this prospectus concerning economic conditions, our industry, our markets and our competitive position is based on information obtained from a variety of sources, including information from independent industry analysts and publications, as well as our own estimates and research.

Our estimates are derived from publicly available information released by third parties, as well as data from our internal research, and are based on such data and our knowledge of our industry, which we believe to be reasonable. None of the independent industry publications discussed in this prospectus were prepared on our behalf.

TRADEMARKS, SERVICE MARKS AND TRADE NAMES

This prospectus includes our trademarks, service marks and trade names, such as “Shimmick Corporation,” “SCCI National Holdings, Inc.,” “Shimmick,” “Shimmick Construction Company” and our “S” logo. While such marks and trade names are not registered, they are protected under certain applicable intellectual property laws and are the property of Shimmick Corporation and Subsidiaries. Solely for convenience, marks and trade names referred to in this prospectus may appear without the TM symbol, but such references are not intended to indicate, in any way, that we will not assert our rights to the fullest extent under applicable law.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary is not complete and does not contain all of the information that is important to you or that you should consider before investing in our common stock. You should carefully read the entire prospectus, including the risk factors, financial data, and financial statements included herein, before making a decision about whether to invest in our common stock. Unless the context requires otherwise or we specifically indicate otherwise, the information in this prospectus assumes that the underwriters do not exercise their over-allotment option. As used in this prospectus, unless the context otherwise requires or indicates, the terms “Shimmick,” “the Company,” “our company,” “we,” “our,” “ours,” and “us” refer to Shimmick Corporation and Subsidiaries.

Our Company

We are a leading provider of water and other critical infrastructure solutions nationwide. Through our predecessor entities, we have a long history of working on complex water projects, ranging from the world’s largest wastewater recycling and purification system in California to the iconic Hoover Dam. According to *Engineering News Record*, in 2022 we were nationally ranked as a top ten builder of dams and reservoirs (#1), water supply (#3), water treatment and desalination plants (#8) and mass transit (#9). We are led by industry veterans, many with over 20 years of experience, and work closely with our customers to deliver complete solutions, including long-term operations and maintenance.

The United Nations has stated that climate change is primarily a water crisis as water becomes more scarce, unpredictable, polluted, or a combination of all three. Climate change, along with other emerging issues like drinking water contamination, requires significant and complex solutions like those we provide. We believe we are entering a period of substantial investment in water solutions, with more than \$60 billion already authorized by federal legislation. In addition to organic growth opportunities, the existing water industry is highly fragmented by geography and capability, and we believe there is significant opportunity to both further expand our core infrastructure services and provide new service through acquisitions.

We selectively focus on the following types of infrastructure projects:

- *Water Treatment:* We expand, rehabilitate, upgrade, build and rebuild water and wastewater treatment infrastructure, including desalination plants. We implement complex cleantech treatment technologies including ozonation, biological activated carbon, membrane filtration, reverse osmosis, chemical treatment, and oxidation. We also conduct facility commissioning. Our projects and solutions aim to ensure access to clean and safe drinking water, protect public health, and reduce waterborne diseases. Our work contributes to protecting the environment by removing pollutants and contaminants from wastewater before it is released back into ecosystems. Additionally, water treatment infrastructure supports sustainable water management, which conserves this precious resource for future generations.
- *Water Resources:* We build, expand, and improve water storage and conveyance, dams, levees, flood control systems, pump stations, and coastal protection. We also upgrade and expand dams, levees and locks along our nation’s waterways to enable continued emissions-reducing movement of goods. Select projects of ours enable reliable water supply, generate hydroelectric power, and control flooding, ensuring water availability and energy security. Our work contributes to protecting communities from flood damage to safeguard lives, property, and infrastructure.
- *Other Critical Infrastructure:* We build, retrofit, expand, rehabilitate, operate, and maintain our nation’s critical infrastructure, including mass transit, bridges, and military infrastructure. We work on projects that we believe are vital for economic growth, social connectivity, and accessibility. We believe our projects enable smooth and efficient movement of people and goods, foster trade, address environmental sustainability, and improve quality of life for individuals and communities.

We were founded in 1990 in California. In 2017, AECOM acquired Shimmick and consolidated us with its existing construction services, which included former legacy construction operations from Morrison Knudsen, Washington Group International, and others. In January 2021, we began operating as an independent company under new private ownership. While our legacy companies have a long history operating in the United States, we have a limited operating history as an independent company. Following our separation from AECOM, we began a transformation to shift our strategy to meet the nation's growing need for water and other critical infrastructure. We believe our competitive strengths, which are discussed below, position us to execute this strategy and capitalize on market opportunities. However, our limited operating history as an independent company and historical dependence on AECOM subject us to a number of risks, such as an inability to obtain necessary bonding and the need to incur additional operating expenses to create or supplement the corporate infrastructure necessary to operate as an independent company. We are also involved in ongoing disputes with AECOM, which could adversely impact our business. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — AECOM Sale Transactions*" for a definition and discussion of the AECOM Sale Transactions and "*Risk Factors — Risks Related to our Projects — We have a limited operating history as an independent company and have been historically dependent on our prior owner, AECOM,*" "*— Risks Related to Our Business and Industry — We are involved in ongoing disputes with our prior owner, AECOM, which could adversely impact our business,*" "*— We may be required to make additional payments to AECOM pursuant to contractual arrangements*" and "*— If AECOM defaults on its contractual obligations to us or under agreements in which we are a beneficiary, our business could be materially and adversely impacted*" for a discussion of risks related to AECOM.

For the six months ended June 30, 2023 and July 1, 2022, we generated revenue of \$319.3 million and \$293.6 million, respectively, and net (loss) income attributable to Shimmick Corporation of \$(19.6) million and \$3.7 million, respectively. Adjusted EBITDA was \$(2.9) million and \$31.9 million for the six months ended June 30, 2023 and July 1, 2022, respectively. Adjusted net (loss) income was \$(12.0) million and \$22.7 million for the six months ended June 30, 2023 and July 1, 2022, respectively. For the years ended December 30, 2022 and December 31, 2021, we generated revenue of \$664.2 million and \$572.7 million, respectively, and net income attributable to Shimmick Corporation of \$3.8 million and \$45.4 million, respectively. Adjusted EBITDA was \$47.0 million and \$(193.6) million for the years ended December 30, 2022 and December 31, 2021, respectively. Adjusted net income (loss) was \$29.5 million and \$(184.3) million for the years ended December 30, 2022 and December 31, 2021, respectively. For reconciliations of Adjusted EBITDA and Adjusted net (loss) income to net (loss) income, in each case the most directly comparable GAAP financial measure, see "*— Summary Selected Consolidated Financial Data*" below.

As of June 30, 2023, we had a backlog of projects in excess of \$1 billion, with over half of that amount comprised of water projects. We believe we have the ability to self-perform many of these projects, enabling us to compete for complex projects and differentiating us from many of our competitors. Self-performance also enables us to better control the critical aspects of our projects, reducing the risk of cost and schedule overruns.

Our Customers

Our project revenue and contracts come primarily from public customers such as federal, state, and local governments, including water districts, sanitation districts, irrigation districts, and flood control districts. Government backing provides financial stability and reliability, as public projects are funded by government entities with the authority to collect taxes and allocate funds. Diverse funding sources — grants, appropriations, loans, state and local taxes, and user fees — reduce dependence on a single source and enhance overall market stability.

Throughout our history, we have maintained and cultivated a strong presence in California. In 2022, more than half of our revenue was generated in California, the largest construction market in the United States. The amount of construction put in place for water infrastructure in California was \$4.9 billion in 2022, according to S&P Global ("S&P"). Our revenue from water projects in California was less than 10% of the total California water

market, indicating ample opportunity for us to grow our market share in California, where we believe we possess significant competitive advantages.

For example, we have detailed knowledge of the California market and have developed long-standing relationships with significant customers, including the Orange County Sanitation District (“OCSD”), the Orange County Water District (“OCWD”), the Metropolitan Water District of California (“MWD”), the Port of Long Beach, the Port of Los Angeles, the City of San Francisco, the City and County of Los Angeles, and other public agencies across the state. In addition to long-standing relationships with our customers, our decades of industry experience have supplied us with deep knowledge of the local workforce, subcontractors, and suppliers throughout California, which we believe provides us with a distinct pricing advantage and enables us to better manage risk.

We also have a long history of delivering solutions for the federal government, primarily building locks, dams, levees, and flood protection along the nation’s inland waterways and coasts. Our federal clients include the Navy and numerous U.S. Army Corps of Engineers (“USACE”) districts, including the Louisville District in Kentucky, the Rock Island District in Illinois, and the Nashville District in Tennessee. This work supports efficient transportation, which helps boost trade, reduce congestion on roads, and enhance our nation’s economy.

Our Growth Strategy

Following consummation of the AECOM Sale Transactions, we began a transformation to shift our strategy to meet the nation’s growing need for water and other critical infrastructure and grow our business. We are beginning to see the benefits of that transition. Projects that were secured prior to the AECOM Sale Transactions, including large scale projects with higher risk and lower margins, is being worked off and replaced with smaller and mid-sized projects with less risk and higher margins. As a result of our renewed strategic focus on water infrastructure, for the first time in company history, in September 2022, Shimmick was ranked in the top ten for dams and reservoirs, water supply, and water treatment and desalination by *Engineering News Record*.

Our growth strategies are as follows:

Organically Grow the Core Water and Critical Infrastructure Business. We seek to further expand our market share in water and other critical infrastructure to meet the nation’s needs for clean water, economic development, disaster mitigation, trade, and resilient infrastructure. We anticipate a prolonged and growing demand for the markets we currently serve, due to, among other things, growing coastal populations, climate change, drought and severe weather events, and increased activity along the inland waterways, where, according to the most recent ASCE Report Card for Inland Waterways, nearly 830 million tons of the nation’s goods are transported every year. Accordingly, we aim to increase the share of water projects as a percentage of our overall backlog. We plan to continue focusing on building infrastructure that meets our customer’s needs — like water reuse, recycling, and conservation — and capitalize on significant opportunities within our core market of California.

We believe that by carefully positioning ourselves in markets that have meaningful barriers to entry, as discussed below, we can realize meaningful advantages. For example, we target projects requiring highly technical or specialized scopes of work or in our core market of California, where we can leverage our deep knowledge of and relationships with customers, workforces, subcontractors, and suppliers. We believe this provides us with a distinct pricing advantage, as well as better risk management.

Enhance Profitability. With a consistent focus on profitability by our management team and growing demand for critical infrastructure, we believe we can further enhance margins through disciplined project selection and bidding. We believe that the need and funding for projects may exceed the industry’s capacity, enabling us to opportunistically target smaller specialized projects with less risk at higher margins.

We maintain a disciplined project evaluation process during which we look at a wide range of factors when determining which projects to bid. Certain criteria are considered at each stage of the pursuit process, which may include project size, location, customer, scope of work, availability of resources, anticipated competition, and project duration, among others. We selectively bid on projects that we believe offer an opportunity to meet our profitability objectives or that offer the opportunity to strategically grow our market share. In addition, we review our bidding opportunities to attempt to minimize concentration of work with any one customer or in tight labor markets.

We also believe that complex projects require companies like ours to have specific technical experience, the ability to obtain surety bonds, a trained workforce, geographic presence in key markets, and specialty equipment. These requirements, among others, present certain barriers to entry, limiting competition and enabling us to maintain selectivity and our desired level of profitability. Additionally, we believe the demand for services like ours is outpacing the industry's ability to supply those services. As illustrated by a few of our recent bids, we were one of just three bidders on the Folsom Dam for USACE, one of two bidders for Control Upgrades at Plant No. 2 for the Orange County Sanitation District, and the sole bidder on the Regional Water Reclamation Facility for the Elsinore Valley Municipal Water District.

Expand Service Offerings for Water and Critical Infrastructure Through Strategic Acquisitions. Upon completion of this offering, we intend to complement our organic growth through strategic acquisitions. We will opportunistically evaluate strategic acquisitions that would enable us to pursue complementary markets or enter new geographies where we do not have an existing footprint. Specifically, we plan to target companies that expand our existing solutions to provide additional capabilities along the water value chain, such as solutions for influent and effluent water conveyance, physical, chemical and/or biological water treatment, water testing, commissioning and operations and maintenance or other services which provide additional recurring revenue opportunities. Our industry includes a number of companies whose growth potential we believe has plateaued absent additional capital infusion or that otherwise may be seeking a liquidity event, which we believe presents opportunities for us to further our growth through strategic acquisitions. We believe the proceeds from this offering, along with existing cash on hand, publicly traded stock and access to the capital markets, will enable us to leverage our established platform and the acquisition experience of our management team to capitalize on future acquisition opportunities and accelerate our growth.

Our Competitive Strengths

With decades of industry experience and a track record of delivering water and other critical infrastructure projects, we believe we are well-positioned to address market trends and meet the growing needs of our current and prospective customers. We believe our long-standing customer relationships, revenue stability, market-leading positions in key markets, effective risk management, presence in key geographies, and a commitment to talent development further contribute to our future success.

Track Record of Water and Other Critical Infrastructure. Through our decades of experience, we have developed efficient processes and controls that allow us to successfully deliver critical infrastructure projects. Our strategy shift to focus on water treatment facilities, dams, locks, and levees, coupled with recent and strong underlying market dynamics, has helped us become a market leader.

Self-Performance of Contracts. We believe we are differentiated from our competitors by our ability to self-perform virtually all aspects of the critical infrastructure projects we build. We believe our ability to self-perform these project scopes makes us more competitive, as we are able to confidently estimate the cost of each job package given our expertise, track record, and expectation that we will self-perform up to 80% of the elements in a typical construction contract. Self-performance offers numerous benefits, both internally and for our customers, including: better cost and quality control, greater control over work sequencing to reduce potential delays,

increased flexibility and responsiveness, and a single point of accountability for our customers, all of which simplify project management. Self-performance also creates additional value by enabling us to capture profit margin that would typically be shared with subcontractors.

Customer and Revenue Stability. In 2022, the vast majority of our revenue was derived from public projects. Our public customers include water districts, sanitation districts, irrigation districts, flood control districts, USACE, cities, counties, and others. Government backing provides financial stability and reliability, since public projects are funded by government entities with the authority to collect taxes and allocate funds. Long-term planning and public interest behind infrastructure projects help ensure consistent funding allocation. Governments also have legal obligations to provide and maintain essential infrastructure, further solidifying the stability of public funding. Diverse funding sources — grants, appropriations, loans, state and local taxes, and user fees — reduce dependence on a single source and enhance overall market stability. Additionally, countercyclical investment, like federal stimulus during economic downturns, contributes to the stability of public funding. We believe this strategy enables us to better manage our business through market cycles.

Framework for Managing Construction Projects and Contract Risk. Our long history in these markets provides us with an understanding of the various risks of infrastructure construction. Following the AECOM Sale Transactions, we enhanced our monitoring and risk management practices applied throughout the entire project lifecycle, including the bid process, pre-construction planning activities, and construction. Our senior management reviews all bid proposals prior to submission, thereby increasing accountability and an understanding of the financial and operating risks and opportunities of our contracts. We maintain a database of prior contract proposals and records from completed projects, such as raw material requirements and costs, labor requirements and costs, and equipment needs, enabling us to rely on our institutional knowledge when estimating project costs in developing new proposals.

Long-Term Relationships with Customers and Partners. Over the past 30 years, we have developed strong relationships with major infrastructure owners including the Orange County Water District, the City of San Diego, Bay Area Rapid Transit, the Ports of Long Beach and Los Angeles, the City of San Francisco, and the City and County of Los Angeles. Elsewhere, we have delivered work for numerous USACE districts, including Louisville, Kentucky, Rock Island, Illinois, Omaha, Nebraska, and Nashville, Tennessee. In fact, most of our revenue in 2022 was generated from repeat customers, leveraging established relationships, familiarity with expectations, and enhanced collaboration for improved outcomes.

Strong Culture and Values with a Commitment to Talent Development. We seek to foster a culture of professional development for each employee. We focus on hiring and retaining highly talented employees with diverse backgrounds and empowering them to create value for our stockholders. We believe our success is dependent on employee understanding of and investment in their role in that value creation. We recruit many of our new employees from a network of approximately two dozen college campuses, where we seek to identify diverse candidates with a desire to develop as construction and engineering professionals and who have key intangible qualities in addition to academic credentials. We believe that our culture, combined with the opportunity to work on complex projects, provides unique opportunities for our employees to grow within our organization. We also encourage our employees to take proactive steps to advance their development and we support our employees in achieving the Professional Engineer designation. Our commitment to career and leadership development is evidenced in our core values, which include Safety, Achievement, Transparency, Empowerment and Responsibility, Authentic Relationships and Mutual Trust and Support. As a guiding principle, we are committed to supporting our employees as they develop their careers.

Experienced Executive Team with Significant Equity Incentive. Many members of our senior leadership team have over 20 years of industry experience and have worked together for over a decade. Additionally, as of June 30, 2023, members of our management team currently held vested and unvested stock options representing

over 15% of our common stock on a fully-diluted basis (or over 12.5% after giving effect to this offering), which will significantly align their interests with stockholders.

Our Projects

We have historically pursued publicly funded water and other critical infrastructure projects. These projects include water and wastewater treatment, water conveyance (pipes, pump stations, irrigation and drainage channels), water storage (dams, reservoirs, weirs), flood protection (levees, flood walls), and environmental projects (species protection, fish ladders, hatcheries), as well as other critical infrastructure. These projects enhance connectivity, trade and economic growth.

As noted above, we have the ability to self-perform virtually all aspects of the critical infrastructure projects we build. However, at times, we may enter into joint venture arrangements on certain projects where it is necessary or desirable to share expertise, risk and resources. Joint venture partners typically provide independently prepared estimates, shared equipment, and often bring local knowledge and expertise. For example, our three largest joint venture partners, which account for approximately 93% of the joint venture arrangement backlog amount as of June 30, 2023, bring structural steel expertise related specifically to retrofitting tainter gates, structural steel erection and construction manager and general contractor expertise. The services we self-perform versus those we rely upon subcontractors and joint venture partners to perform vary from project to project. Our decision regarding whether to self-perform work required depends on multiple factors, including location, availability of subcontractors, availability of craft, size of project, risk management objectives, scope and cost of self-performing versus subcontracting. The work performed through joint venture arrangements is done on an integrated basis, meaning we and our joint venture partners operate as an integrated company with shared cost and risk. As of June 30, 2023, we had a backlog of projects of \$1.3 billion, approximately \$142 million, or 11%, of which are through our joint venture arrangements.

Water Treatment

Our experience in the water treatment space includes a wide range of treatment technologies. For example, for Orange County's Groundwater Replenishment System Expansion, we delivered a three-step advanced process consisting of microfiltration, reverse osmosis and ultraviolet light with hydrogen peroxide to produce water that meets and exceeds state and federal drinking water standards. The new 30 million gallon per day ("MGD") expansion, completed in 2023, created an additional 31,000 acre-feet per year of new water supply and expanded the facility's capacity to provide water for one million people.

Desalination, another treatment process, removes salt and other impurities from seawater or brackish water to produce freshwater and provides a reliable and alternative source of freshwater in regions facing water scarcity. Desalination also supports economic development and population growth in arid coastal areas. Although desalination plants come with unique environmental and regulatory challenges, desalination remains an important part of a larger, multi-billion dollar strategy to address drought and water scarcity in California, according to the California Water Boards Water Supply strategy, published in August 2022. For example, in 2020 the California Department of Water Resources awarded over \$82 million in Proposition 1 desalination grants to support 20 projects. One of the projects that has received Proposition 1 funding is the Antioch Desalination Plant. To combat the increase in water salinity, Shimmick is adding a desalination reverse osmosis treatment train to this existing plant in Antioch. This work will enable the plant to continue to provide a drought-resistant water supply, reduce reliance on imported water, enhance water reliability, support agricultural needs, and contribute to the overall water security and sustainability in the San Joaquin Delta System and surrounding areas. Also, in 2018, we expanded the Robert W. Goldsworthy Desalter facility in Los Angeles County. Using reverse osmosis, the facility processes salty, brackish groundwater to create fresh, potable water. We also improved the facility's reverse osmosis capabilities, installing new filter membranes and analysis and monitoring instrumentation.

Water Resources

According to *Engineering News Record*, we were the nation's largest builder of dams and reservoirs and third largest builder of water supply systems in 2022. These critical infrastructure projects control flooding, store and supply water, and improve water quality to meet public demands. We also improve locks along the nation's inland waterways, enabling the efficient and emissions-reducing transportation of goods, supporting commerce, and connecting regions for economic growth and trade.

At the LaGrange Lock and Dam in Illinois, USACE chose us to perform a major rehabilitation of the more than 80-year-old dam along one of the main inland waterways. According to the most recent ASCE Report Card for inland waterways, barges transport nearly 830 million tons of the nation's goods every year along these navigable rivers, canals, and channels. Additionally, we recently completed the Rapid Disaster Infrastructure program, building more than five miles of levees in Missouri to protect the area from flooding. A Shimmick-led joint venture also replaced an aging lock and dam and constructed the new Olmsted Dam on the Ohio River. With the Olmsted lock and dam replacement, economic net benefits to the nation are estimated to be more than \$640 million annually, according to the same ASCE Report Card.

In California, as part of a joint venture, we recently secured a project for USACE to raise the main dam in Folsom. The project, set for completion in 2027, will enhance flood control by increasing temporary storage capacity of the reservoir by 43,000 acre-feet, reducing flood risk in the greater Sacramento area.

Other Critical Infrastructure

Critical infrastructure refers to the systems, assets, and facilities that are essential for the functioning and well-being of our nation. They are vital for maintaining national security, public health and safety, and economic stability. Disruptions or failures in critical infrastructure can have significant consequences and impact the functioning of society.

Our most recent example of critical infrastructure delivered for the military was the Point Loma Navy Fuel Pier Replacement. This project was necessary to ensure the safe and efficient refueling of naval ships and to meet current operational and safety standards. We demolished and removed the existing pier, installed a new fueling pier, and performed other security improvements to enhance the Navy's ability to maintain its fleet of surface ships, submarines, and other vessels.

Our Market Opportunity

Due to water's essential nature, climate change, coastal population growth, aging infrastructure, regulatory requirements, infrastructure resilience needs, and technological advancements, we anticipate the demand for water infrastructure to continue to grow. Aging infrastructure requires maintenance and upgrades, while regulatory standards, as well as new extreme weather patterns, like droughts, drive the need for conveyance, new facilities and treatment technologies. Additionally, water infrastructure is critical and, in many cases, life-sustaining, and less impacted by economic downturns than other markets like residential or commercial construction. We believe these and other factors contribute to the sustained demand for water infrastructure, for which we have already seen a significant increase in authorized spending.

The Infrastructure Investment and Jobs Act ("IIJA"), passed in November 2021, authorized the spending of \$1.2 trillion over five years to expand access to clean drinking water, rebuild the nation's transportation system, and address climate change, among other initiatives. Of the \$1.2 trillion in supplemental spending authorized by the IIJA, more than \$50 billion will go to the Environmental Protection Agency ("EPA") to strengthen the nation's drinking water and wastewater systems, representing the single largest investment in water ever by the federal government and representing a significant, multi-year market opportunity for Shimmick.

According to S&P, water and other critical infrastructure spending is forecasted to have a compound annual growth rate (“CAGR”) of 5% between 2023 and 2027. Additionally, because projects often take several years to plan and advertise, we believe the bulk of the newly authorized spending is yet to come. According to Dodge Data’s 2023 second quarter forecast, just 35% of the IIJA funding has flowed to projects thus far, with the bulk of spending coming in future years.

Management considers the size of our market opportunity to be the total market opportunity for all companies similarly situated to meet the demand for water infrastructure, which includes our current competitors and any future market entrants. We estimate that the total market opportunity for water infrastructure is forecasted to be in excess of \$60 billion per year, and given current competitors and future market entrants, we will likely only be able to convert on a portion of that market opportunity. Furthermore, the federal government and our private clients may face challenges implementing the funding allocated to them, which would decrease the size of the total estimated market opportunity.

California

One of California’s major economic drivers is water availability. Seventy-five percent of California’s water supply comes from watersheds north of Sacramento, while the state’s highest demand comes from the south. This requires an extensive network of water conveyance, storage, and other infrastructure to deliver water where it is most needed. As the most populous state in the U.S., California delivers drinking water to around 40 million people through a robust network of water facilities. California maintained more than 420 wastewater treatment plants and processed more than five million acre-feet, or nearly two trillion gallons, of influent and effluent water in 2021.

California’s water infrastructure has deteriorated over the last several decades. The EPA 2018 Drinking Water Infrastructure Needs Survey and Assessment determined that the cost of California’s water infrastructure needs to be increased to over \$51.0 billion. California’s needs include an estimated \$31.6 billion to improve drinking water transmission, \$9.2 billion for water treatment and \$7.0 billion for water storage. According to S&P, the size of the California water and transportation infrastructure market, the largest market in which we operate, will be approximately \$23 billion in 2024. It is projected to grow nearly 30% faster than the national average, with a CAGR of approximately 7% between 2023 and 2027.

Federal

According to an April 2023 Congressional Resource Service report, the IIJA provided \$17.1 billion in direct, emergency appropriations to USACE for construction (68%), operations and maintenance (23%) and Mississippi River and Tributaries (5%). Much of this funding is being allocated directly to the core markets in which we operate, including \$2.5 billion to inland waterways and another \$5 billion to coastal and inland flood management. The remainder is slated for aquatic ecosystem restoration, pilot programs for flood risk, and other programs.

In addition to the IIJA, the Bipartisan Budget Act, passed in 2018, authorized \$15 billion for construction for projects like the Sabine Pass to Galveston Bay Coastal Storm Risk Management Program that will reduce risk from coastal storm surges along the Texas coast. Shimmick is currently pursuing this important project, and if prequalified, will be granted the opportunity to bid task orders under the \$7 billion Multiple Award Task Order Contract (“MATOC”). The USACE has already prequalified Shimmick for two other MATOCs this year — the Huntington Land Based Construction MATOC (“Huntington MATOC”) and the Nashville Construction MATOC (“Nashville MATOC”). Shimmick is one of two large businesses prequalified on Huntington MATOC and one of four large businesses prequalified for Nashville MATOC. MATOCs limit competition to a subset of prequalified competitors and offer significant, long-term project and revenue opportunities.

Both the IIJA and the Bipartisan Budget Act are supplemental to the USACE's annual budget, which in recent years has been approximately seven to eight billion dollars annually, historically reflecting modest year-over-year increases. This funding is directly appropriated to USACE for projects outlined in its annual work plans.

Our Industry

Several long-term trends, including the impact of climate change, the deterioration of aging infrastructure, and coastal population growth, have resulted in a renewed focus on infrastructure development and funding in the United States. Droughts and flooding in the west, along with extreme weather along coastal states, have demonstrated the need for expanded water and storm water infrastructure, flooding mitigation and disaster recovery efforts. In addition, our nation's infrastructure, much of it built more than 50 years ago, has deteriorated over the last several decades.

The demand for water infrastructure stems from multiple factors driving the need for reliable water management systems. Growing urbanization and industrialization have amplified water consumption, putting pressure on existing water supply networks. Furthermore, aging infrastructure in many regions requires significant upgrades and modernization to ensure clean water delivery, effective flood control, and efficient navigation.

Critical infrastructure ensures the efficient movement of goods and people, supports economic growth, and enhances connectivity between regions. Major economic drivers for these projects include increasing international trade, urbanization, and population growth. As governments and private entities continue to invest in upgrading and expanding infrastructure to meet these demands, opportunities for innovative solutions and technologies are expected to flourish.

Based on these and other factors, we believe that demand for construction and ongoing maintenance of water and other critical infrastructure projects will continue to increase.

Water Treatment

In the United States, the delivery of drinking water, wastewater treatment, and stormwater services rely on a comprehensive network of treatment plants, pumps, pipes, storage facilities, and other essential components. According to an American Society of Civil Engineers ("ASCE") Report, more than 50,000 drinking water systems distribute 39 billion gallons of drinking water to U.S. homes, industries, and other businesses. These systems are regulated by the EPA and state agencies under the Safe Drinking Water Act. The drinking water systems in the United States have been assessed as poor/at-risk, with a grade of C- by the ASCE.

With over 16,000 publicly owned wastewater treatment systems, centralized plants are expected to handle a larger share of wastewater treatment due to urban growth. These systems are currently operating at an average of 81% of their design capacity, with 15% exceeding capacity. Many systems built in the 1970s under the Clean Water Act are reaching the end of their expected 40 to 50-year lifespan. Nationwide, water pipes average 45 years old, and some components are over a century old, despite an expected lifespan of 50 to 100 years.

Water Resources

According to the America's ASCE Infrastructure Report Card, there are over 91,000 dams with an average age of 57 years across the U.S. Approximately 15,600 dams in the United States are classified as high-hazard structures, with an estimated rehabilitation cost for non-federal dams of nearly \$20 billion.

The inland waterway network in the United States is comprised of approximately 12,000 miles of inland navigation channels as well as an additional 11,000 miles of intracoastal waterways owned and operated by the USACE. Most of the locks and dams are well past their 50-year design life. According to the ASCE's 2021

America's Infrastructure Report Card, the USACE backlog of authorized projects that are waiting for appropriations funding, which includes the nation's inland waterway locks and dams, is \$6.8 billion. The agency reports a navigation backlog of \$2.7 billion annually in unmet maintenance work activities. Estimates show the need to rehabilitate federal dams is approximately \$27.6 billion.

Industry Drivers and Trends

We believe our core markets of water and other critical infrastructure are in the midst of a prolonged expansion, driven by several macro-economic and geopolitical trends, including the following:

Climate change and extreme weather events. The U.N. Intergovernmental Panel on Climate Change 2023 report highlighted that climate change has affected water security due to warming, changing precipitation patterns, and greater frequency and intensity of climatic extremes. Sea-level rise, droughts and flooding continue to affect highly populated areas, including coastal populations. As of October 2023, the U.S. National Oceanic and Atmospheric Administration ("NOAA") indicated that more than 90 million people are currently being affected by droughts and 40 states are experiencing moderate droughts or worse. At the same time, other parts of the country are seeing extreme flooding. According to NOAA, there were 40 tropical cyclone and flooding events in the United States from 2013 to 2023, with an aggregate cost of approximately \$730.0 billion.

In coastal regions, rising sea levels and storm surges pose risks to low-lying areas. For example, California has a coastal population of more than 25 million people, according to the Office of Coastal Management's 2023 estimate, which is anticipated to be significantly affected by climate change.

Aging infrastructure. Our nation's infrastructure — much of it built more than 50 years ago — has deteriorated over the last several decades and is in need of major upgrades and expansions. In its 2021 America's Infrastructure Report Card, the ASCE graded America's overall infrastructure as a C- with many of our target markets graded in the Ds. The report estimated that the cumulative needed investment in infrastructure in the United States for the 10 years from 2020 to 2029 was in excess of \$2.6 trillion. The ASCE report estimated that by 2039, failure to improve our infrastructure could cost over \$10.0 trillion in lost U.S. Gross Domestic Product ("GDP").

Additionally, the replacement of old, lead pipes is required to protect public health. The EPA estimates that 9 million lead pipes currently deliver drinking water to homes and businesses across the U.S., putting millions at risk for neurological damage and coronary heart disease. Recognized as a serious public health risk, the IJJA includes \$15 billion to replace lead pipes across the United States.

Increasing regulations to safeguard public health and address contaminants. Given the widespread exposure to perfluoroalkyl and polyfluoroalkyl substances ("PFAS") — harmful, long-lasting chemicals that have been found in our nation's water supply — state legislatures and the federal government are acting to mitigate the public health impacts and environmental degradation that these chemicals have caused, according to the National Conference for State Legislatures. The IJJA dedicates \$10 billion in funding for communities impacted by emerging contaminants in water, including PFAS. In 2021, the EPA released a PFAS roadmap to prevent unsafe new PFAS chemicals from entering the market and protect public health.

As part of this roadmap, in 2023 the EPA took steps to designate PFAS chemicals as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"). CERCLA establishes liability for owners, operators, generators and others, potentially making entities that handle designated PFAS liable for recovery and remediation costs related to PFAS.

Water conservation and efficiency. According to a 2021 Nasdaq report, contracts for water reuse have surpassed those for desalination. Water recycling offers cost savings, lower energy requirements, and enhanced environmental benefits. In addition to being more economical than desalination, it minimizes the necessity for expanding production capacity and transforms wastewater treatment plants from cost centers into profit centers.

Recent Developments

Set forth below are preliminary estimates of selected unaudited financial and other information for the three months ended September 29, 2023 and actual unaudited financial results and other information for the three months ended September 30, 2022. Our full unaudited condensed consolidated financial statements as of and for the three months ended September 29, 2023 are not yet available and will not be available until after the completion of this offering. The following information reflects our preliminary estimates based on currently available information and is subject to change. We have provided ranges, rather than specific amounts, for the preliminary estimates of the financial information described below primarily because our financial closing procedures for the three months ended September 29, 2023 are not yet complete and, as a result, our final results upon completion of our closing procedures may vary from the preliminary estimates.

<i>(In thousands, unaudited)</i>	Three Months Ended		
	September 30, 2022	September 29, 2023	
	Actual	Low	High
Revenue	\$ 184,637	\$173,000	\$177,000
Net Income	\$ 17,831	\$ 32,000	\$ 36,000
Adjusted EBITDA	\$ 25,600	\$ 39,600	\$ 45,500
Cash on hand	\$ 80,558	\$ 61,000	\$ 63,000

- For the three months ended September 29, 2023, we expect to report revenue in the range of \$173.0 million to \$177.0 million. The expected decrease in revenue as compared to the three months ended September 30, 2022 was primarily driven by five projects winding down and nearing completion for a combined amount which exceeded the offset of five new projects starting up.
- For the three months ended September 29, 2023, we expect to report net income in the range of \$32.0 million to \$36.0 million, as compared to net income of \$17.8 million for the three months ended September 30, 2022. The expected net income was primarily driven by a gain on the sale of non-core business contracts, partially offset by prior year gains recognized for the settlement of claims projects.

The following table reconciles expected net income to Adjusted EBITDA, which is a non-GAAP measure, for the three months ended September 29, 2023, and reconciles actual net income to Adjusted EBITDA for the three months ended September 30, 2022:

<i>(In thousands, unaudited)</i>	Three Months Ended		
	September 30, 2022	September 29, 2023	
		Low	High
Net income attributable to Shimmick Corporation	\$ 17,831	\$32,000	\$36,000
Depreciation and amortization	\$ 4,005	\$ 4,400	\$ 4,800
Interest expense	\$ 15	\$ 450	\$ 550
Income tax expense	\$ 17	\$ —	\$ 100
Changes in fair value of contingent consideration	\$ 56	\$ (300)	\$ (400)
IPO and transaction-related costs ⁽¹⁾	\$ 700	\$ 1,000	\$ 2,100
Stock-based compensation	\$ 884	\$ 450	\$ 550
Legal fees and other costs for a legacy loss job ⁽²⁾	\$ 2,092	\$ 1,600	\$ 1,800
Adjusted EBITDA	<u>\$ 25,600</u>	<u>\$39,600</u>	<u>\$45,500</u>

(1) We expect to record between \$1.0 million and \$2.1 million in transaction-related costs in the three months ended September 29, 2023 and we recorded \$0.7 million in the three months ended September 30, 2022.

(2) Consists of legal fees and other costs incurred in connection with claims relating to a legacy project.

Inclusion of Preliminary Consolidated Financial and Operational Information

The preliminary consolidated financial and operational information included in this prospectus reflects management’s estimates based solely upon information available to us as of the date of this prospectus and is the responsibility of management. The preliminary consolidated financial results presented above are not a comprehensive statement of our financial results for the three months ended September 29, 2023 and September 30, 2022 and have not been audited, reviewed or compiled by our independent registered public accounting firm, Deloitte & Touche LLP (“Deloitte”). Accordingly, Deloitte does not express an opinion and assumes no responsibility for, and disclaims any association with, such preliminary consolidated financial results and operational information. The preliminary consolidated financial results presented above are subject to the completion of our financial closing procedures, which have not yet been completed. Our actual results for the three months ended September 29, 2023 and September 30, 2022 will not be available until after this offering is completed and may vary from these estimates. For example, during the course of the preparation of the respective consolidated financial statements and related notes, additional items that would require adjustments to be made to the preliminary estimated consolidated financial results presented above may be identified. While we do not expect that our actual results for the three months ended September 29, 2023 will vary materially from the preliminary consolidated financial results presented above, there can be no assurance that these estimates will be realized, and estimates are subject to risks and uncertainties, many of which are not within our control. See “*Risk Factors*” and “*Special Note Regarding Forward-Looking Statements.*”

Commitment to Environmental, Social and Governance (“ESG”) Initiatives

We seek to deploy operational best practices for winning, executing, and supporting the work we do, much of which is designed to achieve environmental or social goals such as clean water or building infrastructure to withstand extreme weather events or other natural disasters. These best practices, tools, and techniques have been developed for key areas of Shimmick’s operations. One of these key areas is Safety, Health, and Environmental (“SH&E”). We seek to achieve SH&E success through a comprehensive, internal program that incorporates SH&E standards and innovative techniques, with the ultimate goal of achieving zero work-related injuries or illnesses and preventing damage to property and the environment. Our SH&E program includes specific guidelines to protect people and the environment and includes environmental compliance maps, environmental impact assessments, environmental management plans, environmental compliance checklists, and a workflow outlining how to manage environmental compliance.

Additionally, we aim to create an inclusive and equitable workplace. For example, in 2021, Shimmick established a mission to empower and support women by providing professional and personal development opportunities. We founded Women at Shimmick, an employee resource group charged with improving the experiences of women at Shimmick, providing programs, events, activities, and other opportunities for professional and personal development for women. The group aims to build awareness of women’s experience among the general employee population, recruit and retain more high performing women, and increase the number of women in leadership positions. In the group’s first year, survey results indicated improvement in key areas including welcoming, leadership and development opportunities, building awareness among the general employee population, and recognition.

For further information on our ESG disclosures see “*Business — Environmental, Social and Governance (ESG).*” In addition, we are committed to providing transparent disclosures on our human capital management. See “*Business — Human Capital Management.*”

Controlling Stockholder

GOHO, LLC (our “controlling stockholder”) holds all of the outstanding shares of our common stock. GOHO, LLC is controlled by Mitchell B. Goldsteen, our Executive Chairman. We expect our controlling stockholder will

beneficially own approximately 82.8% of our common stock immediately following consummation of this offering (or approximately 80.7% if the underwriters exercise their option to purchase additional shares of common stock in full). Therefore, our controlling stockholder will be able to have a significant influence over fundamental and significant corporate matters and transactions. Although we do not expect to rely on the “controlled company” exemption, we will be a “controlled company” under the listing standards of Nasdaq and the rules of the SEC and we will qualify for exemptions from certain corporate governance requirements. See “*Management — Controlled Company Exemption*” and “*Risk Factors — Risks Related to this Offering, the Securities Markets and Ownership of Our Common Stock.*”

Summary Risk Factors

We are subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows and prospects. You should carefully consider these risks, including the risks discussed in the section entitled “*Risk Factors,*” before deciding to invest in our common stock. Risks relating to our business include, among others:

- the nature of our contracts, particularly those that are fixed-price, subjects us to risks associated with cost overruns, operating cost inflation and potential claims for liquidated damages,
- design-build contracts subject us to the risk of design errors and omissions,
- we could incur material costs and losses as a result of claims that our materials do not meet regulatory requirements or contractual specifications,
- force majeure events, such as natural disasters, epidemics, pandemics and terrorists’ actions, could negatively impact our business, which may affect our financial condition, results of operations or cash flows,
- our subcontractors may fail to satisfy their obligations to us or other parties, or we may be unable to maintain these relationships, either of which may have a material adverse effect on our business, financial condition, results of operations, profitability, cash flows and growth prospects,
- although the water infrastructure market is relatively less susceptible to fluctuations in the market, economic downturns or reductions in government funding of infrastructure projects could reduce our revenue and profits and have a material adverse effect on our results of operations,
- our limited operating history as an independent company following our separation from AECOM,
- an inability to obtain bonding could limit the aggregate dollar amount of contracts that we are able to pursue,
- disputes with our prior owner, AECOM, and requirements to make future payments to AECOM,
- our dependence on a limited number of customers could adversely affect our business and results of operations,
- our dependence on subcontractors and suppliers of materials could increase our costs and impact our ability to complete contracts on a timely basis or at all, which would adversely affect our profits and cash flows,
- acquisition activity presents certain risks to our business, operations and financial condition, and we may not realize the financial and strategic goals contemplated at the time of a transaction,
- amounts included in our backlog may not result in actual revenue or translate into profits, as our backlog is subject to cancellation and unexpected adjustments,
- our use of the input method of revenue recognition based on costs incurred relative to total expected costs could result in a reduction or reversal of previously recorded revenue and profits,

- pandemics and public health emergencies, such as the COVID-19 pandemic, could materially disrupt our business and negatively impact our results of operations, cash flows and financial condition,
- both we and our customers use certain commodity products that are subject to significant price fluctuations, and these fluctuations may have a material adverse effect on both our and our customers' financial condition, results of operations and cash flows, as well as our customers' investment decisions,
- our failure to comply with the regulations of Occupational Safety and Health Administration ("OSHA") and state and local agencies that oversee transportation and safety compliance could adversely affect our business, financial condition, results of operations, profitability, cash flows and growth prospects,
- a change in tax laws or regulations of any federal or state jurisdiction in which we operate could increase our tax burden and otherwise adversely affect our business, financial condition, results of operations, and cash flows,
- a failure to fully or promptly recover customer claims could have a material adverse impact on our liquidity and financial results,
- although climate change and increasing regulations often drive demand for water infrastructure, climate change, and related legislative and regulatory responses to climate change, may have a long- term impact on our business,
- deterioration of the United States economy could have a material adverse effect on our business, financial condition and results of operations,
- we have broad discretion as to the use of the net proceeds from this offering and may not use them effectively, and
- raising additional capital by issuing securities may cause dilution to our stockholders.

Implications of Being an Emerging Growth Company and a Smaller Reporting Company

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). For so long as we are an emerging growth company, we will, among other things:

- not be required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"),
- not be required to hold a nonbinding advisory stockholder vote on executive compensation pursuant to Section 14A(a) of Securities Exchange Act of 1934, as amended (the "Exchange Act"),
- not be required to seek stockholder approval of any golden parachute payments not previously approved pursuant to Section 14A(b) of the Exchange Act,
- be exempt from any rule adopted by the Public Company Accounting Oversight Board, requiring mandatory audit firm rotation and identification of critical audit matters, and
- be subject to reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can use the extended transition period provided in Section 7(a)(2)(B) of Securities Act of 1933, as amended (the "Securities Act"), for complying with new or revised accounting standards. This permits an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting

standards that have different effective dates for public and private companies until the earlier of the date that it (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

We will continue to qualify as an emerging growth company until the earliest of:

- the last day of our fiscal year following the fifth anniversary of the date of our initial public offering,
- the last day of our fiscal year in which we have annual gross revenue of \$1.235 billion or more,
- the date on which we have, during the previous three-year period, issued more than \$1.0 billion in non-convertible debt, and
- the date on which we are deemed to be a “large accelerated filer,” which will occur at such time as we (1) have an aggregate worldwide market value of common equity securities held by non-affiliates of \$700.0 million or more as of the last business day of our most recently completed second fiscal quarter, (2) have been required to file annual and quarterly reports under the Exchange Act for a period of at least 12 months and (3) have filed at least one annual report pursuant to the Exchange Act.

We are also a “smaller reporting company” as defined in the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as our voting and non-voting common stock held by non-affiliates is less than \$250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than \$100.0 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is less than \$700.0 million measured on the last business day of our second fiscal quarter.

For risks related to our status as an emerging growth company and a smaller reporting company, including the potential impact of reduced financial reporting and disclaimer requirements see *“Risk Factors — Risks Related to the Offering and Ownership of Our Common Stock — We are an emerging growth company and a smaller reporting company, and because we take advantage of specified reduced disclosure requirements applicable to emerging growth companies and smaller reporting companies, our financial statements may not be comparable to companies that comply with public company effective dates, which may make our common stock less attractive to investors.”*

Corporate Information

Shimmick Corporation, the issuer of the common stock in this offering, was incorporated on October 18, 2019 as a Delaware corporation. On September 12, 2023, we effected a name change from “SCCI National Holdings, Inc.” to “Shimmick Corporation”. Our business is conducted through Shimmick Construction Company, Inc. and our other operating subsidiaries. Shimmick was founded in 1990 in California and operated as a regional infrastructure construction contractor throughout California for nearly 30 years. In 2017, AECOM acquired us and consolidated us with its existing construction services, which included former, legacy construction operations from Morrison Knudsen, Washington Group International, and others. In January 2021, we consummated the AECOM Sale Transactions and began operating as an independent company under new private ownership.

Our principal executive offices are located at 530 Technology Drive, Suite 300, Irvine, CA 92618, and our telephone number is (510) 777-5000. Our principal website address is www.shimmick.com. The information on, or that can be accessed through, our website is not incorporated into this prospectus and is not part of this prospectus. We have included our website address as an inactive textual reference only.

THE OFFERING

Issuer	Shimmick Corporation
Common stock offered by us	4,550,000 shares.
Option to purchase additional shares of common stock	The underwriters have a 30-day option extending from the date of this prospectus to purchase up to an additional 682,500 shares of common stock from us to cover over-allotments.
Common stock outstanding immediately after this offering	26,468,877 shares (or 27,151,377 shares if the underwriters exercise their option to purchase additional shares of common stock in full).
Use of proceeds	We estimate that the net proceeds to us from this offering, after deducting the underwriters' discounts and commissions and our estimated offering expenses, will be approximately \$41.8 million (or \$48.8 million if the underwriters exercise their option to purchase additional shares of common stock in full). We intend to use the net proceeds from this offering to repay all outstanding borrowings under our Revolving Credit Facility Agreement (as defined below), with the remaining amounts for working capital and other general corporate purposes, including the potential funding of future opportunistic acquisitions. See " <i>Use of Proceeds.</i> "
Dividend policy	After the consummation of this offering, we do not anticipate that we will declare or pay regular dividends on our common stock in the foreseeable future, as we generally intend to invest any future earnings in the development and growth of our business.
Risk factors	You should carefully consider all of the information set forth in this prospectus and, in particular, the specific factors set forth under " <i>Risk Factors</i> " on page 19, before deciding whether to invest in our common stock.
Principal stockholder and "controlled company" exemption	After the completion of this offering, our controlling stockholder (see " <i>Principal Stockholders</i> ") will continue to control a majority of the voting power of our common stock. As a result, although we do not expect to rely on the "controlled company" exemption, we will be a "controlled company" under the listing standards of Nasdaq and the rules of the SEC, and we will qualify for exemptions from certain corporate governance requirements.
Proposed Nasdaq ticker symbol	"SHIM."
Except as otherwise indicated, all information in this prospectus:	
	<ul style="list-style-type: none">• excludes 4,340,270 shares of common stock issuable upon exercise of options to purchase shares of common stock outstanding at a weighted average exercise price of \$1.26 per share;• excludes 3,841,274 shares of common stock reserved for issuance following this offering under our equity plans;

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- gives effect to the 2.7386-for-1 stock split of our common stock, which was effected on October 23, 2023;
- gives effect to amendments to our amended and restated certificate of incorporation and amended and restated by-laws to be adopted prior to the completion of this offering; and
- assumes no exercise of the underwriters' option to purchase additional shares of common stock in this offering.

Summary Selected Consolidated Financial Data

The following table sets forth summary selected consolidated financial information as of the dates and for the periods represented. The financial data as of and for the six months ended June 30, 2023 and July 1, 2022 and the fiscal years ended December 30, 2022 and December 31, 2021 have been derived from our audited financial statements and our unaudited condensed consolidated financial statements included elsewhere in this prospectus. The results of operations for any period are not necessarily indicative of the results to be expected for any future period.

The data presented below should be read in conjunction with, and are qualified in their entirety by reference to, “*Capitalization*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and our consolidated financial statements and the related notes included elsewhere in this prospectus. Per share data in the table below gives effect to the 2.7386-for-1 stock split of our common stock, which was effected on October 23, 2023.

	Six Months Ended		Fiscal Year Ended	
	June 30, 2023	July 1, 2022	December 30, 2022	December 31, 2021
<i>(In thousands, except per share data)</i>				
Revenue	\$ 319,297	\$ 293,578	\$ 664,158	\$ 572,666
Cost of revenue	313,532	288,206	640,643	705,470
Gross margin	5,765	5,372	23,515	(132,804)
Selling, general and administrative expenses	32,502	28,929	60,442	77,519
Amortization of intangibles	1,316	1,316	2,632	2,632
Total operating expenses	33,818	30,245	63,074	80,151
Equity in earnings of unconsolidated joint ventures	6,993	38,776	52,471	1,067
Gain on sale of property, plant and equipment	1,680	10	—	—
(Loss) income from operations	(19,380)	13,913	12,912	(211,888)
Bargain purchase gain	—	—	—	233,147
Other (expense) income, net	(264)	(9,551)	(8,731)	453
Net (loss) income before income taxes	(19,644)	4,362	4,181	21,712
Income tax (expense) benefit	—	(1,257)	(1,274)	24,122
Net (loss) income	(19,644)	3,105	2,907	45,834
Net (loss) income attributable to non-controlling interests	(7)	(605)	(853)	431
Net (loss) income attributable to Shimmick Corporation	\$ (19,637)	\$ 3,710	\$ 3,760	\$ 45,403
Net (loss) income attributable to Shimmick Corporation per common share				
Basic	\$ (0.90)	\$ 0.17	\$ 0.17	\$ 2.07
Diluted	\$ (0.90)	\$ 0.17	\$ 0.17	\$ 2.07

	June 30, 2023	December 30, 2022	December 31, 2021
	<i>(In thousands)</i>		
Condensed Consolidated and Consolidated Balance Sheet Data			
Cash and cash equivalents	\$ 61,295	\$ 77,762	\$ 73,176
Total current assets	263,279	233,476	255,163
Total assets	443,754	446,799	491,996
Total current liabilities	316,895	340,944	388,662
Total liabilities	410,711	395,204	444,975
Total stockholder’s equity	33,043	51,595	47,021

Adjusted net income (loss) and Adjusted EBITDA are non-GAAP financial measures. We believe, however, that Adjusted net income (loss) and Adjusted EBITDA are meaningful to our investors to enhance their understanding of our financial performance. We understand that Adjusted net income (loss) and Adjusted EBITDA are frequently used by securities analysts, investors and other interested parties as a measure of financial performance and to compare our performance with the performance of other companies that report similar metrics. Our calculation of Adjusted net income (loss) and Adjusted EBITDA, however, may not be comparable to similarly titled measures reported by other companies. When assessing our operating performance, investors and others should not consider this data in isolation or as a substitute for Net income attributable to Shimmick Corporation calculated in accordance with GAAP. Further, the results presented by Adjusted net income (loss) and Adjusted EBITDA cannot be achieved without incurring the income and expenses that the measure excludes. As used in this prospectus, (i) Adjusted net income (loss) represents our Net income attributable to Shimmick Corporation adjusted to eliminate the bargain purchase gain, changes in fair value of contingent consideration, IPO and transaction-related costs, stock-based compensation, and legal fees and other costs for a legacy project and (ii) Adjusted EBITDA represents our earnings before interest and other expense (income), income taxes and depreciation and amortization, adjusted to eliminate the bargain purchase gain, changes in fair value of contingent consideration, IPO and transaction-related costs, stock-based compensation, and legal fees and other costs on a legacy project. The following tables reconciles Net (loss) income attributable to Shimmick Corporation to Adjusted net (loss) income and Adjusted EBITDA for each of the periods presented in this table and elsewhere in this prospectus.

	Six Months Ended		Fiscal Year Ended	
	June 30, 2023	July 1, 2022	December 30, 2022	December 31, 2021
<i>(In thousands)</i>				
Net (loss) income attributable to Shimmick Corporation	\$ (19,637)	\$ 3,710	\$ 3,760	\$ 45,403
Bargain purchase gain	—	—	—	(233,147)
Changes in fair value of contingent consideration	351	9,500	9,462	(11,600)
IPO and transaction-related costs ⁽¹⁾	1,567	2,039	3,104	4,170
Stock-based compensation	1,051	891	2,295	1,185
Legal fees and other costs for a legacy loss job ⁽²⁾	4,638	6,603	10,904	9,645
Adjusted net (loss) income	<u>\$ (12,030)</u>	<u>\$ 22,743</u>	<u>\$ 29,525</u>	<u>\$ (184,344)</u>

	Six Months Ended		Fiscal Year Ended	
	June 30, 2023	July 1, 2022	December 30, 2022	December 31, 2021
<i>(In thousands)</i>				
Net (loss) income attributable to Shimmick Corporation	\$ (19,637)	\$ 3,710	\$ 3,760	\$ 45,403
Depreciation and amortization	8,549	7,851	15,979	14,929
Interest expense (income)	607	52	226	(84)
Income tax expense (benefit)	—	1,257	1,274	(24,122)
Bargain purchase gain	—	—	—	(233,147)
Changes in fair value of contingent consideration	350	9,500	9,462	(11,600)
IPO and transaction-related costs ⁽¹⁾	1,567	2,039	3,104	4,170
Stock-based compensation	1,051	891	2,295	1,185
Legal fees and other costs for a legacy loss job ⁽²⁾	4,638	6,603	10,904	9,645
Adjusted EBITDA	<u>\$ (2,875)</u>	<u>\$ 31,903</u>	<u>\$ 47,004</u>	<u>\$ (193,621)</u>

- (1) We recorded \$1.6 million in transaction-related costs in the six months ended June 30, 2023. We recorded \$3.1 million in transaction-related costs in fiscal year 2022, which included \$2.0 million for a contingent legal fee to settle the working capital settlement agreement in January 2022 and \$1.0 million in other transaction-related costs. We incurred \$4.2 million in transaction-related costs in the fiscal year 2021, of which \$3.3 million was related to the AECOM Sale Transactions.
- (2) Consists of legal fees and other costs incurred in connection with claims relating to a legacy project.

RISK FACTORS

An investment in our common stock involves risks. You should carefully consider each of the following risks and all of the information set forth in this prospectus before deciding to invest in our common stock. The risks and uncertainties described below are not the only ones we face. If any of the following risks and uncertainties develops into actual events, our business, financial condition, results of operations and cash flows could be materially adversely affected. In that case, the price of our common stock could decline and you may lose all or part of your investment.

Risks Related to Our Projects

If we are unable to accurately estimate the overall risks, requirements or costs when we bid on or negotiate a contract that is ultimately awarded to us, we may achieve a lower than anticipated profit or incur a loss on the contract.

The majority of our revenue and backlog are derived from fixed unit price contracts and lump sum contracts. The nature of our contracts, particularly those that are fixed-price, subjects us to risks associated with cost overruns, operating cost inflation and potential claims for liquidated damages. Fixed unit price contracts require us to provide materials and services at a fixed unit price based on approved quantities irrespective of our actual per unit costs. Lump sum contracts require that the total amount of work be performed for a single price irrespective of our actual per unit costs. We realize a profit on our contracts only if we accurately estimate our costs and then successfully control actual costs and avoid cost overruns, and our revenue exceed actual costs. If our cost estimates for a contract are inaccurate, or if we do not execute the contract within our cost estimates, then cost overruns may cause us to incur losses or cause the contract not to be as profitable as we expected. The final results under these types of contracts could negatively affect our business, financial condition, results of operations and cash flows.

The costs incurred and gross margin realized on our contracts can vary, sometimes substantially, from our original projections due to a variety of factors, including, but not limited to:

- on site conditions that differ from those assumed in the original bid or contract,
- failure to include required materials or work in a bid, or the failure to estimate properly the quantities or costs needed to complete a lump sum contract,
- contract or project modifications creating unanticipated costs not covered by change orders,
- failure by our suppliers, subcontractors, designers, engineers, joint venture partners, or customers to perform their obligations,
- delays in quickly identifying and taking measures to address issues which arise during contract execution,
- changes in availability, proximity and costs of materials, including steel, concrete, aggregates and other construction materials, as well as fuel and lubricants for our equipment,
- claims or demands from third parties for alleged damages arising from the design, construction or use and operation of a project of which our work is part,
- difficulties in obtaining required governmental permits or approvals,
- availability and skill level of workers in the geographic location of a project,
- citations issued by any governmental authority, including OSHA,
- unexpected labor conditions or work stoppages,

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- changes in applicable laws and regulations,
- delays caused by weather conditions,
- fraud, theft or other improper activities by our suppliers, subcontractors, designers, engineers, joint venture partners or customers or our own personnel, and
- mechanical problems with our machinery or equipment.

Many of our contracts with public customers contain provisions that purport to shift some or all of the above risks from the customer to us, even in cases where the customer is partly at fault. Our experience has often been that public customers have been willing to negotiate equitable adjustments in the contract compensation or completion time provisions if unexpected circumstances arise. However, public customers may seek to impose contractual risk-shifting provisions more aggressively or there could be statutory and other legal prohibitions that prevent or limit contract changes or equitable adjustments, which could increase risks and adversely affect our business, financial condition, results of operations and cash flows.

We have a limited operating history as an independent company and have been historically dependent on our prior owner, AECOM.

We operated as a division of AECOM until our separation in January 2021. Accordingly, our business historically relied upon AECOM's corporate infrastructure for services to support our business functions and relationships with third-party providers. Since separating from AECOM, we have worked to create and/or supplement the corporate infrastructure necessary to operate as an independent company, and have incurred related costs and expenses. That said, we have expended, and expect to continue to expend, significant efforts and costs to (i) replace or otherwise upgrade our systems, including our information technology (IT) and enterprise resource planning systems, (ii) implement additional financial, IT, and management controls, (iii) implement reporting systems and procedures, (iv) hire additional management, IT, accounting, finance, legal, human resources, and other administrative staff and third-party service providers, (v) establish employee benefit programs, (vi) create a board of directors and corporate governance programs, (vii) carry out audit, tax and legal functions, and (viii) establish banking and credit facility arrangements. Any interruption in these services could have a material adverse effect on our business, financial condition, results of operations, profitability, cash flows and growth products. We may also be unable to obtain necessary bonding as we historically were dependent on AECOM to provide the requisite credit support. See "*Risks Related to our Business and Industry — An inability to obtain bonding could limit the aggregate dollar amount of contracts that we are able to pursue.*"

Our customers may be adversely affected by market conditions and economic downturns, which could impair their ability to pay for our services.

Economic downturns could reduce capital expenditures in the industries we serve, which could result in decreased demand for our services. The demand for our services has been, and will likely continue to be, cyclical in nature and vulnerable to general downturns in the U.S. economy. During economic downturns, our customers may not have the ability to fund capital expenditures for infrastructure, or may have difficulty obtaining financing for planned projects. In addition, uncertain or adverse economic conditions that create volatility in the credit and equity markets may reduce the availability of debt or equity financing for our customers, causing them to reduce capital spending. This has resulted, and in the future could result, in cancellations of projects or deferral of projects to a later date. Such cancellations or deferrals could materially and adversely affect our results of operations, cash flows and liquidity. These conditions could also make it difficult to estimate our customers' demand for our services and add uncertainty to the determination of our backlog. In addition, our customers are negatively affected by economic downturns that decrease the need for their services or the profitability of their services. During an economic downturn, our customers also may not have the ability or desire to continue to fund capital expenditures for infrastructure or may outsource less work. A decrease in related project work could negatively impact demand for the services we provide and could materially adversely affect our business, financial condition, results of operations, profitability, cash flows and growth prospects.

Many of our customers are regulated by federal, state and local government agencies, and the addition of new regulations or changes to existing regulations may adversely impact the demand and profitability of our services.

Many of our customers are regulated by federal, state and local government agencies. These agencies could change the way in which they interpret the application of current regulations and/or may impose additional regulations. Interpretative changes or new regulations having an adverse effect on our customers and the profitability of the services they provide could reduce demand for our services, which could adversely affect our results of operations, cash flows and liquidity. Any future restrictions or regulations that might be adopted could lead to operational delays, increased operating costs for our customers, reduced capital spending and/or delays or cancellations of future infrastructure projects, which could materially and adversely affect our business, financial condition, results of operations, profitability, cash flows and growth prospects.

Our business depends on our ability to qualify as an eligible bidder under federal, state or local government contract criteria and to compete successfully against other qualified bidders in order to obtain federal, state or local government contracts.

Federal, state and local government agencies conduct rigorous competitive processes for awarding many contracts. Some contracts include multiple award task order contracts in which several contractors are selected as eligible bidders for future work. We will potentially face strong competition and pricing pressures for any additional contract awards from other government agencies, and we may be required to qualify or continue to qualify under various multiple award task order contract criteria. Our inability to qualify as an eligible bidder under federal, state or local government contract criteria could preclude us from competing for certain other government contract awards. In addition, our inability to qualify as an eligible bidder, or to compete successfully when bidding for certain federal, state or local government contracts and to win those contracts, could materially adversely affect our business, operations, revenue and profits.

Government contracts generally are subject to a variety of governmental regulations, requirements and statutes, the violation or alleged violation of which could have a material adverse effect on our business.

A majority of our total revenue is derived from contracts funded by federal, state and local government agencies and authorities. Government contracts are subject to specific procurement regulations, contract provisions and a variety of socioeconomic requirements relating to their formation, administration, performance and accounting and often include express or implied certifications of compliance. Further, government contracts include the right to modify, delay, curtail, renegotiate or terminate contracts and subcontracts at the government's convenience any time prior to their completion. Claims for civil or criminal fraud may be brought for violations of regulations, requirements or statutes. We may also be subject to qui tam (whistle blower) litigation brought by private individuals on behalf of the government under the False Claims Act, which could include claims for up to treble damages. Further, if we fail to comply with any of the regulations, requirements or statutes or if we have a substantial number of accumulated OSHA, Mine Safety and Health Administration or other workplace safety violations, our existing government contracts could be terminated and we could be suspended from government contracting or subcontracting, including federally funded projects at the state level. Should one or more of these events occur, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Government contractors are subject to suspension or debarment from government contracting.

Our substantial dependence on government contracts exposes us to a variety of risks that differ from those associated with contracts with private owners. Various statutes to which our operations are subject, including the Davis-Bacon Act (which regulates wages and benefits), the Walsh-Healy Act (which prescribes a minimum wage and regulates overtime and working conditions), Executive Order 11246 (which establishes equal employment opportunity and affirmative action requirements) and the Drug-Free Workplace Act, provide for mandatory suspension and/or debarment of contractors in certain circumstances involving statutory violations. In addition, our

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federal government and certain state and local agency contracts are subject to, among other regulations, regulations issued under the Federal Acquisition Regulations (“FAR”). These regulations can limit the recovery of certain specified indirect costs on contracts and subject us to ongoing multiple audits by government agencies such as the Defense Contract Audit Agency (“DCAA”). Audits by the DCAA and other agencies consist of reviews of our overhead rates, operating systems and cost proposals to ensure that we have accounted for such costs in accordance with the Cost Accounting Standards of the FAR (“CAS”). If the DCAA determines that we have not accounted for such costs consistent with CAS, the DCAA may disallow these costs. There can be no assurance that audits by the DCAA or other governmental agencies will not result in material cost disallowances in the future, which could adversely impact our business, financial condition, results of operations and cash flows.

Further, FAR and various state statutes provide for discretionary suspension and/or debarment in certain circumstances that might call into question a contractor’s willingness or ability to act responsibly, including as a result of being convicted of, or being found civilly liable for, fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public contract or subcontract. The scope and duration of any suspension or debarment may vary depending upon the facts and the statutory or regulatory grounds for debarment and could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our success depends on attracting and retaining qualified personnel, joint venture partners, advisors and subcontractors in a competitive environment.

The success of our business is dependent on our ability to attract, develop and retain qualified personnel, joint venture partners, advisors and subcontractors. Changes in general or local economic conditions and the resulting impact on the labor market and on our joint venture partners may make it difficult to attract or retain qualified individuals in the geographic areas where we perform our work. If we are unable to provide competitive compensation packages, high-quality training programs and attractive work environments or to establish and maintain successful partnerships, our ability to profitably execute our work could be adversely impacted.

We rely heavily on immigrant labor. We have taken steps that we believe are sufficient and appropriate to ensure compliance with immigration laws. However, we cannot provide assurance that we have identified, or will identify in the future, all illegal immigrants who work for us. Our failure to identify illegal immigrants who work for us may result in fines or other penalties being imposed upon us, which could have a material adverse effect on our operations, results of operations and financial condition.

Our failure to meet the schedule or performance requirements of our contracts could adversely affect us.

In most cases, our contracts require completion by a scheduled acceptance date. Failure to meet any such schedule could result in additional costs, penalties or liquidated damages being assessed against us, and these could exceed projected profit margins on the contract. Performance problems on existing and future contracts could cause actual results of operations to differ materially from those anticipated by us and could cause us to suffer damage to our reputation within the industry and among our customers.

Adverse weather conditions may cause delays, which could slow completion of our contracts and negatively affect our revenue and cash flows.

Because all of our construction projects are built outdoors, work on our contracts is subject to unpredictable weather conditions. While weather has historically had a minimal impact on our operation due to the concentration of our work in California, where the climate is generally temperate, weather could have an increasingly frequent or severe effect on our operations if general climatic changes occur or if we expand into other geographic regions that tend to experience more extreme weather conditions. Lengthy periods of wet or cold winter weather could interrupt construction, and this could lead to under-utilization of crews and equipment, resulting in less efficient rates of overhead recovery. Extreme heat could prevent us from performing certain types of operations. Changes in weather conditions could cause delays and otherwise significantly affect our

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project costs. While revenue might be recovered following a period of bad weather, it would generally be impossible to recover the cost of inefficiencies, and significant periods of bad weather typically would reduce profitability of affected contracts both in the current period and during the future life of affected contracts. Such reductions in contract profitability would negatively affect our results of operations.

We may be unable to identify and contract with qualified Disadvantaged Business Enterprise (“DBE”) contractors to perform as subcontractors.

Certain of our government agency projects contain minimum DBE participation clauses. If we subsequently fail to complete these projects with the minimum DBE participation, we may be held responsible for breach of contract, which may include restrictions on our ability to bid on future projects as well as monetary damages. To the extent we are responsible for monetary damages, the total costs of the project could exceed our original estimates, we could experience reduced profits or a loss for that project and there could be a material adverse impact to our business, financial condition, results of operations and cash flows.

Design-build contracts subject us to the risk of design errors and omissions.

Design-build is increasingly being used as a method of project delivery as it provides the customer with a single point of responsibility for both design and construction. We normally subcontract design responsibility to architectural and engineering firms. In the event of a design error or omission by a subcontractor or by us causing damages, there is risk that we, the subcontractor or the respective professional liability insurance or errors and omissions insurance would not be able to absorb the liability. Any liabilities resulting from an asserted design defect with respect to our construction projects may have a material adverse effect on our financial condition, results of operations and cash flows.

If we are unable to attract and retain qualified managers and skilled employees or if we were to lose the benefit of the experience, efforts and abilities of one or more certain key personnel, we will be unable to operate efficiently, which could reduce our revenue, profitability and liquidity.

Our business is labor intensive, and some of our operations experience a high rate of employee turnover. In addition, given the nature of the highly specialized work we perform, many of our employees are trained in, and possess, specialized technical skills that are necessary to operate our business and maintain productivity and profitability. At times of low unemployment rates in the areas we serve, it can be difficult for us to find qualified and affordable personnel. We may be unable to hire and retain a sufficiently skilled labor force necessary to support our operating requirements and growth strategy. Our labor and training expenses may increase as a result of a shortage in the supply of skilled personnel. We may not be able to pass these expenses on to our customers, which could adversely affect our profitability. Labor shortages, increased labor or training costs, or the loss of key personnel could materially adversely affect our business, financial condition, results of operations, profitability, cash flows and growth prospects.

Additionally, our business is managed by a number of key executive and operational officers and is dependent upon retaining and recruiting qualified management. Our continuing success depends on the performance of our management team. We cannot guarantee the continued employment of any of our key executives and operational officers who may choose to leave our company for any number of reasons, such as other business opportunities, differing views on our strategic direction or other reasons. We rely on the experience, efforts and abilities of these individuals, each of whom would be difficult to replace. We intend to enter into employment agreements with our key executives prior to the completion of this offering, however, the employment agreements will not guarantee their continued service to us.

Our failure to adequately collect for extra or change order work or recover on claims brought by us against customers or other project participants for additional contract costs could have a negative impact on our liquidity and future operations.

In certain circumstances, we seek to collect or assert claims against customers, engineers, consultants, subcontractors or others involved in a project for additional costs exceeding the contract price or for amounts not included in the original contract price. These situations may occur due to changes in the initial project scope. Our contracts often require us to perform extra or change order work as directed by the customer even if the customer has not agreed in advance on the scope or price of the extra work to be performed. This process may result in disputes over whether the work performed is beyond the scope of the work included in the original project plans and specifications or, if the customer agrees that the work performed qualifies as extra work, the price that the customer is willing to pay for the extra work. These situations also may occur due to other matters, such as delays, which may result in additional costs. Our attempts to collect for additional costs generally are subject to protracted negotiations. Often, these claims can be the subject of lengthy arbitration or litigation proceedings, and it is difficult to accurately predict when and the terms upon which these claims will be fully resolved. These matters ultimately may not be settled to our satisfaction. When these types of events occur, we use working capital in projects to promptly and fully cover cost overruns pending the resolution of the relevant claims. This period of time may be lengthy for project changes, even when the customer agrees to pay for the extra work, as a result of the customer's approval process. A failure to recover in these types of situations promptly and fully could have a negative impact on our liquidity and results of operations. In addition, while customers and subcontractors may be obligated to indemnify us against certain liabilities, such third parties may refuse or be unable to pay us.

To the extent that actual recoveries with respect to change orders or amounts subject to contract disputes or claims are less than the estimates used in our financial statements, the amount of any shortfall will reduce our future revenue and profits, and this could have a material adverse effect on our reported working capital and results of operations. In addition, any delay caused by the extra work may adversely impact the timely scheduling of other project work and our ability to meet specified contract milestone dates.

Our operations are subject to hazards that may cause personal injury or property damage. Failure to maintain safe work sites could subject us to liabilities and possible losses, which may not be covered by insurance.

Construction and maintenance sites, plants and quarries are potentially dangerous workplaces subject to the usual hazards associated with providing construction and related services, and our employees and others are often put in close proximity with mechanized equipment, moving vehicles, chemical and manufacturing processes and highly regulated materials. Operating hazards can cause personal injury and loss of life, damage to or destruction of property, plant and equipment and environmental damage.

On many sites, we are responsible for safety and, accordingly, must implement safety procedures. If we fail to implement these procedures or if the procedures we implement are ineffective, we may suffer the loss of or injury to our employees or others, as well as expose ourselves to possible litigation. Despite having invested significant resources in safety programs and being recognized as an industry leader, a serious accident may nonetheless occur on one of our worksites. As a result, our failure to maintain adequate safety standards could result in reduced profitability or the loss of projects or customers and could have a material adverse impact on our business, financial condition, results of operations, and cash flows.

We maintain general liability and excess liability insurance, workers' compensation insurance, auto insurance and other types of insurance all in amounts consistent with our risk of loss and industry practice, but this insurance may not be adequate to cover all losses or liabilities that we may incur in our operations. Insurance liabilities are difficult to assess and quantify due to unknown factors, including the severity of an injury, the determination of our liability in proportion to other parties, the number of incidents not reported and the effectiveness of our safety program. If we were to experience insurance claims or costs above our estimates, we might be required to use working capital to satisfy these claims rather than to maintain or expand our operations.

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To the extent that we experience a material increase in the frequency or severity of accidents or workers' compensation and health claims, or unfavorable developments on existing claims, our results of operations and financial condition could be materially and adversely affected.

We could incur material costs and losses as a result of claims that our materials do not meet regulatory requirements or contractual specifications.

We provide our customers with materials designed to comply with building codes or other regulatory requirements, as well as any applicable contractual specifications. If our materials do not satisfy these requirements and specifications, material claims may arise against us, our reputation could be damaged and, if any such claims are for an uninsured, non-indemnified or product-related matter, then resolution of such claim against us could have a material adverse effect on our financial condition, results of operations or liquidity.

We may incur higher costs to lease, acquire and maintain equipment necessary for our operations, and the market value of our owned equipment may decline.

A significant portion of our projects are built with our own construction equipment rather than leased or rented equipment. To the extent that we are unable to buy construction equipment necessary for our needs, either due to a lack of available funding or equipment shortages in the marketplace, we may be forced to rent equipment on a short-term basis, which could increase the costs of performing our contracts.

The equipment that we own or lease requires continuous maintenance, for which we maintain our own repair facilities. If we are unable to continue to maintain the equipment in our fleet, we may be forced to obtain third-party repair services, which could increase our costs. In addition, the market value of our equipment may unexpectedly decline at a faster rate than anticipated.

Force majeure events, such as natural disasters, epidemics, pandemics and terrorists' actions, could negatively impact our business, which may affect our financial condition, results of operations or cash flows.

Force majeure or extraordinary events beyond the control of the contracting parties, such as natural and man-made disasters, epidemics, pandemics and terrorists' actions, could negatively impact the economies in which we operate. We often negotiate contract language where we are allowed certain relief from force majeure events in private customer contracts and review and attempt to mitigate force majeure events in both public and private customer contracts. We remain obligated to perform our services after most extraordinary events subject to relief that may be available pursuant to a force majeure clause. If we are not able to react quickly to force majeure events, our operations may be affected significantly, which would have a negative impact on our business, financial condition, results of operations and cash flows.

We may choose, or be required, to pay our subcontractors even if our customers do not pay, or delay paying us for the related services.

We use subcontractors to perform portions of our services. In some cases, we pay our subcontractors before our customers pay us for the related services. We could experience a material decrease in profitability and liquidity if we choose, or are required, to pay our subcontractors for work performed for customers that fail to pay, or delay paying us, for the related work.

Our subcontractors may fail to satisfy their obligations to us or other parties, or we may be unable to maintain these relationships, either of which may have a material adverse effect on our business, financial condition, results of operations, profitability, cash flows and growth prospects.

We depend on subcontractors to perform work on some of our projects. There is a risk that we may have disputes with subcontractors arising from, among other things, the quality and timeliness of the work they perform,

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customer concerns about our subcontractors, or our failure to extend existing work orders or issue new work orders under a subcontracting arrangement. If any of our subcontractors fails to deliver the agreed-upon supplies and/or perform the agreed-upon services on a timely basis, then our ability to fulfill our obligations as a prime contractor may be jeopardized. In addition, the absence of qualified subcontractors with whom we have satisfactory relationships could adversely affect our ability to perform under some of our contracts or the quality of the services we provide. Any of these factors could have a material adverse effect on our results of operations, cash flows and liquidity.

We also rely on suppliers to obtain the necessary materials for certain projects, and on equipment manufacturers and lessors to provide us with the equipment we require to conduct our operations. Although we are not dependent on any single supplier or equipment manufacturer or lessor, any substantial limitation on the availability of required suppliers or equipment could negatively affect our operations. Market and economic conditions could contribute to a lack of available suppliers or equipment. If we cannot acquire sufficient materials or equipment, it could materially and adversely affect our business, financial condition, results of operations, profitability, cash flows and growth prospects.

Risks Related to Our Business and Industry

Our business has been affected by numerous economic factors, including inflation, volatile financial markets, supply chain disruptions and shortages of materials and labor.

Economic conditions, including inflation, supply chain disruptions and labor and materials shortages, have negatively impacted us, and may continue to do so in the future. Following the onset of the COVID-19 pandemic and with the ongoing conflict between Ukraine and Russia in Europe, there has been a high degree of volatility in commodity and energy markets that affects our customers' businesses. In addition, inflationary factors, such as increases in the labor costs, material costs, and overhead costs, may also adversely affect our financial condition and results of operations. Inflation in the United States has reached multi-decade highs and has been increasing since 2021. In some cases, we have had to bid more competitively than before to win work, which has compressed margins given the higher inflation. Additionally, in March 2023, the FDIC took control and was appointed receiver of Silicon Valley Bank and New York Signature Bank. While we do not have any direct exposure to these banks, if other banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our operations may be negatively impacted, including any inability on our part, or on our customers' parts, to access cash, cash equivalents or investments. Inflation, increases in interest rates and energy costs, bank failures, and other economic factors may have the effect of further increasing economic uncertainty and heightening the risks caused by volatility in financial markets, which may result in economic downturn or recession.

Although the water infrastructure market is relatively less susceptible to fluctuations in the market, economic downturns or reductions in government funding of infrastructure projects could reduce our revenue and profits and have a material adverse effect on our results of operations.

Our business is highly dependent on the amount and timing of infrastructure work funded by various governmental entities, which, in turn, depends on the overall condition of the economy, the need for new or replacement infrastructure, the priorities placed on various projects funded by governmental entities and federal, state or local government spending levels. Spending on infrastructure could decline for numerous reasons, including decreased revenue received by state and local governments for spending on such projects, including federal funding. The most recent recession caused a nationwide decline in home sales and an increase in foreclosures, which correspondingly resulted in decreases in property taxes and some other local taxes, which are among the sources of funding for water and other critical infrastructure construction. State spending on infrastructure can be adversely affected by decreases or delays in, or uncertainties regarding, federal funding, which could adversely affect us.

See "Business — Our Industry" beginning on page 85 for a more detailed discussion of our markets and their funding sources.

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We generate a significant portion of our revenue in California and adverse changes to the economy and business environment in the state has had an adverse effect on, and could continue to adversely affect, our operations, which could lead to lower revenue and reduced profitability.

Because of our geographic concentration in California, we are susceptible to fluctuations in our business caused by adverse economic or other conditions in the state, including natural or other disasters. A stagnant or depressed economy in California has in the past adversely affected, and could continue to adversely effect, our business and results of operations as well as the availability of state and local government funding.

As a result of the current importance of our California operations and anticipated continued growth from these operations, our revenue over the next several years is expected to be largely dependent on economic and regulatory conditions in California. If California experiences an economic downturn, or if the regulatory environment changes in a way that adversely affects our ability to do business or limits our competitive advantages, our profitability and growth prospects may be materially adversely affected. Similarly, due to our geographic concentration in California, a natural disaster or major event that disrupts these markets or the related workforce could have an immediate and material adverse impact on our operations and profitability.

We work in a highly competitive marketplace.

In the past, a majority of the contracts on which we bid were awarded through a competitive bid process, with awards generally being made to the lowest bidder, but sometimes recognizing other factors, such as shorter contract schedules or prior experience with the customer. For our design-build and other alternative methods of delivering projects, reputation, marketing efforts, quality of design and minimizing public inconvenience are also significant factors considered in awarding contracts, in addition to cost. Within our markets, we compete with many international, national, regional and local construction firms. Some of these competitors have achieved greater market penetration than we have in the markets in which we compete, and some may have greater financial and other resources than we do. In addition, there are a number of international and national companies in our industry that are larger than we are and that, if they so desire, could establish a presence in our markets and compete with us for contracts.

The cancellation of significant contracts or our disqualification from bidding for new contracts could reduce our revenue and profits and have a material adverse effect on our results of operations.

Contracts that we enter into with governmental entities can usually be canceled at any time by them with payment only for the work already completed. In addition, we could be prohibited from bidding on certain governmental contracts if we fail to maintain qualifications required by those entities. A cancellation of an unfinished contract or our debarment from the bidding process could cause our equipment and work crews to be idled for a significant period of time until other comparable work becomes available, which could have a material adverse effect on our business and results of operations.

An inability to obtain bonding could limit the aggregate dollar amount of contracts that we are able to pursue.

As is customary in the construction business, we are required to provide surety bonds to our customers to secure our performance under construction contracts. Our ability to obtain surety bonds primarily depends upon our capitalization, working capital, past performance, management expertise and reputation, as well as certain external factors, including the overall capacity of the surety market. Surety companies consider such factors in relationship to the amount of our backlog and their underwriting standards, which may change from time to time. Events that adversely affect the insurance and bonding markets generally may result in bonding becoming more difficult to obtain in the future, or being available only at a significantly greater cost. If we could no longer obtain adequate bonding or if the cost of bonding materially increased, it would limit the amount that we can bid on new contracts, limit the competitiveness of our bids, and could have a material adverse effect on our future revenue and business prospects.

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For projects that existed prior to consummation of the AECOM Sale Transactions (“legacy projects”), our ability to obtain bonding may also be impacted by AECOM, who is the credit support provider for the surety bonds in place for all our legacy projects. See “— *If AECOM defaults on its contractual obligations to us or under agreements in which we are a beneficiary, our business could be materially and adversely impacted.*”

We are involved in ongoing disputes with our prior owner, AECOM, which could adversely impact our business.

We are involved in ongoing disputes with our prior owner, AECOM, which could adversely impact our business. The Purchase Agreement entered into in connection with the AECOM Sale Transactions provided for, among other things, the sharing with AECOM of a portion of our ultimate recoveries in respect of claims related to our work on certain legacy projects. With respect to one of these legacy project claims, we have obtained recovery, and AECOM has asserted that it is entitled to 80% of such amounts. The total amount AECOM is seeking to recover (and therefore the maximum amount we believe we could be liable for) is \$40 million. We are disputing AECOM’s claim to such proceeds on the grounds that it fails to take into account the millions of dollars in losses that we had to fund following the closing of the AECOM Sale Transactions in respect of this project, the absence of which would have impaired our ability to obtain any recovery on such claim. We have also asserted counterclaims on behalf of SCC Group, LLC (“SCC Group”) alleging fraud by AECOM due to, among other things, material misrepresentations and omissions to SCC Group regarding the total value of the claim, the status of the project, and the amount of losses that would need to be funded in order to recover on account of such claim. These disputes remain ongoing and, if the parties cannot reach a resolution, it may result in a trial to determine whether and to what extent any portion of our recovery on the subject claim must be remitted to AECOM. Currently, the case is not expected to be adjudicated until 2025. While the ultimate outcomes of these disputes are uncertain, we do not believe that it will result in a material liability owed to AECOM. However, the outcomes of these disputes remain highly uncertain, and there can be no assurance that the court will agree with our position, or that we will not be liable for payment to Seller of the full amount asserted. For additional information regarding the AECOM Sale Transactions, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — AECOM Sale Transactions.*”

We may be required to make additional payments to AECOM pursuant to contractual arrangements.

We may be required to make additional payments to our prior owner, AECOM, which could adversely impact our business. Pursuant to the Purchase Agreement entered into in connection with the AECOM Sale Transactions, we are required to make payments to the Seller Entities under certain circumstances. Potential payments to the Seller Entities set forth in the Purchase Agreement include potential payments for retained claim reimbursements from legacy projects, the payment of a portion of actual income tax benefits realized (i.e., in cash or through an actual reduction in liability for tax) as a result of AECOM’s election under Treasury Regulations Section 1.1502-36(d)(6) and a one-time additional cash payment if either of the Earnout Thresholds are achieved. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — AECOM Sale Transactions.*”

In addition to the disputes regarding claim sharing described in “— *We are involved in ongoing disputes with our prior owner, AECOM, which could adversely impact our business,*” for which we could be required to make additional payments to AECOM, we are also pursuing claims relating to our work on another legacy project that was ongoing at closing of the AECOM Sale Transactions. To the extent we recover any amounts in respect of this claim, AECOM may be entitled to a percentage of the proceeds we receive, subject to a specified cap which takes into account, among other things, the amount of additional losses we are required to fund in order to realize maximum recovery in respect of this claim. As such payments are based on the outcome of future events, the amount of additional payments owed to AECOM (if any) is uncertain. If we are required to make such additional payments to AECOM under the Purchase Agreement, such payments could limit our cash flows or impair our ability to conduct business and pursue business strategies, which could have a material adverse effect on our results of operations, cash flows, or financial condition. Our ability, together with our subsidiaries, to make these additional payments may be affected by events beyond our and their control. Failure to comply with the

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requirement for additional payments could result in an event of default under the Purchase Agreement, which, if not cured or waived could trigger cross-acceleration or cross-default provisions in other agreements.

With respect to the retained claim reimbursement described in the immediately preceding paragraph, the maximum exposure we could have to AECOM is unknown as it is dependent on a number of factors (including total losses funded and total claim recoveries), which will not be able to be determined until completion of the project which is ongoing. Based on our current loss position on this project, we do not expect to owe any money on this claim. To the extent we do owe money to AECOM on account of this claim, it will be satisfied from our ultimate realized recoveries from this project.

In addition to the above, in connection with the settlement of a dispute regarding the amount of the closing net working capital adjustment under the Purchase Agreement, we agreed to pay AECOM up to 10% of the amounts recoverable on account of a claim related a legacy project, up to maximum of \$9.5 million. Accordingly, we maintain the full remaining amount, or \$9.1 million, included in contingent consideration as of June 30, 2023. However, the amount ultimately payable to AECOM will depend on the amount actually recovered by us on account of the claim, which may be less than the amount accrued as of June 30, 2023. There is no guarantee we will be successful in recovering any amounts under the claim, in which case no amounts would be payable to AECOM relating to this matter.

None of the proceeds from the offering are expected to be used to make any payments that may be determined to be owed to AECOM.

If AECOM defaults on its contractual obligations to us or under agreements in which we are a beneficiary, our business could be materially and adversely impacted.

AECOM has provided corporate guarantees and other contractual obligations for our benefit. Specifically, AECOM has provided an irrevocable, limited and conditional guaranty to us in respect of receivables and claims relating to one project. If the final amounts collected by us in respect of this project (other than as a result of a voluntary settlement for which we do not obtain AECOM approval) is less than the applicable guaranteed amount, AECOM is contractually obligated to pay us the amount by which the specific guaranty amount for the project exceeds the total amounts collected by us in respect of the project. If we are required to seek payment from AECOM, and it does not fulfill its contractual obligation, our business could be materially and adversely impacted.

In addition, as our prior owner, AECOM is the credit support provider for the surety bonds in place for all our bonded projects that were ongoing as of the closing of the AECOM Sale Transactions. In the event AECOM were to experience financial distress and/or the bonding companies otherwise determined that the creditworthiness of AECOM was not sufficient, the underlying sureties could require that we provide additional credit support in the form of guarantees, letters of credit, collateral, or otherwise which could materially and adversely impact our business.

Similarly, if the applicable agreements relating to any of the foregoing AECOM-bonded projects require that the amount of the bond with respect to such project be increased, we will need to request that AECOM provide such an increase. In the event AECOM refuses to cooperate, the lack of required bonding could result in a default by us under the underlying project agreement as well as a right of the counterparty to terminate the underlying project agreement, any of which could materially and adversely impact our business.

Timing of the award and performance of new contracts could have an adverse effect on our results of operations and cash flows.

Historically, a substantial portion of our revenue and earnings is generated from large-scale project awards. The timing of project awards is unpredictable and outside of our control. Awards, including expansions of existing projects, often involve complex and lengthy negotiations and competitive bidding processes. These processes can be impacted by a wide variety of factors including a customer's decision to not proceed with the development of a project, governmental approvals, financing contingencies, commodity prices, environmental conditions and overall market and economic

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conditions. We may not win contracts that we have bid upon due to price, a customer's perception of our ability to perform and/or perceived technology advantages held by others. Many of our competitors may be more inclined to take greater or unusual risks or terms and conditions in a contract that we might not deem acceptable. Because a significant portion of our revenue is generated from large projects, our results of operations can fluctuate quarterly and annually depending on whether and when large project awards occur and the commencement and progress of work under large contracts already awarded. As a result, we are subject to the risk of losing new awards to competitors or the risk that revenue may not be derived from awarded projects as quickly as anticipated.

The uncertainty of the timing of contract awards may also present difficulties in matching the size of our equipment fleet and work crews with contract needs. In some cases, we may maintain and bear the cost of more equipment and ready work crews than are currently required, in anticipation of future needs for existing contracts or expected future contracts. If a contract is delayed or an expected contract award is not received, we would incur costs that could have a material adverse effect on our anticipated profit.

In addition, the timing of the revenue, earnings and cash flows from our contracts can be delayed by a number of factors, including adverse weather conditions, such as prolonged or intense periods of rain, snow, storms or flooding, delays in receiving material and equipment from suppliers and services from subcontractors, labor shortages and changes in the scope of work to be performed. Such delays, if they occur, could have adverse effects on our results of operations for current and future periods until the affected contracts are completed.

Our participation in construction joint ventures exposes us to liability and/or harm to our reputation for failures of our partners.

As part of our business, we are a party to joint ventures, pursuant to which we typically jointly bid on and execute particular projects with other companies in the construction industry. Success on these joint projects depends upon managing the risks discussed in the various risks described in these "Risk Factors" and on whether our joint venture partners satisfy their contractual obligations.

We and our joint venture partners are generally jointly and severally liable for all liabilities and obligations of our joint ventures. If a joint venture partner fails to perform or is financially unable to bear its portion of required capital contributions or other obligations, including liabilities stemming from lawsuits, we could be required to make additional investments, provide additional services or pay more than our proportionate share of a liability to make up for our partner's shortfall. Furthermore, if we are unable to adequately address our partner's performance issues, the customer may terminate the project, which could result in legal liability to us, harm to our reputation and reduction to our profit on a project.

In connection with acquisitions, certain counterparties to joint ventures, which may include our historical direct competitors, may not desire to continue such arrangements with us and may terminate the joint ventures or not enter into new arrangements. Any termination of a joint venture could cause us to reduce our backlog and could materially and adversely affect our business, results of operations and financial condition.

Our dependence on a limited number of customers could adversely affect our business and results of operations.

Due to the size and nature of our construction contracts, one or a few customers have in the past and may in the future represent a substantial portion of our consolidated revenue and gross margin in any one year or over a period of several consecutive years. Similarly, our backlog frequently reflects multiple contracts for certain customers, therefore, one customer may comprise a significant percentage of backlog at a certain point in time. The loss of business from any one of such customers could have a material adverse effect on our business or results of operations. Also, a default or delay in payment on a significant scale by a customer could materially adversely affect our business, results of operations, cash flows and financial condition.

Strikes or work stoppages could have a negative impact on our operations and results.

We are party to collective bargaining agreements covering a majority of our craft workforce. Although all such collective bargaining agreements prohibit strikes and work stoppages, we cannot be certain that strikes or work stoppages will not occur despite the terms of these agreements. Strikes or work stoppages could adversely affect our relationships with our customers and cause us to lose business. Additionally, as current agreements expire, the labor unions may not be able to negotiate extensions or replacements on terms favorable to their members, or at all, or avoid strikes, lockouts or other labor actions from time to time that may affect their members.

Therefore, it cannot be assured that new agreements will be reached with employee labor unions as existing contracts expire, or on desirable terms. Any action against us relating to the union workforce we employ could have a material adverse effect on our business, financial condition, results of operations, profitability, cash flows and growth prospects. Overall, although strikes, work stoppages and other labor disputes have not had a significant impact on our operations or results in the past, such labor actions, or an inability to renew the collective bargaining agreements, could have a significant impact on our operations and results if they occur in the future.

Our dependence on subcontractors and suppliers of materials could increase our costs and impair our ability to complete contracts on a timely basis or at all, which would adversely affect our profits and cash flows.

We rely on third-party subcontractors to perform some of the work on many of our contracts. We also rely on third-party suppliers to provide most of the materials (including aggregates, cement, asphalt, concrete, steel, pipe, oil and fuel) for our contracts.

We generally do not bid on contracts unless we have commitments from suppliers for the materials and subcontractors for certain of the services required to complete the contract and at prices that we have included in our bid (except in some instances for trucking arrangements). Thus, to the extent that we cannot obtain commitments from our suppliers for materials and subcontractors for certain of the services, our ability to bid for contracts may be impaired. In addition, if a supplier or subcontractor is unable to deliver materials or services according to the negotiated terms of a supply/services agreement for any reason, including the deterioration of its financial condition, we may suffer delays and be required to purchase the materials or services from another source at a higher price or incur other unanticipated costs. This may reduce the profit to be realized, or result in a loss, on a contract.

Diesel fuel and other petroleum-based products are utilized to operate the plants and equipment on which we rely to perform our construction contracts. Future increases in the costs of fuel and other petroleum-based products used in our business, particularly if a bid has been submitted for a contract and the costs of such products have been estimated at amounts less than the actual costs thereof, could result in a lower profit, or a loss, on a contract.

An inability to secure sufficient aggregates could have a negative impact on our future results of operations.

We require aggregates (raw materials that are produced from natural sources and extracted from pits and quarries such as gravel, crushed stone and sand) in connection with our business. Strict governmental regulations and the limited number of properties containing useful aggregates have made it increasingly challenging and costly to obtain sufficient aggregates to support our business, both with respect to internal use and third-party sales. If we are unable to obtain aggregates to support our business, then our financial condition, results of operations and cash flows may be adversely affected.

Unavailability of insurance coverage could have a negative effect on our operations and results.

We maintain insurance coverage as part of our overall risk management strategy and pursuant to requirements to maintain specific coverage that are contained in our financing agreements and in most of our construction contracts. Although we have been able to obtain reasonably priced insurance coverage to meet our requirements in the past, there is no assurance that we will be able to do so in the future. For example, catastrophic events can

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result in decreased coverage limits, more limited coverage and increased premium costs or deductibles. Our inability to obtain adequate insurance coverage could subject us to increased out-of-pocket expenses in the event of a claim and could have an adverse impact on our ability to procure new work, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Acquisition activity presents certain risks to our business, operations and financial condition, and we may not realize the financial and strategic goals contemplated at the time of a transaction.

We expect that acquisitions will be an important part of our long-term growth strategy. Successful execution following the closing of an acquisition is essential to achieving the anticipated benefits of the transaction. We expect to make acquisitions to expand into new markets and our acquisition strategy depends on our ability to complete and integrate the acquisitions. Mergers and acquisitions are inherently risky, and any mergers and acquisitions that we complete may not be successful. The process of integrating an acquired company's business into our operations is challenging and may result in expected or unexpected operating or compliance challenges, which may require significant expenditures and a significant amount of our management's attention that would otherwise be focused on the ongoing operation of our business. The potential difficulties or risks of integrating an acquired company's business include, among others:

- the effect of the acquisition on our financial and strategic positions and our reputation,
- risk that we fail to successfully implement our business plan for the combined business,
- risk that we are unable to obtain the anticipated benefits of the acquisition, including synergies or economies of scale,
- challenges in reconciling business practices or in integrating activities, logistics or information technology and other systems,
- challenges in reconciling accounting issues, especially if an acquired company utilizes accounting principles different from those we use,
- retention risk with respect to key customers, suppliers and employees and challenges in retaining, assimilating and training new employees,
- potential failure of the due diligence processes to identify significant problems, liabilities or other shortcomings or challenges of an acquired company, which could result in unexpected litigation, regulatory exposure, financial contingencies and known and unknown liabilities, and
- challenges in complying with newly applicable laws and regulations, including obtaining or retaining required approvals, licenses and permits.

Our acquisitions may also result in the expenditure of available cash and amortization of expenses any of which could have a material adverse effect on our results of operations or financial condition. Investments in immature businesses with unproven track records have an especially high degree of risk, with the possibility that we may lose the value of our entire investments or incur additional unexpected liabilities. Large or costly acquisitions or investments may also diminish our capital resources and liquidity or limit our ability to engage in additional transactions for a period of time. All of the foregoing risks may be magnified as the cost, size or complexity of an acquisition or acquired company increases, or where the acquired company's market or business are materially different from ours, or where more than one integration is occurring simultaneously or within a concentrated period of time.

In addition, in the future we may require significant financing to complete an acquisition or investment, whether through bank loans, raising of debt or otherwise. We cannot assure you that such financing options will be available to us on reasonable terms, or at all. If we are not able to obtain such necessary financing, it could have an impact on our ability to consummate a substantial acquisition or investment and execute our growth strategy. Alternatively, we may issue a significant number of shares as consideration for an acquisition, which would have a dilutive effect on our existing stockholders.

Amounts included in our backlog may not result in actual revenue or translate into profits. Our backlog is subject to cancellation and unexpected adjustments and therefore is an uncertain indicator of future results of operations.

Our backlog consists of the remaining unearned revenue on awarded contracts, including our pro-rata share of work to be performed by unconsolidated joint ventures, less the joint venture partners' pro-rata share of work to be performed by consolidated joint ventures. We include in backlog estimates of the amount of consideration to be received, including bonuses, awards, incentive fees, fixed-price awards, claims, unpriced change orders, penalties, minimum customer commitments on cost plus arrangements, liquidated damages and certain time and material arrangements in which the estimated value is firm or can be estimated with a reasonable amount of certainty in both timing and amounts. As construction on our contracts progresses, we increase or decrease backlog to take account of changes in estimated quantities under fixed-price contracts, as well as to reflect changed conditions, change orders and other variations from initially anticipated contract revenue and costs, including completion penalties and bonuses. Substantially all of the contracts in our backlog may be canceled or modified at the election of the customer. As of June 30, 2023, our backlog was more than \$1 billion. Most of our contracts are cancelable on short or no advance notice. Reductions in backlog due to cancellation by a customer, or for other reasons, could significantly reduce the revenue that we actually receive from contracts in backlog. In the event of a project cancellation, we may be reimbursed for certain costs, but we typically have no contractual right to the total revenue reflected in our backlog. Backlog amounts are determined based on target price estimates that incorporate historical trends, anticipated seasonal impacts, experience from similar projects and from communications with our customers. These estimates may prove inaccurate, which could cause estimated revenue to be realized in periods later than originally expected, or not at all. In the past, we have occasionally experienced postponements, cancellations and reductions in expected future work due to changes in our customers' spending plans, as well as on construction projects, due to market volatility, regulatory and other factors. There can be no assurance as to our customers' requirements or the accuracy of our estimates. As a result, our backlog as of any particular date is an uncertain indicator of future revenue and earnings. In addition, contracts included in our backlog may not be profitable. If our backlog fails to materialize, our business, financial condition, results of operations, profitability, cash flows and growth prospects could be materially and adversely affected.

The method of recognizing revenue over time using an input method based on costs incurred relative to total expected costs involves significant estimates which may result in material adjustments, which could result in a charge against our earnings.

We recognize contract revenue over time based on costs incurred. Under this method, estimated contract revenue are recognized by applying the percentage of completion of the project for the period based on the ratio of costs incurred to the total estimated costs at completion for the contract. If estimates of costs to complete fixed-price contracts indicate a loss, a provision is made through a contract write-down for the total loss anticipated. Total contract revenue and cost estimates are reviewed and revised at a minimum on a quarterly basis as the work progresses and as change orders are approved. Adjustments based upon the percentage of completion are reflected in contract revenue in the period when these estimates are revised. To the extent that these adjustments result in an increase or a reduction in or an elimination of previously reported contract profit, we recognize a credit or a charge against current earnings, as applicable. Such credits or charges could be material and could cause our results to fluctuate materially from period to period.

Accounting for our contract related revenue and costs, as well as other expenses, require management to make a variety of significant estimates and assumptions. Although we believe we have the experience and processes to enable us to formulate appropriate assumptions and produce reasonably dependable estimates, these assumptions and estimates are subject to the risks inherent in estimates, including unanticipated delays or technical complications. Variances in actual results from related estimates on a large project, or on several smaller projects, could be material. The full amount of an estimated loss on a contract is recognized in the period that our estimates indicate such a loss. Such adjustments and accrued losses could result in reduced profitability from a reversal of previously recorded revenue and profits, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may be required to make significant future contributions to multiemployer pension plans in which we participate.

We participate in various multiemployer pension plans in the United States under union agreements that generally provide defined benefits to employees covered by collective bargaining agreements. Absent an applicable exemption, a contributor to a U.S. multiemployer plan is liable, upon termination or withdrawal from a plan, for its proportionate share of the plan's underfunded vested liability. Funding requirements for benefit obligations of these multiemployer pension plans are subject to certain regulatory requirements, and we may be required to make cash contributions that may be material to one or more of these plans to satisfy certain underfunded benefit obligations. As of December 30, 2022 and December 31, 2021, we recorded no liability for underfunding of multiemployer pension plans in which we participate, as no events triggering our obligation to make contributions for such underfunding were deemed probable to occur.

Debt agreements governing our current indebtedness contain, and debt agreements governing our future indebtedness may contain, certain covenants and other restrictions that may limit our ability to operate our business. Failure to comply with such covenants and other restrictions, or our inability to service any current indebtedness or future indebtedness, could adversely impact our business.

In March 2023, we entered into a Revolving Credit Facility (the "Revolving Credit Facility") and in September 2023 we entered into a Loan and Security Agreement (the "Loan Agreement"). The terms of our existing debt agreements (including our Revolving Credit Facility, which we intend to repay with a portion of the proceeds from this offering) contain, and any debt agreements governing our future indebtedness may contain, a number of restrictive covenants and other provisions that impose significant operating and financial restrictions on us, including restrictions on our ability, and the ability of our subsidiaries, to take actions that may be in our best interests, including, among others, disposing of assets, entering into change of control transactions, mergers or acquisitions, incurring additional indebtedness, granting liens on our assets, declaring and paying dividends, and agreeing to do any of the foregoing. Our ability to meet financial covenants can be affected by events beyond our control, and we may not be able to continue to meet such covenants. A breach of any of these covenants or other restrictions or the occurrence of other events (including a material adverse effect or the inability to generate cash to service our obligations under our debt agreements) specified in our debt agreements could result in an event of default. Upon the occurrence of an event of default, our lenders could elect to declare all amounts outstanding, if any, to be immediately due and payable and terminate all commitments to extend further credit under our debt agreements. If we were unable to repay those amounts, we could be forced to curtail our operations, reorganize our capital structure (including through bankruptcy proceedings) or liquidate some or all of our assets in a manner that could adversely impact our business and cause holders of our securities to experience a partial or total loss of their investment in us.

We may need to raise additional capital in the future for working capital, capital expenditures and/or acquisitions, and we may not be able to do so on favorable terms or at all, which could impair our ability to operate our business or achieve our growth objectives.

Our ongoing ability to generate cash is important for funding our continuing operations, making acquisitions and servicing our indebtedness. To the extent that existing cash balances and cash flows from operations, together with borrowing capacity under our existing debt agreements, are insufficient to make investments or acquisitions or provide needed working capital, we may require additional financing from other sources. Our ability to obtain such additional financing in the future will depend in part on prevailing market conditions, as well as conditions in our business and our results of operations. Furthermore, if global economic, political or other market conditions adversely affect the financial institutions that provide credit to us, it is possible that our ability to draw upon our existing debt and credit facility may be impacted. If adequate funds are not available, or are not available on acceptable terms, we may not be able to make certain investments, take advantage of acquisitions or other opportunities, or respond to competitive challenges, each of which could have a material adverse impact on our business, financial condition, results of operations and cash flows.

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We must manage our liquidity carefully to fund our working capital.

The need for working capital for our business varies due to fluctuations in the following amounts, among other factors:

- receivables;
- contract retentions;
- contract assets;
- contract liabilities;
- the size and status of contract mobilization payments and progress billings; and
- the amounts owed to suppliers and subcontractors.

We may have limited cash on hand and the timing of payments on our contract receivables is difficult to predict. If the timing of payments on our receivables is delayed or the amount of such payments is less than expected, our liquidity and ability to fund working capital could be materially and adversely affected.

Because our industry is capital-intensive and we have significant fixed and semi-fixed costs, our profitability is sensitive to changes in volume.

The property, plant and equipment needed to produce our products and provide our services can be very expensive. We must spend a substantial amount of capital to purchase and maintain such assets. Although we believe our current cash balance, along with our projected internal cash flows and available financing sources, will provide sufficient cash to support our currently anticipated operating and capital needs, if we are unable to generate sufficient cash to purchase and maintain the property, plant and equipment necessary to operate our business, or if the timing of payments on our receivables is delayed, we may be required to reduce or delay planned capital expenditures or to incur additional indebtedness. In addition, due to the level of fixed and semi- fixed costs associated with our business, volume decreases could have a material adverse effect on our financial condition, results of operations or liquidity.

We rely on information technology systems to conduct our business, and disruption, failure or security breaches of these systems could adversely affect our business and results of operations.

We rely on information technology (“IT”) systems in order to achieve our business objectives. We also rely upon industry accepted security measures and technology to securely maintain confidential information maintained on our IT systems. However, our portfolio of hardware and software products, solutions and services and our enterprise IT systems may be vulnerable to damage or disruption caused by circumstances beyond our control such as catastrophic events, power outages, natural disasters, computer system or network failures, computer viruses, cyber-attacks or other malicious software programs. The failure or disruption of our IT systems to perform as anticipated for any reason could disrupt our business and result in decreased performance, significant remediation costs, transaction errors, loss of data, processing inefficiencies, downtime, litigation and the loss of suppliers or customers. A significant disruption or failure could have a material adverse effect on our business operations, financial performance and financial condition.

We have implemented processes for systems under our control intended to mitigate risks, however, we can provide no guarantee that those risk mitigation measures will be effective. While we have historically been successful in defending against cybersecurity attacks and breaches, given the frequency of cybersecurity attacks and resulting breaches reported by other businesses and governments, it is likely we will experience one or more breaches of some extent in the future. We have incurred and may in the future incur significant costs in order to implement, maintain and/or update security systems we feel are necessary to protect our information systems, or we may miscalculate the level of investment necessary to protect our systems adequately. Since the techniques

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used to obtain unauthorized access or to sabotage systems change frequently and are often not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventive measures.

Our business also requires us to share confidential information with suppliers and other third parties. Although we take steps to secure confidential information that is provided to third parties, such measures may not always be effective and data breaches, losses or other unauthorized access to or releases of confidential information may occur and could materially adversely affect our reputation, financial condition and results of operations and could result in liability or penalties under data privacy laws.

To the extent that any system failure, accident or security breach results in material disruptions or interruptions to our operations or the theft, loss or disclosure of, or damage to our data or confidential information, including our intellectual property, our reputation, business, results of operations and/or financial condition could be materially adversely affected.

Cybersecurity attacks on or breaches of our information technology environment could result in business interruptions, remediation costs and/or legal claims.

To protect confidential customer, vendor, financial and employee information, we employ information security measures that secure our information systems from cybersecurity attacks or breaches. Even with these measures, we may be subject to unauthorized access of digital data with the intent to misappropriate information, corrupt data or cause operational disruptions. If a failure of our safeguarding measures were to occur, or if software or third-party vendors that support our information technology environment are compromised, it could have a negative impact to our business and result in business interruptions, remediation costs and/or legal claims, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our business is seasonal and is affected by adverse weather conditions and the spending patterns of our customers, exposing us to variable quarterly results.

Some of our customers reduce their expenditures and work order requests towards the end of the fiscal year. Adverse weather conditions, particularly during the fall and winter seasons, can also affect our ability to perform outdoor services in certain regions. As a result, we generally experience reduced revenue in the first quarter of each fiscal year. Natural catastrophes such as hurricanes or other severe weather could also have a negative effect on the economy overall and on our ability to perform outdoor services in affected regions or utilize equipment and crews stationed in those regions, which could negatively affect our results of operations, cash flows and liquidity.

Pandemics and public health emergencies could materially disrupt our business and negatively impact our results of operations, cash flows and financial condition.

Pandemics and public health emergencies, such as the COVID-19 pandemic, may impact our results of operations, cash flows and financial condition in ways that are uncertain, unpredictable and outside of our control. The extent of the impact of such an event depends on the severity and duration of the public health emergency or pandemic, as well as the nature and duration of federal, state and local laws, orders, rules, emergency temporary standards, regulations and mandates, together with protocols and contractual requirements implemented by our customers, that may be enacted or newly enforced in response. Additionally, our ability to perform our work during such an event may be dependent on the governmental or societal responses to these circumstances in the markets in which we operate. A pandemic or public health emergency is likely to heighten and exacerbate the risks described herein. We experienced many of these risks in connection with the COVID-19 pandemic. Any resurgence of infection rates or the spread of new variants or viruses could trigger a return of many of the risks and circumstances we experienced in connection with the COVID-19 pandemic, which could adversely affect our revenue, results of operations, and cash flows.

We have recorded intangible assets that could become impaired and adversely affect our results of operations. Assessing whether impairment has occurred requires us to make significant judgments and assumptions about the future, which are inherently subject to risks and uncertainties, and if actual events turn out to be materially less favorable than the judgments we make and the assumptions we use, we may be required to record impairment charges in the future.

As of December 30, 2022 and December 31, 2021, our intangible assets recorded consisted of trademarks and customer contracts. We assess these assets for impairment annually, or more often if required. Our assessments involve a number of estimates and assumptions that are inherently subjective, require significant judgment and involve highly uncertain matters that are subject to change. The use of different assumptions or estimates could materially affect the determination as to whether or not an impairment has occurred. In addition, if future events are less favorable than what we assumed or estimated in our impairment analysis, we may be required to record an impairment charge, which could have a material adverse impact on our consolidated financial statements.

Both we and our customers use certain commodity products that are subject to significant price fluctuations. These fluctuations may have a material adverse effect on both our and our customers' financial condition, results of operations and cash flows. Fluctuations in commodity prices may also affect our customers' investment decisions and therefore subject us to risks of cancellation, delays in existing work, or changes in the timing and funding of new awards.

We are exposed to various commodity price risks, including, but not limited to, cement, steel, liquid asphalt, lumber, diesel fuel, natural gas and propane arising from transactions that are entered into in the normal course of business. We use petroleum based products, such as fuels, lubricants and liquid asphalt, to power or lubricate our equipment, operate our plants and as a significant ingredient in the asphaltic concrete we manufacture for sale to third parties and use in our asphalt paving construction projects. Although we are partially protected by asphalt or fuel price escalation clauses in some of our contracts, many contracts provide no such protection. We also use steel and other commodities in our construction projects that can be subject to significant price fluctuations. In order to manage or reduce commodity price risk, we monitor the costs of these commodities at the time of bid and price them into our contracts accordingly. Additionally, some of our contracts may include commodity price escalation clauses which partially protect us from increasing prices. Significant price fluctuations could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Commodity prices can also affect our customers in a number of ways. For example, for those customers that produce commodity products such as concrete, steel products, lumber and oil and gas, fluctuations in price can have a direct effect on their profitability and cash flows and, therefore, their willingness to continue to invest or make new capital investments. To the extent commodity prices decline or fluctuate and our customers defer new investments or cancel or delay existing projects, the demand for our services decreases, which may have a material adverse impact on our business, financial condition, results of operations and cash flows.

Rising inflation and/or interest rates could have an adverse effect on our business, financial condition and results of operations.

Economic factors, including inflation and fluctuations in interest rates, could have a negative impact on our business. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Risks Related to Legal and Governmental Regulation

Environmental laws and regulations and any changes to, or liabilities arising under, such laws and regulations could have a material adverse effect on our financial condition, results of operations and liquidity.

Our operations are subject to stringent and complex federal, state and local laws and regulations governing the discharge of materials into the environment or otherwise relating to environmental protection and public health

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and safety. These laws and regulations impose numerous obligations applicable to our operations, including requirements to obtain a permit or other approval before conducting regulated activities, restrictions on the types, quantities and concentration of materials that can be released into the environment, limitations on activities on certain lands lying within wilderness, wetlands and other protected areas, and assessments of substantial liabilities for pollution resulting from our operations. For example, a number of governmental bodies have finalized, proposed or are contemplating legislative and regulatory actions to reduce emissions of greenhouse gases, such as monitoring, reporting and emissions control requirements for certain large sources of greenhouse gases and greenhouse gas cap-and-trade programs. Because we emit greenhouse gases through the combustion of fossil fuels as part of our operations, any such laws and regulations applicable to jurisdictions in which we operate could require us to incur costs to reduce greenhouse gas emissions associated with our operations.

We have in the past been, and may in the future be, required to remediate contaminated properties currently or formerly owned or operated by us or third-party facilities that receive waste generated by our operations, regardless of whether such contamination resulted from our own actions or those of others and whether such actions complied with applicable laws at the time they were taken. In connection with certain acquisitions, we could assume, or be required to provide indemnification against, environmental liabilities that could expose us to material losses. Furthermore, the existence of contamination at properties that we own, lease or operate could result in increased operational costs or restrictions on our ability to use those properties as intended, including for mining purposes.

Numerous government authorities, such as the EPA and analogous state agencies, have the power to enforce compliance with these laws and the permits issued under them. Such enforcement actions often involve difficult and costly compliance measures or corrective actions. Certain environmental laws impose strict liability (i.e., no showing of “fault” is required) or joint and several liability for costs required to remediate and restore sites where hazardous substances, hydrocarbons or solid wastes have been stored or released. Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil or criminal penalties, compensatory damages, the imposition of investigatory or remedial obligations, and the issuance of orders limiting or prohibiting some or all of our operations. In addition, we may experience delays in obtaining, or be unable to obtain, required permits, which may delay or interrupt our operations and limit our growth and revenue.

In certain instances, citizen groups also have the ability to bring legal proceedings against us if we are not in compliance with environmental laws, or to challenge our ability to receive environmental permits that we need to operate. In addition, claims for damages to persons or property, including natural resources, may result from the environmental, health and safety impacts of our operations. Our insurance may not cover all environmental risks and costs or may not provide sufficient coverage if an environmental claim is made against us. Moreover, public interest in the protection of the environment has increased dramatically in recent years. The trend of more expansive and stringent environmental legislation and regulations applied to our industry could continue, resulting in increased costs of doing business and, consequently, affecting profitability.

Our failure to comply with immigration laws could result in significant liabilities, harm our reputation with our customers and disrupt our operations.

Although we take steps to verify the employment eligibility status of all our employees, some of our employees may, without our knowledge, be unauthorized workers. Unauthorized workers are subject to deportation and may subject us to fines or penalties and, if any of our workers are found to be unauthorized, we could experience adverse publicity that could make it more difficult to hire and retain qualified employees. Termination of a significant number of unauthorized employees may disrupt our operations, cause temporary increases in our labor costs as we train new employees and result in additional adverse publicity. We could also become subject to fines, penalties and other costs related to claims that we did not fully comply with all recordkeeping obligations of federal and state immigration laws. If we fail to comply with these laws, our operations may be disrupted, and we may be subject to fines or, in extreme cases, criminal sanctions. In addition, many of our

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customer contracts specifically require compliance with immigration laws, and, in some cases, our customers audit compliance with these laws. Further, several of our customers require that we ensure that our subcontractors comply with these laws with respect to the workers that perform services for them. Failure to comply with these laws or to ensure compliance by our subcontractors could damage our reputation and may cause our customers to cancel contracts with us or to not award future business to us. These factors could adversely affect our financial condition, results of operations and cash flows.

Our failure to comply with the regulations of OSHA and state and local agencies that oversee safety compliance could adversely affect our business, financial condition, results of operations, profitability, cash flows and growth prospects.

The Occupational Safety and Health Act of 1970, as amended, establishes certain employer responsibilities, including maintenance of a workplace free of recognized hazards likely to cause death or serious injury, compliance with standards promulgated by OSHA and various recordkeeping, disclosure and procedural requirements. Various standards, including standards for notices of hazards and safety in excavation and demolition work, may apply to our operations. We have incurred, and will continue to incur, capital and operating expenditures and other costs in the ordinary course of business in complying with OSHA and other state and local laws and regulations, and could incur penalties and fines in the future, including, in extreme cases, criminal sanctions.

While we have invested, and will continue to invest, substantial resources in occupational health and safety programs, our industry involves a high degree of operational risk, and there can be no assurance that we will avoid significant liability. Although we have taken what we believe to be appropriate precautions, employees may suffer additional injuries in the future. Serious accidents of this nature may subject us to substantial penalties, civil litigation or criminal prosecution. Personal injury claims for damages, including for bodily injury or loss of life, could result in substantial costs and liabilities, which could materially and adversely affect our financial condition, results of operations or cash flows. In addition, if our safety record were to deteriorate, or if we suffered substantial penalties, adverse publicity or criminal prosecution for violation of health and safety regulations, customers could cancel existing contracts and not award future business to us, which could materially adversely affect our business, financial condition, results of operations, profitability, cash flows and growth prospects.

A change in tax laws or regulations of any federal or state jurisdiction in which we operate could increase our tax burden and otherwise adversely affect our business, financial condition, results of operations and cash flows.

We continue to assess the impact of various U.S. federal, state and international legislative proposals that could result in a material increase to our U.S. federal, state and/or international taxes. We cannot predict whether any specific legislation will be enacted or the terms of any such legislation. However, if such proposals were to be enacted, or if modifications were to be made to certain existing regulations, the consequences could have a material adverse impact on us, including increasing our tax burden, increasing our cost of tax compliance or otherwise adversely affecting our business, financial condition, results of operations and cash flows.

General Risk Factors

From time to time, we are involved in litigation proceedings, potential liability claims and contract disputes which may reduce our profits.

We may be subject to a variety of legal proceedings, liability claims or contract disputes. We engage in engineering and construction activities where design, construction or systems failures can result in substantial injury or damage. In addition, the nature of our business results in customers, subcontractors and suppliers occasionally presenting claims against us for recovery of costs they incurred in excess of what they expected to

incur, or for which they believe they are not contractually liable. We have been and may in the future be named as a defendant in legal proceedings where parties may make a claim for damages or other remedies with respect to our projects or other matters. In proceedings when it is determined that we have liability, we may not be covered by insurance or, if covered, the dollar amount of these liabilities may exceed our policy limits. In addition, even where insurance is maintained for such exposure, the policies have deductibles resulting in our assuming exposure for a layer of coverage with respect to any such claims. Any liability not covered by our insurance, in excess of our insurance limits or, if covered by insurance but subject to a high deductible, could result in a significant loss for us, and reduce our cash available for operations. In other legal proceedings, liability claims or contract disputes, we may be covered by indemnification agreements which may at times be difficult to enforce. Even if enforceable, it may be difficult to recover under these agreements if the indemnitor does not have the ability to financially support the indemnity. Litigation and regulatory proceedings are subject to inherent uncertainties, and unfavorable rulings could occur. If we were to receive an unfavorable ruling in a matter or fail to fully or promptly recover on any claims (including customer claims), our business and results of operations could be materially harmed for reasons such as a material adverse impact on our liquidity and financial results. In addition, litigation and other proceedings may take up management's time and attention and take away from the time they are able to devote to other matters.

Although climate change and increasing regulations often drive demand for water infrastructure, climate change, and related legislative and regulatory responses to climate change, may have a long-term impact on our business.

Although we believe that we may benefit from initiatives seeking to address the effects of climate change, and we seek to mitigate our business risks associated with climate change by establishing robust environmental programs and partnering with organizations who are also focused on mitigating their own climate related risks, we recognize that there are inherent climate related risks wherever business is conducted. Access to clean water and reliable energy in the communities where we conduct our business is a priority and is not guaranteed. Any of these locations may be vulnerable to the adverse effects of climate change. For example, California, where we conduct a significant amount of business, has historically experienced, and is projected to continue to experience, climate-related events including drought and water scarcity, warmer temperatures, wildfires and air quality impacts and power shut-offs associated with wildfire prevention. Climate-related events, including the increasing frequency of extreme weather events and their impact on critical infrastructure in the U.S. and elsewhere, have the potential to disrupt our business, our third-party suppliers, and the business of our customers, and may cause us to experience higher attrition, losses and additional costs to maintain or resume operations.

Additionally, in many countries and jurisdictions, including the United States, governmental bodies are enacting new or additional legislation and regulations to reduce or mitigate the potential impacts of climate change. If we, our suppliers, or our customers are required to comply with these laws and regulations, or if we choose to take voluntary steps to reduce or mitigate our impact on climate change, we may experience increased costs for energy, production, transportation, and raw materials, increased capital expenditures, or increased insurance premiums and deductibles, which could adversely impact our operations. Inconsistency of legislation and regulations among jurisdictions may also affect the costs of compliance with such laws and regulations. Any assessment of the potential impact of future climate change legislation, regulations or industry standards is uncertain given the wide scope of potential regulatory change in the United States.

Physical, transition and regulatory risks related to climate change could have a material adverse impact on our business, financial condition and results of operations.

Physical risks related to climate change, such as changing sea levels, temperature fluctuations, severe storms, and energy and technological disruptions, could cause delays and increases in project costs, resulting in variability in our revenue and profitability, as well as potentially adverse impacts to our results of operations and financial condition. In addition, growing public concern about climate change has resulted in the increased focus of local, state, regional, national and international regulatory bodies on greenhouse gas emissions and climate change

issues. Legislation to regulate greenhouse gas emissions has periodically been introduced in the Congress and in the legislatures of various states in which we operate, and there has been a wide-ranging policy debate, both in the United States and internationally, regarding the regulation of greenhouse gas emissions. Such policy changes, including any enactment of increasingly stringent emissions or other environmental regulations, could increase the costs of projects for us and for our customers and, in some cases, delay or even prevent a project from going forward, thereby potentially reducing demand for our services. Consequently, this could have a material adverse effect on our business, financial condition and results of operations.

Deterioration of the United States economy could have a material adverse effect on our business, financial condition and results of operations.

To the extent that Congress is unable to lower United States debt substantially, a decrease in federal spending could result, which could negatively impact the ability of government agencies to fund existing or new infrastructure projects. In addition, such actions could have a material adverse effect on the financial markets and economic conditions in the United States as well as throughout the world, which may limit our ability and the ability of our customers to obtain financing and/or could impair our ability to execute our acquisition strategy. Deterioration in general economic activity and infrastructure spending or Congress' deficit reduction measures could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We will incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives.

In addition to the increased cost we have incurred, and expect to continue to incur as an independent company following our separation from AECOM in January 2021, as a public company whose shares are listed on Nasdaq, we will incur additional accounting, legal and other expenses that we did not incur as a private company, including costs associated with our public company reporting requirements under the Exchange Act. We also anticipate that we will incur costs associated with corporate governance requirements, including requirements under Section 404 and other provisions of the Sarbanes-Oxley Act, as well as rules implemented by the SEC, the listing requirements of Nasdaq and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, introduce new costs, such as investor relations, stock exchange listing fees, stockholder reporting and directors and officers liability insurance, and will make some activities more time-consuming and costly. Furthermore, compliance with these rules will require a substantial investment of management's time, and this investment may result in a diversion of management's time and attention from revenue-generating activities. We are currently evaluating and monitoring developments with respect to these rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs, which are likely to be material.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, creating additional legal and financial compliance costs and requiring additional investment of management's time. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to disclosure and governance practices. In addition, if our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be adversely affected.

Risks Related to this Offering, the Securities Markets and Ownership of Our Common Stock

Our controlling stockholder will be able to exert substantial influence.

Following this offering, our controlling stockholder will beneficially own approximately 82.8% of our outstanding shares of common stock (80.7% if the underwriters exercise their over-allotment option in full). As

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a result, they could exert substantial influence over the outcome of any corporate matter submitted to our stockholders for approval, including the election of directors and any transaction that might cause a change in control, such as a merger or acquisition. Any stockholder in favor of a matter that is opposed by our controlling stockholder and members of our management would have to obtain a significant number of votes to overrule their votes. See “*Principal Stockholders.*”

Because we will be a “controlled company” under the listing standards of Nasdaq and the rules of the SEC, our stockholders may not have certain corporate governance protections that are available to stockholders of companies that are not controlled companies.

Following the completion of this offering, our controlling stockholder will continue to control a majority of the voting power of our outstanding common stock. As a result, although we do not expect to rely on the “controlled company” exemption, we will be a “controlled company” under the listing standards of Nasdaq and SEC rules, and we will qualify for exemptions from certain corporate governance requirements. Specifically, we will not be required to comply with certain provisions requiring that (i) a majority of our directors be independent, (ii) the compensation of our executives be determined by independent directors or (iii) nominees for election to our board of directors be selected by independent directors. If we elect to take advantage of some or all of these exemptions, our stockholders may not have the protections that these rules are intended to provide. Although we do not currently expect to rely on any of the “controlled company” exemptions, we may do so in the future. Our status as a “controlled company” could cause our common stock to be less attractive to certain investors or otherwise reduce the trading price of our common stock.

Prior to this offering, there has been no public market for our common stock, and we cannot assure you that a market for our common stock will develop or that the market price of shares of our common stock will not decline following the offering.

We cannot assure you that a trading market will develop for our common stock after this offering or, if one develops, that such trading market can be sustained. We have applied to have our common stock listed on Nasdaq, but we cannot assure you that our application will be approved. In addition, we cannot predict the prices at which our common stock will trade. The initial public offering price for our common stock will be determined through our negotiations with the underwriters based on numerous factors, including the information set forth in this prospectus, our prospects and the prospects of our industry, an assessment of our management, our prospects for future earnings, the general condition of the securities markets, the recent market prices of, and demand for, publicly traded common stock of generally comparable companies and other factors deemed relevant by the underwriters and us. Neither we nor the underwriters can assure you that the initial public offering price will bear any relationship to the market price at which our common stock may trade after our initial public offering. Shares of companies offered in an initial public offering often trade at a discount to the initial offering price due to underwriting discounts and commissions and related offering expenses.

We have broad discretion as to the use of the net proceeds from this offering and may not use them effectively.

We cannot specify with certainty the particular uses to which we will put the net proceeds from this offering. Our management will have broad discretion in the application of the net proceeds, and we may use these proceeds in ways with which you may disagree or for purposes other than those contemplated at the time of the offering. The failure by our management to apply these funds effectively could have a material adverse effect on our business, financial condition and results of operation. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value. See “*Use of Proceeds.*”

The market price of our common stock may fluctuate significantly.

The market price and liquidity of the market for shares of our common stock that will prevail in the market after this offering may be higher or lower than the price you pay and may be significantly affected by numerous

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factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- significant volatility in the market price and trading volume of securities of companies in our sector, which is not necessarily related to the operating performance of these companies,
- delays between our capital investments and the generation of revenue from those investments,
- changes in the mix of projects in which we are engaged during any period,
- announcements of new contracts or service offerings by us or our competitors,
- market reaction to any acquisitions, joint ventures or strategic investments announced by us or our competitors,
- changes in regulatory policies or tax guidelines,
- changes or perceived changes in earnings or variations in results of operations,
- any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts, and
- general economic trends and other external factors.

Investors in this offering will experience immediate dilution upon the closing of the offering.

If you purchase shares of our common stock in this offering, you will experience immediate dilution of \$8.58 per share because the price that you pay will be greater than the pro forma net asset value per share of the common stock you acquire. This dilution is in large part due to the fact that our earlier investors paid substantially less than the initial public offering price when they purchased their shares. You may experience additional dilution if we issue shares of our common stock under the SCCI National Holdings, Inc. 2021 Stock Plan adopted in May 2021 (our “2021 Stock Plan”), the Shimmick Corporation 2023 Equity Incentive Plan (the “2023 Omnibus Incentive Plan”) we expect to adopt in connection with this offering or any other equity incentive plan, or we otherwise issue additional shares of our common stock at a price below the initial public offering price. For more information, see “*Dilution*” beginning on page 55.

If equity research analysts do not publish research or reports about our business, or if they issue unfavorable commentary or downgrade our shares, the price of our shares could decline.

The trading market for our shares will rely in part on the research and reports that equity research analysts publish about us and our business. We do not have control over these analysts, and we do not have commitments from them to write research reports about us. The price of our shares could decline if one or more equity research analysts downgrades our shares, issues other unfavorable commentary, or ceases publishing reports about us or our business.

Future sales of our shares could reduce the market price of our shares.

The price of our shares could decline if there are substantial sales of our common stock, particularly by our directors, our executive officers or their affiliates, or when there is a large number of shares of our common stock available for sale. The perception in the public market that our stockholders might sell our shares could also depress the market price of our shares. Our existing stockholders prior to this offering and members of our management team are subject to lock-up agreements with the underwriters that restrict their ability to transfer their shares for at least 180 days after the date of this prospectus. Consequently, upon expiration of the lock-up agreements, 21,918,877 additional shares will be eligible for sale in the public market (or 22,601,377 shares if the underwriters exercise their over-allotment option in full). The market price of our shares may drop significantly when the restrictions on resale lapse and these stockholders are able to sell their shares into the

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market. If this occurs or continues, it could impair our ability to raise additional capital through the sale of securities should we desire to do so. See “Shares Eligible for Future Sale” beginning on page 119.

Raising additional capital by issuing equity or equity-linked securities may cause dilution to our stockholders.

We may need or desire to raise substantial additional capital in the future. Our future capital requirements will depend on many factors, including, among others:

- the capital requirements for current and potential projects,
- the extent to which we invest in additional or replacement equipment,
- the extent to which we acquire businesses or enter into joint ventures or other strategic relationships, and
- the costs of financing unanticipated working capital requirements and responding to competitive pressures.

If we raise additional funds by issuing equity or equity-linked securities, we will reduce the percentage ownership of our then-existing stockholders, and the holders of those newly-issued equity or equity linked securities may have rights, preferences, or privileges senior to those possessed by our then-existing stockholders. Moreover, the existence of a substantial number of additional shares of common stock or other equity or equity-linked securities available for sale in the public market as a result of any such future capital raises could depress the market price of our common stock and impair our ability to conduct subsequent capital raises through the sale of further equity or equity-linked securities. We cannot predict the effect that future sales of our common stock or other equity or equity-linked securities would have on the market price of our common stock.

We do not anticipate paying any cash dividends in the foreseeable future after this offering. Therefore, if our share price does not appreciate, our investors may not experience gains and could potentially lose on their investment in our shares.

After this offering, we do not anticipate paying any cash dividends on our common stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and growth of our business. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend upon results of operations, financial condition, contractual restrictions, including any indebtedness we may incur, restrictions imposed by applicable law and other factors our board of directors deems relevant. As a result, capital appreciation, if any, of our shares will be investors’ sole source of gain for the foreseeable future.

Provisions in our charter documents and under Delaware law could discourage a takeover that stockholders may consider favorable and may lead to entrenchment of management.

Our amended and restated certificate of incorporation and amended and restated bylaws proposed to be in effect upon consummation of this offering will contain provisions that could significantly reduce the value of our shares to a potential acquirer or delay or prevent changes in control or changes in our management without the consent of our board of directors. The provisions in our charter documents will include the following:

- the ability of our board of directors to authorize the issuance of shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer,
- the required approval of at least 66²/₃% of the shares entitled to vote at an election of directors to adopt, amend or repeal our bylaws or repeal the provisions of our amended and restated certificate of incorporation regarding the election and removal of directors,

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- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders, and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtain control of us.

In addition, these provisions would apply even if we were to receive an offer that some stockholders may consider beneficial.

We are also subject to the anti-takeover provisions contained in Section 203 of the Delaware General Corporation Law ("DGCL"). Under Section 203, a corporation may not, in general, engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other exceptions, our board of directors has approved the transaction. See "*Description of Capital Stock*".

Our amended and restated charter documents will provide that the Court of Chancery of the State of Delaware (or if such court does not have jurisdiction, another state or the federal courts (as appropriate) located within the State of Delaware) will be the sole and exclusive forum for certain stockholder litigation matters, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees, or stockholders.

Our amended and restated charter documents will provide that unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or if such court does not have jurisdiction, another state or the federal courts (as appropriate) located within the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for any (i) derivative action or proceeding brought on our behalf, (ii) action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, or other employee, or stockholder of ours to us or our stockholders, (iii) action asserting a claim against us or any current or former director or officer of ours arising pursuant to any provision of the DGCL, or our amended and restated certificate of incorporation or our amended and restated bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) action asserting a claim governed by the internal affairs doctrine of the State of Delaware. Our amended and restated certificate of incorporation further will provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the federal securities laws of the United States, including any claims under the Securities Act and the Exchange Act. However, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce a duty or liability created by the Securities Act or the rules and regulations thereunder and accordingly, we cannot be certain that a court would enforce such provision. See "*Description of Capital Stock — Exclusive Forum*."

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our amended and restated charter documents, except our stockholders will not be deemed to have waived (and cannot waive) compliance with the federal securities laws and the rules and regulations thereunder. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our current or former directors, officers, other employees, or stockholders which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition.

If, after this offering, we are unable to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act as it applies to an emerging growth company that is listed on an exchange for the first time, or if we are unable to maintain effective internal controls over financial reporting, investors may lose confidence in the accuracy of our financial statements and our share price may suffer.

After the completion of this offering, we will become subject to Section 404(a) of the Sarbanes-Oxley Act, which requires a company that is subject to the reporting requirements of the U.S. securities laws to conduct a comprehensive evaluation of its internal controls over financial reporting. To comply with this statute, we will be required to document and test our internal control procedures, and our management will be required to assess and report on the effectiveness of our internal controls over financial reporting. Although we will be required to disclose significant changes made in our internal controls and procedures on a quarterly basis, we will not be required to make our first report on the effectiveness of our internal control over financial reporting until the year following our first annual report required to be filed with the SEC.

We will need to prepare for initial compliance with Section 404(a) of the Sarbanes-Oxley Act by testing, assessing and, as necessary, strengthening our system of internal controls. Even after our initial assessment and report, we will need to test, assess and, as necessary, strengthen our internal controls on an annual basis. Furthermore, as our business continues to grow, our internal controls will become more complex and will require significantly more resources and attention to ensure that our internal controls remain effective overall. This process is complicated and time-consuming, and may divert management's attention from revenue-generating activities. For so long as we continue to qualify as an emerging growth company or smaller reporting company, we will not be required to comply with Section 404(b) of the Sarbanes-Oxley Act, which requires a registered independent accounting firm to attest to and report on management's assessment of its internal control over financial reporting. If we become subject to Section 404(b) of the Sarbanes-Oxley Act, we will incur additional expense in order to obtain the required attestation report.

Over the course of testing our internal controls, our management may identify material weaknesses, which may not be remediated in a timely manner to meet the deadline imposed by the Sarbanes-Oxley Act. A material weakness is a deficiency, or combination of deficiencies, in internal controls over financial reporting such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis.

In the course of preparing the financial statements that are included in this prospectus, our management has determined that we have material weaknesses in our internal control over financial reporting, which relates to the lack of a sufficient number of trained resources with assigned responsibilities and accountability for the design and operation of internal controls over financial reporting, lack of formal and effective controls over certain financial statement account balances, and lack of formal and effective controls over the Committee of Sponsoring Organizations ("COSO") principles including control environment, risk assessment, control activities, information and communications and monitoring which resulted in material adjustments in the preparation of our condensed consolidated financial statements as of and for the six months ended June 30, 2023 and the consolidated financial statements for the fiscal years ended December 30, 2022 and December 31, 2021. In order to remediate these material weaknesses, we have hired and continue to seek out additional accounting and finance staff members with public company reporting experience, to augment our current staff and to improve the effectiveness of our closing and financial reporting processes. We are currently implementing key controls over financial reporting and COSO principles. While we have implemented a plan to remediate these material weaknesses, the steps we have taken to date, and that we are continuing to implement, may not be sufficient to remediate these material weaknesses or to avoid the identification of other material weaknesses in the future. If we fail to remediate the material weaknesses identified above in a timely manner or if we identify future deficiencies in our internal control over financial reporting, we may be unable to accurately report our financial results, or report them within the timeframes required by the SEC. We also could become subject to sanctions or investigations by the SEC or other regulatory authorities. In addition, if we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, when required,

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investors may lose confidence in the accuracy and completeness of our financial reports, we may face restricted access to the capital markets and our stock price may be adversely affected.

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

Our disclosure controls and procedures are intended to be designed to reasonably assure that information required to be disclosed by us in reports we file or submit under the Exchange Act is accumulated and communicated to management, recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that there are judgments in decision-making, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements or insufficient disclosures due to error or fraud may occur and not be detected.

We are an emerging growth company and a smaller reporting company, and because we take advantage of specified reduced disclosure requirements applicable to emerging growth companies and smaller reporting companies, our financial statements may not be comparable to companies that comply with public company effective dates, which may make our common stock less attractive to investors.

We are an emerging growth company, as defined in the JOBS Act, and may remain an emerging growth company until the last day of the fiscal year following the fifth anniversary of the completion of this offering. However, if certain events occur prior to the end of such five-year period, including if we become a “large accelerated filer,” as defined under the Exchange Act, our annual gross revenue exceeds \$1.235 billion or we issue more than \$1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” disclosure in connection with registered securities offerings;
- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley);
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation, identification of critical audit matters or a supplement to the auditor’s report providing additional information about the audit and the financial statements, unless the U.S. Securities and Exchange Commission (SEC) determines the new rules are necessary for protecting the public;
- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of these accounting standards until they would otherwise apply to private companies. We have irrevocably elected to avail ourselves of this exemption and, therefore, we may not be subject to the same new or revised accounting standards as other public companies that are not emerging growth

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companies. We intend to rely on other exemptions provided by the JOBS Act, including without limitation, not being required to comply with the auditor attestation requirements of Section 404(b) of Sarbanes-Oxley. Our financial statements may, therefore, not be comparable to those of companies that comply with such accounting standards and auditor attestation requirements. We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be reduced or more volatile.

We are also a smaller reporting company as defined in the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as our voting and non-voting common stock held by non-affiliates is less than \$250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than \$100.0 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is less than \$700.0 million measured on the last business day of our second fiscal quarter.

Our management has no prior experience operating a public company and therefore may have difficulty in successfully and profitably operating our business, or complying with regulatory requirements.

Prior to the closing of this offering, our management had no experience operating a public company. As a result, we cannot assure you that we will be able to successfully operate as a public company, execute our business strategies as a public company, or comply with regulatory requirements applicable to public companies.

CAUTIONARY STATEMENT CONCERNING FORWARD LOOKING STATEMENTS

This prospectus contains forward-looking statements that reflect our current views with respect to, among other things, our operations and financial performance. Forward-looking statements include all statements that are not historical facts. These forward-looking statements are included throughout this prospectus, including in the sections entitled “Summary Prospectus,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Business” and relate to matters such as our industry, business strategy, goals, and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources, and other financial and operating information. Our forward looking statements are generally accompanied by words such as “may,” “will,” “expect,” “intend,” “estimate,” “project,” “predict,” “believe,” “anticipate,” “assume,” “continue,” “could,” “estimate,” “intend,” “potential,” “plan,” “future,” “seek,” “foreseeable,” “goal,” the negative versions of these words or other similar words and phrases to identify forward-looking statements in this prospectus.

The forward looking statements in this prospectus speak only as of the date of this prospectus and we caution you not to unduly rely on them. Our management has based these forward-looking statements on its current expectations and assumptions about future events and these forward-looking statements are not guarantees of future performance. The forward-looking statements are subject to various risks, uncertainties, assumptions, or changes in circumstances that are difficult to predict or quantify. Our expectations, beliefs, and projections are expressed in good faith, and we believe there is a reasonable basis for them. However, there can be no assurance that management’s expectations, beliefs, and projections will result or be achieved. Actual results may differ materially from these expectations due to changes in global, regional, or local economic business, competitive, market, regulatory, and other factors, many of which are beyond our control. We believe these factors include, but are not limited to, those described under “Risk Factors” and the following:

- our ability to accurately estimate risks, requirements or costs when we bid on or negotiate a contract,
- the impact of our fixed-price contracts,
- qualifying as an eligible bidder for contracts,
- the availability of qualified personnel, joint venture partners and subcontractors,
- inability to attract and retain qualified managers and skilled employees and the impact of loss of key management,
- higher costs to lease, acquire and maintain equipment necessary for our operations and decline in market value of owned equipment,
- subcontractors failing to satisfy their obligations to us or other parties or any inability to maintain subcontractor relationships,
- marketplace competition,
- our limited operating history as an independent company following our separation from AECOM,
- our inability to obtain bonding,
- disputes with our prior owner, AECOM, and requirements to make future payments to AECOM,
- AECOM defaulting on its contractual obligations to us or under agreements in which we are a beneficiary,
- our limited number of customers,
- dependence on subcontractors and suppliers of materials,
- any inability to secure sufficient aggregates,
- inability to complete a merger or acquisition or to integrate an acquired company’s business,
- adjustments in our contract backlog,

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- accounting for our revenue and costs involves significant estimates, as does our use of the input method of revenue recognition based on costs incurred relative to total expected costs,
- any failure to comply with covenants under any current indebtedness, and future indebtedness we may incur,
- the adequacy of sources of liquidity,
- cybersecurity attacks against, disruptions, failures or security breaches of, our information technology systems,
- seasonality of our business,
- pandemics and health emergencies,
- commodity products price fluctuations and rising inflation and/or interest rates,
- liabilities under environmental laws, compliance with immigration laws, and other regulatory matters, including changes in regulations and laws,
- climate change, and
- deterioration of the U.S. economy.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this prospectus. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, our actual results may vary in material respects from those projected in these forward-looking statements.

Any forward-looking statement made by us in this prospectus speaks only as of the date of this prospectus and are expressly qualified in their entirety by the cautionary statements included in this prospectus. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, investments, or other strategic transactions we may make. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by any applicable securities laws.

USE OF PROCEEDS

We estimate that our net proceeds from the sale of shares of our common stock in this offering will be approximately \$41.8 million (or \$48.8 million if the underwriters exercise their over-allotment option in full), after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. This estimate assumes a public offering price of \$11.00 per share, which is the mid-point of the offering price range indicated on the cover of this prospectus.

A \$1.00 increase (decrease) in the assumed initial public offering price of \$11.00 per share of common stock, the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately \$4.9 million, assuming the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1,000,000 shares in the number of shares of common stock offered by us would increase (decrease) the net proceeds to us from this offering by approximately \$10.2 million, assuming the assumed initial public offering price of \$11.00 per share of common stock remains the same, and after deducting estimated underwriting discounts and commissions.

The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our common stock and facilitate our future access to the capital markets. As of the date of this prospectus, we cannot specify with certainty all of the particular uses for the net proceeds we receive from this offering. However, we currently intend to use the net proceeds of this offering to repay all outstanding borrowings under our Revolving Credit Facility, with the remaining amounts for working capital and other general corporate purposes, including the potential funding of future opportunistic acquisitions. Currently, no specific acquisition targets have been identified and we do not have agreements or commitments to enter into any acquisitions. In the event that any net proceeds are not immediately applied, we may temporarily hold them as cash, deposit them in banks or invest them in cash equivalents or securities.

As of June 30, 2023, there was \$30.0 million of borrowings outstanding under our Revolving Credit Facility. The Revolving Credit Facility bears interest at an annual rate of adjusted term SOFR, subject to a 1.0% floor, plus 4.50%, and matures on March 27, 2028. The proceeds from the Revolving Credit Facility were used for general corporate purposes.

For additional information, please read “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources.*”

DIVIDENDS AND DIVIDEND POLICY

We currently intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business, and we do not anticipate paying any additional cash dividends in the foreseeable future. Any future determination regarding the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant.

CAPITALIZATION

The following table sets forth the cash and cash equivalents and capitalization as of June 30, 2023 (i) on an actual basis, with historical share amounts updated to reflect the 2.7386-for-1 stock split of our common stock and (ii) on a pro forma basis to give effect to (a) the filing and effectiveness of our proposed amended and restated certificate of incorporation, including to increase our authorized share capital, (b) the 2.7386-for-1 stock split of our common stock and (c) the sale by us of 4,550,000 shares of our common stock in this offering at an assumed initial public offering price of \$11.00 per share (which is the midpoint of the price range set forth on the cover page of this prospectus) after deducting estimated underwriting discounts and commissions and offering expenses paid by us and the application of the net proceeds from this offering to us as described under “Use of Proceeds,” in each case, as if such event had occurred on June 30, 2023.

You should read this information together with our consolidated financial statements and related notes appearing elsewhere in this prospectus and the sections titled “Prospectus Summary — Summary Selected Consolidated Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The following amounts are in thousands, except per share data.

	As of June 30, 2023	
	Actual	Pro Forma
Cash and cash equivalents	\$61,295	\$ 73,424
Long-term debt, net	\$29,668	—
Stockholders’ equity:		
Preferred stock, par value \$0.01 per share: no shares authorized or issued and outstanding as of June 30, 2023, actual; 25,000,000 shares authorized, no shares issued and outstanding on a pro forma basis	—	—
Common stock, par value \$0.01 per share: 27,386,000 shares authorized, 21,908,800 shares issued and outstanding as of June 30, 2023, actual; 100,000,000 shares authorized, 26,458,800 shares issued and outstanding on a pro forma basis	219	265
Additional paid-in capital	4,392	54,397
Retained earnings	29,446	29,446
Non-controlling interests	(1,014)	(1,014)
Total stockholders’ equity	33,043	83,094
Total capitalization	\$62,711	\$ 83,094

The information presented above assumes no exercise of the underwriters’ option to purchase additional shares.

Each \$1.00 increase or decrease in the assumed initial public offering price of \$11.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, respectively, the amount of cash and cash equivalents, additional paid-in capital, total stockholders’ equity and total capitalization by \$4.9 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering.

An increase or decrease of 1,000,000 in the number of shares we are offering would increase or decrease, respectively, the amount of cash and cash equivalents, stockholders’ equity and total capitalization by approximately \$11 million, assuming the assumed initial public offering price per share remains the same, and after deducting underwriting discounts and commissions. The pro forma information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

DILUTION

If you invest in our common stock in this offering, your interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma net tangible book value per share of our common stock immediately after the closing of this offering.

Our net tangible book value of our common stock as of June 30, 2023 was \$22.3 million, or \$1.02 per share, based on the number of shares of our common stock outstanding as of June 30, 2023. Net tangible book value per share represents our total tangible assets less our total liabilities, divided by the number of outstanding shares of common stock.

After giving effect to the receipt of the net proceeds from our sale of 4,550,000 shares of common stock in this offering at an assumed initial public offering price of \$11.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma net tangible book value as of June 30, 2023, would have been \$64.1 million, or \$2.42 per share. This represents an immediate increase in pro forma net tangible book value of \$1.40 per share to our existing stockholders and an immediate dilution of \$8.58 per share to investors purchasing common stock in this offering. The per share data presented gives effect to the 2.7386-for-1 stock split of our common stock, which was effect on October 23, 2023.

We calculate dilution per share to new investors by subtracting the pro forma net tangible book value per share from the initial public offering price paid by the new investor. The following table illustrates the dilution to new investors on a per share basis:

Assumed initial public offering price per share	\$11.00
Net tangible book value per share as of June 30, 2023	\$ 1.02
Increase in net tangible book value per share attributable to new investors in this offering	\$ 1.40
Pro forma net tangible book value per share after this offering	\$ 2.42
Dilution in net tangible book value per share to new investors in this offering	<u>\$ 8.58</u>

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$11.00 would increase (decrease) our pro forma net tangible book value per share after this offering by \$0.17 per share and the dilution to new investors by \$0.83 per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

Similarly, each increase (decrease) of 1,000,000 shares in the number of shares of common stock offered by us would increase (decrease) the pro forma net tangible book value by \$0.09 per share and the dilution to new investors by \$0.09 per share, assuming the assumed initial public offering price remains the same and after deducting underwriting discounts and commissions.

If the underwriters' option to purchase additional shares to cover over-allotments is exercised in full, the pro forma net tangible book value per share after giving effect to this offering would be \$2.62 per share, representing an increase of \$0.20 per share, and immediate dilution to new investors in this offering of \$8.38 per share.

The foregoing discussion and tables assume no exercise of stock options to purchase 4,340,270 shares of our common stock issuable upon the exercise of stock options outstanding as of October 23, 2023, at a weighted average exercise price of \$1.26 per share. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities or any options are exercised, new investors will experience further dilution.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to assist in understanding and assessing the trends and significant changes in our results of operations and financial condition. Historical results may not be indicative of future performance. The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and all other non-historical statements in this discussion are forward looking statements and are based on the beliefs of our management, as well as assumptions made by, and information currently available to, our management. Actual results could differ materially from those discussed in or implied by forward looking statements as a result of various factors, including those discussed below and elsewhere in this prospectus, particularly in "Risk Factors" or in other sections of this prospectus. This discussion should be read in conjunction with "Prospectus Summary — Summary Selected Consolidated Financial Data" and our unaudited condensed consolidated and audited consolidated financial statements and the notes thereto included elsewhere in this prospectus.

In this discussion, we use certain non-GAAP financial measures. Explanation of these non-GAAP financial measures and reconciliation to the most directly comparable GAAP financial measures are included in this Management's Discussion and Analysis of Financial Condition and Results of Operations as well as "Prospectus Summary — Summary Selected Consolidated Financial Data." Investors should not consider non-GAAP financial measures in isolation or as substitutes for financial information presented in compliance with GAAP.

Overview

We are a leading provider of water and other critical infrastructure solutions nationwide. Through our predecessor entities we have a long history of working on complex water projects, ranging from the world's largest wastewater recycling and purification system in California to the iconic Hoover Dam. According to *Engineering News Record*, in 2022 we were nationally ranked as a top ten builder of dams and reservoirs (#1), water supply (#3), water treatment and desalination plants (#8) and mass transit (#9). We are led by industry veterans, many with over 20 years of experience, and work closely with our customers to deliver complete solutions, including long-term operations and maintenance.

While our legacy companies have a long history operating in the United States, we have a limited operating history as an independent company. Following our separation from AECOM, we began a transformation to shift our strategy to meet the nation's growing need for water and other critical infrastructure. We believe our competitive strengths, which are discussed below, position us to execute this strategy and capitalize on market opportunities. However, our limited operating history as an independent company and historical dependence on AECOM and subject us to a number of risks, such as an inability to obtain necessary bonding and the need to incur additional operating expenses to create or supplement the corporate infrastructure necessary to operating as an independent company. We are also involved in ongoing disputes with AECOM, which could adversely impact our business. See "*AECOM Sale Transactions*" and "*Risk Factors — Risks Related to our Projects — We have a limited operating history as an independent company and have been historically dependent on our prior owner, AECOM, — Risks Related to Our Business and Industry — We are involved in ongoing disputes with our prior owner, AECOM, which could adversely impact our business, — We may be required to make additional payments to AECOM pursuant to contractual arrangements*" and "*If AECOM defaults on its contractual obligations to us or under agreements in which we are a beneficiary, our business could be materially and adversely impacted*" for additional information.

For the six months ended June 30, 2023 and July 1, 2022, we generated revenue of \$319.3 million and \$293.6 million, respectively, and net (loss) income attributable to Shimmick Corporation of \$(19.6) million and \$3.7 million, respectively. Adjusted EBITDA, was \$(2.9) million and \$31.9 million for the six months ended June 30, 2023 and July 1, 2022, respectively. Adjusted net (loss) attributable to Shimmick Corporation income was \$(12.0) million and \$22.7 million for the six months ended June 30, 2023 and July 1, 2022, respectively. For

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the years ended December 30, 2022 and December 31, 2021, we generated revenue of \$664.2 million and \$572.7 million, respectively, and net income attributable to Shimmick Corporation of \$3.8 million and \$45.4 million, respectively. Adjusted EBITDA was \$47.0 million and \$(193.6) million for the years ended December 30, 2022 and December 31, 2021, respectively. Adjusted net income (loss) was \$29.5 million and \$(184.3) million for the years ended December 30, 2022 and December 31, 2021, respectively. For reconciliations of Adjusted EBITDA and Adjusted net (loss) income to net income, in each case the most directly comparable GAAP financial measure, see “— *Results of Operations*” below.

We operate on a 52-week or 53-week fiscal year ending on the Friday closest to December 31 each year. Our fiscal year is divided into four quarters of 13 weeks, each beginning on a Saturday and containing one 5-week period followed by two 4-week periods. When a 53-week fiscal year occurs, we report the additional week in the fourth fiscal quarter. Accordingly, the six month periods ended June 30, 2023 and July 1, 2022 each consisted of 26 weeks. References to fiscal year 2022 are to our 52-week fiscal year ended December 30, 2022 and references to fiscal year 2021 are to our 52-week fiscal year ended December 31, 2021.

AECOM Sale Transactions

Overview

On December 9, 2020, AECOM and URS Holdings, Inc., an affiliate of AECOM (the “Seller” and, together with AECOM, the “Seller Entities”), entered into a purchase and sale agreement (the “Purchase Agreement”) with SCC Group, a special purpose entity formed for the purpose of entering into and consummating the transactions contemplated by the Purchase Agreement (the “AECOM Sale Transactions”). Under the Purchase Agreement, SCC Group agreed to purchase and acquire 100% of the stock of the Company and certain other assets related to our business and our subsidiaries to the extent owned by Seller Entities or their affiliates. On January 2, 2021, the parties closed the AECOM Sale Transactions.

On November 19, 2021, SCC Group was merged with SCCI National Holdings, Inc., with SCCI National Holdings, Inc. becoming the surviving entity. In the intervening period between January 2, 2021 and November 19, 2021, SCC Group’s assets and liabilities consisted of its investment in SCCI National Holdings, Inc., as well as rights to receive any net working capital settlement and any obligation to pay contingent consideration related to its January 2, 2021 acquisition of SCCI National Holdings, Inc. The November 19, 2021 merger of SCC Group with SCCI National Holdings, Inc. was accounted for as a combination of entities under common control. Accordingly, results of the operations of the two entities have been combined from the point when they came under common control (i.e., when SCC Group acquired SCCI National Holdings, Inc. on January 2, 2021). The business combination is thus reflected in the consolidated financial statements of the combined company for the year ended December 31, 2021. SCC Group did not have substantive operations, assets or liabilities prior to the merger with SCCI National Holdings, Inc. except those pertaining to its acquisition of the SCCI National Holdings, Inc. business.

Retained Claim Reimbursements

The Purchase Agreement provides that the Seller Entities will retain the right to participate in a portion of the net proceeds of any cash, cash equivalents or other assets received or recovered from any claims relating to certain specified legacy projects that were ongoing at the time of closing. AECOM is entitled to a percentage of proceeds we may receive, subject to a specified cap for each such legacy project.

Earn Out Consideration

As additional consideration, the Seller Entities are entitled to receive a one-time additional cash payment based on the performance of the business for the 36-month period beginning October 3, 2020 and ending September 29, 2023 based on specified aggregate Adjusted EBITDA (as defined in the Purchase Agreement) thresholds set forth in the Purchase Agreement. Any such additional cash payment, if owed, will be required to be made prior to

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January 31, 2024. Based on the Adjusted EBITDA (as defined in the Purchase Agreement) of the business to date, we do not anticipate an earnout being achieved.

Shared Tax Benefits

Pursuant to the internal reorganization of its business in early 2020, AECOM agreed to make an election under Treasury Regulations Section 1.1502-36(d)(6) that could result in certain tax benefits to us (in the form of cash or a reduction in liability for taxes). We are obligated to share with AECOM actual tax benefits realized (i.e., in cash or through an actual reduction in liability for tax).

Other Items

We have agreed to indemnify the Seller Entities for any costs or expenses incurred under any outstanding letters of credit, surety bonds, guarantees, advance payment guarantees and other contractual obligations arising from or relating to the assets purchased or the liabilities assumed under the Purchase Agreement. Further, the Seller Entities have provided a conditional guaranty required by any surety bonds and/or a bonding program relating to certain guaranteed obligations and payment obligations with respect to the certain other assets related to our business and our subsidiaries to the extent owned by Seller Entities or their affiliates.

For additional information regarding AECOM, see “*Risk Factors — Risks Related to Our Business and Industry — We are involved in ongoing disputes with our prior owner, AECOM, which could adversely impact our business,*” “*— We may be required to make additional payments to AECOM pursuant to contractual arrangements,*” “*— If AECOM defaults on its contractual obligations to us or under agreements in which we are a beneficiary, our business could be materially and adversely impacted*” and “*Business — Transition Services Agreement.*”

COVID-19 Impact

The impact of the coronavirus pandemic and measures to prevent its spread caused us to face disruption to operations, supply chain delays, travel and trade restrictions and impacted economic activity in affected regions. For example, some jurisdictions imposed a wide range of restrictions on the physical movement of our employees and vendors to limit the spread of COVID-19 and some nonessential construction and other client projects were temporarily halted as a result. Further, the coronavirus made estimating the future performance of our business and mitigating the adverse financial impact of related developments on our business operations more difficult. See “*Risk Factors—Risks Related to our Business and Industry — Pandemics and public health emergencies could materially disrupt our business and negatively impact our results of operations, cash flows and financial conditions.*”

Key Factors Affecting Our Performance and Results of Operations

Weather, natural disasters and emergencies. The results of our business in a given period can be impacted by adverse weather conditions, severe weather events, natural disasters or other emergencies, which include, among other things, heavy or prolonged snowfall or rainfall, hurricanes, tropical storms, tornadoes, floods, blizzards, extreme temperatures, wildfires, post-wildfire floods and debris flows, pandemics and earthquakes. These conditions and events can negatively impact our financial results due to, among other things, the termination, deferral or delay of projects, reduced productivity and exposure to significant liabilities. See “*Risk Factors — Risks Related to Our Projects — Adverse weather conditions may cause delays, which could slow completion of our contracts and negatively affect our revenue and cash flows*” and “*— Force majeure events, such as natural disasters, epidemics, pandemics and terrorists’ actions, could negatively impact our business, which may affect our financial condition, results of operations or cash flows.*”

Seasonality. Typically, our revenue is lowest in the first quarter of the year because cold, snowy or wet conditions can create challenging working environments that are more costly for our customers or cause delays

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on projects. Second quarter revenue is typically higher than those in the first quarter, as some projects begin, but continued cold and wet weather can often impact productivity. Third quarter revenue is typically the highest of the year, as a greater number of projects are underway and operating conditions, including weather, are normally more accommodating. Project geographic location will also dictate how seasonality affects productivity and timing. Also, the holiday season and inclement weather can sometimes cause delays during the fourth quarter, reducing revenue and increasing costs. See “Risk Factors — Risks Related to Our Business and Industry — Our business is seasonal and is affected by adverse weather conditions and the spending patterns of our customers, exposing us to variable quarterly results.”

Our Ability to Fulfill Backlog Orders. Our backlog consists of the remaining unearned revenue on awarded contracts, including our pro-rata share of work to be performed by unconsolidated joint ventures, less the joint venture partners’ pro-rata share of work to be performed by consolidated joint ventures. We include in backlog estimates of the amount of consideration to be received, including bonuses, awards, incentive fees, fixed-price awards, claims, unpriced change orders, penalties, minimum customer commitments on cost plus arrangements, liquidated damages and certain time and material arrangements in which the estimated value is firm or can be estimated with a reasonable amount of certainty in both timing and amounts. As construction on our contracts progresses, we increase or decrease backlog to take account of changes in estimated quantities under fixed-price contracts, as well as to reflect changed conditions, change orders and other variations from initially anticipated contract revenue and costs, including completion penalties and bonuses. Substantially all of the contracts in our backlog may be canceled or modified at the election of the customer. Reductions in backlog due to cancellation by a customer, or for other reasons, could significantly reduce the revenue that we actually receive from contracts in backlog. In the event of a project cancellation, we may be reimbursed for certain costs, but we typically have no contractual right to the total revenues reflected in our backlog. Backlog amounts are determined based on target price estimates that incorporate historical trends, anticipated seasonal impacts, experience from similar projects and from communications with our customers. These estimates may prove inaccurate, which could cause estimated revenue to be realized in periods later than originally expected, or not at all. As a result, our backlog as of any particular date is an uncertain indicator of future revenue and earnings. In addition, contracts included in our backlog may not be profitable. If our backlog fails to materialize, our business, financial condition, results of operations and cash flows could be materially and adversely affected. See “Risk Factors — Risks Related to Our Projects — Amounts included in our backlog may not result in actual revenue or translate into profits. Our backlog is subject to cancellation and unexpected adjustments and therefore is an uncertain indicator of future results of operations.”

As of June 30, 2023, we had a backlog of projects of \$1.3 billion, approximately \$142 million, or 11%, of which are through our joint venture arrangements. We estimate that approximately \$1.0 billion will be recognized as revenue over the next twenty four months. None of our backlog is subject to AECOM contractual obligations. Our backlog by customer type, contract type and estimated time periods recognized is presented in the following tables:

	As of June 30, 2023 (in millions)
Backlog by customer type:	
State and local agencies	\$ 971
Federal Agencies	164
Private Owners	148
Total backlog	\$ 1,284

	As of June 30, 2023 (in millions)
Backlog by contract type:	
Fixed Price	\$ 1,138
Cost Plus	146
Total backlog	\$ 1,284

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	As of June 30, 2023 (in millions)
Estimated backlog recognized:	
0 to 24 months	\$ 993
25 to 36 months	127
Beyond 36 months	163
Total backlog	\$ 1,284

Our Ability to Obtain New Projects. We selectively bid on projects that we believe offer an opportunity to meet our profitability objectives or that offer the opportunity to enter promising new markets. The potential customers conduct rigorous competitive processes for awarding many contracts. We will potentially face strong competition and pricing pressures for any additional contract awards from other government agencies, and we may be required to qualify or continue to qualify under various multiple award task order contract criteria. See “*Risk Factors — Risks Related to Our Projects — Our business depends on our ability to qualify as an eligible bidder under federal, state or local government contract criteria and to compete successfully against other qualified bidders in order to obtain federal, state or local government contracts,*” “*Risk Factors — Risks Related to Our Business and Industry — We work in a highly competitive marketplace*” and “*— Pandemics and public health emergencies could materially disrupt our business and negatively impact our results of operations, cash flows and financial condition.*”

Our Ability to Successfully Expand our Footprint. We review our bidding opportunities to attempt to minimize concentration of work with any one customer, in any one industry, or in tight labor markets. We believe that by carefully positioning ourselves in markets that have meaningful barriers to entry, like those with highly technical or specialized scopes of work, we can continue to be competitive. For example, we target projects with significant, highly-technical work that we can self-perform. We believe this provides us with a distinct pricing advantage, as well as better risk management. In addition, as a result of federal and state-level infrastructure initiatives, we believe that funding for technical construction projects may exceed capacity, enabling us to opportunistically target smaller specialized projects with less risk at higher margins. We may be limited in our ability to expand our footprint by barriers to entry to new markets, competition, and availability of capital and skilled labor.

We primarily compete for new contracts independently, seeking to win and complete new projects directly for our customers. Our customers primarily award contracts using one of two methods: the traditional public “competitive bid” method, in which price is the major determining factor, or through a “best value” proposal, where contracts are awarded based on a combination of technical qualifications, proposed project team, schedule, the ability to obtain surety bonds, past performance on similar projects and price, which we believe creates a barrier to entry. Contracts are principally awarded on a fixed-price basis, and we earn and recognize revenue using an input measure of total costs incurred divided by total costs expected to be incurred. See “*Risk Factors — Risks Related to Our Projects — Our business depends on our ability to qualify as an eligible bidder under federal, state or local government contract criteria and to compete successfully against other qualified bidders in order to obtain federal, state or local government contracts*” and “*Risk Factors — Risks Related to Our Business and Industry — We work in a highly competitive marketplace.*”

Our Ability to Obtain Approval of Change Orders and Successfully Pursue Claims. We are subject to variation in scope and cost of projects from our original projections. In certain circumstances, we seek to collect or assert claims against customers, engineers, consultants, subcontractors or others involved in a project for additional costs exceeding the contract price or for amounts not included in the original contract price. Our experience has often been that public customers have been willing to negotiate equitable adjustments in the contract compensation or completion time provisions if unexpected circumstances arise. However, this process may result in disputes over whether the work performed is beyond the scope of the work included in the original project plans and specifications or, if the customer agrees that the work performed qualifies as extra work, the price that the customer is willing to pay for the extra work. Public customers may seek to impose contractual risk-shifting provisions more

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aggressively or there could be statutory and other legal prohibitions that prevent or limit contract changes or equitable adjustments. See “*Risk Factors — Risks Related to Our Projects — Our failure to adequately collect for extra or change order work or recover on claims brought by us against customers or other project participants for additional contract costs could have a negative impact on our liquidity and future operations.*”

Our Ability to Control Project Costs. Our costs primarily consist of payroll, equipment, materials, and other project related expenses. With a consistent focus on profitability by our management team, we leverage information technology and utilize financial systems to improve project execution and control costs. However, if we are unable to accurately estimate the overall risks, requirements or costs when we bid on or negotiate a contract that is ultimately awarded to us, we may achieve a lower than anticipated profit or incur a loss on the contract. Also, our labor and training expenses may increase as a result of a shortage in the supply of skilled personnel. We may not be able to pass these expenses on to our customers, which could adversely affect our profitability. To the extent that we are unable to buy construction equipment necessary for our needs, either due to a lack of available funding or equipment shortages in the marketplace, we may be forced to rent equipment on a short-term basis, which could increase the costs of performing our contracts. If we are unable to continue to maintain the equipment in our fleet, we may be forced to obtain third-party repair services, which could increase our costs. In addition, the market value of our equipment may unexpectedly decline at a faster rate than anticipated. See “*Risk Factors — Risks Related to Our Projects — We may incur higher costs to lease, acquire and maintain equipment necessary for our operations, and the market value of our owned equipment may decline.*”

Our Ability to Control Selling General and Administrative Costs. Following our initial public offering, we will incur significant expenses on an ongoing basis that we did not incur as a private company. Those costs include additional director and officer liability insurance expenses, stock exchange listing expenses, as well as third-party and internal resources related to accounting, auditing, Sarbanes-Oxley Act compliance, legal and investor and public relations expenses. These costs will generally be selling, general and administrative expenses. We plan to implement the 2023 Omnibus Incentive Plan to align our equity compensation program with public company plans and practices, which is expected to increase our stock-based compensation expense. See “*Risk Factors — General Risk Factors — We will incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives.*”

How We Assess Performance of Our Business

Revenue

We currently derive our revenue predominantly by providing construction, operations and management services around the United States. We generally recognize revenue over time as performance obligations are satisfied and control over promised goods or services are transferred to our customers.

Gross Margin

Gross margin represents revenue less cost of revenue. Cost of revenue consist of all direct and indirect costs on construction contracts, including raw materials, labor, equipment costs, and subcontractor costs.

Selling, General, and Administrative Expenses

Selling, general and administrative expenses consist primarily of salaries and personnel costs for our administrative, finance and accounting, legal, information systems, human resources and certain managerial employees. Additional expenses include audit, consulting and professional fees, travel, insurance, office space rental costs, property taxes and other corporate and overhead expenses.

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Equity in Earnings of Unconsolidated Joint Ventures

Equity in earnings of unconsolidated joint ventures includes our return on investment in unconsolidated joint ventures.

Results of Operations

Six Months Ended June 30, 2023 Compared to the Six Months Ended July 1, 2022

The following table sets forth selected financial data for the six months ended June 30, 2023 compared to the six months ended July 1, 2022. Per share data in the table below gives effect to the 2.7386-for-1 stock split of our common stock, which was effected on October 23, 2023.

<i>(In thousands, except per share data)</i>	Six Months Ended		% of Revenue	
	June 30, 2023	July 1, 2022	June 30, 2023	July 1, 2022
Revenue	\$ 319,297	\$ 293,578	100.0%	100.0%
Cost of revenue	313,532	288,206	98.2	98.2
Gross margin	5,765	5,372	1.8	1.8
Selling, general and administrative expenses	32,502	28,929	10.2	9.9
Amortization of intangibles	1,316	1,316	0.4	0.4
Total operating expenses	33,818	30,245	10.6	10.3
Equity in earnings of unconsolidated joint ventures	6,993	38,776	2.2	13.2
Gain on sale of property, plant and equipment	1,680	10	0.5	—
(Loss) income from operations	(19,380)	13,913	(6.1)	4.7
Other expense, net	264	9,551	0.1	3.3
Net (loss) income before income taxes	(19,644)	4,362	(6.2)	1.5
Income tax expense	—	1,257	—	0.4
Net (loss) income	(19,644)	3,105	(6.2)	1.1
Net loss attributable to non-controlling interests	(7)	(605)	—	(0.2)
Net (loss) income attributable to Shimmick Corporation	\$ (19,637)	\$ 3,710	(6.2)%	1.3%
Net (loss) income attributable to Shimmick Corporation per common share				
Basic	\$ (0.90)	\$ 0.17		
Diluted	\$ (0.90)	\$ 0.17		

Net (loss) income

Net income decreased by \$22.7 million to a \$19.6 million net loss for the six months ended June 30, 2023 compared to \$3.1 million in net income for the six months ended July 1, 2022, primarily driven by a lower equity in earnings of unconsolidated joint ventures of \$31.8 million and an increase in selling, general and administrative expenses of \$3.6 million. These decreases were partially offset by a \$9.3 million reduction in other expense, net and a higher gross margin of \$0.4 million for the six months ended June 30, 2023.

Revenue

Revenue for the six months ended June 30, 2023 increased \$25.7 million, or 9%, compared to six months ended July 1, 2022 primarily due to \$54.0 million in new activity from eight new projects. Those increases were partially offset by \$24.6 million driven by three projects winding down and nearing completion and an agreed upon contract settlement lower than originally estimated.

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Cost of revenue

Cost of revenue for the six months ended June 30, 2023 increased \$25.3 million, or 9%, compared for the six months ended July 1, 2022 primarily due to a \$45.4 million increase in activity from seven new projects and an increased \$5.9 million from a new terminal project that experienced losses during the period. Those increases were partially offset by \$17.2 million decrease in costs on projects winding down or nearing completion in fiscal year 2022 and \$6.4 million decreases in cost due mainly to \$4.0 million of additional cost taken on a large bridge project for the six months ended July 1, 2022 that did not occur in the six months ended June 30, 2023.

Selling, general and administrative expenses

Selling, general and administrative expense for the six months ended June 30, 2023 increased by \$3.6 million, or 12%, to \$32.5 million compared to \$28.9 million for the six months ended July 1, 2022, primarily resulting from higher legal, accounting, professional services and transaction costs.

Equity in earnings of unconsolidated joint ventures

Equity in earnings of unconsolidated joint ventures was \$7.0 million for the six months ended June 30, 2023, compared to equity in earnings of unconsolidated joint ventures of \$38.8 million for the six months ended July 1, 2022. This decrease of \$31.8 million compared to the six months ended July 1, 2022 was primarily due to a settlement of a claim for a bridge project during the six months ended July 1, 2022 that did not re-occur in the six months ended June 30, 2023.

Gain on sale of property, plant and equipment

Gain on sale of property, plant and equipment was \$1.7 million for the six months ended June 30, 2023, compared to \$10,000 for the six months ended July 1, 2022, driven by a one-time gain on sale of an office building for \$1.7 million.

Other expense, net

Other expense, net was \$0.3 million for the six months ended June 30, 2023, compared to \$9.6 million in the six months ended July 1, 2022. Other expense, net in the six months ended June 30, 2023 was primarily related to interest expense. Other expense, net in the six months ended July 1, 2022 was primarily driven by changes in fair value of contingent consideration from the AECOM Sale Transactions.

Income tax expense

Income tax expense was \$0 in the six months ended June 30, 2023, compared to \$1.3 million in the six months ended July 1, 2022. This decrease is due to the company having taxable income as of July 1, 2022, for which utilization of NOL carryforwards is generally limited to 80% of taxable income, with the remaining 20% creating current tax expense. No taxable income is anticipated for 2023, thus no income tax expense was recorded.

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Fiscal Year Ended December 30, 2022 Compared to Fiscal Year Ended December 31, 2021

The following table sets forth selected financial data for the fiscal years ended December 30, 2022 and December 31, 2021. Per share data in the table below gives effect to the 2.7386-for-1 stock split of our common stock, which was effected on October 23, 2023.

<i>(In thousands, except per share data)</i>	Fiscal Year Ended		% of Revenue	
	December 30, 2022	December 31, 2021	December 30, 2022	December 31, 2021
Revenue	\$ 664,158	\$ 572,666	100.0%	100.0%
Cost of revenue	640,643	705,470	96.5	123.2
Gross margin	23,515	(132,804)	3.5	(23.2)
Selling, general and administrative expenses	60,442	77,519	9.1	13.5
Amortization of intangibles	2,632	2,632	0.4	0.5
Total operating expenses	63,074	80,151	9.5	14.0
Equity in earnings of unconsolidated joint ventures	52,471	1,067	7.9	0.2
Income (loss) from operations	12,912	(211,888)	1.9	(37.0)
Bargain purchase gain	—	233,147	—	40.7
Other (expense) income, net	(8,731)	453	(1.3)	0.1
Net income before income taxes	4,181	21,712	0.6	3.8
Income tax (expense) benefit	(1,274)	24,122	(0.2)	4.2
Net income	2,907	45,834	0.4	8.0
Net (loss) income attributable to non-controlling interests	(853)	431	(0.1)	0.1
Net income attributable to Shimmick Corporation	\$ 3,760	\$ 45,403	0.6%	7.9%
Net income attributable to Shimmick Corporation per common share				
Basic	\$ 0.17	\$ 2.07		
Diluted	\$ 0.17	\$ 2.07		

Net income

Net income decreased by \$42.9 million to \$2.9 million for the fiscal year ended December 30, 2022 compared to \$45.8 million for the fiscal year ended December 31, 2021, primarily as a result of the \$233.1 million bargain purchase gain recognized in connection with AECOM Sale Transactions in fiscal year 2021, along with an income tax benefit of \$24.1 million. The large one-time gains related to the AECOM Sale Transactions were partially offset by higher gross margin of \$156.3 million and higher equity in earnings of unconsolidated joint ventures of \$51.4 million in fiscal year 2022.

Revenue

Revenue was \$664.2 million for the fiscal year ended December 30, 2022 compared to \$572.7 million for the fiscal year ended December 31, 2021. Revenue increased by \$91.5 million, or 16%, compared to the fiscal year ended December 31, 2021. Revenue increased primarily due to \$48 million from two new foundation projects, \$19 million from two new dam projects, a \$9 million new infrastructure pier upgrade, \$11 million in customer directed work at a light rail project, \$82 million in ramp up of three projects, and \$67 million for a lock replacement which became a loss job in fiscal year 2021. Those increases were partially offset by three projects winding down and nearing completion during fiscal year 2022 reducing revenue by \$117 million and one fixed-

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price project that had increased estimation of total cost at completion (“EAC”) cost during fiscal year 2022 resulting in a \$15 million decrease in revenue.

Cost of revenue

Cost of revenues for the fiscal year ended December 30, 2022 decreased by \$64.8 million, or 9%, to \$640.6 million compared to \$705.5 million for the fiscal year ended December 31, 2021. Cost of revenue decreased primarily due to \$75 million decrease in the costs on a lock replacement project compared to prior year, which became a loss job resulting from COVID-19 related delays and the impact of higher expenses during fiscal year 2021 and a \$121 million decrease in costs on projects winding down or nearing completion in fiscal year 2022 and \$31 million of decreases in cost due to higher costs on three jobs in the prior year, partially offset by a \$163 million increase in fiscal year 2022, which was primarily due to new projects and ramp up of existing projects.

Selling, general and administrative expenses

Selling, general and administrative expense for the fiscal year ended December 30, 2022 decreased by \$17.1 million, or 22%, to \$60.4 million compared to \$77.5 million for the fiscal year ended December 31, 2021, primarily resulting from higher one-time legal, accounting, professional services and transaction costs in 2021 related to the AECOM Sale Transactions.

Equity in earnings of unconsolidated joint ventures

Equity in earnings of unconsolidated joint ventures was \$52.5 million for the fiscal year ended December 30, 2022, compared to equity in earnings of unconsolidated joint ventures of \$1.1 million for the fiscal year ended December 31, 2021. Equity in earnings from unconsolidated joint venture arrangements for the fiscal year ended December 30, 2022 increased \$51.4 million, compared to the fiscal year ended December 31, 2021, primarily due to a settlement of a claim for a bridge project that had losses in the prior year from increased EAC cost.

Bargain purchase gain

Bargain purchase gain of \$233.1 million recorded in fiscal year ended December 31, 2021 was a one-time gain from the AECOM Sale Transactions with no comparable transaction in fiscal year ended December 30, 2022.

Other (expense) income, net

Other expense was \$8.7 million for the fiscal year ended December 30, 2022, compared to other income of \$0.5 million in fiscal year 2021. Other expenses in fiscal year 2022 primarily related to the changes in fair value of contingent consideration. Other income in fiscal year 2021 was primarily driven by changes in fair value of contingent consideration partially offset by a non-recurring expense that was incurred in connection with the resolution of a dispute.

Income tax (expense) benefit

Income tax expense was \$1.3 million in fiscal year ended December 30, 2022, compared to income tax benefit of \$24.1 million for the fiscal year ended December 31, 2021. This is primarily due to:

- \$36.1 million decrease resulting from the change in valuation allowance for deferred tax assets for the fiscal year ended December 30, 2022. The valuation allowance reflects our assessment of the likelihood of realizing the benefits of our deferred taxes in future periods;
- \$3 million decrease resulting from the \$16 million decrease in net income before income taxes after consideration of net (loss) income attributable to non-controlling interests; partially offset by
- \$61 million increase resulting from the book recognition of the non-recurring bargain purchase gain in fiscal year ended December 31, 2021, which is non-taxable; and

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- \$4 million increase resulting from the change in book amount recognized for changes in fair value of contingent consideration, which is non-deductible for tax.

Non-GAAP Financial Measures

We report our financial results in accordance with GAAP. However, management believes that certain non-GAAP financial measures provide investors with additional useful information in evaluating our performance. Therefore, to supplement our condensed consolidated and consolidated financial statements, we provide investors with certain non-GAAP financial measures, including Adjusted net income (loss) and Adjusted EBITDA.

Adjusted Net (Loss) Income

Adjusted net (loss) income represents (loss) income attributable to Shimmick Corporation adjusted to eliminate the bargain purchase gain, changes in fair value of contingent consideration, IPO and transaction-related costs, stock-based compensation, and legal fees and other costs for a legacy project.

We have included Adjusted net (loss) income in this prospectus because it is a key measure used by our management and board of directors to understand and evaluate our core operating performance and trends, to prepare and approve our annual budget and to develop short and long-term operational plans. In particular, we believe that the exclusion of the income and expenses eliminated in calculating Adjusted net (loss) income can provide a useful measure for period-to-period comparisons of our core business. Accordingly, we believe that Adjusted net (loss) income provides useful information to investors and others in understanding and evaluating our results of operations.

Our use of Adjusted net (loss) income as an analytical tool has limitations, and you should not consider it in isolation or as a substitute for analysis of our financial results as reported under GAAP. Some of these limitations are:

- Adjusted (loss) income does not reflect changes in, or cash requirements for, our working capital needs,
- Adjusted (loss) income does not reflect the potentially dilutive impact of stock-based compensation, and
- other companies, including companies in our industry, might calculate Adjusted net income (loss) or similarly titled measures differently, which reduces their usefulness as comparative measures.

Because of these and other limitations, you should consider Adjusted net (loss) income alongside other GAAP- based financial performance measures, including (loss) income attributable to Shimmick Corporation.

Adjusted EBITDA

Adjusted EBITDA represents our earnings before interest and other expense (income), income taxes and depreciation and amortization expense, adjusted to eliminate the bargain purchase gain, changes in fair value of contingent consideration, IPO and transaction-related costs, stock-based compensation, and legal fees and other costs for a legacy project.

We have included Adjusted EBITDA in this prospectus because it is a key measure used by our management and board of directors to understand and evaluate our core operating performance and trends, to prepare and approve our annual budget and to develop short and long-term operational plans. In particular, we believe that the exclusion of the income and expenses eliminated in calculating Adjusted EBITDA can provide a useful measure for period-to-period comparisons of our core business. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our results of operations.

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Our use of Adjusted EBITDA as an analytical tool has limitations, and you should not consider it in isolation or as a substitute for analysis of our financial results as reported under GAAP. Some of these limitations are:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized might have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements,
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs,
- Adjusted EBITDA does not reflect the potentially dilutive impact of stock-based compensation,
- Adjusted EBITDA does not reflect interest or tax payments that would reduce the cash available to us, and
- other companies, including companies in our industry, might calculate Adjusted EBITDA or similarly titled measures differently, which reduces their usefulness as comparative measures.

Because of these and other limitations, you should consider Adjusted EBITDA alongside Net (loss) income attributable to Shimmick Corporation, which is the most directly comparable GAAP measure. See reconciliation below:

<i>(In thousands)</i>	Six Months Ended		Fiscal Year Ended	
	June 30, 2023	July 1, 2022	December 30, 2022	December 31, 2021
Net (loss) income attributable to Shimmick Corporation	\$ (19,637)	\$ 3,710	\$ 3,760	\$ 45,403
Bargain purchase gain	—	—	—	(233,147)
Changes in fair value of contingent consideration	350	9,500	9,462	(11,600)
IPO and transaction-related costs ⁽¹⁾	1,567	2,039	3,104	4,170
Stock-based compensation	1,051	891	2,295	1,185
Legal fees and other costs for a legacy loss job ⁽²⁾	4,638	4,133	10,904	9,645
Adjusted net (loss) income	<u>\$ (12,030)</u>	<u>\$ 20,273</u>	<u>\$ 29,525</u>	<u>\$ (184,344)</u>

<i>(In thousands)</i>	Six Months Ended		Fiscal Year Ended	
	June 30, 2023	July 1, 2022	December 30, 2022	December 31, 2021
Net loss income attributable to Shimmick Corporation	\$ (19,637)	\$ 3,710	\$ 3,760	\$ 45,403
Depreciation and amortization	8,549	7,851	15,979	14,929
Interest expense (income)	607	52	226	(84)
Income tax expense (benefit)	—	1,257	1,274	(24,122)
Bargain purchase gain	—	—	—	(233,147)
Changes in fair value of contingent consideration	351	9,500	9,462	(11,600)
IPO and transaction-related costs ⁽¹⁾	1,567	2,039	3,104	4,170
Stock-based compensation	1,051	891	2,295	1,185
Legal fees and other costs for a legacy loss job ⁽²⁾	4,638	4,133	10,904	9,645
Adjusted EBITDA	<u>\$ (2,875)</u>	<u>\$ 29,433</u>	<u>\$ 47,004</u>	<u>\$ (193,621)</u>

(1) We recorded \$1.6 million in transaction-related costs in the six months ended June 30, 2023. We recorded \$3.1 million in transaction-related costs in fiscal year 2022, which included \$2.0 million for a contingent legal fee to settle the working capital settlement agreement in January 2022 and \$1.0 million in other transaction-related costs. We incurred \$4.2 million in transaction-related costs in the fiscal year 2021, of which \$3.3 million was related to the AECOM Sale Transactions.

(2) Consists of legal fees and other costs incurred in connection with claims relating to a legacy project.

Liquidity and Capital Resources

Capital Requirements and Sources of Liquidity

During the six months ended June 30, 2023, our capital expenditures were approximately \$3.2 million compared to \$5.3 million for the six months ended July 1, 2022. During the fiscal years ended December 30, 2022 and December 31, 2021, our capital expenditures were approximately \$10.4 million and \$2.9 million, respectively. Historically, we have had significant cash requirements in order to organically expand our business to undertake new construction projects. Our cash requirements include costs related to increased expenditures for equipment, facilities and information systems, purchase of materials and production of materials and cash to fund our organic expansion into new markets, including through joint ventures. Our working capital needs are driven by the seasonality and growth of our business, with our cash requirements greater in periods of growth. Additional cash requirements resulting from our growth include the costs of additional personnel, enhancing our information systems and, in the future, our integration of any acquisitions and our compliance with laws and rules applicable to being a public company.

We have historically relied upon cash available through operating activities, in addition to credit facilities and existing cash balances, to finance our working capital requirements and to support our growth. We regularly monitor potential capital sources, including equity and debt financing, in an effort to meet our planned expenditures and liquidity requirements. Our future success will be highly dependent on our ability to access outside sources of capital.

As is customary in the construction business, we are required to provide surety bonds to secure our performance under construction contracts. Our ability to obtain surety bonds primarily depends upon our capitalization, working capital, past performance, management expertise and reputation and certain external factors, including the overall capacity of the surety market. Surety companies consider such factors in relationship to the amount of our backlog and their underwriting standards, which may change from time to time. We have pledged proceeds and other rights under our construction contracts to our bond surety company. Events that affect the insurance and bonding markets may result in bonding becoming more difficult to obtain in the future, or being available only at a significantly greater cost. To date, we have not encountered difficulties or material cost increases in obtaining new surety bonds, and we believe our strong cash position supports our ability to fulfill our surety bond requirements.

We believe that our operating, investing and financing cash flows are sufficient to fund our operations for at least the next twelve months. However, future cash flows are subject to a number of variables, and significant additional expenditures will be required to conduct our operations. There can be no assurance that operations and other capital resources will provide cash in sufficient amounts to maintain planned or future levels of expenditures. In the event we make one or more acquisitions and the amount of capital required is greater than the amount we have available for acquisitions at that time, we could be required to reduce the expected level of expenditures and/or seek additional capital. If we seek additional capital, we may do so through joint ventures, asset sales, offerings of debt or equity securities or other means. We cannot guarantee that this additional capital will be available on acceptable terms or at all. If we are unable to obtain the funds we need, we may not be able to complete acquisitions that may be favorable to us or finance the expenditures necessary to conduct our operations.

Total debt outstanding is presented on the condensed consolidated balance sheets as follows:

<i>(In thousands)</i>	June 30, 2023	December 30, 2022
Revolving Credit Facility	\$ 30,000	\$ —
Total debt	30,000	—
Unamortized debt issuance costs	(332)	—
Long-term debt, net	\$ 29,668	\$ —

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Loan and Security Agreement

On September 13, 2023, we entered into a Loan and Security Agreement (“Loan Agreement”) with Hudson Bridge Capital, which provides a maximum commitment of \$75.0 million and bears interest at an annual rate of 13.0%. Further, the Loan Agreement is subject to a closing fee of 1.50% on proceeds of the Loan. The Loan Agreement matures 36 months from the date of the first draw and repayment of principal does not commence until after the first twelve months of servicing the loan. The Company has not drawn any funds as of September 14, 2023.

Revolving Credit Facility

On March 27, 2023, we entered into the Revolving Credit Facility with MidCap Financial Services, LLC, which originally provided a total commitment of \$30.0 million. The Revolving Credit Facility was subsequently amended on June 30, 2023. As amended, the Revolving Credit Facility provides for a total commitment of \$35.3 million and bears interest at an annual rate of adjusted term SOFR, subject to a 1.0% floor, plus 4.50%. Further, the Revolving Credit Facility is subject to an annual collateral management fee of 0.50% and an annual unused line fee of 0.50%. Key financial covenants under the Revolving Credit Facility include maintaining a leverage ratio that does not exceed 1.75 to 1.0 and a minimum cash balance of \$25.0 million. The Revolving Credit Facility matures on March 27, 2028. The Company is not aware of any instances of noncompliance with the key financial covenants as of September 14, 2023.

Revolving Line of Credit

We had a \$25.0 million Revolving Line of Credit with BMO Harris Bank, N.A., under which the Company had no outstanding borrowings as of June 30, 2023 or December 30, 2022. Borrowings under the Revolving Line of Credit bear interest at a rate based on SOFR or a combination of rates (prime rate, federal fund rate, and SOFR) at the Company’s election, with an added margin depending on the Company’s leverage ratio. The unused balance of the Revolving Line of Credit bears a commitment fee of between 0.25% and 0.40% per year, depending on the Company’s leverage ratio. Key financial covenants under the Revolving Line of Credit include maintaining a leverage ratio that does not exceed 2.0 to 1.0 and a minimum cash balance of \$35.0 million. The Revolving Line of Credit terminated on March 27, 2023 upon the Company entering into the Revolving Credit Facility. The Company is not aware of any instances of noncompliance with the key financial covenants as of December 30, 2022.

Cash Flows Analysis

The following table sets forth our cash flows for the periods indicated:

<i>(In thousands)</i>	Six Months Ended		Fiscal Year Ended	
	June 30, 2023	July 1, 2022	December 30, 2022	December 31, 2021
Net cash used in operating activities	\$ (60,672)	\$ (18,466)	\$ (3,084)	\$ (53,975)
Net cash provided by investing activities	12,647	14,347	4,197	136,172
Net cash provided by (used in) financing activities	29,045	(150)	(931)	(294)
Net (decrease) increase in cash, cash equivalents and restricted cash	(18,980)	(4,269)	182	81,903
Cash, cash equivalents and restricted cash, beginning of period	82,085	81,903	81,903	—
Cash, cash equivalents and restricted cash, end of period	\$ 63,105	\$ 77,634	\$ 82,085	\$ 81,903

Operating Activities

Our net cash used in operating activities of \$60.7 million during six months ended June 30, 2023 was higher than the \$18.5 million in net cash used in operating activities during the six months ended July 1, 2022.

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This change of \$42.2 million was due primarily to:

- \$22.7 million decrease in net income and \$3.5 million increase in non-cash adjustments primarily due to a decrease in changes in fair value of contingent consideration of \$9.2 million partially offset by lower equity in earnings and return on investment in unconsolidated joint ventures, net of \$13.4 million and \$0.9 million net increase in other non-cash adjustments;
- \$41.2 million decrease in changes in accounts receivable due to decreased collections;
- \$32.7 million decrease in changes in construction accruals due to costs of new projects; partially offset by
- \$17.3 million increase in changes in billing on uncompleted contracts in excess of costs and estimated earnings due to construction progress on contracts with prepayments;
- \$18.3 million increase in accounts payable; and
- \$16.7 million increase in prepaid and other current assets due to reduction in short term deposits.

Our net cash used in operating activities of \$3.1 million during fiscal year 2022 was comparatively lower than the \$54.0 million in net cash used in operating activities during fiscal year 2021.

This change of \$50.8 million was due primarily to:

- \$42.9 million decrease in net income and \$262.6 million increase in non-cash adjustments primarily due to a \$233.1 million non-cash bargain purchase gain recorded in fiscal year 2021 compared to no gain recorded in fiscal year 2022 and a \$33.5 million increase in return on investment in unconsolidated joint ventures, partially offset by a \$4.1 million net decrease in other non-cash adjustments;
- \$82.4 million increase in changes in accounts receivable due to decreased collections;
- \$60.6 million increase in changes in construction accruals due to costs of new projects; partially offset by
- \$136.3 million decrease in changes in billing on uncompleted contracts in excess of costs and estimated earnings due to construction progress on contracts with prepayments;
- \$112.9 million decrease in changes in forward loss reserve due to costs incurred that were reserved for in prior year as work continued to complete the project; and
- \$75.3 million decrease in changes in costs and estimated earnings in excess of billings on uncompleted contracts due to progress towards future milestones.

Investing Activities

For the six months ended June 30, 2023, net cash provided by investing activities was \$12.6 million, which primarily consisted of cash proceeds from an advance on the sale of non-core business contracts of \$20.0 million, proceeds from sale of property, plant and equipment of \$4.9 million, and return of investment in unconsolidated joint ventures of \$4.3 million, partially offset by unconsolidated joint venture equity contributions of \$13.3 million and purchases of property, plant and equipment of \$3.2 million. For the six months ended July 1, 2022, net cash provided by investing activities was \$14.3 million, which primarily consisted of a net working capital settlement in association with the AECOM Sale Transactions of \$32.0 million partially offset by unconsolidated joint venture equity contributions of \$13.3 million and purchases of property, plant and equipment of \$5.3 million.

For the fiscal year ended December 30, 2022, net cash provided by investing activities was \$4.2 million which primarily consisted of proceeds from the net working capital settlement in association with the AECOM Sale Transactions of \$32.0 million, partially offset by purchases of property, plant and equipment of \$10.4 million and

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unconsolidated joint venture equity contributions of \$19.7 million. For the fiscal year ended December 31, 2021, net cash provided by investing activities was \$136.2 million, which primarily consisted of cash acquired in the AECOM Sale Transactions of \$160.4 million, partially offset by unconsolidated joint venture equity contributions of \$23.0 million.

Financing Activities

For the six months ended June 30, 2023, net cash provided by financing activities was \$29.0 million, which primarily consisted of proceeds from the Revolving Credit Facility borrowings of \$30.0 million. For the six months ended July 1, 2022, net cash used in financing activities was \$0.2 million, which consisted solely of payments on our finance lease obligation.

For the fiscal year ended December 30, 2022, net cash used in financing activities was \$0.9 million, which consisted of payments on our finance lease obligation of \$0.3 million and distributions to non-controlling interests of \$0.7 million. For the fiscal year ended December 31, 2021, net cash used in financing activities was \$0.3 million, which consisted solely of payments on our finance lease obligation.

Letters of Credit

We obtain standby letters of credit required by our insurance carriers. As of June 30, 2023, December 30, 2022 and December 31, 2021, the total amount of standby letters of credit outstanding were \$ 14.1 million, \$8.2 million and \$5.0 million, respectively.

Contractual Obligations

Contractual obligations of the Company consisted of liabilities associated with remaining lease payments for the six months ending December 29, 2023 through the fiscal years ending through December 31, 2027 of approximately \$6.2 million, \$9.6 million, \$7.6 million, \$3.1 million and \$1.8 million, respectively, and approximately \$2.5 million in the aggregate thereafter based on balances outstanding as of June 30, 2023.

Off-Balance Sheet Arrangements

In our joint ventures, the liability of each partner is usually joint and several. This means that each joint venture partner may become liable for the entire risk of performance guarantees provided by each partner to the customer. Typically each joint venture partner indemnifies the other partners for any liabilities incurred in excess of the liabilities the other party is obligated to bear under the respective joint venture agreement. We are unable to estimate the maximum potential amount of future payments that we could be required to make under outstanding performance guarantees related to joint venture projects due to a number of factors, including but not limited to, the nature and extent of any contractual defaults by our joint venture partners, resource availability, potential performance delays caused by the defaults, the location of the projects, and the terms of the related contracts.

Critical Accounting Estimates

The discussion of our financial condition and results of operations is based upon our condensed consolidated and consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. We evaluate our estimates and assumptions on an ongoing basis. The results of our analysis form the basis for making assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, and the impact of such differences may be material to our condensed consolidated and consolidated financial statements.

Revenue Recognition

The Company recognizes revenue from signed contracts with customers, change orders (approved and unapproved) and claims on those contracts that we conclude to be enforceable under the terms of the signed contracts. Many of the Company's contracts have one clearly identifiable performance obligation. However, some contracts provide the customer an integrated service that includes two or more of services associated with construction, operations and management. The determination of the number of performance obligations in a contract requires significant judgment and could change the timing of the amount of revenue recorded for a given period.

Determination of the contract price is dependent upon a number of factors, including the accuracy of a variety of estimates made at the balance sheet date, such as estimated costs at completion. Additionally, the Company is required to make estimates for the amount of consideration to be received, including variable compensation such as bonuses, awards, incentive fees, claims, unapproved change orders, unpriced change orders, penalties, and liquidated damages. The Company's estimates of variable consideration and determination of whether to include such amounts in the contract price are based largely on the Company's assessment of legal enforceability, anticipated performance, and any other information (historical and forecasted) that is reasonably available to the Company. Management continuously monitors factors that may affect the quality of its estimates, and makes adjustments accordingly.

The Company has numerous contracts that are in various stages of completion which require estimates to determine the forecasted costs at completion. Due to the nature of the work left to be performed on many of the Company's contracts, the EAC for fixed-price contracts is complex, subject to many variables and requires significant judgment. Estimates of total cost at completion are made each period and changes in these estimates are accounted for prospectively as cumulative adjustments to revenue recognized in the current period. If estimates of costs to complete fixed-price contracts indicate a loss, a provision is made through a contract write-down for the total loss anticipated in cost of revenue.

Change Orders

Contracts are often modified to account for changes in contract specifications and requirements. Most of the Company's contract modifications are for goods or services that are not distinct from existing contracts due to the significant integration provided in the context of the contract and are accounted for as if they were part of the original contract. The effect of a contract modification on the transaction price and the Company's measure of progress for the performance obligation to which it relates are recognized as an adjustment to revenue (either as an increase or decrease) on a cumulative catch-up basis.

Claims Recognition

Sometimes the Company seeks claims for amounts in excess of the contract price for delays, errors in specifications and designs, contract terminations, change orders in dispute or other causes of additional costs incurred. Costs attributable to claims from customers are treated as costs of contract performance as incurred. The transaction price does not include any amounts collected on behalf of third parties, such as sales tax.

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Income Taxes

The Company accounts for income taxes under the asset and liability method prescribed by the Accounting Standards Codification Topic 740 — Income Taxes (“ASC 740”). This method requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the condensed consolidated and consolidated financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the condensed consolidated and consolidated financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse.

The Company recognizes deferred tax assets to the extent that its management believes these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, it will make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

Emerging Growth Company and Smaller Reporting Company

We are an “emerging growth company,” as defined in the JOBS Act. For so long as we are an emerging growth company, we will, among other things:

- not be required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes- Oxley Act,
- not be required to hold a nonbinding advisory stockholder vote on executive compensation pursuant to Section 14A(a) of the Exchange Act,
- not be required to seek stockholder approval of any golden parachute payments not previously approved pursuant to Section 14A(b) of the Exchange Act,
- be exempt from any rule adopted by the Public Company Accounting Oversight Board, requiring mandatory audit firm rotation and identification of critical audit matters,
- be subject to reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and
- be subject to reduced obligations with respect to financial data, including presenting only two years of audited financial statements and only two years of selected financial data in this prospectus.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can use the extended transition period provided in Section 7(a)(2) (B) of the Securities Act, for complying with new or revised accounting standards. This permits an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

We are also a smaller reporting company as defined in the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as our voting and non-voting common stock held by non-affiliates is less than \$250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than

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\$100.0 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is less than \$700.0 million measured on the last business day of our second fiscal quarter. See “*Risk Factors — General Risk Factors — We are an emerging growth company and because we take advantage of specified reduced disclosure requirements applicable to emerging growth companies and smaller reporting companies, our financial statements may not be comparable to companies that comply with public company effective dates, which may make our common stock less attractive to investors.*”

Internal Controls and Procedures

As an emerging growth company and smaller reporting company, we are not currently required to maintain an effective system of internal controls as defined by Section 404(b) of the Sarbanes-Oxley Act. We will be required to comply with the internal control requirements as defined by Section 404(a) of the Sarbanes-Oxley Act for the fiscal year ending December 29, 2023. Only in the event that we are deemed to be a large accelerated filer or an accelerated filer, and no longer qualify as an emerging growth company and smaller reporting company, would we be required to comply with the independent registered public accounting firm attestation requirement on the effectiveness of our system of internal control over financial reporting. Further, for as long as we remain an emerging growth company as defined in the JOBS Act, we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies or smaller reporting company including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirement on the effectiveness of our system of internal control over financial reporting. See “*Risk Factors — General Risk Factors — If, after this offering, we are unable to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act as it applies to an emerging growth company that is listed on an exchange for the first time, or if we are unable to maintain effective internal controls over financial reporting, investors may lose confidence in the accuracy of our financial statements and our share price may suffer.*”

In the course of preparing the condensed consolidated and consolidated financial statements that are included in this prospectus, our management has determined that we have material weaknesses in our internal control over financial reporting, which relate to the lack of a sufficient number of trained resources with assigned responsibilities and accountability for the design and operation of internal controls over financial reporting, lack of formal and effective controls over certain financial statement account balances, and lack of formal and effective controls over the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) principles including control environment, risk assessment, control activities, information and communications and monitoring which resulted in material adjustments in the preparation of our condensed consolidated financial statements as of and for the six months ended June 30, 2023 and July 1, 2022 and consolidated financial statements as of and for the fiscal years ended December 30, 2022 and December 31, 2021.

In order to remediate these material weaknesses, we have hired and continue to seek out additional accounting and finance staff members with public company reporting experience to augment our current staff and to improve the effectiveness of our closing and financial reporting processes and are currently implementing key controls over financial reporting and COSO principles. While we have implemented a plan to remediate these material weaknesses, the steps we have taken to date, and that we are continuing to implement, may not be sufficient to remediate these material weaknesses or to avoid the identification of other material weaknesses in the future.

Notwithstanding the material weaknesses that existed at June 30, 2023 and December 30, 2022, our management has concluded that the condensed consolidated financial statements included elsewhere in this prospectus present fairly, in all material respects, our financial position, results of operations and cash flows in conformity with GAAP.

If we fail to fully remediate these material weaknesses or fail to maintain effective internal controls in the future, it could result in a material misstatement of our condensed consolidated and consolidated financial statements that would not be prevented or detected on a timely basis, which could cause investors to lose confidence in our

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financial information or cause our stock price to decline. Our independent registered public accounting firm has not assessed the effectiveness of our internal control over financial reporting and, under the JOBS Act, will not be required to provide an attestation report on the effectiveness of our internal control over financial reporting so long as we qualify as an emerging growth company, which may increase the risk that material weaknesses or significant deficiencies in our internal control over financial reporting go undetected.

Quantitative and Qualitative Disclosures about Market Risk

Not applicable as we are a “smaller reporting company,” as defined in the Exchange Act.

BUSINESS

Our Company

We are a leading provider of water and other critical infrastructure solutions nationwide. Through our predecessor entities, we have a long history of working on complex water projects, ranging from the world's largest wastewater recycling and purification system in California to the iconic Hoover Dam. According to *Engineering News Record*, in 2022 we were nationally ranked as a top ten builder of dams and reservoirs (#1), water supply (#3), water treatment and desalination plants (#8) and mass transit (#9). We are led by industry veterans, many with over 20 years of experience, and work closely with our customers to deliver complete solutions, including long-term operations and maintenance.

The United Nations has stated that climate change is primarily a water crisis as water becomes more scarce, unpredictable, polluted, or a combination of all three. Climate change, along with other emerging issues like drinking water contamination, requires significant and complex solutions like those we provide. We believe we are entering a period of substantial investment in water solutions, with more than \$60 billion already authorized by federal legislation. In addition to organic growth opportunities, the existing water industry is highly fragmented by geography and capability, and we believe there is significant opportunity to both further expand our core infrastructure services and provide new services through acquisitions.

We selectively focus on the following types of infrastructure projects:

- *Water Treatment:* We expand, rehabilitate, upgrade, build and rebuild water and wastewater treatment infrastructure, including desalination plants. We implement complex cleantech treatment technologies including ozonation, biological activated carbon, membrane filtration, reverse osmosis, chemical treatment, and oxidation. We also conduct facility commissioning. Our projects and solutions aim to ensure access to clean and safe drinking water, protect public health, and reduce waterborne diseases. Our work contributes to protecting the environment by removing pollutants and contaminants from wastewater before it is released back into ecosystems. Additionally, water treatment infrastructure supports sustainable water management, which conserves this precious resource for future generations.
- *Water Resources:* We build, expand, and improve water storage and conveyance, dams, levees, flood control systems, pump stations, and coastal protection. We also upgrade and expand dams, levees and locks along our nation's waterways to enable continued emissions-reducing movement of goods. Select projects of ours enable reliable water supply, generate hydroelectric power, and control flooding, ensuring water availability and energy security. Our work contributes to protecting communities from flood damage to safeguard lives, property, and infrastructure.
- *Other Critical Infrastructure:* We build, retrofit, expand, rehabilitate, operate, and maintain our nation's critical infrastructure, including mass transit, bridges, and military infrastructure. We work on projects that we believe are vital for economic growth, social connectivity, and accessibility. We believe our projects enable smooth and efficient movement of people and goods, foster trade, address environmental sustainability, and improve quality of life for individuals and communities.

We were founded in 1990 in California. In 2017, AECOM acquired Shimmick and consolidated us with its existing construction services, which included former legacy construction operations from Morrison Knudsen, Washington Group International, and others. In January 2021, we began operating as an independent company under new private ownership. While our legacy companies have a long history operating in the United States, we have a limited operating history as an independent company. Following our separation from AECOM, we began a transformation to shift our strategy to meet the nation's growing need for water and other critical infrastructure. We believe our competitive strengths, which are discussed below, position us to execute this strategy and capitalize on market opportunities. However, our limited operating history as an independent company and historical dependence on AECOM subject us to a number of risks, such as an inability to obtain necessary bonding and the need to incur additional operating expenses to create or supplement the corporate infrastructure necessary to operate as an independent company. We are also involved in ongoing disputes with AECOM,

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which could adversely impact our business. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — AECOM Sale Transactions*” for a definition and discussion of the AECOM Sale Transactions and “*Risk Factors — Risks Related to our Projects — We have a limited operating history as an independent company and have been historically dependent on our prior owner, AECOM,*” “*— Risks Related to Our Business and Industry — We are involved in ongoing disputes with our prior owner, AECOM, which could adversely impact our business,*” “*— We may be required to make additional payments to AECOM pursuant to contractual arrangements*” and “*— If AECOM defaults on its contractual obligations to us or under agreements in which we are a beneficiary, our business could be materially and adversely impacted*” for a discussion of risks related to AECOM.

For the six months ended June 30, 2023 and July 1, 2022, we generated revenue of \$319.3 million and \$293.6 million, respectively, and net (loss) income attributable to Shimmick Corporation of \$(19.6) million and \$3.7 million, respectively. Adjusted EBITDA was \$(2.9) million and \$31.9 million for the six months ended June 30, 2023 and July 1, 2022, respectively. Adjusted net (loss) income was \$(12.0) million and \$22.7 million for the six months ended June 30, 2023 and July 1, 2022, respectively. For the years ended December 30, 2022 and December 31, 2021, we generated revenue of \$664.2 million and \$572.7 million, respectively, and net income attributable to Shimmick Corporation of \$3.8 million and \$45.4 million, respectively. Adjusted EBITDA was \$47.0 million and \$(193.6) million for the years ended December 30, 2022 and December 31, 2021, respectively. Adjusted net income (loss) was \$29.5 million and \$(184.3) million for the years ended December 30, 2022 and December 31, 2021, respectively. For reconciliations of Adjusted EBITDA and Adjusted net (loss) income to net (loss) income, the most directly comparable GAAP financial measure, see “*Prospectus Summary — Summary Selected Consolidated Financial Data.*”

As of June 30, 2023, we had a backlog of projects in excess of \$1 billion, with over half of that amount comprised of water projects. We believe we have the ability to self-perform many of these projects, enabling us to compete for complex projects and differentiating us from many of our competitors. Self-performance also enables us to better control the critical aspects of our projects, reducing the risk of cost and schedule overruns.

Our Customers

Our project revenue and contracts come primarily from public customers such as federal, state, and local governments, including water districts, sanitation districts, irrigation districts, and flood control districts. Government backing provides financial stability and reliability, as public projects are funded by government entities with the authority to collect taxes and allocate funds. Diverse funding sources — grants, appropriations, loans, state and local taxes, and user fees — reduce dependence on a single source and enhance overall market stability.

Throughout our history, we have maintained and cultivated a strong presence in California. In 2022, more than half of our revenue was generated in California, the largest construction market in the United States. The amount of construction put in place for water infrastructure in California was \$4.9 billion in 2022, according to S&P. Our revenue from water projects in California was less than 10% of the total California water market, indicating ample opportunity for us to grow our market share in California, where we believe we possess significant competitive advantages.

For example, we have detailed knowledge of the California market and have developed long-standing relationships with significant customers, including the OCS&D, the OCWD, the MWD, the Port of Long Beach, the Port of Los Angeles, the City of San Francisco, the City and County of Los Angeles, and other public agencies across the state. In addition to long-standing relationships with our customers, our decades of industry experience have supplied us with deep knowledge of the local workforce, subcontractors, and suppliers throughout the state, which we believe provides us with a distinct pricing advantage and enables us to better manage risk.

We also have a long history of delivering solutions for the federal government, primarily building locks, dams, levees, and flood protection along the nation’s inland waterways and coasts. Our federal clients include the Navy and numerous USACE districts, including the Louisville District in Kentucky, the Rock Island District in Illinois, and the Nashville District in Tennessee. This work supports efficient transportation, which helps boost trade, reduce congestion on roads, and enhance our nation’s economy.

Our Growth Strategy

Following consummation of the AECOM Sale Transactions, we began a transformation to shift our strategy to meet the nation's growing need for water and other critical infrastructure and grow our business. We are beginning to see the benefits of that transition. Projects that were secured prior to the AECOM Sale Transactions, including large scale projects with higher risk and lower margins, is being worked off and replaced with smaller and mid-sized projects with less risk and higher margins. As a result of our renewed strategic focus on water infrastructure, for the first time in company history, in September 2022, Shimmick was ranked in the top ten for dams and reservoirs, water supply, and water treatment and desalination by *Engineering News Record*.

Our growth strategies are as follows:

Organically Grow Core Water and Critical Infrastructure Business. We seek to further expand our market share in water and other critical infrastructure to meet the nation's needs for clean water, economic development, disaster mitigation, trade, and resilience. We anticipate a prolonged and growing demand for the markets we currently serve, due to, among other things, growing coastal populations, climate change, drought and severe weather events, and increased activity along the inland waterways, where, according to the most recent ASCE Report Card for Inland Waterways nearly 830 million tons of the nation's goods are transported every year. Accordingly, we aim to increase the share of water projects as a percentage of our overall backlog. We plan to continue focusing on building infrastructure that meets our customer's needs — like water reuse, recycling, and conservation — and capitalize on significant opportunities within our core market of California.

We believe that by carefully positioning ourselves in markets that have meaningful barriers to entry, as discussed below, we can realize meaningful advantages. For example, we target projects requiring highly technical or specialized scopes of work or in our core market of California, where we can leverage our deep knowledge of and relationships with customers, workforces, subcontractors, and suppliers. We believe this provides us with a distinct pricing advantage, as well as better risk management.

Enhance Profitability. With a consistent focus on profitability by our management team and growing demand for critical infrastructure, we believe we can further enhance margins through disciplined project selection and bidding. We believe that the need and funding for projects may exceed the industry's capacity, enabling us to opportunistically target smaller specialized projects with less risk at higher margins.

We maintain a disciplined project evaluation process during which we look at a wide range of factors when determining which projects to bid. Certain criteria are considered at each stage of the pursuit process, which may include project size, location, customer, scope of work, availability of resources, anticipated competition, and project duration, among others. We selectively bid on projects that we believe offer an opportunity to meet our profitability objectives or that offer the opportunity to strategically grow our market share. In addition, we review our bidding opportunities to attempt to minimize concentration of work with any one customer or in tight labor markets.

We also believe that complex projects require companies like ours to have specific technical experience, the ability to obtain surety bonds, a trained workforce, geographic presence in key markets, and specialty equipment. These requirements, among others, present certain barriers to entry, which limits competition and enables us to maintain selectivity and a desired level of profitability. Additionally, we believe the demand for services like ours is outpacing the industry's ability to supply those services. As illustrated by a few of our recent bids, we were one of just three bidders on the Folsom Dam for USACE, one of two bidders for Control Upgrades at Plant No. 2 for the Orange County Sanitation District, and the sole bidder on the Regional Water Reclamation Facility for the Elsinore Valley Municipal Water District.

Expand Service Offerings for Water and Critical Infrastructure Through Strategic Acquisitions. Upon completion of this offering, we intend to complement our organic growth through strategic acquisitions. We will opportunistically evaluate strategic acquisitions that would enable us to pursue complementary markets or enter new geographies where we do not have an existing footprint. Specifically, we plan to target companies that

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expand our existing solutions to provide additional capabilities along the water value chain, such as solutions for influent and effluent water conveyance, physical, chemical and/or biological water treatment, water testing, commissioning and operations and maintenance or other services which provide additional recurring revenue opportunities. Our industry includes a number of companies whose growth potential we believe has plateaued absent additional capital infusion or that otherwise may be seeking a liquidity event, which we believe presents opportunities for us to further our growth through strategic acquisitions. We believe the proceeds from this offering, along with existing cash on hand, publicly traded stock and access to capital markets, will enable us to leverage our established platform and the acquisition experience of our management team positions us well to capitalize on future acquisition opportunities and accelerate our growth.

Our Competitive Strengths

With decades of industry experience and a track record of delivering water and other critical infrastructure projects, we believe we are well-positioned to address market trends and meet the growing needs of our current and prospective customers. We believe our long-standing customer relationships, revenue stability, market-leading positions in key markets, effective risk management, presence in key geographies, and a commitment to talent development further contribute to our future success.

Track Record of Water and Other Critical Infrastructure. Through our decades of experience, we have developed efficient processes and controls that allow us to successfully deliver critical infrastructure projects. Our strategy shift to focus on water treatment facilities, dams, locks, and levees, coupled with recent and strong underlying market dynamics, has helped us become a market leader.

Self-Performance of Contracts. We believe we are differentiated from our competitors by our ability to self-perform virtually all aspects of the critical infrastructure projects we build. We believe our ability to self-perform these project scopes makes us more competitive, as we are able to confidently estimate the cost of each job package given our expertise, track record, and expectation that we will self-perform up to 80% of the elements in a typical construction contract. Self-performance offers numerous benefits, both internally and for our customers, including: better cost and quality control, greater control over work sequencing to reduce potential delays, increased flexibility and responsiveness, and a single point of accountability for our customers, all of which simplify project management. Self-performance also creates additional value by enabling us to capture profit margin that would typically be shared with subcontractors.

Customer and Revenue Stability. In 2022, the vast majority of our revenue was derived from public projects. Our public customers include water districts, sanitation districts, irrigation districts, flood control districts, USACE, cities, counties, and others. Government backing provides financial stability and reliability, since public projects are funded by government entities with the authority to collect taxes and allocate funds. Long-term planning and public interest behind infrastructure projects help ensure consistent funding allocation. Governments also have legal obligations to provide and maintain essential infrastructure, further solidifying the stability of public funding. Diverse funding sources — grants, appropriations, loans, state and local taxes, and user fees — reduce dependence on a single source and enhance overall market stability. Additionally, countercyclical investment, like federal stimulus during economic downturns, contributes to the stability of public funding. We believe this strategy enables us to better manage our business through market cycles.

Framework for Managing Construction Projects and Contract Risk. Our long history in these markets provides us with an understanding of the various risks of infrastructure construction. Following the AECOM Sale Transactions, we enhanced our monitoring and risk management practices applied throughout the entire project lifecycle, including the bid process, pre-construction planning activities, and construction. Our senior management reviews all bid proposals prior to submission, thereby increasing accountability and an understanding of the financial and operating risks and opportunities of our contracts. We maintain a database of prior contract proposals and records from completed projects, such as raw material requirements and costs, labor requirements and costs, and equipment needs, enabling us to rely on our institutional knowledge when estimating project costs in developing new proposals.

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Long-Term Relationships with Customers and Partners. Over the past 30 years, we have developed strong relationships with major infrastructure owners including the OCWD, the City of San Diego, Bay Area Rapid Transit, the Ports of Long Beach and Los Angeles, the City of San Francisco and the City and County of Los Angeles. Elsewhere, we have delivered work for numerous USACE districts, including Louisville, Kentucky, Rock Island, Illinois, Omaha, Nebraska, and Nashville, Tennessee. In fact, most of our revenue in 2022 was generated from repeat customers, leveraging established relationships, familiarity with expectations, and enhanced collaboration for improved outcomes.

Strong Culture and Values with a Commitment to Talent Development. We seek to foster a culture of professional development for each employee. We focus on hiring and retaining highly talented employees with diverse backgrounds and empowering them to create value for our stockholders. We believe our success is dependent on employee understanding of and investment in their role in that value creation. We recruit many of our new employees from a network of approximately two dozen college campuses, where we seek to identify diverse candidates with a desire to develop as construction and engineering professionals and who have key intangible qualities in addition to academic credentials. We believe that our culture, combined with the opportunity to work on complex projects, provides unique opportunities for our employees to grow within our organization. We also encourage our employees to take proactive steps to advance their development and we support our employees in achieving the Professional Engineer designation. Our commitment to career and leadership development is evidenced in our core values, which include Safety, Achievement, Transparency, Empowerment and Responsibility, Authentic Relationships and Mutual Trust and Support. As a guiding principle, we are committed to supporting our employees as they develop their careers.

Experienced Executive Team with Significant Equity Incentive. Many members of our senior leadership team have over 20 years of industry experience and have worked together for over a decade. Additionally, as of June 30, 2023, members of our management team currently held vested and unvested stock options representing over 15% of our common stock on a fully-diluted basis (or over 12.5% after giving effect to this offering), which will significantly align their interests with stockholders.

Our Projects

We have historically pursued publicly funded water and other critical infrastructure projects. These projects include water and wastewater treatment, water conveyance (pipes, pump stations, irrigation and drainage channels), water storage (dams, reservoirs, weirs), flood protection (levees, flood walls), and environmental projects (species protection, fish ladders, hatcheries), as well as other critical infrastructure. These projects enhance connectivity, trade and economic growth.

As noted above, we have the ability to self-perform virtually all aspects of the critical infrastructure projects we build. However, at times, we may enter into joint venture arrangements on certain projects where it is necessary or desirable to share expertise, risk and resources. Joint venture partners typically provide independently prepared estimates, shared equipment, and often bring local knowledge and expertise. For example, our three largest joint venture partners which account for approximately 93% of the joint venture arrangements of the joint venture arrangement backlog amount as of June 30, 2023, bring structural steel expertise related specifically to retrofitting tainter gates, structural steel erection and construction managers and general contractor expertise. The services we self-perform versus those we rely upon subcontractors and joint venture partners to perform vary from project to project. Our decision regarding whether to self-perform work required depends on multiple factors, including location, availability of subcontractors, availability of craft, size of project, risk management objectives, scope and cost of self-performing versus subcontracting. The work performed through joint venture arrangements is done on an integrated basis, meaning we and our joint venture partners operate as an integrated company with shared cost and risk. As of June 30, 2023, we had a backlog of projects of \$1.3 billion, approximately \$142 million, or 11%, of which are through our joint venture arrangements.

Water Treatment

Our experience in the water treatment space includes a wide range of treatment technologies. For example, for Orange County's Groundwater Replenishment System Expansion, we delivered a three-step advanced process

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consisting of microfiltration, reverse osmosis and ultraviolet light with hydrogen peroxide to produce water that meets and exceeds state and federal drinking water standards. The new 30 MGD expansion, completed in 2023, created an additional 31,000 acre-feet per year of new water supply and expanded the facility's capacity to provide water for one million people.

Desalination, another treatment process, removes salt and other impurities from seawater or brackish water to produce freshwater and provides a reliable and alternative source of freshwater in regions facing water scarcity. Desalination also supports economic development and population growth in arid coastal areas. Although desalination plants come with unique environmental and regulatory challenges, desalination remains an important part of a larger, multi-billion dollar strategy to address drought and water scarcity in California, according to the California Water Board Water Supply strategy, published in August 2022. For example, in 2020 the California Department of Water Resources awarded over \$82 million in Proposition 1 desalination grants to support 20 projects. One of the projects that has received Proposition 1 funding is the Antioch Desalination Plant. To combat the increase in water salinity, Shimmick is adding a desalination reverse osmosis treatment train to this existing plant in Antioch. This work will enable the plant to continue to provide a drought-resistant water supply, reduce reliance on imported water, enhance water reliability, support agricultural needs, and contribute to the overall water security and sustainability in the San Joaquin Delta System and surrounding areas. Also, in 2018, we expanded the Robert W. Goldsworthy Desalter facility in Los Angeles County. Using reverse osmosis, the facility processes salty, brackish groundwater to create fresh, potable water. We also improved the facility's reverse osmosis capabilities, installing new filter membranes and analysis and monitoring instrumentation.

Water Resources

According to *Engineering News Record*, we were the nation's largest builder of dams and reservoirs and third largest builder of water supply systems in 2022. These critical infrastructure projects control flooding, store and supply water, and improve water quality to meet public demands. We also improve locks along the nation's inland waterways, enabling the efficient and emissions-reducing transportation of goods, supporting commerce, and connecting regions for economic growth and trade.

At the LaGrange Lock and Dam in Illinois, USACE chose us to perform a major rehabilitation of the more than 80-year-old dam along one of the main inland waterways. According to the most recent ASCE Report Card for inland waterways, barges transport nearly 830 million tons of the nation's goods every year along these navigable rivers, canals, and channels. Additionally, we recently completed the Rapid Disaster Infrastructure program, building more than five miles of levees in Missouri to protect the area from flooding. A Shimmick-led joint venture also replaced an aging lock and dam and constructed the new Olmsted Dam on the Ohio River. With the Olmsted lock and dam replacement, economic net benefits to the nation are estimated to be more than \$640 million annually, according to the same ASCE Report Card.

In California, as part of a joint venture, we recently secured a project for USACE to raise the main dam in Folsom. The project, set for completion in 2027, will enhance flood control by increasing temporary storage capacity of the reservoir by 43,000 acre-feet, reducing flood risk in the greater Sacramento area.

Other Critical Infrastructure

Critical infrastructure refers to the systems, assets, and facilities that are essential for the functioning and well-being of our nation. They are vital for maintaining national security, public health and safety, and economic stability. Disruptions or failures in critical infrastructure can have significant consequences and impact the functioning of society.

Our most recent example of critical infrastructure delivered for the military was the Point Loma Navy Fuel Pier Replacement. This project was necessary to ensure the safe and efficient refueling of naval ships and to meet current operational and safety standards. We demolished and removed the existing pier, installed a new fueling pier, and performed other security improvements to enhance the Navy's ability to maintain its fleet of surface ships, submarines, and other vessels.

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We have included project details below for projects currently in progress or recently completed. These projects represent a typical cross-section of the common types of projects we deliver in terms of scope, customer type, and geography.

North City Pure Water Treatment Facility (San Diego, CA)

Market Drivers: Drought, water scarcity, water conservation and reuse
Market: Water treatment
Client: City of San Diego
Status: Ongoing



Description: The North City Pure Water Treatment Facility in San Diego utilizes advanced technology to purify recycled water, providing a safe and sustainable water supply. Its benefits include reducing dependence on imported water, ensuring water resilience, and protecting the environment by reducing wastewater discharge. Shimmick is delivering a new state-of-the-art facility to treat recycled water currently used for irrigation from the North City Water Reclamation Plant to purified water standards, making it suitable to use as potable water.



Foster City Levee (Foster City, CA)

Market Drivers: Coastal population, sea-level rise, climate change
Market: Water resources, flood protection
Client: Foster City
Status: Completed

Description: To address sea-level rise projections through the year 2050 and the resulting increase in tidal surges, Shimmick was chosen to build a new levee to protect Foster City's coastal population on the San Francisco Bay. Shimmick constructed more than six miles of flood protection, including new concrete retaining walls, new earth filled embankment, and new sheet pile walls. Shimmick performed all work adjacent the environmentally sensitive bay and marsh environments.



Antioch Desalination Plant (Antioch, CA)

Market drivers: Water quality, climate change

Market: Water treatment, desalination

Client: City of Antioch

Status: Ongoing

Description: The Antioch Desalination Plant in California provides a drought-resistant water supply, reduces reliance on imported water, enhances water reliability, supports agricultural needs, and contributes to the overall water security and sustainability of the region. Here, seasonal irrigation demand allows sea water to travel further inland from the San Francisco Bay into the San Joaquin Delta System. To combat the increase in water salinity, Shimmick is adding a desalination reverse osmosis (RO) treatment train to the existing Antioch Desalination Plant.



LaGrange Lock and Dam (Versailles, IL)

Market drivers: Aging infrastructure, efficient movement of goods

Market: Inland waterways, locks, dams

Client: U.S. Army Corps of Engineers

Status: Completed

Description: USACE chose Shimmick to perform a major rehabilitation of the more than 80-year-old dam along one of the main inland waterways. According to the most recent ASCE Report Card for inland waterways, barges transport nearly 830 million tons of the nation's goods every year along these navigable rivers, canals, and channels. Shimmick removed and replaced the miter gate and tainter valve hydraulic and electrical control equipment, as well as the associated anchorages. Shimmick also dewatered and refaced the lock chamber and constructed and installed mechanical equipment-protection structures.



Our Market Opportunity

Due to water's essential nature, climate change, coastal population growth, aging infrastructure, regulatory requirements, infrastructure resilience needs, and technological advancements, we anticipate the demand for

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water infrastructure to continue to grow. Aging infrastructure requires maintenance and upgrades, while regulatory standards, as well as new extreme weather patterns like droughts, drive the need for conveyance, new facilities and treatment technologies. Additionally, water infrastructure is critical and, in many cases, life-sustaining, less impacted by economic downturns than other markets like residential or commercial construction. We believe these and other factors contribute to the sustained demand for water infrastructure, for which we have already seen a significant increase in authorized spending.

The Infrastructure Investment and Jobs Act (“IIJA”), passed in November 2021, authorized the spending of \$1.2 trillion over five years to expand access to clean drinking water, rebuild the nation’s transportation system, and address climate change, among other initiatives. Of the \$1.2 trillion in supplemental spending authorized by the IIJA, more than \$50 billion will go to the EPA to strengthen the nation’s drinking water and wastewater systems, representing the single largest investment in water ever by the federal government and representing a significant, multi-year market opportunity for Shimmick. Specifically, it provides more than \$20 billion for safe drinking water, with \$12 billion going to a state clean water revolving fund, to which states can apply for grants and loans for critical water infrastructure projects. The remainder, around \$9 billion, will address emerging contaminants, including PFAS in drinking water. Another \$15 billion is included to replace lead pipes, more than \$12 billion to ensure clean water for communities, and nearly \$2 billion for regional water protection.

According to S&P, water and other critical infrastructure spending is forecasted to have a compound annual growth rate (“CAGR”) of 5% between 2023 and 2027. Additionally, because projects often take several years to plan and advertise, we believe the bulk of the newly authorized spending is yet to come. According to Dodge Data’s 2023 second quarter forecast, just 35% of the IIJA funding has flowed to projects thus far, with the bulk of spending coming in future years. Despite economic uncertainty surrounding federal monetary policy and inflationary pressures, nonbuilding infrastructure starts, defined by Dodge Data as public works like dams, sewerage and waste disposal, water supply, and bridges, are forecasted to see a 16% increase to \$281 billion in 2023. Furthermore, nonbuilding infrastructure will be “more insulated from economic turmoil than other sectors” due to the recent passage of several federal legislative efforts, according to Dodge Construction Network’s 2023 Construction Outlook.

In addition to the IIJA, the American Rescue Plan Act of 2021 provided another \$6.5 billion in grants for state and local governments for water projects through 2024. Although the bill was originally designed to address impacts related to the COVID-19 pandemic, the final version provides state and local governments with “wide latitude to identify investments in water and sewer infrastructure that are of the highest priority for their own communities.” By permitting funds to be used for water and sewer infrastructure needs, the revised rule states that, “Congress recognized the critical role that clean drinking water and services for the collection and treatment of wastewater and stormwater play in protecting public health.”

Management considers the size of our market opportunity to be the total market opportunity for all companies similarly situated to meet the demand for water infrastructure, which includes our current competitors and any future market entrants. We estimate that the total market opportunity for water infrastructure is forecasted to be in excess of \$60 billion per year, and given current competitors and future market entrants, we will likely only be able to convert on a portion of that market opportunity. Furthermore, the federal government and our private clients may face challenges implementing the funding allocated to them, which would decrease the size of the total estimated market opportunity.

California

One of California’s major economic drivers is water availability. Seventy-five percent of California’s water supply comes from watersheds north of Sacramento, while the state’s highest demand comes from the south. This requires an extensive network of water conveyance, storage, and other infrastructure to deliver water where it is most needed. As the most populous state in the U.S., California delivers drinking water to around 40 million people through a robust network of water facilities. California maintained more than 420 wastewater treatment plants and processed more than five million acre-feet, or nearly two trillion gallons, of influent and effluent water in 2021.

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California's water infrastructure has deteriorated over the last several decades. The EPA 2018 Drinking Water Infrastructure Needs Survey and Assessment determined that the cost of California's water infrastructure needs to be increased to over \$51.0 billion. California's needs include an estimated \$31.6 billion to improve drinking water transmission, \$9.2 billion for water treatment and \$7.0 billion for water storage. According to S&P, the size of the California water and transportation infrastructure market, the largest market in which we operate, will be approximately \$23 billion in 2024. It is projected to grow nearly 30% faster than the national average, with a nominal CAGR of approximately 7% between 2023 and 2027.

In 2017, the Public Policy Institute of California ("PPIC") reported that "every county has been declared a flood disaster area multiple times." And that "transportation, energy, water supply, and sewer networks are also at risk of disruption." Due to these factors, proactive steps are being taken to fund water projects and programs. According to the PPIC, Californians have approved \$27.0 billion in water bonds since 2020.

Additionally, California is the federal government's largest recipient of formula-based funds for infrastructure, with \$39.0 billion expected from the IJA over the next five years and another \$3.5 billion in federal funding for clean water infrastructure. In November 2022, California received \$609 million in supplemental state revolving funds from the EPA for water projects, by far the most allocated to any state.

Since the passage of the California Infrastructure Planning Act in 1999, the California Governor's office has been required to submit a five-year infrastructure plan with the annual budget bill to the California Legislature for consideration. California enacted a 2023-2024 total budget of \$310 billion, which allocates more than \$32 billion for infrastructure.

Additionally, the federal Bipartisan Budget Act of 2018 allocated \$3.5 billion to improve water infrastructure in California and \$8 billion for western water infrastructure. The Inflation Reduction Act provides another \$4 billion for drought relief throughout western states, including California. According to the PPIC, over the past three years the California state legislature has authorized more than \$8 billion to improve water supply and river and wetland ecosystems.

Funding for water-related projects also comes from revenue generated from water sales. In California, the vast majority (84%) of water projects are funded from local water bills and taxes. The balance comes from state (13%) and federal (3%) contributions.

Federal

According to an April 2023 Congressional Resource Service report, the IJA provided \$17.1 billion in direct, emergency appropriations to USACE for construction (68%), operations and maintenance (23%) and Mississippi River and Tributaries (5%). Much of this funding is being allocated directly to the core markets in which we operate, including \$2.5 billion to inland waterways and another \$5 billion for coastal and inland flood management. The remainder is slated for aquatic ecosystem restoration, pilot programs for flood risk, and other programs.

In addition to the IJA, the Bipartisan Budget Act, passed in 2018, authorized \$15 billion for construction for projects like the Sabine Pass to Galveston Bay Coastal Storm Risk Management Program that will reduce risk from coastal storm surges along the Texas coast. Shimmick is currently pursuing this important project, and if prequalified, will be granted the opportunity to bid task orders under the \$7 billion MATOC. The USACE has already prequalified Shimmick for two other MATOCs this year — the Huntington Land Based Construction MATOC and the Nashville Construction MATOC. Shimmick is one of two large businesses prequalified on Huntington MATOC and one of four large businesses prequalified for Nashville MATOC. MATOCs limit competition to a subset of prequalified competitors and offer significant, long-term project and revenue opportunities.

Both the IJA and the Bipartisan Budget Act are supplemental to the USACE's annual budget, which in recent years has been approximately seven to eight billion dollars annually, historically reflecting modest year-over-year increases. This funding is directly appropriated to USACE for projects outlined in its annual work plans.

Our Industry

Several long-term trends, including the impact of climate change, the deterioration of aging infrastructure, and coastal population growth, have resulted in a renewed focus on infrastructure development and funding in the United States. Droughts and flooding in the west, along with extreme weather along coastal states, have demonstrated the need for expanded water and storm water infrastructure, flooding mitigation and disaster recovery efforts. In addition, our nation's infrastructure, much of it built more than 50 years ago, has deteriorated over the last several decades.

The demand for water infrastructure stems from multiple factors driving the need for reliable water management systems. Growing urbanization and industrialization have amplified water consumption, putting pressure on existing water supply networks. Furthermore, aging infrastructure in many regions requires significant upgrades and modernization to ensure clean water delivery, effective flood control, and efficient navigation.

Critical infrastructure ensures the efficient movement of goods and people, supports economic growth, and enhances connectivity between regions. Major economic drivers for these projects include increasing international trade, urbanization, and population growth. As governments and private entities continue to invest in upgrading and expanding infrastructure to meet these demands, opportunities for innovative solutions and technologies are expected to flourish.

Based on these and other factors, we believe that demand for construction and ongoing maintenance of water and other critical infrastructure projects will continue to increase.

Water Treatment

In the United States, the delivery of drinking water, wastewater treatment, and stormwater services rely on a comprehensive network of treatment plants, pumps, pipes, storage facilities, and other essential components. According to an ASCE Report, more than 50,000 drinking water systems distribute 39 billion gallons of drinking water to U.S. homes, industries, and other businesses. These systems are regulated by the EPA and state agencies under the Safe Drinking Water Act. The drinking water systems in the United States have been assessed as poor/at-risk, with a grade of C- by the ASCE.

With over 16,000 publicly owned wastewater treatment systems, centralized plants are expected to handle a larger share of wastewater treatment due to urban growth. These systems are currently operating at an average of 81% of their design capacity, with 15% exceeding capacity. Many systems built in the 1970s under the Clean Water Act are reaching the end of their expected 40- to 50-year lifespan. Nationwide, water pipes average 45 years old, and some components are over a century old, despite an expected lifespan of 50 to 100 years.

Water Resources

According to the America's ASCE Infrastructure Report Card, there are over 91,000 dams with an average age of 57 years across the U.S. Approximately 15,600 dams in the United States are classified as high-hazard structures, with an estimated rehabilitation cost for non-federal dams of nearly \$20 billion.

The inland waterway network in the United States is comprised of approximately 12,000 miles of inland navigation channels as well as an additional 11,000 miles of intracoastal waterways owned and operated by the USACE. Most of the locks and dams are well past their 50-year design life. According to the ASCE's 2021 America's Infrastructure Report Card, the USACE backlog of authorized projects that are waiting for appropriations funding, which includes the nation's inland waterway locks and dams, is \$6.8 billion. The ASCE reports a navigation backlog of \$2.7 billion annually in unmet maintenance work activities. Estimates show the need to rehabilitate federal dams is approximately \$27.6 billion.

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Industry Drivers and Trends

We believe our core markets of water and other critical infrastructure are in the midst of a prolonged expansion, driven by several macro-economic and geopolitical trends, including the following:

Climate change and extreme weather events. The U.N. Intergovernmental Panel on Climate Change 2023 report highlighted that climate change has affected water security due to warming, changing precipitation patterns, and greater frequency and intensity of climatic extremes. Sea-level rise, droughts and flooding continue to affect highly populated areas, including coastal populations. As of October 2023, the U.S. National Oceanic and Atmospheric Administration (“NOAA”) indicated that more than 90 million people are currently being affected by droughts and 40 states are experiencing moderate droughts or worse. At the same time, other parts of the country are seeing extreme flooding. According to NOAA, there were 40 tropical cyclone and flooding events in the United States from 2013 to 2023, with an aggregate cost of approximately \$730.0 billion.

In coastal regions, rising sea levels and storm surges pose risks to low-lying areas. For example, California has a coastal population of more than 25 million people according to the Office of Coastal Management’s 2023 estimate, which is anticipated to be significantly affected by climate change.

Aging infrastructure. Our nation’s infrastructure — much of it built more than 50 years ago — has deteriorated over the last several decades and is in need of major upgrades and expansions. In its 2021 America’s Infrastructure Report Card, the ASCE graded America’s overall infrastructure as a C- with many of our target markets graded in the Ds. The report estimated that the cumulative needed investment in infrastructure in the United States for the 10 years from 2020 to 2029 was in excess of \$2.6 trillion. The ASCE report estimated that by 2039, failure to improve our infrastructure could cost over \$10.0 trillion in lost U.S. GDP.

Additionally, the replacement of old, lead pipes is required to protect public health. The EPA estimates that 9 million lead pipes currently deliver drinking water to homes and businesses across the U.S., putting millions at risk for neurological damage and coronary heart disease. Recognized as a serious public health risk, the IJJA includes \$15 billion to replace lead pipes across the United States.

Increasing regulations to safeguard public health and address contaminants. Given the widespread exposure to PFAS — harmful, long-lasting chemicals that have been found in our nation’s water supply — state legislatures and the federal government are acting to mitigate the public health impacts and environmental degradation that these chemicals have caused, according to the National Conference for State Legislatures. The IJJA dedicates \$10 billion in funding for communities impacted by emerging contaminants in water, including PFAS. In 2021, the EPA released a PFAS roadmap to prevent unsafe new PFAS chemicals from entering the market and protect public health.

As part of this roadmap, in 2023 the EPA took steps to designate PFAS chemicals as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”). CERCLA establishes liability for owners, operators, generators and others, potentially making entities that handle designated PFAS liable for recovery and remediation costs related to PFAS.

Water conservation and efficiency. According to a 2021 Nasdaq report, contracts for water reuse have surpassed those for desalination. Water recycling offers cost savings, lower energy requirements, and enhanced environmental benefits. In addition to being more economical than desalination, it minimizes the necessity for expanding production capacity and transforms wastewater treatment plants from cost centers into profit centers.

Recent Developments

Set forth below are preliminary estimates of selected unaudited financial and other information for the three months ended September 29, 2023 and actual unaudited financial results and other information for the three

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months ended September 30, 2022. Our full unaudited condensed consolidated financial statements as of and for the three months ended September 29, 2023 are not yet available and will not be available until after the completion of this offering. The following information reflects our preliminary estimates based on currently available information and is subject to change. We have provided ranges, rather than specific amounts, for the preliminary estimates of the financial information described below primarily because our financial closing procedures for the three months ended September 29, 2023 are not yet complete and, as a result, our final results upon completion of our closing procedures may vary from the preliminary estimates.

<i>(In thousands, unaudited)</i>	Three Months Ended		
	September 30, 2022	September 29, 2023	
	Actual	Low	High
Revenue	\$ 184,637	\$173,000	\$177,000
Net Income	\$ 17,831	\$ 32,000	\$ 36,000
Adjusted EBITDA	\$ 25,600	\$ 39,600	\$ 45,500
Cash on hand	\$ 80,558	\$ 61,000	\$ 63,000

- For the three months ended September 29, 2023, we expect to report revenue in the range of \$173.0 million to \$177.0 million. The expected decrease in revenue as compared to the three months ended September 30, 2022 was primarily driven by five projects winding down and nearing completion for a combined amount which exceeded the offset of five new projects starting up.
- For the three months ended September 29, 2023, we expect to report net income in the range of \$32.0 million to \$36.0 million, as compared to net income of \$17.8 million for the three months ended September 30, 2022. The expected net income was primarily driven by a gain on the sale of non-core business contracts, partially offset by prior year gains recognized for the settlement of claims on two joint ventures projects.

The following table reconciles expected net income to Adjusted EBITDA, which is a non-GAAP measure, for the three months ended September 29, 2023, and reconciles actual net income to Adjusted EBITDA for the three months ended September 30, 2022:

<i>(In thousands, unaudited)</i>	Three Months Ended		
	September 30, 2022	September 29, 2023	
		Low	High
Net income attributable to Shimmick Corporation	\$ 17,831	\$32,000	\$36,000
Depreciation and amortization	\$ 4,005	\$ 4,400	\$ 4,800
Interest expense	\$ 15	\$ 450	\$ 550
Income tax expense	\$ 17	\$ —	\$ 100
Changes in fair value of contingent consideration	\$ 56	\$ (300)	\$ (400)
IPO and transaction-related costs ⁽¹⁾	\$ 700	\$ 1,000	\$ 2,100
Stock-based compensation	\$ 884	\$ 450	\$ 550
Legal fees and fees and other costs for a legacy loss job ⁽²⁾	\$ 2,092	\$ 1,600	\$ 1,800
Adjusted EBITDA	\$ 25,600	\$39,600	\$45,500

- (1) We expect to record between \$1.0 million and \$2.1 million in transaction-related costs in the three months ended September 29, 2023 and we recorded \$0.7 million in the three months ended September 30, 2022.
- (2) Consists of legal fees and other costs incurred in connection with claims relating to a legacy project.

Inclusion of Preliminary Consolidated Financial and Operational Information

The preliminary consolidated financial and operational information included in this prospectus reflects management's estimates based solely upon information available to us as of the date of this prospectus and is the responsibility of management. The preliminary consolidated financial results presented above are not a

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comprehensive statement of our financial results for the three months ended September 29, 2023 and September 30, 2022 and have not been audited, reviewed or compiled by our independent registered public accounting firm, Deloitte & Touche LLP (“Deloitte”). Accordingly, Deloitte does not express an opinion and assumes no responsibility for, and disclaims any association with, such preliminary consolidated financial results and operational information. The preliminary consolidated financial results presented above are subject to the completion of our financial closing procedures, which have not yet been completed. Our actual results for the three months ended September 29, 2023 and September 30, 2022 will not be available until after this offering is completed and may vary from these estimates. For example, during the course of the preparation of the respective consolidated financial statements and related notes, additional items that would require adjustments to be made to the preliminary estimated consolidated financial results presented above may be identified. While we do not expect that our actual results for the three months ended September 29, 2023 will vary materially from the preliminary consolidated financial results presented above, there can be no assurance that these estimates will be realized, and estimates are subject to risks and uncertainties, many of which are not within our control. See “*Risk Factors*” and “*Special Note Regarding Forward-Looking Statements*.”

Commitment to ESG

We seek to deploy operational best practices for winning, executing, and supporting the work we do, much of which is designed to achieve environmental or social goals such as clean water or building infrastructure to withstand extreme weather events or other natural disasters. These best practices, tools, and techniques have been developed for key areas of Shimmick’s operations. One of these key areas is Safety, Health, and Environmental (“SH&E”). We seek to achieve SH&E success through a comprehensive, internal program that incorporates SH&E standards and innovative techniques, with the ultimate goal of achieving zero work-related injuries or illnesses and preventing damage to property and the environment. Our SH&E program includes specific guidelines to protect people and the environment and includes environmental compliance maps, environmental impact assessments, environmental management plans, environmental compliance checklists, and a workflow outlining how to manage environmental compliance.

Additionally, we aim to create an inclusive and equitable workplace. For example, in 2021, Shimmick established a mission to empower and support women by providing professional and personal development opportunities. We founded Women at Shimmick, an employee resource group charged with improving the experiences of women at Shimmick, providing programs, events, activities, and other opportunities for professional and personal development for women. The group aims to build awareness of women’s experience among the general employee population, recruit and retain more high performing women, and increase the number of women in leadership positions. In the group’s first year, survey results indicated improvement in key areas including welcoming, leadership and development opportunities, building awareness among the general employee population, and recognition.

For further information on our ESG disclosures see “*Business — Environmental, Social and Governance (ESG)*.” In addition, we are committed to providing transparent disclosures on our human capital management. See “*Business — Human Capital Management*.”

Transition Services Agreement

In connection with the closing of the AECOM Sale Transactions, we entered into a Transition Services Agreement (“TSA”) with AECOM in January 2021, pursuant to which we provide them with certain (i) business and operational services, including services relating to information technology, accounting, human resources and benefits, equipment and real estate leasing, data storage services and regulatory services and (ii) general and administrative services, including business technology services, compliance services, finance/ accounting services and procurement and supply chain services, in each case, with respect to the Business that we purchased from AECOM. Under the TSA, AECOM also provided us with certain facilities and facility management services.

AECOM began providing the services in January 2021 and was substantially done providing services as of December 31, 2021 as the Company now provides its own services, with the exception of the services relating to a few reverse transition service agreements for supporting legacy projects under which we have agreed to provide

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services to AECOM for 18 months to 5 years and would be compensated for such services at predetermined rates not expected to exceed \$200,000 per annum. The services and employees for each service may be amended from time to time by the parties.

The term of the agreement began in January 2021 and ends on the earlier of the last date that AECOM or the Company, as applicable, is required to provide the services or the termination of the TSA in accordance with the agreement. The TSA also includes customary indemnification and termination provisions.

Backlog

Our backlog consists of the remaining unearned revenue on awarded contracts, including our pro-rata share of work to be performed by unconsolidated joint ventures, less the joint venture partners' pro-rata share of work to be performed by consolidated joint ventures. We include in backlog estimates of the amount of consideration to be received, including bonuses, awards, incentive fees, fixed-price awards, claims, unpriced change orders, penalties, minimum customer commitments on cost plus arrangements, liquidated damages and certain time and material arrangements in which the estimated value is firm or can be estimated with a reasonable amount of certainty in both timing and amounts. As construction on our contracts progresses, we increase or decrease backlog to take account of changes in estimated quantities under fixed-price contracts, as well as to reflect changed conditions, change orders and other variations from initially anticipated contract revenue and costs, including completion penalties and bonuses. Substantially all of the contracts in our backlog may be canceled or modified at the election of the customer. See “— *Types of Contracts and Contract Management Process — Selective Bidding Process and Project Management.*”

As of June 30, 2023, we had a backlog of projects of \$1.3 billion, approximately \$142 million, or 11%, of which are through our joint venture arrangements. We estimate that approximately \$1.0 billion will be recognized as revenue over the next twenty four months. None of our backlog is subject to AECOM contractual obligations. Our customer backlog by customer type, contract type and estimated time periods recognized is presented in the following tables:

	As of June 30, 2023 (in millions)
Backlog by customer type:	
State and local agencies	\$ 971
Federal Agencies	164
Private Owners	148
Total backlog	<u>\$ 1,284</u>

	As of June 30, 2023 (in millions)
Backlog by contract type:	
Fixed Price	\$ 1,138
Cost Plus	146
Total backlog	<u>\$ 1,284</u>

	As of June 30, 2023 (in millions)
Estimated backlog recognized	
0 to 24 months	\$ 993
25 to 36 months	127
Beyond 36 months	163
Total backlog	<u>\$ 1,284</u>

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In addition to backlog, we have a robust pipeline of priority projects — those that meet strict internal and external criteria, including size, scope, location, customer, competition and other — that we are both actively bidding and targeting to bid in the near-term. These opportunities represent strategically chosen projects that fit our strategy of focusing on water and other critical infrastructure projects.

Competition

Competitors in the water and critical infrastructure markets can range from large firms with significant financial resources to smaller, regional companies operating within a specialized market or area. The larger competitors may have well-established relationships with government entities, municipalities, and private customers, a capacity to invest in advanced technology and equipment, and/or the ability to operate and manage large projects or facilities.

These contractors include Barnard Construction Company, Inc., Ames Construction Inc., Dragados USA Inc., Flatiron Construction Corp., Fluor Corporation, Michels Corporation, Granite Construction Incorporated, Kiewit Corporation, Skanska USA Inc., Traylor Bros., Inc., and Walsh Construction Group, LLC, among others.

We also compete against smaller, specialized companies that focus on niche areas within the infrastructure space. These specialized firms might possess particular expertise in areas like water treatment technologies or facility rehabilitation. On smaller, regional projects (primarily in California), we will often compete against small or mid-sized regional contractors. These include C. Overaa & Co. Inc., Pacific Hydrotech Corporation, J.F. Shea Co., Inc., Western Weather Constructors, Inc., Steve P. Rados, Inc., Myers and Sons Construction, LLC, and Anvil Builders Inc.

In some cases, projects are awarded based on “best value.” Criteria that may influence our competitiveness include price, technical approach, past performance, plans for quality, equipment resources, financial strength, surety bonding capacity, relevant project experience, knowledge of local markets and conditions, and project management team and experience. For this reason, Shimmick is highly selective in the projects we pursue, pursuing only those in which we have a distinct advantage.

Types of Contracts and the Contract Management Process

Types of Contracts

We provide general contracting and construction management services necessary to deliver a project. These may include planning, scheduling manpower and equipment, and managing materials and subcontractors, all of which are required for the timely completion of a project in accordance with the terms, plans and specifications contained in a construction contract. We provide these services under traditional general contracting arrangements, such as fixed-price, construction manager/general contractor or design-build and, to a lesser extent, guaranteed maximum price and cost-plus contracts. These contract types and the risks generally inherent therein are discussed below:

Fixed-price (“FP”), contracts, which include fixed unit price contracts, are generally used in competitively bid public infrastructure projects and generally commit the contractor to provide all of the resources required to complete a project for a fixed sum (lump sum) or at fixed unit prices. Usually, FP contracts transfer more risk to the contractor but offer opportunity, under favorable circumstances, for greater profits. FP contracts represent a significant portion of our publicly bid infrastructure projects. Design-build projects are also generally performed under special FP contracts.

Cost reimbursable contracts provide for reimbursement of the cost required to complete a project plus a fee. The fee is typically negotiated and could include an incentive fee based on cost and/or schedule performance. Cost-plus contracts minimize the contractor’s financial risk but may also limit profits.

Historically, a high percentage of our contracts have been fixed-price. These contracts are typically awarded to the lowest bidder, although the contract bidding process has changed to include “best value” contracting. Winning these contracts requires the submission of a statement of qualifications and/or proposal in addition to

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project pricing. The specific requirements for these submissions differ greatly by customer but generally consider the technical capabilities of the bidder, the specific approach to the project, performance on past projects, safety records, and the proposed project team, among others. The proposals and price are subjected to scoring criteria previously outlined in the solicitation to determine which submitter has provided the "best value" to the customer. A "best value" solicitation is often used for design-build and/or federal projects.

Selective Bidding Process and Project Management

We identify new business opportunities through a variety of sources, including customer relationships, industry networking, subscriber services that notify us of all contracts out for bid, advertisements by federal, state and local governmental entities, business development efforts, and one-on-one meetings with other participants in the construction industry, among others. The projects we pursue often undergo a long planning phase, which enables us to identify them well before they are advertised for construction for more accurate forecasting and resource planning. Once the customer has identified how the project will be funded, it is typically advertised for construction. Often times, we have already determined whether to pursue a project before it is advertised. In determining whether to make a bid on a project opportunity, management follows a formal and detailed multi-step bid approval process, evaluating each opportunity using the following factors to determine the collective risk and reward profile of each prospective project. We start with an initial screening of the projects to pursue based on such factors as the relevant skills required, contract size and duration, location, the availability of our personnel and equipment, the size and makeup of our current backlog, our competitive advantages and disadvantages, prior experience, the contracting agency or client, the source of contract funding, geographic location, likely competition, construction and other risks, gross margin opportunities, penalties or incentives, project complexity, contract terms, the type of contract, and overall ability to resource and complete the contract on time, among other factors. The pursuit team utilizes this information to develop a recommended bid. Management then reviews the recommended bid and provides approval for further pursuit. The bid approval process culminates in a final decision to bid or not bid by management. We have never withdrawn a bid once submitted. Since 2019, our success rate for the number of bids won versus the number of bids submitted is between 15-25%.

As a condition to pursuing certain contracts, we are sometimes required to complete a prequalification process with the applicable agency or customer. The request for qualification process generally limits bidders to those companies with operational experience and financial capability to effectively complete the particular contract in accordance with the plans, specifications and construction schedule, or may limit the number of prequalified bidders to a predetermined number, further reducing competition for those shortlisted bidders.

Our in-house estimating process typically involves three phases. Initially, we perform a detailed review of the plans and specifications, summarize the various types of work involved and related estimated quantities, determine the contract duration and schedule and highlight the unique and riskier aspects of the contract. The second phase consists of estimating the cost and availability of labor, material, equipment, any subcontractors and the project team required to complete the contract on time and in accordance with the plans and specifications. Substantially all of our estimates are made on a per unit basis for each line item, with the typical contract containing 50 to 300 line items. The final phase consists of a detailed review of the estimate by management, including, among other things, assumptions regarding cost, approach, means and methods, staffing, productivity and risk. After the final review of the cost estimate, management adds an amount for profit to arrive at the total bid amount. This profit amount will vary according to management's perception of the degree of difficulty of the contract, the current competitive climate and the size and makeup of our backlog. Our project managers are intimately involved throughout the estimating and construction process so that the issues concerning a contract, and risks relating thereto, can be understood and addressed on a timely basis.

To ensure that the material prices and subcontracting costs used in tendering bids for construction contracts do not change, we obtain firm quotations from our suppliers and subcontractors before submitting a bid. These quotations typically include quantity guarantees as passed through the prime contract. We have no obligation for materials or subcontract services beyond those required to complete the respective contracts that we are awarded for which quotations have been provided.

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After the contract has been awarded and during the construction phase, we monitor our progress by comparing actual costs incurred and quantities completed to date with budgeted amounts and the contract schedule and at least monthly prepare an updated estimate of total forecasted revenue, cost and expected profit for the contract.

During the normal course of most projects, the customer, and sometimes the contractor, initiates modifications or changes to the original contract to reflect, among other things, changes in quantities, specifications or design, method or manner of performance, facilities, materials, site conditions and period for completion of the work. Generally, the scope and price of these modifications are documented in a change order to the original contract and reviewed, approved and paid in accordance with the normal change order provisions of the contract. We are often required to perform extra or change order work as directed by the customer even if the customer has not agreed in advance on the scope or price of the work to be performed. This process may result in disputes over whether the work performed is beyond the scope of the work included in the original contract plans and specifications or, even if the customer agrees that the work performed qualifies as extra work, the price that the customer is willing to pay for the extra work. These disputes may not be settled to our satisfaction. Even when the customer agrees to pay for the extra work, we may be required to fund the cost of such work for a lengthy period of time until the change order is approved and funded by the customer. In addition, any delay caused by the extra work may adversely impact the timely scheduling of other work on the contract (or on other contracts) and our ability to meet contract milestone dates. Historically, we have been successful at managing the adverse impacts caused by change orders.

All state government contracts and most of our other contracts provide for termination of the contract for the convenience of the customer, with provisions to pay us only for work performed through the date of termination. We have not been materially adversely affected by these provisions in the past.

Insurance and Bonding

All of our buildings and equipment are covered by insurance, which our management believes to be adequate. In addition, we maintain general liability, workers' compensation and excess liability insurance, all in amounts consistent with our risk of loss and industry practice.

As a normal part of the construction business, we generally are required to provide various types of surety and payment bonds that provide an additional measure of security for our performance on public contracts. Typically, a bidder for a contract must post a bid bond for 5% to 10% of the amount bid, and on winning the bid, must post a performance and payment bond for 100% of the contract amount. Our ability to obtain surety bonds depends upon our capitalization, working capital, aggregate contract size, past performance, management expertise and external factors, including the capacity of the overall surety market. Surety companies consider such factors in light of the amount of our backlog that we have currently bonded and their current underwriting standards, which may change from time to time.

The capacity of the surety market is subject to market-based fluctuations driven primarily by the level of surety industry losses and the degree of surety market consolidation. Some of our competitors may be limited in the projects they can bid because of bidding and bonding capacity constraints. Our track record of successful project execution and profitability, coupled with a strong balance sheet, provide us with ample bidding and bonding capacity, which allows us to bid a large number of projects simultaneously. Historically, Liberty Mutual Group and Berkshire Hathaway have provided us with surety bonding. Upon the completion of this offering, we expect that our total bonding capacity may increase.

Joint Ventures

We participate in various construction joint ventures in order to share expertise, risk and resources for certain highly complex, large, and/or unique projects. Generally, each construction joint venture is formed to accomplish a specific project and is jointly controlled by the joint venture partners. We select our joint venture partners based on our analysis of their construction and financial capabilities, expertise in the type of work to be performed and

past working relationships, among other criteria. The joint venture agreements typically provide that our interests in any profits and assets, and our respective share in any losses and liabilities, that may result from the performance of the contract are limited to our stated percentage interest in the project.

Under each joint venture agreement, one partner is designated as the sponsor. The sponsoring partner typically provides administrative, accounting and much of the project management support for the project and generally receives a fee from the joint venture for these services. We have been designated as the sponsoring partner in some venture projects and are a non-sponsoring partner in others.

Environmental, Social and Governance (ESG)

Environmental

Our work directly addresses the nation's need for reliable and resilient infrastructure, particularly in water end-markets. Our projects contribute to protecting water sources and enhancing water supply reliability to meet the growing demand for safe and clean water. Our water infrastructure solutions incorporate advanced systems for treating and repurposing wastewater, reducing strain on freshwater resources and alleviating the burden on local ecosystems. By maximizing water efficiency, these projects contribute to conserving water resources for future generations.

We also deliver projects that protect vulnerable regions from flooding. We build state-of-the-art flood control systems to mitigate the impact of natural disasters and sea-level rise to communities. Our goal is to deliver solutions to meet our customers' needs for resilient infrastructure. Additionally, our work along the nation's inland waterways enables the efficient and emissions-reducing transportation of goods, supporting commerce, and connecting regions for economic growth and trade.

Social

Our ESG focus is not limited to the environment. We also prioritize social responsibility across our operations and deploy operational best practices across all of our projects. These best practices, tools, and techniques have been developed for key areas of Shimmick's operations. One of these key areas is Safety, Health, and Environmental ("SH&E"). As our #1 core value, Safety is our foremost concern, and we maintain stringent safety standards to protect our employees and the communities we serve.

We seek to achieve SH&E success through a comprehensive, internal program that incorporates SH&E standards and innovative techniques, with the ultimate goal of achieving zero work-related injuries or illnesses and preventing damage to property and the environment. Shimmick's SH&E program includes specific guidelines to protect people and the environment and includes environmental compliance maps, environmental impact assessments, environmental management plans, environmental compliance checklists, and workflows outlining how to manage environmental compliance.

We aim to create an inclusive and equitable workplace to harness the power of different perspectives and drive innovation. For example, in 2021, Shimmick established a mission to empower and support women by providing professional and personal development opportunities. We founded Women at Shimmick, an employee resource group charged with improving the experiences of women at Shimmick, providing programs, events, activities, and other opportunities for professional and personal development for women. The group aims to build awareness of women's experience among the general employee population, recruit and retain more high performing women, and increase the number of women in leadership positions. In the group's first year, survey results indicated improvement in key areas including welcoming, leadership and development opportunities, building awareness, and recognition.

All employees are responsible for maintaining a respectful workplace free of unlawful discrimination, harassment, and retaliation. We do not tolerate discrimination, and any employee who witnesses or observes discrimination or harassment is encouraged to report it. We maintain an ethics hotline that employees can use to report incidents confidentially and without fear of retaliation. This helps promote a culture of integrity and increase trust in leadership.

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Additionally, we have a proven track record of partnering with small and diverse business partners to provide maximum practicable subcontracting opportunities for them. We have a dedicated team of small business and supplier diversity program managers and exceptional year-over-year subcontracting performance. We provide a robust outreach program that includes an evolving Mentor-Protégé Program. We are committed to achieving subcontract objectives that are realistic, challenging, and attainable. Our commitment to small and diverse business participation is demonstrated by the awards and recognition received throughout our history.

Governance

Our corporate governance philosophy is based on maintaining a close alignment of our interests with those of our stakeholders. We uphold a strong governance framework that ensures transparency, ethical conduct, and accountability. Our board of directors comprises experienced professionals who provide strategic guidance and oversight.

Human Capital Management

Shimmick is focused on hiring and retaining highly talented employees with diverse backgrounds and empowering them to create value for our stockholders. Our success is dependent on employee understanding of and investment in their role in that value creation. Our chief executive officer periodically leads employee meetings intended to reinforce the importance of our core values and regularly meets with small groups of employees to receive their feedback on our business. Our employees are responsible for upholding our mission, values, strategy and talent leadership expectations.

It is important to us that our employees are engaged in our mission to drive our business forward, to recruit from their networks, and to envision a long tenure with us. We provide information to employees no less than quarterly on our core values, strategic plan and financial results. In addition to soliciting feedback through employee surveys, we continuously evaluate our employees' level of engagement by visiting projects and asking open-ended questions. We also evaluate our employees' engagement via formal surveys or similar tools on a periodic basis. We care about our employees' employment experience and care about them as individuals who are motivated in different ways. Based on the feedback received from employees, we have developed multiple strategic initiatives focused on culture, specifically on promoting a positive employee experience, as well as focusing on career development and engagement to attract and retain the best talent in the industry.

We adhere to a blended learning approach with the understanding that our people learn from experiences (on the job and in life), from other people (mentors or supportive managers), and by participating in formal learning and training programs. We acknowledge that learning is highly individualized and needs to be offered in a way that is most conducive to a specific learner's needs and learning objectives. We run a periodic education series which includes internal and external speakers presenting topics of interest that are relevant to our employees. We provide multiple learning solutions which cover a wide range of areas such as diversity and inclusion training, leadership skills, safety training, financial knowledge, technology training and presentation skills.

Managers hold performance conversations with their employees on a periodic basis (targeting a minimum of twice a year) to ensure they receive the performance feedback they deserve, to allow managers to obtain insight into how to support the development of their teams, and to ensure that performance expectations are clear and aligned with the Company's strategic objectives. We also promote continuous dialogue between managers and employees in addition to these formal touchpoints.

We provide attractive benefits that promote the health of our employees and their families and design compelling job opportunities, aligned with our mission, in an energizing work environment. We also encourage our employees to continue to develop in their careers, including by obtaining advanced degrees or professional certifications. We compensate our employees according to our fair remuneration policies and believe in paying for performance. Accordingly, some employees may receive a portion of their compensation in the form of equity.

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We encourage our employees to contribute their time to support various community and charitable activities and sponsor several local community organizations. Recently, Shimmick launched a volunteer time off program that provides eight hours of paid time off to volunteer. In addition to competitive base salaries, cash bonuses, and stock options for the majority of management, we are committed to continuously evaluating and ensuring the competitiveness of our benefits offerings so that we meet the various needs of our employees and their families. Despite a healthcare environment that is facing rising costs, we continue to pay the majority of the cost of our employees' healthcare insurance.

We take a values-driven, broad view of diversity and inclusion. We believe that fostering an internal climate that is supportive and allows people of all backgrounds to flourish lends itself to the highest levels of company performance and facilitates the attraction and retention of best-in-class talent. We also believe it is inherently the right way to conduct business. We support an innovative, creative culture where people can bring their best and most authentic selves to work. Employees who hold divergent opinions are encouraged to voice their views. We track and report internally on key talent metrics including workforce demographics, critical role pipeline data, diversity data and engagement and inclusion indices.

Decisions regarding staffing, selection, and promotions are made on the basis of individual qualifications related to the requirements of the position. We are committed to identifying and developing the talents of our next generation of leaders. We endeavor to select qualified individuals from a diverse pool of candidates derived from broad outreach efforts when we are recruiting. We are committed to the sourcing and/or promotion of highly-qualified women, people of color and other under-represented groups for management and board positions. We are also challenging ourselves to better support our female and underrepresented employees in their onboarding, training, development and progression within the Company.

As of June 30, 2023, we had more than 1,500 employees. We are party to collective bargaining agreements covering a majority of our craft workforce. See *“Risk Factors – Risks Related to Our Business and Industry – Strikes or work stoppages could have a negative impact on our operations and results.”*

Our business is dependent upon a readily available supply of management, supervisory and field personnel. In the past, we have been able to attract sufficient numbers of personnel to support the growth of our operations.

Training and Safety

We place the highest emphasis on the safety of the public, our customers and our employees. Safety is the #1 Shimmick core value. We begin meetings with safety messages and conduct extensive training programs, which have allowed us to maintain a high safety level at our worksites. All new employees undergo an initial safety orientation, and for certain types of projects, we conduct specific hazard training programs. Our project foremen and superintendents conduct weekly on-site safety meetings, and our full-time safety inspectors make random site safety inspections and perform assessments and training if infractions are discovered. In addition, our superintendents and project managers are required to complete an OSHA-approved safety course. Thanks to these efforts, our incident rate is trending well below industry average and represents our continuing effort to improve our culture of safety. For instance, according to the Bureau of Labor Statistics, the average rate of recordable incidents per 100 employees for the construction industry in 2021, the most recent data published, was 2.1. Shimmick's most recent average rate of recordable incidents for the most recently completed fiscal year 2022 is notably lower, at 1.5 per 100 employees.

Properties

We complete the scope work on our projects from multiple locations throughout the country. We lease administrative offices in Irvine, California, Denver, Colorado, Suisun, California, and in other locations throughout the United States. Our equipment maintenance and repair facility is located in Tracy, California, and we also use the site to store our inventory of construction materials. Below are our primary regional office and equipment facility locations. We have identified the locations that support our business strategy and maintain

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contractor licenses in all other states where we have current or awarded projects and have both project offices on site and sufficient equipment available at every facility. Should a project opportunity arise in a state in which we currently do not maintain a contractor license, we have the ability to obtain additional licenses and transport equipment and other resources to such states where we do not currently operate to meet the requirements of future contracts. Accordingly, we believe we have active and appropriate licensing in all strategic locations and we have the ability to obtain the proper licenses in additional states we may choose to do business in the future.

<u>Location</u>	<u>Owned or Leased</u>	<u>Approximate Size</u>
Irvine, CA – Office	Leased	6,000 sq. ft.
Denver, CO – Office	Leased	7,211 sq. ft.
Suisun, CA – Office	Leased	10,221 sq. ft.
Tracy, CA – Equipment Facility	Owned	10,000 sq. ft., 43 acres

Government and Environmental Regulations and Climate Change Matters

We are subject to various federal, state and local laws and regulations relating to the environment, including those relating to discharges to air, water and land, the handling and disposal of solid and hazardous waste, the handling of underground storage tanks and the cleanup of properties affected by hazardous substances. We also are subject to compliance with numerous other laws and regulations of federal, state and local agencies and authorities, including those relating to workplace safety, wage and hour and other labor issues (including the requirements of the OSHA and comparable state laws), immigration controls, vehicle and equipment operations and other aspects of our business. In addition, most of our construction contracts are entered into with public authorities, and these contracts frequently impose additional requirements, including requirements regarding labor relations and subcontracting with designated classes of disadvantaged businesses. We continually monitor our compliance with these laws, regulations and other requirements. While compliance with existing laws, regulations and other requirements has not materially adversely affected our operations in the past, and we are not aware of any proposed requirements that we anticipate will have a material adverse impact on our operations, there can be no assurance that these requirements will not change or that compliance will not otherwise adversely affect our operations in the future. While we typically pass any costs of compliance through to our customers under the applicable project agreement, either directly or as part of our estimate depending on the type of contract, there can be no assurance that we will not incur compliance expenses in the future that materially adversely affect our results of operations. In addition, some operations require operating permits granted by governmental agencies.

The diesel particulate and nitrogen oxide emissions produced by the vehicles and other equipment used in our operations are subject, among other things, to the regulations of the California Air Resources Board (“CARB”). Certain CARB regulations require California equipment owners/operators to meet progressively more restrictive emission targets that require California off-road and on-road diesel equipment owners to retrofit equipment with diesel emission control devices or replace equipment with new engine technology, which will result in higher equipment-related expenses. In general, we have maintained compliance with the regulations by replacing our existing equipment as it reaches the end of its useful life with new equipment that meets or exceeds the requirements of the CARB regulations. Accordingly, we have not incurred material incremental expenses to comply with the regulations.

As is the case with other companies in our industry, some of our aggregate materials products contain varying amounts of crystalline silica, a common mineral. Furthermore, some of our construction and materials processing operations release, as dust, crystalline silica that is in the materials being handled. Excessive, prolonged inhalation of very small-sized particles of crystalline silica has been associated with respiratory disease (including silicosis). OSHA has established occupational thresholds for crystalline silica exposure as respirable dust. We have implemented dust control procedures to measure compliance with requisite thresholds and to verify that respiratory protective equipment is made available as necessary. We also communicate, through safety information sheets and other means, what we believe to be appropriate warnings and cautions to employees and customers about the risks associated with excessive, prolonged inhalation of mineral dust in general and crystalline silica in particular. We have not incurred material expenses in connection with these compliance activities.

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Although we do not generate large amounts of solid wastes, we occasionally dispose of solid wastes on behalf of customers. Solid wastes, which may include hazardous solid wastes, are subject to the requirements of the federal Solid Waste Disposal Act, the federal Resource Conservation and Recovery Act (the "RCRA"), and comparable state statutes.

From time to time, the EPA considers the adoption of stricter disposal standards for non-hazardous solid wastes. Moreover, it is possible that additional solid wastes will in the future be designated as "hazardous wastes." Hazardous solid wastes are subject to more rigorous and costly disposal requirements than are non-hazardous solid wastes. Generally, under the applicable project agreement, the customer, as the generator of the waste, is at risk for its proper disposal. We typically pass the cost of disposal through to our customers under such agreement.

Certain environmental laws impose substantial penalties for non-compliance and others, such as CERCLA, and comparable state laws, impose strict, retroactive, joint and several liability upon persons that contributed to the release of a hazardous substance into the environment. These persons include the owner or operator of the site where the release occurred and companies that disposed or arranged for the disposal of the hazardous substances found at the site. Under CERCLA, these persons may be liable for the costs of cleaning up the hazardous substances that have been released into the environment, for damages to natural resources and for the costs of certain health studies. CERCLA also authorizes the EPA and, in some instances, third parties, to act in response to threats to the public health or the environment and to seek to recover from the responsible classes of persons the costs they incur. We may be required to remediate contaminated properties currently or formerly owned or operated by us, regardless of whether such contamination resulted from the conduct of others or from the consequences of our own actions that complied with applicable laws at the time those actions were taken. In connection with certain acquisitions, we could assume, or be required to provide indemnification against, environmental liabilities that could expose us to material losses. Furthermore, the existence of contamination at properties we own, lease or operate could result in increased operational costs or restrictions on our ability to use those properties as intended.

In certain instances, citizen groups also have the ability to bring legal proceedings against us if we are not in compliance with environmental laws, or to challenge our ability to receive environmental permits that we need to operate. In addition, claims for damages to persons or property, including natural resources, may result from the SH&E impacts of our operations. Our insurance may not cover all environmental risks and costs or may not provide sufficient coverage if an environmental claim is made against us. Moreover, public interest in the protection of the environment has increased dramatically in recent years. The trend of more expansive and stringent environmental legislation and regulations applied to the construction industry could continue, resulting in increased costs of doing business and consequently affecting profitability.

We have incurred, and may in the future incur, significant capital and operating expenditures to comply with such laws and regulations. To the extent that laws are enacted or other governmental action is taken that restricts our operations or imposes more stringent and costly operating, waste handling, disposal and cleanup requirements, our business, financial condition or results of operations could be materially adversely affected.

The potential impact of climate change on our operations is highly uncertain. Climate change may result in, among other things, changes in rainfall patterns, storm patterns and intensity and temperature levels. Our results of operations are significantly influenced by weather and major changes in historical weather patterns could significantly impact our future results of operations. For example, if climate change results in significantly more adverse weather conditions in a given period, we could experience reduced productivity and increases in certain other costs, which could negatively results of operations.

Legal Proceedings

From time to time, we and our joint ventures are party to routine legal proceedings and claims which arise in the ordinary course of our business. We believe, based on advice from our outside legal counsel, that the final disposition of such matters will not have a material adverse impact on our financial condition, results of operations or cash flows.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information concerning our executive officers and directors upon completion of this offering.

Name	Age	Position
Mitchell B. Goldsteen	50	Executive Chairman
Steven E. Richards	64	Chief Executive Officer and Director Nominee
Devin J. Nordhagen	40	Executive Vice President, Chief Financial Officer
Carolyn L. Trabuco	54	Director Nominee
Geoffrey E. Heekin	58	Director Nominee
J. Brendan Herron	63	Director Nominee

The following are biographical summaries, including experience, of those individuals who will serve as our executive officers and directors:

Mitchell B. Goldsteen has served as our Executive Chairman since January 2021. Since May 2014, Mr. Goldsteen has served as a Director of MariTrace Ltd, a UK based software company that provides data on commodities, vessels and ports to a wide base of customer types. Mr. Goldsteen is Manager of Oroco Capital, a private investment firm, a position he has held since January 2010. Mr. Goldsteen is also the founder and Chief Executive Officer of eqhq inc., an ecommerce heavy equipment platform, a position he has held since April 2021. From February 2017 through June 2021, Mr. Goldsteen served as Manager of Oroco FirstMark. Mr. Goldsteen began his career at Alex, Brown & Sons and thereafter worked at The Carlyle Group, Credit Suisse First Boston and Merrill Lynch. Mr. Goldsteen received a BBA from the University of Wisconsin Madison. We believe Mr. Goldsteen is well qualified to serve on our board of directors based on his extensive company strategy and oversight expertise, as well as his significant professional and leadership experience.

Steven E. Richards has served as Chief Executive Officer since January 2021 and is a director nominee for the Company. Mr. Richards also served as the President of Shimmick from March 2020 to July 2023. From August 2017 to March 2020, Mr. Richards was Executive Vice President, Civil Construction at AECOM, where he was responsible for domestic and international construction operations. From January 2014 to August 2017, Mr. Richards served as Senior Vice President, Operations Civil Construction & Mining Group at AECOM, where he oversaw civil construction and mining operations. Prior to that, Mr. Richards held senior managerial positions at URS Corporation, an AECOM company from December 2008 to December 2013. Mr. Richards began his career with Morrison Knudsen, a Shimmick legacy company, where he was employed in various positions for over 20 years, including Project Director on numerous field assignments in the industrial buildings and civil infrastructure markets. Mr. Richards received his Bachelor of Science degree in Civil Engineering from the University of Idaho and completed M.B.A. studies at the University of Denver. We believe Mr. Richards is well qualified to serve on our board of directors based on his significant professional and leadership experience in the infrastructure solutions industry.

Devin J. Nordhagen has served as our Executive Vice President and Chief Financial Officer since August 2022. From January 2021 until August 2022, Mr. Nordhagen served as our Executive Vice President of Business Operations. From December 2019 to January 2021, Mr. Nordhagen was Chief Financial Officer of FirstMark Construction, a civil infrastructure company, where he was responsible for all aspects of accounting, reporting, control, corporate finance and treasury. From August 2015 to July 2019, Mr. Nordhagen was Vice President of Finance at ASRC Energy Services, an oil and gas O&M and construction company, where he oversaw finance, accounting and business operations. From August 2013 to August 2015, Mr. Nordhagen was a Controller at Alaska Growth Capital BIDCO, Inc., an alternative lending company, where he oversaw accounting and reporting operations. Mr. Nordhagen spent the first part of his career as an Audit Manager with major accounting firm KPMG LLP. Mr. Nordhagen holds a Bachelor of Science in Finance and a Bachelor of Science in Accounting from Minot State University. He is also a Certified Public Accountant (CPA).

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Carolyn L. Trabuco is a director nominee for the Company. Ms. Trabuco is a co-founder and has served as a director of Azul Linhas Aéreas Brasileiras SA (NYSE: AZUL), a Brazilian airline, listed on the NYSE since 2017, since 2008. She is also the founder of Thistledown Advisory Group, LLC, a strategic advisory firm, a position she has held since 2017. Ms. Trabuco served as Managing Director at Cornerstone Capital Group in 2016, where she created original research in the field of ESG to be used alongside traditional financial analysis. From 2009 to 2014, Ms. Trabuco served as Senior Vice President and Senior Analyst at Phibro Trading LLC and Astenbeck Capital Markets, respectively. Prior to that, Ms. Trabuco was a portfolio manager and senior equity research analyst at Pequot Capital Management where she established the firm's investment presence in global metals, mining and steel and in Brazil. Ms. Trabuco began her investment career in Equity Research at Fidelity Investments and later at the Wall Street firms Lehman Brothers, Montgomery Securities and First Union Capital Markets. Ms. Trabuco has served as an independent member of the board of directors of Sizzle Acquisition Corp., listed on the NASDAQ, since November 2021. She is also an adjunct professor of finance at Sacred Heart University. Ms. Trabuco holds a bachelor's degree in art history from Georgetown University and a master's degree in public administration from Sacred Heart University. We believe Ms. Trabuco is well qualified to serve on our board of directors based on her extensive financial markets and investor background and public company board experience.

Geoffrey E. Heekin is a director nominee for the Company. Mr. Heekin has served as President of Global Construction and Infrastructure at Aon PLC (NYSE: AON) from 2012 until his retirement in 2019. In this position, he had primary stewardship of Aon's largest industry vertical, representing over \$500 million in annual revenue and over 1,000 colleagues. He also served as President of Aon Infrastructure Solutions during the same period. From 1997 to 2012, Mr. Heekin was the National Surety Practice Leader for Commercial and Construction at Aon. He was previously Executive Vice President at Near North Insurance Brokerage from 1991 to 1997, as well as Surety Manager of the Chubb Group from 1987 to 1991. Mr. Heekin received his bachelor's degree in political science with a minor in mass communications from DePauw University. We believe Mr. Heekin's significant professional and leadership experience in construction risk, surety and insurance makes him well qualified to serve on our board of directors.

J. Brendan Herron is a director nominee for the Company. Mr. Herron is a Strategic Advisor for Hannon Armstrong Sustainable Infrastructure Capital, Inc. (NYSE: HASI), a leading investor in climate solutions. He developed the concept for and led HASI's IPO and served in several senior executive roles including as the first chief financial officer from 2013 to 2019 and most recently as an executive vice president until 2021. Mr. Herron has over 30 years of experience in structuring, executing and operating infrastructure and technology investments. He serves on the boards of various private companies and nonprofit organizations including as a board observer for RESurety, Inc., the Advisory Board of the Smithsonian Environmental Research Center and the Board of Directors of Fair Chance (Washington, DC) and formerly served on the U.S. Commerce Secretary's Renewable Energy and Energy Efficiency Advisory Committee. Mr. Herron received a Bachelor of Science degree in accounting and computer science from Loyola University Maryland and a Master of Business Administration degree from Loyola University Maryland and has passed the CPA and CMA examinations. He is also directorship certified by the National Association of Corporate Directors, a professional credential supporting his qualifications and experience as a corporate board director. Mr. Herron's significant professional experience, including as a public company CFO, his knowledge of ESG and success in developing growth strategies for newly public companies, makes him well qualified to serve on our board of directors.

Board Structure and Composition

Our business and affairs are managed under the direction of our board of directors. Upon completion of the offering, our board of directors will consist of five members. Our board of directors will not be classified, and each of our directors will be subject to re-election annually.

Director Independence

The rules of Nasdaq require that a majority of our board of directors be independent within one year of the date of our initial public offering. An “independent director” is defined generally as a person who, in the opinion of the company’s board of directors, has no material relationship with the listed company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the company). Our board of directors has undertaken a review of the independence of each director and director nominee. Based on information provided by each director or director nominee concerning his or her background, employment and affiliations, our board of directors has determined that Ms. Trabuco, Mr. Heekin and Mr. Herron qualify as “independent directors,” as defined under the rules of Nasdaq. As required by Nasdaq listing standards, our independent directors will meet in regularly scheduled executive sessions at which only independent directors are present.

Family Relationships

There are no family relationships among any of our directors or executive officers.

Controlled Company Exemption

Because our controlling stockholder will continue to control a majority of the voting power of our common stock after the completion of this offering, we will be a “controlled company” for purposes of the listing standards of Nasdaq and the rules of the SEC. As a “controlled company”, exemptions under the listing standards of Nasdaq will exempt us from certain of Nasdaq’s corporate governance requirements, including the following requirements:

- that our board of directors be composed of a majority of “independent directors,” as defined under the rules of Nasdaq,
- that our compensation and human capital committee be composed entirely of independent directors, and
- that our nominating and corporate governance committee be composed entirely of independent directors.

Although we do not currently expect to rely on the “controlled company” exemption, we may elect to do so in the future. Accordingly, for so long as we are a “controlled company,” holders of our common stock may not have the same protections afforded to stockholders of companies that are subject to all of Nasdaq’s corporate governance requirements to the extent we elect to take advantage of these exemptions. In the event that we cease to be a “controlled company”, we will be required to comply with these provisions within the transition periods specified in the rules of Nasdaq.

These exemptions do not modify the independence requirements for our audit committee, and we expect to satisfy the member independence requirement for the audit committee upon completion of this offering.

Board Committees

Our board of directors plans to have an audit committee, a compensation and human capital committee and a nominating and corporate governance committee following this offering. All the members of our audit committee, compensation and human capital committee and nominating and corporate governance committee will be independent under applicable Nasdaq listing rules. In addition, all the members of our audit committee will be independent under Section 10A-3 of the Exchange Act. The charter for each of the committees will be available on our website at www.shimmick.com.

Audit Committee

Upon consummation of the offering, we will establish an audit committee, consisting of Mr. Herron, Mr. Heekin and Ms. Trabuco, with Mr. Herron serving as Chair. The audit committee will assist the board of directors in overseeing: (i) the integrity of our financial statements, (ii) our compliance with legal and regulatory requirements, (iii) the independence and qualifications of our independent registered public accounting firm, and (iv) the performance of our independent registered public accounting firm. The audit committee also will review all related party transactions. Our board of directors has determined that Mr. Herron is an audit committee financial expert within the meaning of the rules and regulations of the SEC. In addition, we must certify to Nasdaq that the audit committee has, and will continue to have, at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual's financial sophistication. Our board of directors has determined that Mr. Herron's qualifications also satisfy Nasdaq's definition of financial sophistication.

Compensation and Human Capital Committee

Upon consummation of the offering, we will establish a compensation and human capital committee, consisting of Ms. Trabuco, Mr. Heekin and Mr. Herron, with Ms. Trabuco serving as Chair. The compensation and human capital committee will review and approve the compensation of our Chief Executive Officer and our other executive officers and administer and make recommendations to the board of directors with respect to our 2023 Omnibus Incentive Plan and any other compensation plans. In performing these duties, the compensation and human capital committee also will evaluate the performance of our Chief Executive Officer and oversee the performance evaluation of our other executive officers and key employees. In addition, the compensation and human capital committee will oversee the Company's human capital management, including the Company's policies with respect to performance management, talent management, diversity, equity and inclusion, work culture and the development and retention of the Company's workforce.

Nominating and Corporate Governance Committee

Upon consummation of the offering, we will establish a nominating and corporate governance committee, consisting of Mr. Heekin, Mr. Herron and Ms. Trabuco, with Mr. Heekin serving as Chair. The nominating and corporate governance committee will assist the board of directors in identifying candidates qualified to become members of our board of directors, recommending a slate of nominees for election by the stockholders, recommending committee assignments for directors to the board of directors, overseeing the evaluation of the board of directors and management and developing, updating and recommending to the board of directors appropriate corporate governance principles for our company. In performing these duties, the nominating and corporate governance committee also will review and approve compensation for non-employee directors.

Code of Ethics

Upon consummation of the offering, our board of directors will adopt a code of ethics that applies to all of our directors, officers and employees, including our Chief Executive Officer and Chief Financial Officer. Our code of ethics will prohibit all conflicts of interest unless they have been approved or ratified by a majority of the independent directors on our board of directors (or an authorized committee of our board of directors). This code of ethics will be available on our website at www.shimmick.com, and we will disclose any future amendments or waivers of certain provisions of our code of ethics on our website in a Current Report on Form 8-K, as legally required.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation and human committee is or has been an officer or employee of our company. None of our executive officers currently serves, or during the year ended December 30, 2022 served, as a member of the board of directors, or as a member of the compensation or similar committee, of any entity that has one or more of its executive officers serving on our board of directors or compensation committee.

Limitations of Liability and Indemnification of Directors and Officers

We are incorporated under the laws of the State of Delaware. Section 145 of the DGCL provides that a Delaware corporation may indemnify any person who was, is or is threatened to be made, party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person is or was an officer, director, employee, or agent of such corporation or is or was serving at the request of such corporation as an officer, director, employee, or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding, provided that such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was illegal. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him or her against the expenses that such officer or director has actually and reasonably incurred. Our amended and restated certificate of incorporation provides that we must indemnify our directors and officers to the fullest extent authorized by the DGCL and must also pay expenses incurred in defending any such proceeding in advance of its final disposition upon delivery of an undertaking, by or on behalf of an indemnified person, to repay all amounts so advanced if it should be determined ultimately that such person is not entitled to be indemnified under this section or otherwise.

Section 102(b)(7) of the DGCL allows a corporation to provide in its certificate of incorporation that a director of the corporation will not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duties as a director, except where the director breached the duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our amended and restated certificate of incorporation will provide for this limitation of liability.

Section 174 of the DGCL provides, among other things, that a director who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption may be held liable for such actions. A director who was either absent when the unlawful actions were approved, or dissented at the time, may avoid liability by causing his or her dissent to such actions to be entered in the books containing minutes of the meetings of the board of directors at the time such action occurred or immediately after such absent director receives notice of the unlawful acts.

EXECUTIVE COMPENSATION

This section provides an overview of our executive compensation programs, including a narrative description of the material factors necessary to understand the information disclosed regarding our named executive officers (“NEOs”), in the summary compensation table below. We are an “emerging growth company” as defined in the JOBS Act and as such, we have opted to comply with the executive compensation disclosure applicable to such companies.

For the fiscal year ended December 30, 2022, our NEOs were:

Name	Position
Steven E. Richards	Chief Executive Officer
Devin J. Nordhagen	Executive Vice President, Chief Financial Officer
Gregory J. Dukellis	Former Executive Vice President, Chief Legal Officer

Summary Compensation Table

The following table sets forth information concerning the compensation of our NEOs for the years ended December 30, 2022 and December 31, 2021.

Name and principal position	Year	Salary (\$)	Bonus (\$ (1))	Option awards (\$ (2))	Non-equity Incentive Plan compensation (\$ (3))	All other compensation (\$ (4))	Total (\$)
Steven E. Richards	2022	500,000	—	229,222	291,536	17,466	1,038,224
<i>Chief Executive Officer</i>	2021	500,000	50,000	1,305,251	—	16,159	1,871,410
Devin J. Nordhagen	2022	350,000	—	332,371	136,050	15,431	833,852
<i>Executive Vice President, Chief Financial Officer</i>	2021	350,000	225,000	1,892,615	—	9,467	2,477,082
Gregory J. Dukellis ⁽⁵⁾	2022	375,000	—	42,979	109,325	25,768	553,072
<i>Former Executive Vice President, Chief Legal Officer</i>	2021	375,000	62,863	109,325	—	20,651	567,839

- (1) Amounts represent retention bonus for Mr. Richards, retention bonus for Mr. Dukellis, and sign-on bonus for Mr. Nordhagen.
- (2) The amounts in this column represent the aggregate grant-date fair value of awards granted to each NEO, computed in accordance with the FASB’s Accounting Standards Codification (“ASC”) Topic 718. See Note 9 to our audited consolidated financial statements included elsewhere in this prospectus for a discussion of the assumptions made by us in determining the grant-date fair value of our equity awards. Amounts in 2022 represent the incremental fair value increase of the option grant repriced (calculated in accordance with FASB ASC Topic 718 as of the date of the repriced).
- (3) Amounts represent annual cash bonuses received by our NEOs under our annual cash bonus plan.
- (4) Amounts represent (i) 401(k) matching contributions earned by each NEO, (ii) the executive long-term disability premium paid on behalf of each NEO and (iii) an automobile allowance paid to Mr. Dukellis.
- (5) Mr. Dukellis was terminated in August 2023.

Narrative Disclosure to Summary Compensation Table

For 2021, the compensation program for our NEOs consisted of base salary, annual incentive and long-term three-year vesting cash bonus, and long-term equity incentive compensation delivered in the form of stock options. For fiscal 2022, the compensation program for our NEOs consisted of base salary and annual incentive.

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Base Salary

The base salary of our NEOs is set at a level that is commensurate with each executive's duties and authorities, contributions, prior experience and sustained performance. For fiscal 2022, the base salary for Mr. Richards was \$500,000, the base salary for Mr. Dukellis was \$375,000 and the base salary for Mr. Nordhagen was \$350,000.

Annual Cash Bonus

Annual cash bonuses are offered to incentivize the NEOs to achieve annual financial and operating performance metrics. Annual cash bonuses are paid at the discretion of the board of directors following the certification of results after the end of each fiscal year.

Long-Term Cash Bonus

Long-term cash bonuses are offered to incentivize the NEOs to achieve long-term financial and operating performance metrics. Long-term cash bonuses are paid at the discretion of the board of directors following the certification of results after the end of a three-year performance period. Bonuses under this program were only issued in fiscal year 2021 and payable at the end of fiscal year 2023.

Stock Options

Stock options are used to provide a strong incentive to our NEOs for the creation of long-term stockholder value. Stock options may be exercised to provide value to executives to the extent our stock price appreciates after the grant date to enhance retention and long-term thinking. The stock options granted to our NEOs in 2021 vest 25% on the 12-month anniversary of the vesting commencement date and 1/36th of the remaining options vest on the last day of each full calendar month thereafter. Based on 409A analysis done in 2022, the Board of Directors approved, effective August 8, 2022, a change in the strike price of all outstanding stock options from a strike price of \$8.39 to \$3.45, all other provisions remained unchanged.

Benefits and Perquisites

We provide benefits to our NEOs on the same basis as provided to all of its employees for health, dental, and vision insurance; voluntary life and accidental death and dismemberment ("AD&D") insurance; short-term disability insurance; and a tax-qualified Section 401(k) plan with a Company match.

In both fiscal years 2022 and 2021, we offered our NEOs a separate executive basic life and AD&D and long-term disability that differs from that offered to our non-executive employees. The executive basic life and AD&D coverage is 100% employer paid and is equal to 400% of annual earnings, up to a \$2 million maximum. The executive long-term disability benefit is 100% employer paid. The month long-term disability benefit is 60% of the executive's monthly pre-disability earnings, up to the maximum of \$25,000, less deductible sources of income.

Retirement Benefits

We provide a tax-qualified Section 401(k) plan for all employees, including the NEOs. We provide an employer match of 50% of the employee's contributions, up to a maximum of 3.5% employer match. We do not provide to employees, including our named executive officers, any other retirement benefits, including but not limited to tax-qualified defined benefit plans, supplemental executive retirement plans or nonqualified defined contribution plans.

Employment Agreements

We presently do not have employment agreements with any of our NEOs.

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Potential Payments upon Termination or Change of Control

Our NEOs are not party to any agreement providing for payments or severance at, following, or in connection with any termination or change in control.

Outstanding Equity Awards as of December 30, 2022

The following table provides information about the outstanding equity awards held by our NEOs as of December 30, 2022. All awards were granted under the 2021 Stock Plan. The data in the table below gives effect to the 2.7386-for-1 stock split of our common stock, which was effected on October 23, 2023.

Name	Grant Date	Option Awards (1)			Stock Awards		
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Units that have not Vested (#)	Market Value of Units that have not Vested (\$)
Steven E. Richards	May 6, 2021	325,209	496,371	\$ 1.26	May 5, 2031	—	—
Gregory J. Dukellis	May 6, 2021	60,975	93,071	\$ 1.26	May 5, 2031	—	—
Devin J. Nordhagen	May 6, 2021	471,551	719,740	\$ 1.26	May 5, 2031	—	—

(1) See “*Stock Options*” for vesting provisions and strike price change in 2022.

Equity Compensation Plans

The following description of our equity compensation plans is qualified by reference to the full text of those plans, which will be filed as exhibits to the registration statement.

2021 Stock Plan

We currently maintain the 2021 Stock Plan. The primary purpose of the 2021 Stock Plan is to help the Company secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company and any affiliate and provide a means by which the eligible recipients may benefit from increases in the value of the Company’s common stock.

Following the effectiveness of the registration statement of which this prospectus forms a part, we will not make any further grants under the 2021 Stock Plan. However, the 2021 Stock Plan will continue to govern the terms and conditions of the outstanding awards granted under the 2021 Stock Plan. We have only granted stock options under the 2021 Stock Plan through June 30, 2023.

Share Reserve

We have reserved an aggregate of 5,477,200 shares of our common stock (giving effect to the 2.7386-for-1 stock split of our common stock, which was effected on October 23, 2023) for issuance under the 2021 Stock Plan of which 999,975 shares remained available for additional award grants as of June 30, 2023. The remaining reserved shares will be rolled over to the 2023 Omnibus Incentive Plan.

Administration

Our board of directors (or a committee delegated by our board of directors) administers the 2021 Stock Plan. Our board of directors has the authority to determine who will be granted stock awards, when and how each stock award will be granted, what type of stock award will be granted, the provisions of each stock award (which need not be identical), the number of shares of common stock subject to, or the cash value, of a stock award and the fair market value applicable to a stock award. In addition, the administrator has the authority to interpret the 2021 Stock Plan and to adopt rules for the administration, interpretation, and application of the 2021 Stock Plan that are consistent with the terms of the 2021 Stock Plan.

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Payment

The exercise price of options and stock appreciation rights or purchase price of stock purchase rights granted under the 2021 Stock Plan may be paid in such form as determined by our board of directors, including, without limitation, cash, check, bank draft or money order payable to the Company, delivery to the Company (either by actual delivery or attestation) of shares of common stock, a “net exercise” arrangement (for nonstatutory stock opinions only), a deferred payment or similar arrangement with the optionholder, or any other form of consideration determined to be appropriate by the board of directors.

Transfer

The 2021 Stock Plan generally does not allow for the transfer of awards other than by a beneficiary designation, will or the laws of descent and distribution. If the applicable stock option agreement provides, a nonstatutory stock option will also be transferable by gift or domestic relations order to a family member of the participant.

Amendment, Suspension, or Termination

Our board of directors may amend, suspend, or terminate the 2021 Stock Plan at any time. An amendment of the 2021 Stock Plan shall be subject to the approval of our stockholders only to the extent required by applicable laws. No awards may be granted under our 2021 Stock Plan after it is terminated.

2023 Omnibus Incentive Plan

Our board of directors is expected to approve and adopt the 2023 Omnibus Incentive Plan prior to the effective date of the registration statement. Under the 2023 Omnibus Incentive Plan, we will be authorized to grant equity and cash incentive awards to eligible service providers.

The purpose of the 2023 Omnibus Incentive Plan is to enhance our ability to attract, retain and motivate persons who make (or are expected to make) important contributions to us by providing these individuals with equity ownership opportunities. We believe that the 2023 Omnibus Incentive Plan is essential to our success. Equity awards are intended to motivate high levels of performance and align the interests of our directors, employees and consultants with those of our stockholders by giving directors, employees and consultants an equity stake in us and providing a means of recognizing their contributions to our success. Our board of directors and management believe that equity awards are necessary to remain competitive in our industry and are essential to recruiting and retaining the highly qualified employees who help us meet our goals.

If approved by our board of directors, the 2023 Omnibus Incentive Plan will become effective upon the later to occur of (i) its adoption by our board of directors or (ii) the business day immediately prior to the effective date of the registration statement. The 2023 Omnibus Incentive Plan will be subject to approval by our stockholders within twelve months of effectiveness.

Description of the Material Features of the 2023 Omnibus Incentive Plan

The following is a summary of the material features of the 2023 Omnibus Incentive Plan. This summary is qualified in its entirety by reference to the complete text of the 2023 Omnibus Incentive Plan, which is filed as an exhibit to this registration statement.

Purpose

The purpose of the 2023 Omnibus Incentive Plan is to provide a means through which to attract, retain and motivate key personnel and to provide a means whereby our directors, officers, employees, consultants and advisors can acquire and maintain an equity interest in us, or be paid incentive compensation, including incentive compensation measured by reference to the value of our common stock, thereby strengthening their commitment to our welfare and aligning their interests with those of our stockholders.

Persons Eligible to Participate

Awards under the 2023 Omnibus Incentive Plan may be granted to any (i) individual employed by us or our subsidiaries, (ii) director or officer of us or our subsidiaries or (iii) consultant or advisor to us or our subsidiaries who may be offered securities registrable pursuant to a Registration Statement on Form S-8 under the Securities Act. The compensation and human capital committee of our board of directors (the “Compensation Committee”) may grant awards to any individual eligible to participate in the 2023 Omnibus Incentive Plan. Incentive stock options may only be granted to our employees or the employees of our subsidiaries. As of the date of this prospectus, all Shimmick employees and approximately 3 non-employee directors would be eligible to participate in the 2023 Omnibus Incentive Plan following the consummation of this offering, including all of our executive officers. In addition, certain consultants and other service providers may, in the future, become eligible to participate in the 2023 Omnibus Incentive Plan, though, as of the date of this prospectus, no grants to any consultants or other service providers are expected.

Authorized Shares

The 2023 Omnibus Incentive Plan will reserve a number of our common shares for grant thereunder equal to (i) ten percent (10%) of our common stock outstanding as of immediately following consummation of this offering (including, for the avoidance of doubt, the common shares reserved for issuance pursuant to this sentence) plus (ii) any reserved and authorized shares for awards under the 2021 Stock Plan that were not granted as of this offering. The maximum aggregate number of common shares that may be issued under the 2023 Omnibus Incentive Plan will automatically increase annually on the first day of each fiscal year beginning with the 2023 fiscal year in an amount equal to five percent (5%) of the common stock outstanding on the last day of the immediately preceding fiscal year or such lesser amount as determined by the Administrator.

If an award expires or is terminated, surrendered or cancelled or otherwise becomes unexercisable without having been exercised in full, is forfeited in whole or in part (including as the result of shares subject to the award being repurchased by us at or below the original issuance price pursuant to a contractual repurchase right, or is forfeited or repurchased due to failure to vest, then the unpurchased shares (or the forfeited, unused or repurchased shares) will become available for future grant or sale under the 2023 Omnibus Incentive Plan. With respect to stock appreciation rights, the number of shares counted against the shares available for issuance under the 2023 Omnibus Incentive Plan will be the full number of shares subject to the stock appreciation right multiplied by the percentage of the stock appreciation right actually exercised, regardless of the number of shares actually used to settle such stock appreciation right upon exercise. Shares that have actually been issued under the 2023 Omnibus Incentive Plan under any award will not be returned to the 2023 Omnibus Incentive Plan. Shares used to pay the exercise price of any award or to satisfy tax withholding obligations by a participant will become available for future grant or sale under the 2023 Omnibus Incentive Plan. The number of shares available for issuance under the 2023 Omnibus Incentive will not be reduced if an award is settled or paid out in cash rather than shares.

Plan Administration

Our 2023 Omnibus Incentive Plan will be administered by the Compensation Committee, another committee designated by our board of directors, or our board of directors. We expect our Compensation Committee to administer our 2023 Omnibus Incentive Plan. Subject to the provisions of our 2023 Omnibus Incentive Plan and applicable law, the administrator (or its delegate) will have the authority to administer our 2023 Omnibus Incentive Plan and make all determinations deemed necessary or advisable for administering the 2023 Omnibus Incentive Plan, such as the power to determine the fair market value of our common stock, select the service providers to whom awards may be granted, determine the number of shares covered by each award, approve forms of award agreements for use under the 2023 Omnibus Incentive Plan, determine the terms and conditions of awards (such as the exercise price, the time or times at which the awards may be exercised, any vesting or forfeiture restrictions, any vesting acceleration or waiver of forfeiture restrictions, and any restriction or

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limitation regarding any award or the shares relating thereto), construe and interpret the terms of our 2023 Omnibus Incentive Plan and awards granted under it, prescribe, amend, and rescind rules relating to our 2023 Omnibus Incentive Plan, including creating sub-plans, modify or amend each award, including the discretionary authority to extend the post-termination exercisability period of awards, allow a participant to defer the receipt of payment of cash or the delivery of shares that would otherwise be due to such participant under an award and determine the timing and characterization or reason for a participant's termination of employment or service with us. The administrator's decisions, determinations, and interpretations will be final and binding on all participants.

Stock Options

We are able to grant stock options under our 2023 Omnibus Incentive Plan. The per share exercise price of options granted under our 2023 Omnibus Incentive Plan must be at least equal to the fair market value of a share of our common stock on the date of grant. The term of an option does not exceed 10 years, except that with respect to any incentive stock option granted to any participant who owns more than 10% of the voting power of all classes of stock of ours or any parent or subsidiary corporations, the term must not exceed five years and the per share exercise price must equal at least 110% of the fair market value of a share of our common stock on the grant date. The administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares or other property acceptable to the administrator, as well as other types of consideration permitted by applicable law or any combination thereof. After the termination of service of a participant, he or she will be able to exercise his or her option (to the extent it has vested as of the date of the termination of service) for the period of time stated in his or her award agreement. If termination is due to death or disability, the option will remain exercisable for 12 months in the absence of a specified time in an award agreement. In all other cases, in the absence of a specified time in an award agreement, the option will remain exercisable for three months following the termination of service. An option may not be exercised later than the expiration of its term. Subject to the provisions of our 2023 Omnibus Incentive Plan, the administrator determines the other terms of options.

Stock Appreciation Rights

We are able to grant appreciation rights under our 2023 Omnibus Incentive Plan. Stock appreciation rights allow the recipient to receive the appreciation in the fair market value of our common stock between the exercise date and the date of grant. Stock appreciation rights will not have a term exceeding 10 years. After the termination of service of a participant, he or she will be able to exercise his or her stock appreciation right for the period of time stated in his or her award agreement. Subject to the provisions of our 2023 Omnibus Incentive Plan, the administrator determines the other terms of stock appreciation rights, including when such rights become exercisable and whether to pay any increased appreciation in cash or with shares of our common stock, or a combination thereof, except that the per share exercise price for a stock appreciation right will be no less than 100% of the fair market value per share on the date of grant.

Restricted Stock

We are able to grant restricted stock under our 2023 Omnibus Incentive Plan. Restricted stock awards are grants of shares of our common stock that vest in accordance with terms and conditions established by the administrator. The administrator will determine the number of shares of restricted stock granted to any employee, director or consultant and, subject to the provisions of our 2023 Omnibus Incentive Plan, will determine the terms and conditions of such awards. The administrator will be able to impose whatever conditions to vesting it determines to be appropriate (for example, the administrator will be able to set restrictions based on the achievement of specific performance goals or continued service to us); provided, however, that the administrator will have the discretion to accelerate the time at which any restrictions will lapse or be removed. Recipients of restricted stock awards generally will have voting and dividend rights with respect to such shares upon grant without regard to vesting, unless the administrator provides otherwise; provided, however, that if dividends are paid in shares, such dividends will be subject to the same vesting schedule as the restricted stock awards. Shares of restricted stock that do not vest will be subject to our right of repurchase or forfeiture.

RSUs

We are able to grant restricted stock units (“RSUs”) under our 2023 Omnibus Incentive Plan. Each RSU is a bookkeeping entry representing an amount equal to the fair market value of one share of our common stock. Subject to the provisions of our 2023 Omnibus Incentive Plan, the administrator determines the terms and conditions of RSUs, including the vesting criteria and the form and timing of payment. The administrator will be able to set vesting criteria based upon continued employment or service, the achievement of company-wide, divisional, business unit, or individual goals, or any other basis determined by the administrator in its discretion. The administrator will have the discretion to pay earned restricted stock units in the form of cash, in shares or in some combination thereof. The administrator will also have the discretion to accelerate the time at which any restrictions will lapse or be removed.

Performance Units and Performance Shares

We are able to grant performance units and performance shares under our 2023 Omnibus Incentive Plan. Performance units and performance shares are awards that will result in a payment to a participant only if performance goals established by the administrator are achieved or the awards otherwise vest. The administrator will establish performance objectives or other vesting criteria (including continued employment or service) in its discretion, which, depending on the extent to which they are met, will determine the number and/or the value of performance units and performance shares to be paid out to participants. The administrator will be able to set performance objectives based on the achievement of company-wide, divisional, business unit, or individual goals, or any other basis determined by the administrator in its discretion. After the grant of a performance unit or performance share, the administrator will have the discretion to reduce or waive any performance criteria or other vesting provisions for such performance units or performance shares. Performance units will have an initial dollar value established by the administrator on or prior to the grant date. Performance shares will have an initial value equal to the fair market value of our common stock on the grant date. The administrator will have the discretion to pay earned performance units or performance shares in the form of cash, in shares or in some combination thereof.

Other Share-Based Awards

We are able to grant other share-based awards under our 2023 Omnibus Incentive Plan. Subject to the provisions our 2023 Omnibus Incentive Plan, the administrator will determine the terms and conditions of such awards.

Outside Directors

Our 2023 Omnibus Incentive Plan provides that all outside (non-employee) directors are eligible to receive all types of awards (except for incentive stock options) under our 2023 Omnibus Incentive Plan. Prior to the completion of this offering, we intend to implement a formal policy pursuant to which our outside directors will be eligible to receive equity awards under our 2023 Omnibus Incentive Plan. See “— *Director Compensation.*” Our 2023 Omnibus Incentive Plan will include a maximum annual limit of cash compensation and equity awards that may be paid, issued, or granted to an outside director in any fiscal year of \$750,000. For purposes of this limitation, the value of equity awards is based on the grant date fair value (determined in accordance with GAAP). Any cash compensation paid or equity awards granted to a person for his or her services as an employee, or for his or her services as a consultant (other than as an outside director), will not count for purposes of the limitation. The maximum limit does not reflect the intended size of any potential compensation or equity awards to our outside directors.

Non-Transferability of Awards

Unless the administrator provides otherwise, our 2023 Omnibus Incentive Plan generally does not allow for the transfer of awards (other than by will, by the laws of descent or distribution or to a trust or estate planning

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vehicle that is approved by the administrator) and only the recipient of an award is able to exercise an award during his or her lifetime. If the administrator makes an award transferrable, such award will contain such additional terms and conditions as the administrator deems appropriate.

Certain Adjustments

In the event of certain changes in our capitalization or applicable laws, regulations, or accounting principles, to prevent diminution or enlargement of the benefits or potential benefits available under our 2023 Omnibus Incentive Plan, the administrator will, subject to compliance with Section 409A of the Code (as defined herein) and other applicable law, adjust the number and class of shares that may be delivered under our 2023 Omnibus Incentive Plan and/or the number, class and price of shares covered by each outstanding award, the terms and conditions of any outstanding award and the numerical share limits set forth in our 2023 Omnibus Incentive Plan.

Dissolution or Liquidation

In the event of our proposed liquidation or dissolution, the administrator will notify participants as soon as practicable and all awards will terminate immediately prior to the consummation of such proposed transaction.

Merger or Change in Control

Our 2023 Omnibus Incentive Plan provides that in the event of a merger or change in control, as defined under our 2023 Omnibus Incentive Plan, each outstanding award will be treated as the administrator determines, without a participant's consent. The administrator is not required to treat all awards, all awards held by a participant, all awards of the same type, or all participants, similarly.

In the event that a successor corporation does not assume or substitute an equivalent award for any outstanding award, then such award will fully vest, all restrictions on such award will lapse, all performance goals or other vesting criteria applicable to such award will be deemed achieved at 100% of target levels (unless specifically provided otherwise under the applicable award agreement, policy, or other written agreement with the participant) and such award will become fully exercisable, if applicable, for a specified period prior to the transaction. If an option or stock appreciation right is not assumed or substituted, the administrator will notify the participant that such option or stock appreciation right will be exercisable for a period of time determined by the administrator in its sole discretion and the option or stock appreciation right will terminate upon the expiration of such period.

In addition, in the event of a change in control, each outside director's options and stock appreciation rights, if any, will vest fully and become immediately exercisable, all restrictions on his or her restricted stock and restricted stock units will lapse and all performance goals or other vesting requirements for his or her performance shares and units will be deemed achieved at 100% of target levels and all other terms and conditions met (unless specifically provided otherwise under the applicable award agreement, policy, or other written agreement with the outside director).

Forfeiture and Clawback

All awards granted under our 2023 Omnibus Incentive Plan will be subject to recoupment under any clawback policy that we have in place from time to time, including any policy that we are required to adopt pursuant to the listing standards of Nasdaq or under applicable law. In addition, the administrator will be able to provide in an award agreement that the recipient's rights, payments, and benefits with respect to such award will be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events. In the event of any accounting restatement, the recipient of an award will be required to repay a portion of the proceeds received in connection with the settlement of an award earned or accrued under certain circumstances.

Amendment, Suspension, or Termination

Our board of directors will have the authority to amend, suspend or terminate our 2023 Omnibus Incentive Plan provided such action does not impair the existing rights of any participant. Our 2023 Omnibus Incentive Plan will automatically terminate in 2031, unless we terminate it sooner.

Director Compensation

Our policy is to reimburse directors for reasonable and necessary out-of-pocket expenses incurred in connection with attending board and committee meetings or performing other services in their capacities as directors.

Our Board expects to review director compensation periodically to ensure that director compensation remains competitive such that we are able to recruit and retain qualified directors.

Upon completion of this offering, we expect to grant each of our non-employee directors an IPO equity grant of restricted stock units under the 2023 Omnibus Incentive Plan in the amount of \$150,000. The IPO equity grant of restricted stock units will be fully vested on the date of grant. Going forward following the completion of this offering, we expect to pay our non-employee directors (i) an annual cash retainer fee of \$90,000, payable in equal quarterly installments and (ii) an annual equity retainer of restricted stock units in the amount of \$150,000. The restricted stock units will be granted on the business day following our annual meeting on stockholders and will vest on the date of the following year's annual meeting of stockholders, subject to the directors continued service on our board of directors to the vesting date. In addition, the chair of the Audit Committee will receive an additional \$10,000 cash retainer and the chair of each of the Compensation Committee and the Nominating and Corporate Governance Committee will receive an additional \$5,000 annual cash retainer, each of which will be payable in equal quarterly installments.

PRINCIPAL STOCKHOLDERS

The following table sets forth information as of October 23, 2023 with respect to the ownership of our common stock of: (i) each of our directors and director nominees; (ii) each named executive officer; (iii) each person who is known by us to be the beneficial owner of more than 5% of the outstanding shares of common stock; and (iv) all directors, director nominees and current executive officers as a group.

Shares of common stock that a person has the right to acquire or will have the right to acquire within 60 days of October 23, 2023 are considered beneficially owned by such person. Such shares are deemed outstanding for calculating the percentage of outstanding shares of the person holding such right, but are not deemed outstanding for calculating the percentage of any other person. To our knowledge, except as indicated in the footnotes to this table or as provided by applicable community property laws, the persons named in the table have sole investment and voting power with respect to the shares of common stock indicated.

On January 2, 2021, the company issued 100 shares of common stock, par value \$0.01 per share, to the sole stockholder, GOHO, LLC. On April 12, 2021, the Company declared a stock dividend increasing the GOHO, LLC total to 8,000,000 shares of common stock, par value \$0.01 per share. Such issuances were exempt from registration under 4(a)(2) of the Securities Act of 1933, as amended, and Regulation D promulgated thereunder. The data in the table below gives effect to the 2.7386-for-1 stock split of our common stock, which was effected on October 23, 2023.

Name and Address of Owner ⁽¹⁾	Shares Beneficially Owned Prior to This Offering		Shares Beneficially Owned After This Offering Assuming No Exercise of the Over- Allotment Option		Shares Beneficially Owned After This Offering Assuming Full Exercise of the Over- Allotment Option	
	Number	Percent	Number	Percent	Number	Percent
5% Stockholders:						
GOHO, LLC	21,908,800	99.5%	21,908,800	82.8%	21,908,800	80.7%
Directors, Director Nominees and Named Executive Officers:						
Mitchell B. Goldsteen	21,908,800	99.5%	21,908,800	82.8%	21,908,800	80.7%
Steven E. Richards	530,604	2.4%	530,604	2.0%	530,604	2.0%
Gregory J. Dukellis	99,487	*	99,487	*	99,487	*
Devin J. Nordhagen	769,375	3.5%	769,375	2.9%	769,375	2.8%
Carolyn L. Trabuco	—	*	—	*	—	*
Geoffrey E. Heekin	—	*	—	*	—	*
J. Brendan Herron	—	*	—	*	—	*
All current executive officers and directors as a group (7 persons)	21,908,800	99.5%	21,908,800	82.8%	21,908,800	80.7%

* Less than 1%

(1) Mr. Goldsteen controls the shares held by GOHO, LLC. The address for GOHO, LLC is 530 Technology Drive, Suite 300, Irvine, CA 92618.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Our Related Person Transaction Policy

Our board of directors, upon the recommendation of our audit committee, will adopt a written policy with respect to related party transactions upon consummation of this offering.

Pursuant to our related person transaction policy, any related person transaction (as defined below) must be pre-approved by a majority of the independent directors on our board of directors and by our audit committee. In determining whether to pre-approve a transaction with related persons (as defined below), our independent directors and our audit committee may consider, among other things: (i) whether the terms of the transaction are fair to us and would apply on the same basis if the other party to the transaction did not involve a related person; (ii) whether there are compelling business reasons for us to enter into the transaction; (iii) whether the transaction would impair the independence of an otherwise independent director; and (iv) whether the transaction presents an improper conflict of interest, taking into account the size of the transaction, the overall financial condition of the related person, the direct or indirect nature of his or her interest in the transaction and the ongoing nature of any proposed relationship and any other factors our board of directors and our audit committee deem relevant.

Under our related person transaction policy, a “related person transaction” is any transaction, arrangement or relationship between us or any of our subsidiaries and a related person that involves or is expected to involve an amount that exceeds the lesser of \$120,000 or 1% of the average of our total assets as of the year-end for the last two completed fiscal years. A “related person” is any of our executive officers, directors or director nominees, any stockholder beneficially owning in excess of 5% of our stock or securities exchangeable for our stock, any immediate family member of any of the foregoing persons, and any firm, corporation or other entity in which any of the foregoing persons is an executive officer, a partner or principal or in a similar position or in which such person has a 5% or greater beneficial interest in such entity.

Transactions with Related Persons

Since the AECOM Sale Transactions, there have been no related party transactions in which the amount involved in the transaction exceeded or will exceed the lesser of \$120,000 or 1% of the average of our total assets as of the year-end for the last two completed fiscal years, and to which any of our directors, executive officers or beneficial holders of more than 5% of our capital stock, or any immediate family member of, or person sharing the household with, any of these individuals, had or will have a direct or indirect material interest.

Indemnification of Directors and Officers

We expect to enter into indemnification agreements with each of our directors and executive officers prior to the completion of this offering and expect to enter into a similar agreement with any new director or executive officer. The indemnification agreements, together with our amended and restated bylaws, will provide that we will jointly and severally indemnify each indemnitee to the fullest extent permitted by the DGCL from and against all loss and liability suffered and expenses, judgments, fines, and amounts paid in settlement actually and reasonably incurred by or on behalf of the indemnitee in connection with any threatened, pending, or completed action, suit or proceeding. Additionally, we will agree to advance to the indemnitee all out-of-pocket costs of any type or nature whatsoever incurred in connection therewith. See “*Description of Capital Stock—Limitation on Liability and Indemnification of Directors and Officers.*”

DESCRIPTION OF CAPITAL STOCK

The following describes our common stock, preferred stock and certain terms of our amended and restated certificate of incorporation and amended and restated bylaws as proposed to be in effect upon consummation of the offering. This description is a summary only and is subject to the complete text of our amended and restated certificate of incorporation and bylaws, which we will file as exhibits to the registration statement of which this prospectus is a part.

General

Upon completion of this offering, our amended and restated certificate of incorporation will authorize capital stock consisting of 100,000,000 shares of common stock, par value \$0.01 per share, and 25,000,000 shares of preferred stock, par value \$0.01 per share. Immediately prior to this offering, there has been no public market for our common stock. Upon completion of this offering, there will be 26,468,877 shares of common stock outstanding (or 27,151,377 shares if the underwriters exercise their over-allotment option in full) and no shares of preferred stock outstanding. The number of shares of common stock outstanding excludes shares issuable in connection with bonuses earned in 2020 upon achievement of certain vesting conditions and 3,841,274 shares reserved for issuance pursuant to the 2021 Stock Plan and the 2023 Omnibus Incentive Plan. Although we have applied for listing of our common stock on Nasdaq, a market for our common stock may not develop, and if one develops, it may not be sustained.

As of October 23, 2023, we had approximately 4 holders of record of our common stock.

Common Stock

Each share of common stock will entitle the holder to one vote on all matters on which holders are permitted to vote, including the election of directors. There will be no cumulative voting rights. Accordingly, holders of a majority of shares entitled to vote in an election of directors will be able to elect all of the directors standing for election.

Subject to preferences that may be applicable to any outstanding preferred stock, the holders of the common stock will share equally on a per share basis any dividends when, as and if declared by the board of directors out of funds legally available for that purpose. If we are liquidated, dissolved or wound up, the holders of our common stock will be entitled to a ratable share of any distribution to stockholders, after satisfaction of all of our liabilities and of the prior rights of any outstanding class of our preferred stock. Our common stock will not carry any preemptive or other subscription rights to purchase shares of our stock and are not convertible, redeemable or assessable.

Preferred Stock

Our board of directors will have the authority, without stockholder approval, to issue shares of preferred stock from time to time in one or more series and to fix the number of shares and terms of each such series. The board may determine the designation and other terms of each series, including, among others:

- dividend rates,
- whether dividends will be cumulative or non-cumulative,
- redemption rights,
- liquidation rights,
- sinking fund provisions,
- conversion or exchange rights, and
- voting rights.

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The issuance of preferred stock, while providing us with flexibility in connection with possible acquisitions and other corporate purposes, could reduce the relative voting power of holders of our common stock. It could also affect the likelihood that holders of our common stock will receive dividend payments and payments upon liquidation.

Anti-takeover Provisions of Our Certificate of Incorporation and Bylaws

Our amended and restated certificate of incorporation and bylaws will include a number of provisions that may have the effect of deterring hostile takeovers or delaying or preventing changes in control of our company, including the following:

Authorized Capital. The issuance of shares of capital stock, or the issuance of rights to purchase shares of capital stock, could be used to discourage an attempt to obtain control of our company. For example, if, in the exercise of its fiduciary obligations, our board of directors determined that a takeover proposal was not in the best interest of our stockholders, the board could authorize the issuance of preferred stock or common stock without stockholder approval. The shares could be issued in one or more transactions that might prevent or make the completion of the change of control transaction more difficult or costly by:

- diluting the voting or other rights of the proposed acquirer or insurgent stockholder group,
- creating a substantial voting bloc in institutional or other hands that might undertake to support the position of the incumbent board, or
- effecting an acquisition that might complicate or preclude the takeover.

In this regard, our amended and restated certificate of incorporation will grant our board of directors broad power to establish the rights and preferences of the authorized and unissued preferred stock. Our board could establish one or more series of preferred stock that entitle holders to:

- vote separately as a class on any proposed merger or consolidation,
- cast a proportionately larger vote together with our common stock on any transaction or for all purposes,
- elect directors having terms of office or voting rights greater than those of other directors,
- convert preferred stock into a greater number of shares of our common stock or other securities,
- demand redemption at a specified price under prescribed circumstances related to a change of control of our company, or
- exercise other rights designed to impede a takeover.

Alternatively, a change of control transaction deemed by the board to be in the best interest of our stockholders could be facilitated by issuing a series of preferred stock having sufficient voting rights to provide a required percentage vote of the stockholders.

Action by Written Consent. Our amended and restated certificate of incorporation and our amended and restated bylaws will provide that holders of our common stock are not able to act by written consent without a meeting.

Advance Notice Requirements for Stockholder Proposals and Director Nominations. Our amended and restated bylaws will provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders, or to nominate candidates for election as directors at any meeting of stockholders. Our amended and restated bylaws also will specify certain requirements regarding the form and content of a stockholder's notice. These provisions may preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our meetings of stockholders.

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Amendment of Certificate of Incorporation and Amended and Restated Bylaws. Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws as proposed to be in effect upon consummation of the offering that have antitakeover effects may be amended only by the affirmative vote of holders of at least two-thirds of the voting power of our outstanding shares of voting stock, voting together as a single class. This will have the effect of making it more difficult to amend our certificate of incorporation or bylaws to remove or modify these provisions. The affirmative vote of holders of a majority of the voting power of our outstanding shares of stock will generally be able to amend other provisions of our amended and restated certificate of incorporation and the holders of a majority of the voting power present and entitled to vote will generally be able to amend other provisions of our amended and restated bylaws.

These provisions of our amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult to acquire of control of us by means of a tender offer, merger, proxy contest or otherwise. Accordingly, these provisions could have the effect of discouraging coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of increased protection give us the potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us, and that the benefits of this increased protection outweigh the disadvantages of discouraging those proposals, because negotiation of those proposals could result in an improvement of their terms.

Exclusive Forum

Our amended and restated charter documents will provide, subject to limited exceptions, that unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or if such court does not have subject matter jurisdiction another state or the federal court (as appropriate) located within the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for any (1) derivative action or proceeding brought on our behalf, (2) action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee or stockholder of ours to us or our stockholders, (3) action asserting a claim against us or any current or former director or officer of ours arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or our amended and restated bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (4) action asserting a claim governed by the internal affairs doctrine of the State of Delaware.

Our amended and restated certificate of incorporation will further provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the federal securities laws of the United States, including any claims under the Securities Act and the Exchange Act. However, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce a duty or liability created by the Securities Act or the rules and regulations thereunder and accordingly, we cannot be certain that a court would enforce such provision. It is possible that a court could find our forum selection provisions to be inapplicable or unenforceable and, accordingly, we could be required to litigate claims in multiple jurisdictions, incur additional costs or otherwise not receive the benefits that we expect our forum selection provisions to provide.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our amended and restated charter documents. Our exclusive forum provision shall not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations.

Limitation of Liability and Indemnification of Directors and Officers

The DGCL authorizes corporations to limit or eliminate the personal liability of directors and certain officers to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties, subject to certain exceptions. Our amended and restated certificate of incorporation will include a provision that eliminates the personal liability of directors and officers for monetary damages for any breach of fiduciary duty as a director or officer, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. The effect of these provisions will be to eliminate the rights of us and our stockholders, through stockholders' derivative suits on our behalf, to recover monetary damages from a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. This provision will not limit or eliminate the liability of any officer in any action by or in the right of the Company, including any derivative claims. Further, the exculpation will not apply to any director or officer if the director or officer has breached the duty of loyalty to the corporation and its stockholders, acted in bad faith, knowingly or intentionally violated the law, or derived an improper benefit from his or her actions as a director or officer. In addition, exculpation will not apply to any director in connection with the authorization of illegal dividends, redemptions or stock repurchases.

Our amended and restated bylaws will provide that we must generally indemnify, and advance expenses to, our directors and officers to the fullest extent authorized by the DGCL. We also are expressly authorized to carry directors' and officers' liability insurance providing indemnification for our directors, officers and certain employees for some liabilities. We also intend to enter into indemnification agreements with our directors, which agreements will require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We believe that these indemnification and advancement provisions, and insurance will be useful to attract and retain qualified directors and officers.

The limitation of liability, indemnification and advancement provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors or officers for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

Listing of Common Stock

We have applied to list our common stock on Nasdaq under the symbol "SHIM."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Equiniti Trust Company.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to the date of this prospectus, there has been no public market for our common stock and we cannot assure you that a significant market for our common stock will develop or be sustained after this offering. The sales of a substantial amount of common stock in the public market in the future, or the perception that such sales may occur, could adversely affect the prevailing market price of our common stock and our ability to raise equity capital in the future.

Upon completion of this offering, we will have 26,468,877 shares of common stock outstanding. Of these shares of common stock, the 4,550,000 shares of common stock being sold in this offering, plus any shares sold upon exercise of the underwriters' option to purchase additional shares, will be freely tradable without restriction under the Securities Act, except for any such shares which may be held or acquired by an "affiliate" of ours, as that term is defined in Rule 144 promulgated under the Securities Act, which shares will be subject to the volume limitations and other restrictions of Rule 144 described below. The remaining 21,918,877 shares of common stock held by our existing stockholders and 4,340,270 shares issuable upon exercise of outstanding options will be "restricted securities," as that term is defined in Rule 144, and may be resold only after registration under the Securities Act or pursuant to an exemption from such registration, including, among others, the exemptions provided by Rule 144 and Rule 701 under the Securities Act, which rules are summarized below. These remaining shares of common stock will be available for sale in the public market only after the expiration of the lock-up agreements described in "Underwriting," and then only if registered or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, as described below.

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the current public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person is entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, under Rule 144 as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell, within any three-month period beginning 90 days after the date of this prospectus, a number of shares that does not exceed the greater of:

- 1.0% of the then outstanding shares of our common stock, or
- the average weekly trading volume during the four calendar weeks preceding the date on which notice of the sale is filed on Form 144.

Such sales by affiliates under Rule 144 are also subject to restrictions relating to the manner of sale, notice requirements and the availability of current public information about us, and to the holding period requirements set forth above if the shares are restricted securities.

Rule 701

Rule 701 of the Securities Act, as currently in effect, permits each of our employees, officers, directors, and consultants, to the extent such persons are not "affiliates" as that term is defined in Rule 144, who purchased or received our shares pursuant to a written compensatory plan or contract, to resell such shares 90 days after the effective date of this prospectus in reliance upon Rule 144, but without compliance with the specific

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requirements regarding the availability of public information or holding periods thereunder. Rule 701 provides that affiliates who purchased or received shares pursuant to a written compensatory plan or contract are eligible to resell their Rule 701 shares under Rule 144 without complying with the holding period requirement of Rule 144.

Lock-Up Agreements

Our controlling stockholder, executive officers and director nominees have agreed to a 180-day “lock-up” from the date of this prospectus relating to shares of our common stock that they beneficially own, including the issuance of common stock upon the exercise of currently outstanding options and options that may be issued. See “*Underwriting — Lock-Up Agreements.*”

Equity Incentive Plans

We intend to file a registration statement on Form S-8 under the Securities Act covering all of the shares of common stock reserved under the 2021 Stock Plan and the 2023 Omnibus Incentive Plan. We expect to file this registration statement as soon as practicable after our initial public offering. Once registered, all of the shares of our common stock issued under the plans may be sold without restriction, subject to applicable lock-up agreements, or further registration under the Securities Act, unless the recipients of the shares are “affiliates” as that term is defined in Rule 144 under the Securities Act.

UNDERWRITING

We have entered into an underwriting agreement with Roth Capital Partners, LLC, as representative of the underwriters named below, with respect to the shares subject to this offering. Subject to the terms and conditions in the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has, severally and not jointly, agreed to purchase from us on a firm commitment basis, the respective number of shares of our common stock set forth opposite its name in the table below:

<u>Underwriters</u>	<u>Number of Shares</u>
Roth Capital Partners, LLC	
Craig-Hallum Capital Group, LLC	
Total	4,550,000

The underwriting agreement provides that the obligation of the underwriters to purchase all of the shares being offered to the public is subject to approval of legal matters by counsel and the satisfaction of other conditions. These conditions include, among others, the continued accuracy of representations and warranties made by us in the underwriting agreement, delivery of legal opinions and the absence of any material changes in our assets, business or prospects after the date of this prospectus. The underwriters are obligated to purchase all of our shares in this offering, other than those covered by the over-allotment option described below, if they purchase any of our shares.

The representative of the underwriters has advised us that the underwriters propose to offer the common stock directly to the public at the public offering prices listed on the cover page of this prospectus and to selected dealers, who may include the underwriters, at the public offering price less a selling concession not in excess of \$ _____ per share for the common stock. After the completion of this offering, the underwriters may change the offering price and other selling terms.

Pursuant to the underwriting agreement, we have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments which the underwriters or other indemnified parties may be required to make in respect of any such liabilities.

We have applied to have our common stock listed on Nasdaq under the symbol "SHIM".

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representative of the underwriters. In determining the initial public offering price, we and the representative of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representative,
- our prospects and the history and prospects for the industry in which we compete,
- an assessment of our management,
- our prospects for future earnings,
- the general condition of the securities markets at the time of this offering,
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies, and
- other factors deemed relevant by the underwriters and us.

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Neither we nor the underwriters can assure investors that an active trading market will develop for the shares of our common stock, or that the shares will trade in the public market at or above the initial public offering price.

Over-Allotment Option

We have granted the underwriters an over-allotment option. This option, which is exercisable for up to 30 days after the date of this prospectus, permits the underwriters to purchase a maximum of 682,500 additional shares from us to cover over-allotments, if any. If the underwriters exercise all or part of this option, each underwriter will be obligated to purchase its proportionate number of shares covered by the option at the public offering price that appears on the cover page of this prospectus, less the underwriting discounts and commissions.

Commissions and Expenses

The following table provides information regarding the amount of the underwriting discounts and commissions to be paid to the underwriters by us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares to cover over-allotments, if any.

	Per Share	Without Over- Allotment	Total With Over-Allotment
Underwriting discounts and commissions paid by us			
Proceeds, before expenses, to us			

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately \$4.8 million, which includes Company legal, accounting and printing costs and various other fees associated with registration and listing of our common stock. We have agreed to reimburse the representative for its out-of-pocket expenses actually incurred in the offering, including fees and disbursements of legal counsel to the representative, in an aggregate amount not to exceed \$450,000. If the offering is not consummated within a specified period agreed to by and between the representative and us and any person introduced to us by the representative during its engagement purchases securities from us within twelve months thereafter, we will pay the representative a termination fee equal to 7% of the price paid by the purchaser of such securities, subject to FINRA Rule 5110(g)(5).

Right of First Refusal

We have granted the representative a right of first refusal, for a period of twelve (12) months from the closing of this offering, to act as underwriter or placement agent at the representative's discretion, for each and every future public and private equity, equity-linked or debt securities offering. Any such engagement would be pursuant to a separate agreement that provides for customary fees and other terms and conditions agreed upon between the Company and the representative. Such right of first refusal shall not survive if the underwriting agreement is terminated for cause by the Company in accordance with FINRA Rule 5110(g)(5)(B).

Lock-Up Agreements

Our controlling stockholder, executive officers and director nominees have agreed to a 180-day "lock-up" from the date of this prospectus relating to shares of our common stock that they beneficially own, including the issue of common stock upon exercise of outstanding issued options and options that may be issued. This means that, for a period of 180 days following the date of this prospectus, these persons may not offer, sell, pledge or otherwise dispose of these securities without the prior written consent of the representative, subject to certain exceptions.

The representative may, in its sole discretion and at any time or from time to time, release all or any portion of the common stock or other securities subject to the lock-up agreement. Any determination to release any common stock would be based upon a number of factors at the time of determination, which may include the

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market price of the common stock, the liquidity of the trading market of the common stock, general market conditions, the number of shares of common stock or other securities proposed to be sold or otherwise transferred and the timing, purposes and terms of the proposed sale or other transfer. The representative does not have any present intention, agreement or understanding, implicit or explicit, to release any of the shares of common stock or other securities subject to the lock-up agreements prior to the expiration of the lock-up period described above.

In addition, the underwriting agreement provides that, subject to certain exceptions, we will not, for a period of 180 days following the date of this prospectus, offer, sell or distribute any of our securities, without the prior written consent of the underwriters.

Stabilization

Until the distribution of the securities offered by this prospectus is completed, rules of the SEC may limit the ability of the underwriters to bid for and to purchase our common stock. As an exception to these rules, the underwriters may engage in transactions effected in accordance with Regulation M under the Exchange Act that are intended to stabilize, maintain or otherwise affect the price of our common stock. The underwriters may engage in over-allotment sales, syndicate covering transactions, stabilizing transactions and penalty bids in accordance with Regulation M:

- Stabilizing transactions permit bids or purchases for the purpose of pegging, fixing or maintaining the price of the common stock, so long as stabilizing bids do not exceed a specified maximum.
- Over-allotment involves sales by the underwriters of securities in excess of the number of securities the underwriters are obligated to purchase, which creates a short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares of common stock over-allotted by the underwriters is not greater than the number of shares of common stock that they may purchase in the over-allotment option. In a naked short position, the number of shares of common stock involved is greater than the number of shares in the over-allotment option. The underwriters may close out any covered short position by either exercising their over-allotment option or purchasing shares of our common stock in the open market.
- Covering transactions involve the purchase of securities in the open market after the distribution has been completed in order to cover short positions. In determining the source of securities to close out the short position, the underwriters will consider, among other things, the price of securities available for purchase in the open market as compared to the price at which they may purchase securities through the over-allotment option. If the underwriters sell more shares of common stock than could be covered by the over-allotment option, creating a naked short position, the position can only be closed out by buying securities in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the securities in the open market after pricing that could adversely affect investors who purchase in this offering.
- Penalty bids permit the underwriters to reclaim a selling concession from a selected dealer when the securities originally sold by the selected dealer are purchased in a stabilizing or syndicate covering transaction.

These stabilizing transactions, covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market.

Neither we nor the underwriters make any representation or prediction as to the effect that the transactions described above may have on the prices of our common stock. These transactions may occur on any trading market. If any of these transactions are commenced, they may be discontinued without notice at any time.

Electronic Prospectus

This prospectus may be made available in electronic format on internet sites or through other online services maintained by the underwriters or their affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. Other than this prospectus in electronic format, any information on the underwriters' or their affiliates' websites and any information contained in any other website maintained by the underwriters or any affiliate of the underwriters is not part of this prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us or the underwriters and should not be relied upon by investors.

Offer Restrictions Outside the United States

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to this offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Australia

This prospectus is not a disclosure document under Chapter 6D of the Australian Corporations Act, has not been lodged with the Australian Securities and Investments Commission and does not purport to include the information required of a disclosure document under Chapter 6D of the Australian Corporations Act. Accordingly, (i) the offer of the securities under this prospectus is only made to persons to whom it is lawful to offer the securities without disclosure under Chapter 6D of the Australian Corporations Act under one or more exemptions set out in section 708 of the Australian Corporations Act, (ii) this prospectus is made available in Australia only to those persons as set forth in clause (i) above, and (iii) the offeree must be sent a notice stating in substance that by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (i) above, and, unless permitted under the Australian Corporations Act, agrees not to sell or offer for sale within Australia any of the securities sold to the offeree within 12 months after its transfer to the offeree under this prospectus.

Canada

The securities may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor. Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI33-105 regarding underwriter conflicts of interest in connection with this offering.

China

The information in this document does not constitute a public offer of the securities, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The securities may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors."

European Economic Area — Belgium, Germany, Luxembourg and Netherlands

The information in this document has been prepared on the basis that all offers of securities will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of securities has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to legal entities that are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity that has two or more of (i) an average of at least 250 employees during its last fiscal year; (ii) a total balance sheet of more than €43,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) and (iii) an annual net turnover of more than €50,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to fewer than 100 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining our prior consent or any underwriter for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of securities shall require us to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The securities have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the securities have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed or caused to be distributed, directly or indirectly, to the public in France.

Such offers, sales and distributions have been and shall only be made in France to (i) qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2 and D.411-1 to D.411-3, D. 744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation and/or (ii) a restricted number of non-qualified investors (cercle restreint d'investisseurs) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2° and D.411-4, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

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Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the securities cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (the “Prospectus Regulations”). The securities have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to (i) qualified investors as defined in Regulation 2(l) of the Prospectus Regulations and (ii) fewer than 100 natural or legal persons who are not qualified investors.

Israel

The securities offered by this prospectus have not been approved or disapproved by the Israeli Securities Authority (the ISA), or ISA, nor have such securities been registered for sale in Israel. The shares may not be offered or sold, directly or indirectly, to the public in Israel, absent the publication of a prospectus. The ISA has not issued permits, approvals or licenses in connection with this offering or publishing the prospectus; nor has it authenticated the details included herein, confirmed their reliability or completeness, or rendered an opinion as to the quality of the securities being offered. Any resale in Israel, directly or indirectly, to the public of the securities offered by this prospectus is subject to restrictions on transferability and must be effected only in compliance with the Israeli securities laws and regulations.

Italy

The offering of the securities in the Republic of Italy has not been authorized by the Italian Securities and Exchange Commission (Commissione Nazionale per le Società e la Borsa, “CONSOB” pursuant to the Italian securities legislation and, accordingly, no offering material relating to the securities may be distributed in Italy and such securities may not be offered or sold in Italy in a public offer within the meaning of Article 1.1(t) of Legislative Decree No. 58 of 24 February 1998 (“Decree No. 58”), other than:

- to Italian qualified investors, as defined in Article 100 of Decree no. 58 by reference to Article 34-ter of CONSOB Regulation no. 11971 of 14 May 1999 (“Regulation no. 11971”) as amended (“Qualified Investors”); and
- in other circumstances that are exempt from the rules on public offer pursuant to Article 100 of Decree No. 58 and Article 34-ter of Regulation No. 11971 as amended.

Any offer, sale or delivery of the securities or distribution of any offer document relating to the securities in Italy (excluding placements where a Qualified Investor solicits an offer from the issuer) under the paragraphs above must be:

- made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993 (as amended), Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007 and any other applicable laws; and
- in compliance with all relevant Italian securities, tax and exchange controls and any other applicable laws.

Any subsequent distribution of the securities in Italy must be made in compliance with the public offer and prospectus requirement rules provided under Decree No. 58 and the Regulation No. 11971 as amended, unless an exception from those rules applies. Failure to comply with such rules may result in the sale of such securities being declared null and void and in the liability of the entity transferring the securities for any damages suffered by the investors.

Japan

The securities have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the “FIEL”) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the securities may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires securities may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of securities is conditional upon the execution of an agreement to that effect.

New Zealand

The shares of common stock offered hereby have not been offered or sold, and will not be offered or sold, directly or indirectly in New Zealand and no offering materials or advertisements have been or will be distributed in relation to any offer of shares in New Zealand, in each case other than:

- to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money;
- to persons who in all the circumstances can properly be regarded as having been selected otherwise than as members of the public;
- to persons who are each required to pay a minimum subscription price of at least NZ\$500,000 for the shares before the allotment of those shares (disregarding any amounts payable, or paid, out of money lent by the issuer or any associated person of the issuer); or
- in other circumstances where there is no contravention of the Securities Act 1978 of New Zealand (or any statutory modification or reenactment of, or statutory substitution for, the Securities Act 1978 of New Zealand).

Portugal

This document is not being distributed in the context of a public offer of financial securities (oferta pública de valores mobiliários) in Portugal, within the meaning of Article 109 of the Portuguese Securities Code (Código dos Valores Mobiliários). The securities have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in Portugal. This document and any other offering material relating to the securities have not been, and will not be, submitted to the Portuguese Securities Market Commission (Comissão do Mercado de Valores Mobiliários) for approval in Portugal and, accordingly, may not be distributed or caused to be distributed, directly or indirectly, to the public in Portugal, other than under circumstances that are deemed not to qualify as a public offer under the Portuguese Securities Code. Such offers, sales and distributions of securities in Portugal are limited to persons who are “qualified investors” (as defined in the Portuguese Securities Code). Only such investors may receive this document and they may not distribute it or the information contained in it to any other person.

Sweden

This document has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this document may not be made available, nor may the securities be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) om handel med finansiella instrument). Any offering of securities in Sweden is limited to persons who are “qualified investors” (as defined in the Financial Instruments Trading Act). Only such investors may receive this document and they may not distribute it or the information contained in it to any other person.

Switzerland

The securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the securities may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering material relating to the securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of securities will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

United Arab Emirates

Neither this document nor the securities have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates or any other governmental authority in the United Arab Emirates, nor have we received authorization or licensing from the Central Bank of the United Arab Emirates or any other governmental authority in the United Arab Emirates to market or sell the securities within the United Arab Emirates. This document does not constitute and may not be used for the purpose of an offer or invitation. We may not render services relating to the securities within the United Arab Emirates, including the receipt of applications and/or the allotment or redemption of such shares.

No offer or invitation to subscribe for securities is valid or permitted in the Dubai International Financial Centre.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the securities. This document is issued on a confidential basis to “qualified investors” (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a summary of certain material U.S. federal income tax consequences of the purchase, ownership and disposition of our common stock to a non-U.S. holder that purchases shares of our common stock in this offering. For purposes of this summary, a “non-U.S. holder” means a beneficial owner of our common stock that is not, for U.S. federal income tax purposes:

- a citizen of or resident alien in the United States,
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state thereof, or the District of Columbia,
- an estate the income of which is subject to U.S. federal income taxation regardless of its source, or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons as defined in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the “Code”) have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

An individual non-U.S. citizen may, in some cases, be deemed to be a resident alien in the United States (as opposed to a nonresident alien) by virtue of being present in the United States for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year. Generally, for this purpose, all the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year, are counted.

Resident aliens are generally subject to U.S. federal income tax as if they were U.S. citizens. Individuals who are uncertain of their status as resident or nonresident aliens for U.S. federal income tax purposes are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the ownership or disposition of our common stock.

In the case of a holder that is classified as a partnership for U.S. federal income tax purposes, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partner and the partnership. If you are a partner in a partnership holding our common stock, then you should consult your own tax advisor.

This summary is based upon the provisions of the Code, the Treasury Regulations promulgated thereunder and administrative and judicial interpretations thereof, all as of the date hereof. Those authorities may be changed, perhaps retroactively, or subject to differing interpretations, so as to result in U.S. federal income tax consequences different from those summarized below. We cannot assure you that a change in law, possibly with retroactive application, will not significantly alter the tax considerations that we describe in this summary. We have not sought and do not plan to seek any ruling from the U.S. Internal Revenue Service, which we refer to as the IRS, with respect to the tax consequences described in the following summary, and there can be no assurance that the IRS or a court will agree with the consequences described below.

This summary does not address all aspects of U.S. federal income taxes that may be relevant to non-U.S. holders in light of their particular circumstances, and does not deal with other federal taxes, including U.S. federal gift and estate taxes, except to the limited extent set forth below. This summary also does not address any non-U.S., state or local tax considerations. Special rules, not discussed here, may apply to certain non-U.S. holders, including:

- U.S. expatriates and former citizens or long-term residents of the United States,
- persons holding our common stock as part of a hedge, straddle, or other risk reduction strategy or as part of a conversion transaction or other integrated investment,

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- controlled foreign corporations,
- passive foreign investment companies,
- banks and other financial institutions,
- insurance companies,
- brokers or dealers in securities or commodities,
- traders in securities who elect to mark their investments to market,
- tax-exempt organizations,
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation,
- tax-qualified retirement plans, and
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein).

Such non-U.S. holders should consult their own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them.

This summary applies only to a non-U.S. holder that holds our common stock as a capital asset (within the meaning of Section 1221 of the Code).

If you are considering the purchase of our common stock, you should consult your own tax advisor concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of our common stock, as well as the consequences to you arising under U.S. tax laws other than the federal income tax law or under the laws of any other taxing jurisdiction.

Dividends

As described in “*Dividends and Dividend Policy*” above, we do not currently anticipate paying cash dividends. If we do make a distribution of cash or property (other than certain stock distributions) with respect to our common stock (or certain redemptions that are treated as distributions with respect to common stock), any such distributions will be treated as a dividend for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Dividends paid to you generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

However, dividends that are effectively connected with the conduct of a trade or business by you within the United States or, if required by an applicable income tax treaty, are attributable to a United States permanent establishment that you maintain, are not subject to the withholding tax, but instead are subject to United States federal income tax on a net income basis at applicable graduated individual or corporate ordinary income tax rates. Certain certification and disclosure requirements, including delivery to the withholding agent of a properly executed IRS Form W-8ECI (or other applicable form), must be satisfied for effectively connected income to be exempt from withholding. Any such dividends received by a foreign corporation that are effectively connected with its conduct of a trade or business within the United States may be subject to an additional “branch profits tax” at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

If the amount of a distribution paid on our common stock exceeds our current and accumulated earnings and profits, such excess will be allocated ratably among each share of common stock with respect to which the distribution is paid and treated first as a tax-free return of capital to the extent of your adjusted tax basis in each

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such share, and thereafter as capital gain from a sale or other disposition of such share of common stock that is taxed to you as described below in “*Gain on Disposition of Common Stock*.” Your adjusted tax basis is generally equal to your purchase price for such shares, reduced by the amount of any such tax-free returns of capital.

If you wish to claim the benefit of an applicable treaty rate to avoid or reduce withholding of U.S. federal income tax for dividends, then you must (a) provide the withholding agent with a properly completed IRS Form W-8BEN or W-8BEN-E (or other applicable form) and certify under penalties of perjury that you are not a U.S. person and are eligible for treaty benefits, or (b) if our common stock is held through certain foreign intermediaries, satisfy the relevant certification requirements of applicable U.S. Treasury Regulations. Special certification and other requirements apply to certain non-U.S. holders that act as intermediaries (including partnerships).

If you are eligible for a reduced rate of U.S. federal income tax pursuant to an income tax treaty, then you may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim with the IRS. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under any applicable tax treaties.

Gain on Disposition of Common Stock

You generally will not be subject to U.S. federal income tax with respect to gain realized on the sale or other taxable disposition of our common stock, unless:

- the gain is effectively connected with a trade or business you conduct in the United States, or, if required by an applicable income tax treaty, is attributable to a United States permanent establishment that you maintain,
- you are an individual and you are present in the United States for 183 days or more in the taxable year of the sale or other taxable disposition, and certain other conditions are met, or
- we are or have been during a specified testing period a “U.S. real property holding corporation” for U.S. federal income tax purposes, and certain other conditions are met.

If you are an individual described in the first bullet point above, you generally will be subject to tax on the net gain derived from the sale under regular graduated United States federal income tax rates or such lower rate as specified by an applicable income tax treaty. If you are a foreign corporation described in the first bullet point above, you will be subject to tax on your gain under regular graduated United States federal income tax rates and, in addition, may be subject to the branch profits tax on your effectively connected earnings and profits at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. If you are an individual described in the second bullet point above, you generally will be subject to a flat 30% tax on the gain derived from the sale, which may be offset by United States source capital losses.

Generally, we will be a “U.S. real property holding corporation” if the fair market value of our U.S. real property interests equals or exceeds 50% of the sum of the fair market values of our worldwide real property interests and other assets used or held for use in a trade or business, all as determined under applicable U.S. Treasury Regulations. We believe that we have not been and are not a “U.S. real property holding corporation” for U.S. federal income tax purposes. Although we do not anticipate it based on our current business plans and operations, we may become, and there can be no assurance that we will not become, a “U.S. real property holding corporation” in the future. If we have been or were to become a “U.S. real property holding corporation,” you might be subject to U.S. federal income tax with respect to gain realized on the disposition of our common stock. However, such gain would not be subject to U.S. federal income or withholding tax if (1) our common stock is regularly traded on an established securities market and (2) you did not own, actually or constructively, at any time during the five-year period preceding the disposition, more than 5% of the value of our common stock. There can be no assurance that our common stock will qualify as regularly traded on an established securities market.

Estate Tax

The estate of a nonresident alien individual generally is subject to U.S. federal estate tax on property with a U.S. situs. Because we are a U.S. corporation, our common stock will be U.S. situs property and therefore will be included in the U.S. taxable estate of a nonresident alien decedent, unless an applicable estate tax treaty between the United States and the decedent's country of residence provides otherwise. The terms "resident" and "nonresident" are defined differently for U.S. federal estate tax purposes than for U.S. federal income tax purposes. Non-U.S. holders should consult their own tax advisors regarding any potential estate tax implications of owning our common stock.

Information Reporting and Backup Withholding

We must report annually to the IRS and to you the amount of any dividends paid to you and the amount of income taxes, if any, withheld with respect to such dividends. The IRS may make this information available to the tax authorities in the country in which you are resident.

In addition, you may be subject to information reporting requirements and backup withholding tax (currently at a rate of 24%) with respect to dividends paid on, and the proceeds of disposition of, shares of our common stock, unless, generally, you certify under penalties of perjury (usually on IRS Form W-8BEN or W-8BEN-E) that you are not a U.S. person or you otherwise establish an exemption. Additional rules relating to information reporting requirements and backup withholding tax with respect to payments of the proceeds from the disposition of shares of our common stock are set forth below.

- If the proceeds are paid to or through the U.S. office of a broker, the proceeds generally will be subject to backup withholding tax and information reporting, unless you certify under penalties of perjury (usually on IRS Form W-8BEN or W-8BEN-E) that you are not a U.S. person or you otherwise establish an exemption.
- If the proceeds are paid to or through a non-U.S. office of a broker that is not a U.S. person and is not a foreign person with certain specified U.S. connections, or a U.S.-related person, information reporting and backup withholding tax generally will not apply.
- If the proceeds are paid to or through a non-U.S. office of a broker that is a U.S. person or a U.S.-related person, the proceeds generally will be subject to information reporting (but not to backup withholding tax), unless you certify under penalties of perjury (usually on IRS Form W-8BEN or W-8BEN-E) that you are not a U.S. person.

Any amounts withheld under the backup withholding tax rules may be allowed as a refund or a credit against your U.S. federal income tax liability, provided the required information is timely furnished by you to the IRS.

FATCA Withholding

Provisions commonly referred to as "FATCA" impose withholding of 30% on payments of dividends on our common stock to "foreign financial institutions" and certain other non-U.S. entities unless various U.S. information reporting and due diligence requirements (generally relating to ownership by United States persons of interests in or accounts with those entities) have been satisfied by, or an exemption applies to, the payee (typically certified by the delivery of a properly completed IRS Form W-8BEN-E). Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules. 30% withholding under FATCA was scheduled to apply to payments of gross proceeds from the sale or other disposition of property that produces U.S.-source dividends beginning on January 1, 2019. However, proposed Treasury Regulations, if finalized in their proposed form, would eliminate the obligation to withhold on gross proceeds. Although these proposed Treasury Regulations are not final, taxpayers generally may rely on them until final Treasury Regulations are issued. There can be no assurance that final Treasury Regulations will provide the same exceptions from FATCA withholding as the proposed Treasury

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Regulations. Prospective investors should consult their tax advisors regarding the potential application of FATCA to their investment in our common stock.

THE SUMMARY OF CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES ABOVE IS INCLUDED FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. PROSPECTIVE PURCHASERS OF OUR COMMON STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSIDERATIONS OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON STOCK.

LEGAL MATTERS

Certain legal matters in connection with this offering will be passed upon for us by King & Spalding LLP, Atlanta, Georgia. Nelson Mullins Riley & Scarborough LLP, Washington, DC, will pass upon certain legal matters for the underwriters.

EXPERTS

The financial statements of SCCI National Holdings, Inc. as of December 30, 2022 and December 31, 2021, and for the fiscal years then ended, included in this prospectus, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report. Such financial statements are included in reliance upon the report of such firm given their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered by this prospectus. In this prospectus we refer to that registration statement, together with all amendments, exhibits and schedules to that registration statement, as “the registration statement.”

As is permitted by the rules and regulations of the SEC, this prospectus, which is part of the registration statement, omits some information, exhibits, schedules and undertakings set forth in the registration statement. For further information with respect to us, and the securities offered by this prospectus, please refer to the registration statement.

Following the declaration of effectiveness of the registration statement on Form S-1, of which this prospectus forms a part, we will be required to file current, quarterly and annual reports, proxy statements and other information without charge with the SEC. The SEC maintains a web site at www.sec.gov that contains reports, proxy and information statements and other information regarding registrants that make electronic filings with the SEC using its EDGAR system.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Owner of SCCI National Holdings, Inc. and Subsidiaries:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of SCCI National Holdings, Inc. and Subsidiaries (the “Company”) as of December 30, 2022 and December 31, 2021, and the related consolidated statements of operations, stockholder’s equity, and of cash flows for each of the two fiscal years in the period ended December 30, 2022, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 30, 2022 and December 31, 2021, and the results of its operations and its cash flows for each of the two fiscal years in the period ended December 30, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

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

/s/ DELOITTE & TOUCHE LLP

Denver, Colorado

July 14, 2023 (August 9, 2023 as to earnings per share information and Notes 1, 7 and 10 and October 23, 2023, as to the effects of the stock split described in Notes 1 and 14)

We have served as the Company’s auditor since 2022.

SCCI National Holdings, Inc. and Subsidiaries
Consolidated Balance Sheets
As of December 30, 2022 and December 31, 2021
(In thousands, except share data)

	December 30, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 77,762	\$ 73,176
Restricted cash	4,323	8,727
Accounts receivable, net	56,430	98,004
Accounts receivable from former parent	—	32,000
Costs and estimated earnings in excess of billings on uncompleted contracts	80,901	18,513
Due from unconsolidated joint ventures	313	7,392
Prepays and other current assets	13,747	17,351
TOTAL CURRENT ASSETS	233,476	255,163
Property, plant and equipment, net	55,208	62,209
Intangible assets, net	12,044	14,677
Costs and estimated earnings in excess of billings on uncompleted contracts, non-current	35,219	59,860
Retainage receivable	48,805	39,817
Lease right-of-use assets	22,690	22,224
Investment in unconsolidated joint ventures	17,363	17,685
Deferred tax assets	18,851	19,304
Other assets	3,143	1,057
TOTAL ASSETS	\$ 446,799	\$ 491,996
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 67,541	\$ 57,105
Billings on uncompleted contracts in excess of costs and estimated earnings	55,117	117,169
Forward loss reserve	108,608	140,721
Accrued salaries, wages and benefits	36,248	32,099
Construction accruals	60,758	29,287
Other current liabilities	12,672	12,281
TOTAL CURRENT LIABILITIES	340,944	388,662
Lease liabilities, non-current	14,442	11,904
Billings on uncompleted contracts in excess of costs and estimated earnings, non-current	1,846	14,069
Contingent consideration	15,662	6,200
Deferred tax liabilities	18,851	19,304
Other liabilities	3,459	4,836
TOTAL LIABILITIES	395,204	444,975
Commitments and Contingencies (Note 13)		
STOCKHOLDER'S EQUITY		
Common stock — authorized, 27,386,000 shares of \$0.01 par value as of December 30, 2022 and December 31, 2021; issued and outstanding 21,908,800 shares as of December 30, 2022 and December 31, 2021	219	219
Additional paid-in-capital	3,341	1,046
Retained earnings	49,083	45,323
Non-controlling interests	(1,048)	433
TOTAL STOCKHOLDER'S EQUITY	51,595	47,021
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 446,799	\$ 491,996

SCCI National Holdings, Inc. and Subsidiaries
Consolidated Statements of Operations
For the fiscal years ended December 30, 2022 and December 31, 2021
(In thousands, except per share data)

	Fiscal Year Ended	
	December 30, 2022	December 31, 2021
Revenue	\$ 664,158	\$ 572,666
Cost of revenue	640,643	705,470
Gross margin	23,515	(132,804)
Selling, general and administrative expenses	60,442	77,519
Amortization of intangibles	2,632	2,632
Total operating expenses	63,074	80,151
Equity in earnings of unconsolidated joint ventures	52,471	1,067
Income (loss) from operations	12,912	(211,888)
Bargain purchase gain	—	233,147
Other (expense) income	(8,731)	453
Net income before income taxes	4,181	21,712
Income tax (expense) benefit	(1,274)	24,122
Net income	2,907	45,834
Net (loss) income attributable to non-controlling interests	(853)	431
Net income attributable to SCCI National Holdings, Inc. and Subsidiaries	<u>\$ 3,760</u>	<u>\$ 45,403</u>
Net income attributable to SCCI National Holdings, Inc. and Subsidiaries per common share		
Basic	<u>\$ 0.17</u>	<u>\$ 2.07</u>
Diluted	<u>\$ 0.17</u>	<u>\$ 2.07</u>

See accompanying notes to the consolidated financial statements.

SCCI National Holdings, Inc and Subsidiaries
Consolidated Statements of Stockholder's Equity
For the fiscal years ended December 30, 2022 and December 31, 2021
(In thousands, except share data)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Non- controlling	Total Stockholder's Equity
	Shares	Amount				
Beginning balance as of January 2, 2021	274	\$ —	\$ —	\$ —	\$ 2	\$ 2
Net income	—	—	—	45,403	431	45,834
Stock-based compensation	—	—	1,185	—	—	1,185
Issuance of stock dividend to initial stockholder	21,908,526	219	(139)	(80)	—	—
Balance at December 31, 2021	<u>21,908,800</u>	<u>\$ 219</u>	<u>\$ 1,046</u>	<u>\$45,323</u>	<u>\$ 433</u>	<u>\$ 47,021</u>
Net income (loss)	—	—	—	3,760	(853)	2,907
Stock-based compensation	—	—	2,295	—	—	2,295
Distributions to non-controlling interests	—	—	—	—	(628)	(628)
Balance at December 30, 2022	<u>21,908,800</u>	<u>\$ 219</u>	<u>\$ 3,341</u>	<u>\$49,083</u>	<u>\$ (1,048)</u>	<u>\$ 51,595</u>

See accompanying notes to consolidated financial statements.

SCCI National Holdings, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the fiscal years ended December 30, 2022 and December 31, 2021
(In thousands)

	Fiscal Year Ended	
	December 30, 2022	December 31, 2021
Operating Activities		
Net income	\$ 2,907	\$ 45,834
Adjustments to reconcile net income to net cash used in operating activities:		
Stock-based compensation	2,295	1,185
Depreciation and amortization	15,979	14,929
Equity in earnings of unconsolidated joint ventures	(52,471)	(1,067)
Return on investment in unconsolidated joint ventures	59,651	26,104
Bargain purchase gain	—	(233,147)
Changes in fair value of contingent consideration	9,462	(11,600)
Deferred income tax benefit	—	(24,122)
Changes in operating assets and liabilities:		
Accounts receivable, net	41,574	(40,799)
Due from unconsolidated joint ventures	7,079	(4,313)
Costs and estimated earnings in excess of billings on uncompleted contracts	(37,748)	37,509
Prepaid and other current assets	3,604	3,376
Retainage receivable	(8,988)	(102)
Other assets	590	826
Accounts payable	10,436	16,551
Billings on uncompleted contracts in excess of costs and estimated earnings	(62,052)	74,276
Forward loss reserve	(32,113)	80,828
Accrued salaries, wages and benefits	4,149	(6,406)
Construction accruals	31,471	(29,176)
Other liabilities	1,091	(4,661)
Net cash used in operating activities	<u>(3,084)</u>	<u>(53,975)</u>
Investing Activities		
Cash acquired in business combination	—	160,393
Net working capital settlement in association with business combination	32,000	—
Purchases of property, plant and equipment	(10,443)	(2,935)
Proceeds from sale of property, plant and equipment	1,722	1,700
Unconsolidated joint venture equity contributions	(19,709)	(22,986)
Return of investment in unconsolidated joint ventures	627	—
Net cash provided by investing activities	<u>4,197</u>	<u>136,172</u>
Financing Activities		
Payments on finance lease obligation	(303)	(294)
Distributions to non-controlling interests	(628)	—
Net cash used in financing activities	<u>(931)</u>	<u>(294)</u>
Net increase in cash, cash equivalents and restricted cash	182	81,903
Cash, cash equivalents and restricted cash		
Beginning of period	81,903	—
End of period	<u>\$ 82,085</u>	<u>\$ 81,903</u>
Supplemental cash flow information		
Interest paid	\$ 164	\$ 72

See accompanying notes to the consolidated financial statements.

SCCI National Holdings, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

Note 1. Business, Basis of Presentation and Significant Accounting Policies

Basis of Presentation

On December 9, 2020, SCCI National Holdings, Inc. and Subsidiaries (“Shimmick” or the “Company”) and AECOM and URS Holdings, Inc., an affiliate of AECOM, entered into a purchase and sale agreement (“Purchase Agreement”) with SCC Group, LLC (“SCC Group”). Under the Purchase Agreement, SCC Group agreed to purchase and acquire 100% of Shimmick stock and certain other assets related to the Shimmick business and subsidiaries that were owned by AECOM and its affiliates. On January 2, 2021, Shimmick became an independent company as a result of the sale by AECOM of its civil construction business, which consisted of the Shimmick operations, to subsidiaries of SCC Group and 100 shares were concurrently issued to the initial stockholder (the amounts of shares do not reflect the 2.7386 stock split of our common stock, which was effected on October 23, 2023).

The accompanying consolidated financial statements present the Company’s historical financial position, results of operations, and cash flows in accordance with accounting principles generally accepted in the United States of America (“GAAP”). A statement of comprehensive income is not presented as the Company’s results of operations do not contain any items classified as comprehensive income. All intercompany accounts and transactions have been eliminated.

Stock Split

On October 23, 2023, the Board of Directors of the Company approved an amendment to the Company’s Certificate of Incorporation in order to effect a stock split of the Company’s Common Stock. Further, the Board of Directors authorized 100,000,000 shares of Common Stock, all of which shall be designated as Common Stock, with a par value of \$0.01 par value per share. Upon the effectiveness of the filing of the amendment, each share of common stock, par value \$0.01 per share (the “Old Common Stock”), issued and outstanding shall automatically, without further action on the part of the Company or any holder of such Old Common Stock, be reclassified as and become 2.7386 validly issued, fully paid and non-assessable shares of Common Stock. There shall be no fractional shares issued with respect to the reclassification of shares of Old Common Stock. In lieu of fractional shares, the Company shall round up to the nearest whole number of shares of Common Stock to be issued. The Company has retro-actively applied the stock split made effective on October 23, 2023, to share and per share amounts on the consolidated financial statements. Accordingly, any information related to or dependent upon the share amounts in the consolidated financial statements and Note 9, Stock-Based Compensation and Note 10, Earnings Per Share have been updated to reflect the effect of the stock split.

Fiscal Year

The Company’s fiscal years consist of 52 or 53 weeks, ending on the Friday closest to December 31. Fiscal years 2022 and 2021 contained 52 weeks and 52 weeks, respectively, and ended on December 30 and December 31, respectively. Fiscal year 2022 commenced on January 1, 2022 and ended on December 30, 2022. Fiscal year 2021 commenced on January 2, 2021 and ended on December 31, 2021.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from estimates and significant estimates affecting amounts reported in the consolidated financial statements are:

- project revenues, costs and profits at completion of the Company’s contracts with customers, including recognition of estimated losses on uncompleted contracts;

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- claims against customers and recoveries of costs from subcontractors, vendors and others;
- provisions for income taxes and related valuation allowances and tax uncertainties;
- recoverability of equity method investments;
- accruals for estimated liabilities, including litigation accruals;
- fair value of assets and liabilities acquired under the Purchase Agreement; and
- amounts owed to AECOM for contingent consideration.

Revenue Recognition

The Company derives revenue predominantly by providing construction and operations and management services to government and commercial clients throughout the United States. The Company's construction, operations and management services are usually provided in association with capital projects, which are predominantly fixed-price contracts that are billed based on project milestones. Contracts with clients may contain advance billing terms, milestone billings based on the completion of certain phases of work or services provided to date, and contract retentions. For further discussion regarding the Company's revenue from contracts with clients by type of contract, see Note 3.

Step 1: Contract Identification

The Company does not recognize revenue unless an identified a contract with a customer is established. A contract with a customer exists when it has approval and commitment from both parties, the rights and obligations of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability is probable. The Company also evaluates whether a contract should be combined with other contracts and accounted for as a single contract. This evaluation requires judgment and could change the timing of the amount of revenue and profit recorded for a given period.

Step 2: Identify Performance Obligations

Next, each performance obligation in the contract is identified. A performance obligation is a promise to provide a distinct good or service or a series of distinct goods or services to the customer. Revenue is recognized separately for each performance obligation in the contract. Many of the Company's contracts have one clearly identifiable performance obligation. However, many contracts provide the customer an integrated service that includes two or more of services associated with construction, operations and management. For these contracts, the Company does not consider the integrated services to be distinct within the context of the contract when the separate scopes of work combine into a single commercial objective or capability for the customer. Accordingly, the Company generally identifies one performance obligation in each contract. The determination of the number of performance obligations in a contract requires significant judgment and could change the timing of the amount of revenue recorded for a given period.

Step 3: Determine Contract Price

After determining the performance obligations in the contract, the Company determines the contract price. The contract price is the amount of consideration expected to be received from the customer for completing the performance obligation(s). In a fixed-price contract, the contract price is a single lump-sum amount. In reimbursable and time and materials-based contracts, the contract price is determined by the agreed upon rates or reimbursements for time and materials expended in completing the performance obligation(s) in the contract.

In the course of providing its services, the Company routinely subcontracts and collaborates with partners providing services and incurs other direct costs. The Company controls the services provided by subcontractors and accounts for such costs gross as the principal.

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Determination of the contract price is dependent upon a number of factors, including the accuracy of a variety of estimates made at the consolidated balance sheet date, such as estimated costs at completion. Additionally, the Company is required to make estimates for the amount of consideration to be received, including bonuses, awards, incentive fees, claims, unapproved change orders, unpriced change orders, penalties, and liquidated damages. Variable consideration is included in the estimate of the transaction price only to the extent that it is probable that a significant reversal would not occur when the contingency is resolved. The Company estimates the amount of revenue to be recognized on variable consideration using the most likely amount method. The Company's estimates of variable consideration and determination of whether to include such amounts in the contract price are based largely on the Company's assessment of legal enforceability, anticipated performance, and any other information (historical and forecasted) that is reasonably available to the Company. Management continuously monitors factors that may affect the quality of its estimates, and material changes in estimates are disclosed accordingly.

Step 4: Assign Contract Price to Performance Obligations

After determining the contract price, the Company assigns such price to the performance obligation(s) in the contract. If a contract has multiple performance obligations, the Company assigns the contract price to each performance obligation based on the stand-alone selling prices of the distinct services that comprise each performance obligation.

Step 5: Recognize Revenue as Performance Obligations are Satisfied

The Company records revenue for contracts with customers as the contracts' performance obligations are satisfied. Under fixed-unit price contracts, the Company performs a number of units of work at an agreed price per unit with the total payment under the contract determined by the actual number of units delivered. Revenue is recognized for fixed-price contracts using the input method measured on a cost-to-cost basis. This method is reasonable in measuring performance towards completion because it measures the value of all goods and services transferred to the customer.

The Company recognizes revenue on performance obligations associated with cost reimbursable contracts based on actual direct costs incurred and the applicable fixed rate or portion of the fixed fee earned as of the consolidated balance sheet date. Under time-and-materials price contracts, the Company negotiates hourly billing rates and charges its customers based on the actual time that it expends on a project. In addition, customers reimburse the Company for materials and other direct incidental expenditures incurred in connection with its performance under the contract. The Company may apply a practical expedient to recognize revenue in the amount in which it has the right to invoice if its right to consideration is equal to the value of performance completed to date.

Costs incurred may include direct labor, direct materials, subcontractor costs and indirect costs, such as salaries and benefits, supplies and tools, equipment costs and insurance costs. Indirect costs are charged to projects based upon direct costs and overhead allocation rates per dollar of direct costs incurred or direct labor hours worked.

The Company has numerous contracts that are in various stages of completion which require estimates to determine the forecasted costs at completion. Due to the nature of the work left to be performed on many of the Company's contracts, the estimation of total cost at completion for fixed-price contracts is complex, subject to many variables and requires significant judgment. Estimates of total cost at completion are made each period and changes in these estimates are accounted for prospectively as cumulative adjustments to revenue recognized in the current period. If estimates of costs to complete fixed-price contracts indicate a loss, a provision is made through a contract write-down for the total loss anticipated.

Change Orders

Contracts are often modified to account for changes in contract specifications and requirements. Most of the Company's contract modifications are for goods or services that are not distinct from existing contracts due to

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the significant integration provided in the context of the contract and are accounted for as if they were part of the original contract. The effect of a contract modification on the transaction price and the Company's measure of progress for the performance obligation to which it relates are recognized as an adjustment to revenue (either as an increase or decrease) on a cumulative catch-up basis. The Company accounts for contract modifications prospectively when the modification results in the promise to deliver additional goods or services that are distinct and the increase in price of the contract is for the same amount as the stand-alone selling price of the additional goods or services included in the modification.

Claims

Sometimes the Company seeks claims for amounts in excess of the contract price for delays, errors in specifications and designs, contract terminations, change orders in dispute or other causes of additional costs incurred. Costs attributable to claims from customers are treated as costs of contract performance as incurred. The transaction price does not include any amounts collected on behalf of third parties, such as sales tax.

Government Contracts

The Company's federal government and certain state and local agency contracts are subject to, among other regulations, regulations issued under the Federal Acquisition Regulations ("FAR"). These regulations can limit the recovery of certain specified indirect costs on contracts and subjects the Company to ongoing multiple audits by government agencies such as the Defense Contract Audit Agency ("DCAA"). In addition, most of the Company's federal and state and local contracts are subject to termination at the discretion of the client.

Audits by the DCAA and other agencies consist of reviews of the Company's overhead rates, operating systems and cost proposals to ensure that the Company accounted for such costs in accordance with the Cost Accounting Standards of the FAR ("CAS"). If the DCAA determines the Company has not accounted for such costs consistent with CAS, the DCAA may disallow these costs. There can be no assurance that audits by the DCAA or other governmental agencies will not result in material cost disallowances in the future.

There are no ongoing audits and or material adjustments related to noncompliance are required. The Company is in compliance with all federal and state regulations and is not aware of any material adjustments as of the consolidated balance sheet dates.

Commitments and Contingencies

For asserted claims and assessments, liabilities are recorded when an unfavorable outcome of a matter is concluded to be probable and the loss is reasonably estimable. With respect to unasserted claims or assessments, management must first determine that the probability that an assertion will be made is likely. Then, a determination as to the likelihood of an unfavorable outcome and the ability to reasonably estimate the potential loss is made. Legal matters are reviewed on a continuous basis to determine if there has been a change in management's judgment regarding the likelihood of an unfavorable outcome or the estimate of a potential loss. Legal costs are expensed as incurred.

Joint Ventures and Variable Interest Entities

The Company's joint ventures, the combination of two or more partners, are generally formed for the execution of a specific contract. Management of the joint venture is typically controlled by a joint venture management committee, comprised of representatives from the joint venture partners. The joint venture management committee normally provides management oversight and controls decisions which could have a significant impact on the joint venture.

Some of the Company's joint ventures have no employees and minimal operating expenses. For these joint ventures, the Company's employees perform work for the joint venture, which is then billed to a third-party

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client by the joint venture. For consolidated joint ventures of this type, the Company records the entire amount of the services performed and the costs associated with these services, including the services provided by the other joint venture partners, in the Company's results of operations. For certain of these joint ventures where a fee is added by an unconsolidated joint venture to client billings, these fees are eliminated to the extent the fee represents billings from the Company to the joint venture.

The Company assesses its joint ventures at inception to determine if they meet the qualifications of a VIE. The Company considers a partnership or joint venture a VIE if it has any of the following characteristics:

- the total equity investment is not sufficient to permit the entity to finance its activities without additional subordinated financial support;
- characteristics of a controlling financial interest are missing (either the ability to make decisions through voting or other rights, the obligation to absorb the expected losses of the entity or the right to receive the expected residual returns of the entity); or
- the voting rights of the equity holders are not proportional to their obligations to absorb the expected losses of the entity and/or their rights to receive the expected residual returns of the entity, and substantially all of the entity's activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights.

The Company analyzes its joint ventures and classifies them as either:

- a VIE that must be consolidated because the Company is the primary beneficiary or the joint venture is not a VIE and the Company holds the majority voting interest with no significant participative rights available to the other partners; or
- a VIE that does not require consolidation and is treated as an equity method investment because the Company is not the primary beneficiary or the joint venture is not a VIE and the Company does not hold the majority voting interest.

Cash, Cash Equivalents and Restricted Cash

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Company from time to time may have bank deposits in excess of insurance limits of the Federal Deposit Insurance Corporation. The Company has not experienced any credit losses in such accounts and believes it is not exposed to any significant credit risk related to its cash and cash equivalents.

The Company's cash equivalents include highly liquid investments which have an initial maturity of three months or less.

Cash and cash equivalents as of December 30, 2022 and December 31, 2021, include \$4.3 million and \$8.7 million, respectively, held by consolidated joint ventures that may not be distributed or used for certain other payments prescribed in the joint venture agreement without consent of the joint venture partners. These balances are presented as restricted cash within the consolidated balance sheets.

The following table provides a reconciliation of cash, cash equivalents and restricted cash in the consolidated balance sheets to the total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows (In thousands):

	Year Ended December 30, 2022	Year Ended December 31, 2021
<i>(In thousands)</i>		
Cash and cash equivalents	\$ 77,762	\$ 73,176
Restricted cash	4,323	8,727
Total cash, cash equivalents and restricted cash	<u>\$ 82,085</u>	<u>\$ 81,903</u>

Accounts Receivable and Allowance for Doubtful Accounts

The Company records its accounts receivable net of an allowance for doubtful accounts. This allowance for doubtful accounts is estimated based on management's evaluation of the contracts involved and the client's ability and willingness to pay. Allowances for doubtful accounts have been determined through specific identification of amounts considered to be uncollectible and potential write-offs, plus a non-specific allowance for other amounts for which some potential loss has been determined to be probable as of the consolidated balance sheet date based on current and past experience.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost and are depreciated over their estimated useful lives using the straight-line method. Expenditures for maintenance and repairs are expensed as incurred. Estimated useful lives range as follows:

- Buildings — 10 to 45 years;
- Machinery, equipment, and vehicles — 3 to 12 years;
- Office furniture and equipment — 3 to 10 years;
- Leasehold improvements — the shorter of their estimated useful lives or the remaining terms of the underlying lease agreement.

Property, plant and equipment to be held and used are reviewed for impairment whenever events or circumstances indicate that the carrying amount of assets may not be recoverable. The carrying amount of an asset to be held and used is not recoverable if it exceeds the sum of the undiscounted cash flows expected from the use and eventual disposition of the asset. For assets to be held and used, impairment losses are recognized based upon the excess of the asset's carrying amount over the fair value of the asset. For property, plant and equipment assets to be disposed, impairment losses are recognized at the lower of the carrying amount or fair value less cost to sell. There was no impairment to property, plant and equipment for the fiscal years ended December 30, 2022 and December 31, 2021.

Intangible Assets

Under the acquisition method of accounting, the net assets of the entities acquired by the Company are recorded at their estimated fair value at the date of acquisition. Intangible assets identified as part of the SCCI Acquisition (see Note 2) are recorded at their estimated fair value, as determined by the Company's management, based on available information which includes a valuation from external experts. The estimated useful lives for intangible assets were determined based upon the remaining useful economic lives of the intangible assets that are expected to contribute directly or indirectly to future cash flows. The estimated useful lives for trademarks and customer contracts are seven years and six years, respectively. Intangible assets are amortized over the shorter of their contractual term or estimated useful life.

In order to determine the amount of intangible assets resulting from an acquisition, the Company performed an assessment to determine the value of the acquired company's tangible and intangible assets and liabilities. The Company considers events or circumstances that may warrant revised estimates of useful lives or that may indicate impairment. There was no impairment to intangible assets for the fiscal years ended December 30, 2022 or December 31, 2021.

Insurance Reserves

The Company maintains insurance for certain insurable business risks. Insurance coverage contains various retention and deductible amounts for which the Company accrues a liability based upon reported claims and an actuarially determined estimated liability for certain claims incurred but not reported. It is generally the

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Company's policy not to accrue for any potential legal expense to be incurred in defending the Company's position. The Company believes that its accruals for estimated liabilities associated with professional and other liabilities are sufficient and it is not reasonably possible that any excess liability beyond the accrual would have a material adverse effect on the Company's results of operations, cash flows or financial position.

Leases

The Company enters into lease arrangements for real estate, construction equipment and information technology equipment in the normal course of business. The Company determines if an arrangement is or contains a lease at inception of the arrangement. An arrangement is determined to be a lease if it conveys the right to control the use of identified property and equipment for a period of time in exchange for consideration. Operating lease right-of-use assets are recognized as the present value of future lease payments over the lease term as of the commencement date, plus any lease payments made prior to commencement, and less any lease incentives received. Operating lease liabilities are recognized as the present value of the future lease payments over the lease term as of the commencement date. Operating lease expense is recognized based on the undiscounted future lease payments over the remaining lease term on a straight-line basis. Lease expense related to short-term leases is recognized on a straight-line basis over the lease term.

Determinations with respect to lease term (including any renewals and terminations), incremental borrowing rate used to discount lease payments, variable lease expense and future lease payments require the use of judgment based on the facts and circumstances related to each lease. The Company considers various factors, including economic incentives, intent, past history and business need, to determine the likelihood that a renewal option will be exercised.

Right-of-use assets are evaluated for impairment in accordance with the Company's policy for impairment of long-lived assets.

Non-controlling Interests

Non-controlling interests represent the equity investments of the minority owners in the Company's joint ventures and other subsidiary entities that are consolidated in its financial statements.

Fair Value Accounting

The Company categorizes its financial instruments using a valuation hierarchy for disclosure of the inputs used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument; Level 3 inputs are unobservable inputs based on the Company's assumptions used to measure assets and liabilities at fair value. The classification of a financial asset or liability within the hierarchy is determined based on the lowest level (least observable) input that is significant to the fair value measurement.

Other than the contingent consideration discussed in Note 2, there were no assets and liabilities measured at fair value on a recurring basis as of December 30, 2022 or December 31, 2021.

Income Taxes

The Company accounts for income taxes under the asset and liability method prescribed by the Accounting Standards Codification Topic 740 — Income Taxes ("ASC 740"). This method requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, the Company determines deferred tax assets and

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liabilities on the basis of the differences between the consolidated financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (1) it determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authority.

The Company recognizes deferred tax assets to the extent that its management believes these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, it will make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three periods prior to January 2, 2021. Such objective evidence limits the ability to consider other subjective evidence, such as our projections for future growth.

Based on this evaluation, as of December 30, 2022 and December 31, 2021, a valuation allowance of \$118.4 million and \$121.1 million, respectively, has been recorded to recognize only the portion of the deferred tax asset that is more likely than not to be realized. The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight is given to subjective evidence such as our projections for growth.

Segment

The accounting guidance on Segment Reporting establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information of those segments to be presented in financial statements. Operating segments are identified as components of an enterprise for which separate discrete financial information is available for evaluation by the chief operating decision maker (“CODM”) in making decisions on how to allocate resources and assess performance. Based on how the Company’s Chief Executive Officer as the CODM reviews financial performance and allocates resources on a recurring basis, the Company has one operating segment and one reportable segment.

Stock-Based Compensation

The Company accounts for stock-based payments, including grants of employee stock options, in accordance with ASC 718 — *Compensation-Stock Compensation*, which requires that all stock-based payments (to the extent that they are compensatory) be recognized as an expense in the Company’s consolidated statements of operations based on their fair values on the grant date. The Company accounts for forfeitures when they occur. The Company recognizes stock-based compensation expense on a straight-line basis over the service period of the award, which is no greater than four years. See Note 9 to the consolidated financial statements for discussion of stock-based compensation and incentive plans.

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Accounting Standards Not Yet Adopted

Accounting pronouncements not listed below were assessed and determined to be not applicable or are expected to have minimal impact on the consolidated financial statements.

ASU 2016-13 — Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU 2016-13 which is a new credit loss standard that changes the impairment model for most financial assets and some other instruments. The new guidance will replace the current “incurred loss” approach with an “expected loss” model for instruments measured at amortized cost. It also simplifies the accounting model for purchased credit-impaired debt securities and loans. The guidance will be effective for the Company’s fiscal year starting December 31, 2022, including interim periods within those fiscal years. Management is currently evaluating the impacts the ASU has on the Company’s consolidated financial statements.

ASU 2019-12 — Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes

In December 2019, the FASB issued ASU 2019-12, which eliminates certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. It also clarifies and simplifies other aspects of the accounting for income taxes. This guidance will be effective for the Company’s fiscal year starting December 31, 2022. Management is currently evaluating the impacts the ASU has on the Company’s consolidated financial statements.

Note 2. Business Combination

SCCI Acquisition

As discussed within Note 1, on January 2, 2021, the parties closed the transactions under the Purchase Agreement.

On November 19, 2021, SCC Group merged with and into Shimmick and Shimmick became the holder of all rights and obligations of SCC Group under the Purchase Agreement.

Purchase Consideration — SCC Group incurred a purchase price of approximately \$17.8 million consisting of contingent consideration. The \$32.0 million net working capital settlement was agreed to in the fourth quarter of 2021 and received in the first quarter of 2022. The total consideration as of the purchase date is detailed as follows:

<i>(In thousands)</i>	
Multi-step earnout payment	\$ (8,000)
Project claim recoveries	(7,100)
Shared tax benefit	(2,700)
Purchase price	<u>\$ (17,800)</u>
Net working capital settlement	<u>32,000</u>
Net consideration received	<u>\$ 14,200</u>

The contingent consideration is measured at fair value within the consolidated balance sheets using Level 3 inputs. The significant unobservable inputs used in measuring the fair values were the discount rate and forecasted cash flows.

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Purchase Price Allocation — The aggregate purchase price noted above was allocated to the assets and liabilities acquired based upon their estimated fair values at the acquisition closing date, which were based, in part, upon an external appraisal and valuation of certain assets utilizing a discounted cash flows income approach, including specifically identified intangible assets. The excess of the estimated fair value of the net tangible and identifiable intangible assets acquired over the purchase price totaling \$233.1 million was recorded as a bargain purchase gain. AECOM's intent to exit the civil construction business contributed to the resulting bargain purchase gain upon acquisition.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the acquisition date.

(In thousands)

Assets:	
Cash, cash equivalents and restricted cash	\$ 160,393
Accounts receivable	57,205
Costs and estimated earnings in excess of billings on uncompleted contracts	155,597
Prepays and other current assets	23,805
Property, plant and equipment	72,970
Lease right-of-use assets	19,392
Intangible assets	17,309
Deferred tax asset	5,950
Other assets	7,652
Total assets acquired	\$ 520,273
Liabilities:	
Accounts payable	\$ 16,133
Billings on uncompleted contracts in excess of costs and estimated earnings	102,889
Lease liabilities	20,389
Construction accruals	24,421
Accrued salaries, wages and benefits	96,968
Deferred tax liabilities	30,072
Other liabilities	10,454
Total liabilities assumed	301,326
Total net assets acquired	218,947
Net consideration received	14,200
Bargain purchase gain	\$ 233,147

Acquisition related expenses recorded in the Company's consolidated statements of operations totaled approximately \$2.0 million and \$3.4 million for the fiscal years ending December 30, 2022 and December 31, 2021, respectively, and are presented within selling, general and administrative expenses.

Note 3. Revenue

The following tables present the Company's revenue disaggregated by contract types:

<i>(In thousands)</i>	Fiscal Year Ended	
	December 30, 2022	December 31, 2021
Fixed-price	\$ 601,903	\$ 455,869
Cost reimbursable	54,835	106,237
Equipment and labor revenue	7,420	10,560
Total revenue	\$ 664,158	\$ 572,666

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Remaining performance obligations

The Company had \$1,215.2 million of remaining performance obligations yet to be satisfied as of December 30, 2022. The Company expects to recognize approximately \$622.0 million of the remaining performance obligations as revenue within the next twelve months.

Contract Balances

Contract assets, including costs and estimated earnings in excess of billings on uncompleted contracts and retainage receivable, were \$164.9 million and \$118.2 million at December 30, 2022, and December 31, 2021, respectively. Contract liabilities, including billings on uncompleted contracts in excess of costs and estimated earnings and forward loss reserves were \$165.6 million, and \$272.0 million at December 30, 2022, and December 31, 2021, respectively. Contract liabilities represent amounts billed to customers in excess of revenue recognized to date and a reserve for loss contracts. The Company recognized revenue of \$113.8 million during the fiscal year ended December 30, 2022 that was included in contract liabilities as of December 31, 2021.

Contract terms with customers include the timing of billing and payment, which usually differs from the timing of revenue recognition. As a result, the Company carries contract assets and liabilities within the consolidated balance sheets. These contract assets and liabilities are calculated on a contract-by-contract basis and reported on a net basis at the end of each period and are classified as current or non-current. The Company presents contract assets within the consolidated balance sheets as costs and estimated earnings in excess of billings on uncompleted contracts (“CIE”). CIE consists of revenue recognized in excess of billings. The Company presents contract liabilities in the consolidated balance sheets as billings on uncompleted contracts in excess of costs and estimated earnings (“BIE”). BIE consists of billings in excess of revenue recognized.

The following table provides information about CIE and BIE:

	<u>December 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>Change</u>
<i>(In thousands)</i>			
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 116,120	\$ 78,373	\$ 37,747
Billings on uncompleted contracts in excess of costs and estimated earnings	(56,963)	(131,238)	74,275
Net	<u>\$ 59,157</u>	<u>\$ (52,865)</u>	<u>\$112,022</u>

The Company’s timing of revenue recognition may not be consistent with its rights to bill and collect cash from its clients. Those rights are generally dependent upon advance billing terms, milestone billings based on the completion of certain phases of work or when services are performed. The Company’s accounts receivable represents amounts billed to clients that have yet to be collected and represent an unconditional right to cash from its clients as presented below.

	<u>December 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
<i>(In thousands)</i>		
Total accounts receivable, gross	\$ 57,395	\$ 98,770
Allowance for doubtful accounts	(965)	(766)
Accounts receivable, net	<u>\$ 56,430</u>	<u>\$ 98,004</u>

Substantially all contract assets as of December 30, 2022 and December 31, 2021 are expected to be collected within the Company’s estimated operating cycle, except for retainage and claims pertaining to certain contracts. The Company’s operating cycle may extend beyond one year.

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The Company is in the process of negotiating or awaiting approval of unapproved change orders and claims with its customers. The Company is proceeding with its contractual rights to recoup additional costs incurred from its customers based on completing work associated with change orders, including change orders with pending change order pricing, or claims related to significant changes in scope which resulted in substantial delays and additional costs in completing the work. The Company may take legal action if it and the customer cannot reach a mutually acceptable resolution. Based on the Company's review of the provisions of its contracts, specific costs incurred, and other related evidence supporting the unapproved change orders and claims, the Company concluded it was appropriate to include in contract assets claims of \$134.9 million and \$147.1 million as of December 30, 2022 and December 31, 2021, respectively. Contract retentions represent amounts invoiced to clients where payments have been withheld from progress payments until the contracted work has been completed and approved by the client. These retention agreements vary from project to project and could be outstanding for several months or years. Contract assets included contract retainage receivable, which were \$48.8 million and \$39.8 million as of December 30, 2022 and December 31, 2021, respectively.

Information about significant customers

Significant Customers as a Percentage of Accounts Receivable

As of December 30, 2022	
Customer one	31.4%
Customer two	21.4%
Customer three	14.4%
As of December 31, 2021	
Customer one	16.3%
Customer two	11.8%
Customer three	11.2%
Customer four	10.2%

Significant Customers as a Percentage of Revenue

Fiscal Year Ended December 30, 2022	
Customer one	12.1%
Customer two	10.9%
Customer three	10.8%
Customer four	10.1%
Fiscal Year Ended December 31, 2021	
Customer one	15.5%
Customer two	12.8%
Customer three	12.2%

Revisions in Estimates

The Company's results of operations were materially impacted by an increase in the forecasted costs to complete a canal lock chamber project which reduced gross margin by \$5.1 million in fiscal year 2022 and \$141.1 million in fiscal year 2021. The increase in forecasted costs was principally due to significantly reduced productivity and schedule delays as a result of the COVID-19 pandemic as well as associated acceleration costs.

The Company's results of operations were also materially impacted by an increase in the forecasted costs to complete a waterway canal project which reduced gross margin by \$3.5 million in fiscal year 2022 and \$1.8 million in fiscal year 2021. The increase in forecasted costs was principally due to unexpected underwater soil conditions and associated schedule delays.

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The Company's results of operations were also materially impacted by an increase in the forecasted costs to complete a water desalination project which reduced gross margin by \$9.4 million in fiscal year 2022. The increase in forecasted costs was primarily the result of numerous project design modifications, unexpected site conditions and associated schedule delays.

The Company's 2021 results of operations were also materially impacted by an increase in the forecasted costs to complete a bridge project which reduced gross margin by \$29.6 million. The increase in forecasted costs was primarily the result of schedule delays and higher than anticipated procurement and subcontractor costs.

The Company's 2021 results of operations were also materially impacted by an increase in the forecasted costs to complete a transportation project which reduced gross margin by \$6.2 million. The increase in forecasted costs during the 2021 fiscal year was the result of higher than anticipated costs as the project neared completion.

Note 4. Joint Ventures and Variable Interest Entities

Summary of financial information of the consolidated joint ventures is as follows:

	<u>December 30, 2022</u>	<u>December 31, 2021</u>
<i>(In thousands)</i>		
Current assets	\$ 29,485	\$ 22,845
Non-current assets	8,235	7,456
Total assets	<u>37,720</u>	<u>30,301</u>
Current liabilities	\$ 22,603	\$ 40,058
Non-current liabilities	56,595	66,945
Total liabilities	<u>\$ 79,198</u>	<u>\$ 107,003</u>

Total revenue of the consolidated joint ventures for the fiscal years ended December 30, 2022 and December 31, 2021 was \$27.2 million and \$17.8 million, respectively. The assets of the Company's consolidated joint ventures are restricted for use only by the particular joint venture and are not available for the general operations of the Company.

Summary of financial information of the unconsolidated joint ventures, as derived from their financial statements, is as follows:

	<u>December 30, 2022</u>	<u>December 31, 2021</u>
<i>(In thousands)</i>		
Current assets	\$ 78,228	\$ 250,877
Non-current assets	25,026	23,408
Total assets	<u>\$ 103,254</u>	<u>\$ 274,285</u>
Current liabilities	\$ 63,240	\$ 268,908
Total liabilities	<u>\$ 63,240</u>	<u>\$ 268,908</u>

As of December 30, 2022 and December 31, 2021, the Company's investment in unconsolidated joint ventures was \$17.4 million and \$17.7 million, respectively.

	<u>Fiscal Year Ended</u>	
	<u>December 30, 2022</u>	<u>December 31, 2021</u>
<i>(In thousands)</i>		
Revenue	\$ 430,634	\$ 492,688
Cost of revenue	332,528	526,378
Gross margin	<u>\$ 98,106</u>	<u>\$ (33,690)</u>
Net income (loss)	<u>\$ 98,106</u>	<u>\$ (27,474)</u>

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The Company recognized equity in earnings of unconsolidated joint ventures of \$52.5 million and \$1.1 million for the fiscal years ended December 30, 2022 and December 31, 2021, respectively.

Contractually required support provided to the Company's joint ventures is discussed in Note 13.

Related Party Transactions

We often provide construction management and other subcontractor services to the Company's joint ventures and revenue includes amounts related to these services. For the fiscal years ended December 30, 2022 and December 31, 2021, revenue included \$7.4 million and \$10.6 million, respectively, related to services provided to unconsolidated joint ventures.

Amounts included in the consolidated balance sheets related to services provided to unconsolidated joint ventures for the fiscal years ended December 30, 2022 and December 31, 2021 are as follows:

	<u>December 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
<i>(In thousands)</i>		
Accounts receivable, net	<u>\$ 5,045</u>	<u>\$ 21,024</u>

Note 5. Property, Plant and Equipment

The following table summarizes the components of property, plant and equipment as of December 30, 2022 and December 31, 2021.

	<u>December 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
<i>(In thousands)</i>		
Building and land	\$ 3,887	\$ 7,065
Machinery, equipment, and vehicles	67,698	60,466
Office furniture and equipment	7,891	6,674
Property, plant and equipment, gross	79,476	74,205
Accumulated depreciation	(24,268)	(11,996)
Property, plant and equipment, net	<u>\$ 55,208</u>	<u>\$ 62,209</u>

Depreciation and amortization expense for the fiscal years ended December 30, 2022 and December 31, 2021 was \$13.0 million and \$12.0 million, respectively. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, or in the case of leasehold improvements and capitalized leases, the lesser of the remaining term of the lease or its estimated useful life.

Note 6. Debt

Revolving Credit Facility

On March 27, 2023, we entered into a Revolving Credit Facility Agreement with MidCap Financial Services, LLC, which provides a total commitment amount of \$30.0 million. Borrowings under the Revolving Credit Facility Agreement bear interest at an annual rate of adjusted term SOFR, subject to a 1.0% floor, plus 4.50%. Further, the Revolving Credit Facility is subject to an annual collateral management fee of 0.50% and an annual unused line fee of 0.50%. Key financial covenants under the Revolving Credit Facility include maintaining a leverage ratio that does not exceed 1.75 to 1.0 and a minimum cash balance of \$25.0 million. The Company is not aware of any instances of noncompliance with the key financial covenants as of the date the consolidated financial statements were issued. The Revolving Credit Facility matures on March 27, 2028.

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Revolving Line of Credit

We had a \$25.0 million Revolving Line of Credit with BMO Harris Bank, N.A., under which the Company had no outstanding borrowings as of December 30, 2022 or December 31, 2021. Borrowings under the Revolving Line of Credit bear interest at a rate based on SOFR or a combination of rates (prime rate, federal fund rate, and SOFR) at the Company's election, with an added margin depending on the Company's leverage ratio. The unused balance of the Revolving Line of Credit bears a commitment fee of between 0.25% and 0.40% per year, depending on the Company's leverage ratio. Key financial covenants under the Revolving Line of Credit include maintaining a leverage ratio that does not exceed 2.0 to 1.0 and a minimum cash balance of \$35.0 million. The Company is not aware of any instances of noncompliance with the key financial covenants during and as of the fiscal years ended December 30, 2022 and December 31, 2021. The Revolving Line of Credit terminated on March 27, 2023 upon the Company entering into the Revolving Credit Facility.

Note 7. Income Taxes

The components of the provision for income taxes are as follows:

	Fiscal Year Ended	
	December 30, 2022	December 31, 2021
<i>(In thousands)</i>		
Current taxes:		
Federal	\$ 1,030	\$ —
State	244	—
Total current taxes	<u>1,274</u>	<u>—</u>
Deferred taxes:		
Federal	—	(19,262)
State	—	(4,860)
Total deferred taxes	<u>—</u>	<u>(24,122)</u>
Provision (benefit) for income taxes	<u>\$ 1,274</u>	<u>\$ (24,122)</u>

The differences between income taxes expected at the U.S. federal statutory income tax rate of 21% and the reported income tax (benefit) expense are summarized as follows:

	Fiscal Year Ended	
	December 30, 2022	December 31, 2021
<i>(In thousands)</i>		
Expected income tax (benefit) expense at federal statutory rate	\$ 1,070	\$ 4,469
Contingent consideration	1,987	(2,436)
Acquisition costs		849
Other permanent items	72	83
State and local taxes, net of federal taxes	790	749
Bargain purchase gain, including state impact	—	(61,315)
Valuation allowance for deferred tax assets, including state impact	(2,645)	33,479
Reported income tax (benefit) expense	<u>\$ 1,274</u>	<u>\$ (24,122)</u>
Effective tax rate	25%	(113)%

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Deferred income taxes represent the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The components of deferred tax liabilities and assets are as follows:

	December 30, 2022	December 31, 2021
<i>(In thousands)</i>		
Deferred tax liabilities:		
Depreciation and amortization	\$ (12,682)	\$ (13,281)
Right-of-use asset	(6,169)	(6,023)
Total deferred tax liabilities	<u>\$ (18,851)</u>	<u>\$ (19,304)</u>
Deferred tax assets:		
Intangible assets	\$ 35,818	\$ 39,193
Contract loss reserve	17,687	24,576
Investment in partnerships	25,645	27,202
Lease liability	6,132	6,083
Stock compensation	804	198
Accrued expenses and reserves	9,409	2,319
Assets subject to 382 limitation	30,070	25,087
Net operating loss carryovers	11,003	15,046
Other deferred tax assets	711	673
Total deferred tax assets	<u>\$ 137,279</u>	<u>\$ 140,377</u>
Net deferred tax assets before valuation allowance	<u>\$ 118,428</u>	<u>\$ 121,073</u>
Less: Valuation allowance	<u>(118,428)</u>	<u>(121,073)</u>
Net deferred tax assets	<u>\$ —</u>	<u>\$ —</u>

As of December 30, 2022 and December 31, 2021, gross deferred tax assets were \$137.3 million and \$140.4 million, respectively. The Company has recorded a valuation allowance of \$118.4 million and \$121.1 million as of December 30, 2022 and December 31, 2021, respectively. The Company has performed an assessment of positive and negative evidence, including the nature, frequency, and severity of cumulative financial reporting losses in recent years, the future reversal of existing temporary differences, predictability of future taxable income exclusive of reversing temporary differences of the character necessary to realize the asset, relevant carryforward periods, taxable income in carry-back years if carry-back is permitted under tax law, and prudent and feasible tax planning strategies that would be implemented, if necessary, to protect against the loss of the deferred tax asset that would otherwise expire. The net decrease in the valuation allowance of \$2.7 million is attributed to the full valuation allowance being recorded on all changes in deferred tax assets in the current period. The Company recognizes interest and penalties related to tax matters as a component of “Selling, general and administrative expenses” in the accompanying consolidated statements of operations.

At December 30, 2022, the Company had federal and state net operating loss (“NOL”) carryforwards of \$83.5 million which have an indefinite carryforward for U.S. federal income tax and either expire in the next 15 to 20 years or have indefinite carryforwards for the various state jurisdictions where we operate. Such state NOL carryforwards expire beginning in 2036 through 2041. At December 30, 2022, the Company has a full valuation allowance related to the tax-effected amount of these net operating losses. The Company had no unrecognized tax benefits recorded at December 30, 2022.

At December 31, 2021, the Company had federal and state net operating loss (“NOL”) carryforwards of \$120.5 million which have an indefinite carryforward for U.S. federal income tax and either expire in the next 15 to 20 years or have indefinite carryforwards for the various state jurisdictions where we operate. Such state NOL carryforwards expire beginning in 2036 through 2041. At December 31, 2021, the Company has a full valuation allowance related to the tax-effected amount of these net operating losses. The Company had no unrecognized tax benefits recorded at December 31, 2021.

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The Company files income tax returns in numerous tax jurisdictions, including the U.S., and multiple U.S. states. The statute of limitations generally ranges from three to five years for major jurisdictions in which the Company operates. Prior to the acquisition, Shimmick filed as a subsidiary of their parent company, AECOM. In connection with the separation, the Company entered into a tax matters agreement. Under the tax matters agreement, AECOM is generally responsible for all taxes associated with consolidated federal and state filings imposed on AECOM and its subsidiaries (including Shimmick) with respect to taxable periods ended on or prior to January 1, 2021. Also, pursuant to this agreement, AECOM is generally responsible for all taxes associated with separately filed state and local tax filings imposed on Shimmick and its subsidiaries with respect to taxable periods ended on or prior to January 1, 2021. Under these circumstances, Shimmick is only liable for tax periods filed on a standalone basis following the acquisition date.

Note 8. Employee Retirement Plans

Defined Contribution Profit Sharing Plan

The Company sponsors a defined contribution profit sharing plan covering substantially all non-union persons employed by the Company, whereby employees may contribute a percentage of compensation, limited to maximum allowed amounts under the Internal Revenue Code.

The Company made matching contributions of \$2.1 million and \$1.0 million for the fiscal years ended December 30, 2022 and December 31, 2021, respectively.

Multiemployer Pension Plans

The Company participates in construction-industry multiemployer pension plans. Generally, the plans provide defined benefits to substantially all employees covered by collective bargaining agreements. Under the Employee Retirement Income Security Act, a contributor to a multiemployer plan is liable, upon termination or withdrawal from a plan, for its proportionate share of a plan's unfunded vested liability. The Company's aggregate contributions to these multiemployer plans were \$16.7 million and \$14.0 million for the fiscal years ended December 30, 2022 and December 31, 2021, respectively.

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Our participation in significant plans for the fiscal years ended December 30, 2022 and December 31, 2021 is outlined in the table below. The “EIN/Pension Plan Number” column provides the Employer Identification Number (“EIN”) and the three digit plan number. The zone status is based on the latest information that the Company received from the plan and is certified by the plan’s actuary. Plans in the red zone are generally less than 65% funded, plans in the yellow zone are generally less than 80% funded, and plans in the green zone are generally at least 80% funded. The “FIP/RP Status Pending/Implemented” column indicates plans for which a financial improvement plan (“FIP”) or a rehabilitation plan (“RP”) is either pending or has been implemented. The “Surcharge Imposed” column includes plans in a red zone status that require a payment of a surcharge in excess of regular contributions.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending or Implemented	Company Contributions Fiscal Year (In thousands)		
		2022	2021		Year Ended December 30, 2022	Year Ended December 31, 2021	Surcharge Imposed
Carpenters Pension Trust Fund for Northern CA	94-6050970	Described below (1)	Green	Implemented	\$ 1,613	\$ 1,105	No
Cement Masons Pension Trust Fund for Northern CA	94-6277669	Described below (1)	Green	NA	219	158	No
California Ironworkers Field Pension Fund	95-6042866	Described below (1)	Green	NA	1,931	1,817	No
Laborers Pension Trust Fund for Northern CA	94-6277608	Described below (1)	Green	NA	1,389	1,103	No
Pension Trust Fund for the Operating Engineers	94-6090764	Described below (1)	Yellow	Implemented	1,857	1,529	No
Southwest Carpenters Pension Fund	95-6042875	Green	Green	NA	651	480	No
Operating Engineers Trust Fund	95-6032478	Described below (1)	Yellow	Implemented	986	815	No
Construction Laborers Pension Trust for Southern California	43-6159056	Described below (1)	Green	NA	1,060	838	No
San Diego County Construction Laborers Pension Trust Fund	95-6090541	Described below (1)	Green	NA	343	274	No
IBEW Local 595 Pension Plan	94-6279541	Described below (1)	Green	NA	503	423	No
Southern California IBEW-NECA Pension Trust Fund	95-6392774	Described below (1)	Yellow	Implemented	703	658	No
San Diego Electrical Pension Plan	95-6101801	Described below (1)	Described below (1)	NA	148	200	No
Locals 302 & 612 of the IUOE — Employers Construction Industry Retirement Plan	91-6028571	Green	Green	NA	128	301	No
Western Washington Laborers Employers Pension Plan	91-6022315	Described below (1)	Green	NA	83	232	No
Tri-State Carpenters & Joiners Pension Trust Fund	62-0976048	Described below (1)	Yellow	Implemented	1,818	965	No
Central Pension Fund of the IUOE & Participating Employers	36-6052390	Described below (1)	Green	NA	949	747	No
Ironworkers District Council of TN Valley & Vicinity Welfare Pension Plans	62-6098036	Described below (1)	Green	NA	839	530	No
Northern California Pipe Trades Pension Plan	94-3190386	Green	Green	NA	441	708	No
				Contributions to other multiemployer plans	1,017	1,151	
				Total contributions made	\$ 16,678	\$ 14,034	

- (1) For the plans noted above, we have not received a funding notification that covers the fiscal year presented during the preparation of the financial statements. Under Federal pension law, if a multiemployer pension plan is determined to be in critical or endangered status, the plan must provide notice of this status to participants, beneficiaries, the bargaining parties, the Pension Benefit Guaranty Corporation, and the Department of Labor. The Company has also observed that these plans have not submitted any Critical or Endangered Status Notices to the Department of Labor for calendar years that the Company has not received notification.

The Company is not aware of any significant future obligations or funding requirements related to these plans other than the ongoing contributions that are paid as hours are worked by plan participants.

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Note 9. Stock-Based Compensation

On April 12, 2021, the Company's board approved the Company's 2021 Stock Plan (the "Plan"). The Plan reserves 5,477,200 of the Company's shares for issuance of incentive instruments, including Incentive Stock Options ("ISOs"), Non-statutory Stock Options, Stock Appreciation Rights, Restricted Stock Awards, and Restricted Stock Unit Awards. ISOs granted under the Plan have a term of 10 years and vest over four years of service.

During the fiscal years ended December 30, 2022 and December 31, 2021, stock option activity was as follows:

	Stock Options			
	Number of shares	Weighted average exercise price per share	Weighted average grant date fair value	Weighted average remaining contractual term
Outstanding as of January 2, 2021	—	\$ —	\$ —	—
Granted	4,929,480	3.06	1.59	—
Forfeited	(392,099)	3.06	1.59	—
Outstanding as of December 31, 2021	<u>4,537,381</u>	<u>3.06</u>	<u>1.59</u>	<u>9.34</u>
Exercisable as of December 31, 2021	—	\$ —	\$ —	—
Outstanding as of December 31, 2021	4,537,381	\$ 3.06	\$ 1.59	9.34
Granted	4,526,290	1.26	0.28	—
Vested	(1,420,052)	3.06	—	—
Forfeited	(3,154,525)	3.05	1.58	—
Outstanding as of December 30, 2022	<u>4,489,094</u>	<u>\$ 1.26</u>	<u>\$ —</u>	<u>8.33</u>
Exercisable as of December 30, 2022	<u>1,780,846</u>	<u>\$ 1.26</u>	<u>\$ —</u>	<u>8.32</u>

A third-party valuation advisor was utilized to assist management in determining the fair value of options granted using the Black-Scholes option-pricing model based on the grant price and assumptions regarding the expected term, expected volatility, dividends, and risk-free interest rates. The grant price was determined based on the fair value of the Company's stock on the grant date. The grant date fair value is calculated using a Monte Carlo model which estimates the fair value of the awards based on simulations future prices of the Company's stock compared to the future prices of the common stock of peer companies based on historical volatilities.

The fair value of the stock options granted was estimated using the following weighted average assumptions used for grants in the fiscal years ended as follows:

	December 30, 2022	December 31, 2021
Expected Term (years)	6.1	6.1
Expected Volatility	55.1%	55.1%
Risk-free Interest Rate	3.9%	1.1%
Dividend Rate	0%	0%

The expected term was based on vesting criteria and time to expiration. The expected volatility was based on historical volatility of stock prices of a public company peer group. The risk-free interest rate was based on the implied risk-free rate using the expected term and yields of U.S. Treasury stock and S&P bond yields.

Total compensation expense related to stock-based payments was \$2.3 million and \$1.2 million for the fiscal years ended December 30, 2022 and December 31, 2021, respectively. Unrecognized compensation expense related to stock-based grants to employees of Shimmick outstanding as of December 30, 2022 and December 31, 2021 was \$4.9 million and \$6.0 million, respectively, to be recognized on a straight-line basis over the awards' weighted average remaining vesting period of 2.3 years and 3.3 years, respectively.

Note 10. Earnings Per Share

Basic earnings per share (“EPS”) is calculated based on the weighted average shares outstanding during the period. Diluted earnings per share includes the dilutive effect of employee and director stock options. Stock options are considered dilutive whenever the exercise price is less than the average market price of the stock during the period and antidilutive whenever the exercise price exceeds the average market price of the common stock during the period. The Company issued employee stock options of 4.5 million shares during each of the fiscal years ended December 30, 2022 and December 31, 2021, respectively, which were considered antidilutive as the fair value of the shares did not exceed the exercise price. No shares were excluded from the calculation of diluted earnings per share for either of the fiscal years ended December 30, 2022 and December 31, 2021.

The computation of basic and diluted EPS is as follows:

<i>(In thousands, except per share data)</i>	<u>Fiscal Year Ended December 30, 2022</u>	<u>Fiscal Year Ended December 31, 2021</u>
Numerator:		
Net income attributable to SCCI National Holdings, Inc. and Subsidiaries	\$ 3,760	\$ 45,403
Numerator for basic and diluted EPS	<u>\$ 3,760</u>	<u>\$ 45,403</u>
Denominator:		
Denominator for basic EPS - weighted average shares	21,909	21,909
Effect of dilutive securities:		
Employee stock options	—	—
Dilutive potential common shares	—	—
Denominator for diluted EPS - adjusted weighted average shares and assumed conversions	<u>21,909</u>	<u>21,909</u>
Basic EPS	<u>\$ 0.17</u>	<u>\$ 2.07</u>
Diluted EPS	<u>\$ 0.17</u>	<u>\$ 2.07</u>

Note 11. Leases

The Company adopted FASB Accounting Standard Codification 842 as of the inception of operations.

The Company also applied transition elections that allow it to avoid reassessment of whether expired or expiring leases are or contain leases, lease classification, and initial direct costs. Adoption of the new lease guidance did not significantly change the Company’s accounting for finance leases, which were previously referred to as capital leases.

The Company is a lessee in non-cancelable leasing agreements for office buildings and equipment. Substantially all of the Company’s office building leases are operating leases, and its equipment leases are operating leases. The Company groups lease and non-lease components for its equipment leases into a single lease component but separates lease and non-lease components for its office building leases.

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

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The related lease payments are expensed on a straight-line basis over the lease term, including, as applicable, any free-rent period during which the Company has the right to use the asset. For leases with renewal options where the renewal is reasonably assured, the lease term, including the renewal period, is used to determine the appropriate lease classification and to compute periodic rental expense. Leases with initial terms shorter than 12 months are not recognized in the consolidated balance sheets, and lease expense is recognized on a straight-line basis.

Lease expenses recorded within the consolidated statements of operations are comprised as follows:

<i>(In thousands)</i>	<u>December 30, 2022</u>	<u>December 31, 2021</u>
Operating lease cost:		
Cost of revenue	\$ 10,267	\$ 9,991
Selling, general and administrative expenses	1,539	1,054
Finance lease cost (all in cost of revenue):		
Amortization of right-of-use assets	300	300
Interest on lease liabilities	34	43
Short-term lease cost	382	66
Total lease cost	<u>\$ 12,522</u>	<u>\$ 11,454</u>

Additional consolidated balance sheet information related to leases is as follows:

<i>(In thousands)</i>	<u>Consolidated Balance Sheet Classification</u>	<u>December 30, 2022</u>	<u>December 31, 2021</u>
<i>Assets:</i>			
Operating lease assets	Lease right-of-use assets	\$ 21,811	\$ 21,046
Finance lease assets	Lease right-of-use assets	879	1,178
Total lease assets		<u>\$ 22,690</u>	<u>\$ 22,224</u>
<i>Liabilities:</i>			
Current:			
Operating lease liabilities	Other current liabilities	\$ 7,767	\$ 10,029
Finance lease liabilities	Other current liabilities	313	303
Total current lease liabilities		<u>8,080</u>	<u>10,332</u>
Non-current:			
Operating lease liabilities	Lease liabilities, non-current	13,861	11,009
Finance lease liabilities	Lease liabilities, non-current	581	895
Total non-current lease liabilities		<u>\$ 14,442</u>	<u>\$ 11,904</u>

Weighted average remaining lease term information related to leases is as follows:

	<u>December 30, 2022</u>	<u>December 31, 2021</u>
Weighted average remaining lease term (in years):		
Operating leases	4.1	2.8
Finance leases	2.1	3.1
Weighted average discount rates:		
Operating leases	5.3%	4.8%
Finance leases	3.2%	3.2%

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Supplemental cash flow information related to leases is as follows:

<i>(In thousands)</i>	<u>December 30, 2022</u>	<u>December 31, 2021</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 11,852	\$ 9,836
Financing cash flows from finance leases	303	294
Right-of-use assets obtained in exchange for new operating leases	\$ 11,300	\$ 12,151

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

<u>Year</u> <i>(In thousands)</i>	<u>Operating Leases</u>	<u>Finance Leases</u>
2023	\$ 8,672	\$ 337
2024	5,161	583
2025	3,567	—
2026	2,475	—
2027	1,743	—
Thereafter	2,525	—
Total lease payments	24,143	920
Amounts representing interest	(2,515)	(26)
Total lease liabilities	<u>\$ 21,628</u>	<u>\$ 894</u>

Note 12. Intangible Assets

The following table presents the Company's finite-lived intangible assets, including the weighted- average useful lives for each major intangible asset category and in total:

<i>(In thousands)</i>	<u>December 30, 2022</u>			
	<u>Weighted Average Remaining Useful Life</u>	<u>Intangible Assets, Gross</u>	<u>Accumulated Amortization</u>	<u>Intangible Assets, Net</u>
Trademark	5	\$ 10,600	\$ (3,029)	\$ 7,571
Customer contracts	4	6,709	(2,236)	4,473
Total		<u>\$ 17,309</u>	<u>\$ (5,265)</u>	<u>\$ 12,044</u>

<i>(In thousands)</i>	<u>December 31, 2021</u>			
	<u>Weighted Average Remaining Useful Life</u>	<u>Intangible Assets, Gross</u>	<u>Accumulated Amortization</u>	<u>Intangible Assets, Net</u>
Trademark	6	\$ 10,600	\$ (1,514)	\$ 9,086
Customer contracts	5	6,709	(1,118)	5,591
Total		<u>\$ 17,309</u>	<u>\$ (2,632)</u>	<u>\$ 14,677</u>

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Amortization of intangibles was \$2.6 million for each of the fiscal years ended December 30, 2022 and December 31, 2021 and is recorded within selling, general and administrative expenses. The Company's estimated aggregate remaining amortization is as follows:

<i>(In thousands)</i>	<u>Amortization Expense</u>
2023	\$ 2,632
2024	2,632
2025	2,632
2026	2,632
2027	1,516
Total	<u>\$ 12,044</u>

Note 13. Commitments and Contingencies

In the Company's joint venture arrangements, the liability of each partner is usually joint and several. This means as each joint venture partner may become liable for the entire risk of performance guarantees provided by each partner to the customer. Typically, each joint venture partner indemnifies the other partners for any liabilities incurred in excess of the liabilities the other party is obligated to bear under the respective joint venture agreement. In addition, the Company may be required to guarantee performance directly to the customer. The Company is unable to estimate the maximum potential amount of future payments that the Company could be required to make under outstanding performance guarantees related to joint venture projects due to a number of factors, including but not limited to, the nature and extent of any contractual defaults by the other joint venture partners, resource availability, potential performance delays caused by the defaults, the location of the projects, and the terms of the related contracts.

In the ordinary course of business, the Company is subject to other claims, lawsuits, investigations and disputes arising out of the conduct of its business, including matters relating to commercial transactions, government contracts, and employment matters. The Company recognizes a liability for contingencies that are probable of occurrence and reasonably estimable. To date, no such matters are material to the consolidated statements of operations.

In certain contracts, there are provisions that require the Company to pay liquidated damages if the Company is responsible for the failure to meet specified contractual milestone dates and the applicable customer asserts a conforming claim under these provisions. These contracts define the conditions under which customers may make claims against the Company for liquidated damages. Based upon the evaluation of performance and other commercial and legal analysis, management has recognized relevant probable liquidated damages as of December 30, 2022 and December 31, 2021, and believes that the ultimate resolution of such matters will not materially affect the Company's consolidated financial position, results of operations, or cash flows.

Guarantees

The Company obtains bonding on construction contracts through third-party bonding companies. As is customary in the construction industry, the Company indemnifies the third-party bonding companies for any losses incurred by it in connection with bonds that are issued. The Company has granted the third-party bonding companies a security interest in accounts receivable, contract assets and contract rights for that obligation.

The Company typically indemnifies contract owners for claims arising during the construction process and carries insurance coverage for such claims.

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Letters of Credit

In the ordinary course of business and under certain contracts, the Company is required to post standby letters of credit for its insurance carriers. At December 30, 2022 and December 31, 2021, the total amount of standby letters of credit outstanding were \$8.2 million and \$5.0 million, respectively.

Note 14. Subsequent Events

On June 30, 2023, the Company executed a Membership Interest Purchase Agreement with a third party to sell three of the Company's non-core business contracts. The total sale price defined within the agreement was \$35.0 million.

The Company evaluated subsequent events through July 14, 2023, the date on which the consolidated financial statements were originally issued, August 9, 2023, the date on which the financial statements were originally reissued (as to the segment and earnings per share disclosures described in Notes 1 and 10), and October 23, 2023, the date on which the retrospectively revised consolidated financial statements were reissued (as to the stock split discussed in Note 1).

PART I FINANCIAL INFORMATION
Item 1. Financial Statements

Shimmick Corporation
Condensed Consolidated Balance Sheets
As of June 30, 2023 and December 30, 2022
(In thousands, except share data)
(unaudited)

	June 30, 2023	December 30, 2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 61,295	\$ 77,762
Restricted cash	1,810	4,323
Accounts receivable, net	61,227	56,430
Costs and estimated earnings in excess of billings on uncompleted contracts	127,162	80,901
Prepays and other current assets	11,785	14,060
TOTAL CURRENT ASSETS	263,279	233,476
Property, plant and equipment, net	50,811	55,208
Intangible assets, net	10,728	12,044
Costs and estimated earnings in excess of billings on uncompleted contracts, non-current	—	35,219
Retainage receivable	47,586	48,805
Lease right-of-use assets	27,641	22,690
Investment in unconsolidated joint ventures	21,924	17,363
Deferred tax assets	18,851	18,851
Other assets	2,934	3,143
TOTAL ASSETS	\$ 443,754	\$ 446,799
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 76,815	\$ 67,541
Billings on uncompleted contracts in excess of costs and estimated earnings	41,676	55,117
Forward loss reserve	86,483	108,608
Accrued salaries, wages and benefits	35,821	36,248
Construction accruals	41,422	60,758
Advance on sale of non-core business contracts	20,000	—
Other current liabilities	14,678	12,672
TOTAL CURRENT LIABILITIES	316,895	340,944
Long-term debt, net	29,668	—
Lease liabilities, non-current	18,073	14,442
Billings on uncompleted contracts in excess of costs and estimated earnings, non-current	3,237	1,846
Contingent consideration	16,012	15,662
Deferred tax liabilities	18,851	18,851
Other liabilities	7,975	3,459
TOTAL LIABILITIES	410,711	395,204
Commitments and Contingencies (Note 11)		
STOCKHOLDER'S EQUITY		
Common stock — authorized, 27,386,000 shares of \$0.01 par value as of June 30, 2023 and December 30, 2022; issued and outstanding 21,908,800 shares as of June 30, 2023 and December 30, 2022	219	219
Additional paid-in-capital	4,392	3,341
Retained earnings	29,446	49,083
Non-controlling interests	(1,014)	(1,048)
TOTAL STOCKHOLDER'S EQUITY	33,043	51,595
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 443,754	\$ 446,799

See accompanying notes to the condensed consolidated financial statements.

Shimmick Corporation
Condensed Consolidated Statements of Operations
For the six months ended June 30, 2023 and July 1, 2022
(In thousands, except per share data)
(unaudited)

	Six Months Ended	
	June 30, 2023	July 1, 2022
Revenue	\$ 319,297	\$ 293,578
Cost of revenue	313,532	288,206
Gross margin	5,765	5,372
Selling, general and administrative expenses	32,502	28,929
Amortization of intangibles	1,316	1,316
Total operating expenses	33,818	30,245
Equity in earnings of unconsolidated joint ventures	6,993	38,776
Gain on sale of property, plant and equipment	1,680	10
(Loss) income from operations	(19,380)	13,913
Other expense, net	264	9,551
Net (loss) income before income taxes	(19,644)	4,362
Income tax expense	—	1,257
Net (loss) income	(19,644)	3,105
Net loss attributable to non-controlling interests	(7)	(605)
Net (loss) income attributable to Shimmick Corporation	\$ (19,637)	\$ 3,710
Net (loss) income attributable to Shimmick Corporation per common share		
Basic	\$ (0.90)	\$ 0.17
Diluted	\$ (0.90)	\$ 0.17

See accompanying notes to the condensed consolidated financial statements.

Shimmick Corporation
Condensed Consolidated Statements of Stockholder's Equity
For the six months ended June 30, 2023 and July 1, 2022
(in thousands, except share data)
(unaudited)

	<u>Common Stock</u>		<u>Additional Paid-in- Capital</u>	<u>Retained Earnings</u>	<u>Non-Controlling Interests</u>	<u>Total Stockholder's Equity</u>
	<u>Shares</u>	<u>Amount</u>				
Beginning balance as of January 1, 2022	21,908,800	\$ 219	\$ 1,046	\$45,323	\$ 433	\$ 47,021
Net income (loss)	—	—	—	3,710	(605)	3,105
Stock-based compensation	—	—	891	—	—	891
Balance at July 1, 2022	<u>21,908,800</u>	<u>\$ 219</u>	<u>\$ 1,937</u>	<u>\$49,033</u>	<u>\$ (172)</u>	<u>\$ 51,017</u>

	<u>Common Stock</u>		<u>Additional Paid-in- Capital</u>	<u>Retained Earnings</u>	<u>Non-Controlling Interests</u>	<u>Total Stockholder's Equity</u>
	<u>Shares</u>	<u>Amount</u>				
Beginning balance as of December 31, 2022	21,908,800	\$ 219	\$ 3,341	\$ 49,083	\$ (1,048)	\$ 51,595
Net loss	—	—	—	(19,367)	(7)	(19,644)
Stock-based compensation	—	—	1,051	—	—	1,051
Contributions from non-controlling interests	—	—	—	—	301	301
Distributions to non-controlling interests	—	—	—	—	(260)	(260)
Balance at June 30, 2023	<u>21,908,800</u>	<u>\$ 219</u>	<u>\$ 4,392</u>	<u>\$ 29,446</u>	<u>\$ (1,014)</u>	<u>\$ 33,043</u>

See accompanying notes to the condensed consolidated financial statements.

Shimmick Corporation
Condensed Consolidated Statements of Cash Flows
For the six months ended June 30, 2023 and July 1, 2022
(In thousands)
(unaudited)

	<u>Six Months Ended</u> June 30, 2023	<u>Six Months Ended</u> July 1, 2022
Cash Flows From Operating Activities		
Net (loss) income	\$ (19,644)	\$ 3,105
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Stock-based compensation	1,051	891
Depreciation and amortization	8,549	7,851
Equity in earnings of unconsolidated joint ventures	(6,993)	(38,776)
Return on investment in unconsolidated joint ventures	11,437	29,803
Other	(1,271)	9,500
Changes in operating assets and liabilities:		
Accounts receivable, net	(4,797)	36,363
Due from unconsolidated joint ventures	295	6,904
Costs and estimated earnings in excess of billings on uncompleted contracts	(11,042)	(29,000)
Prepaid and other current assets	1,959	(14,703)
Retainage receivable	1,219	(942)
Other assets	(1,996)	136
Accounts payable	9,274	(9,043)
Billings on uncompleted contracts in excess of costs and estimated earnings	(12,031)	(29,343)
Forward loss reserve	(22,125)	(16,999)
Accrued salaries, wages and benefits	(427)	9,544
Construction accruals	(19,336)	13,373
Other liabilities	5,206	2,870
Net cash used in operating activities	<u>(60,672)</u>	<u>(18,466)</u>
Cash Flows From Investing Activities		
Net working capital settlement in association with business combination	—	32,000
Purchases of property, plant and equipment	(3,210)	(5,267)
Proceeds from sale of property, plant and equipment	4,881	889
Unconsolidated joint venture equity contributions	(13,310)	(13,275)
Proceeds from advance on sale of non-core business contracts	20,000	—
Return of investment in unconsolidated joint ventures	4,286	—
Net cash provided by investing activities	<u>12,647</u>	<u>14,347</u>
Cash Flows From Financing Activities		
Payments on finance lease obligation	(155)	(150)
Proceeds from revolving credit facility borrowings	30,000	—
Contributions from non-controlling interests	301	—
Distributions to non-controlling interests	(260)	—
Other	(841)	—
Net cash provided by (used in) financing activities	<u>29,045</u>	<u>(150)</u>
Net decrease in cash, cash equivalents and restricted cash	(18,980)	(4,269)
Cash, cash equivalents and restricted cash		
Beginning of period	82,085	81,903
End of period	<u>\$ 63,105</u>	<u>\$ 77,634</u>
Reconciliation of cash, cash equivalents and restricted cash to the Condensed Consolidated Balance Sheets		
Cash and cash equivalents	61,295	68,358
Restricted cash	1,810	9,276
Total cash, cash equivalents and restricted cash	<u>\$ 63,105</u>	<u>\$ 77,634</u>

See accompanying notes to the condensed consolidated financial statements.

Shimmick Corporation
Notes to Condensed Consolidated Financial Statements
(unaudited)

Note 1. Business, Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements include the accounts of Shimmick Corporation and its subsidiaries (Shimmick Corporation, “SCCI National Holdings”, “we”, “our”, “us”, “its” or the “Company”), unless otherwise indicated. On September 12, 2023, the Company changed its name from SCCI National Holdings, Inc. to Shimmick Corporation.

The accompanying condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States (“GAAP”), and in conformity with the rules and regulations of the Securities and Exchange Commission (“SEC”). The information furnished reflects all adjustments, consisting of normal recurring adjustments, that are, in the opinion of management, necessary for a fair statement of the results of operations, cash flows and financial position for the interim periods presented. A statement of comprehensive income is not presented as the Company’s results of operations do not contain any items classified as comprehensive income. All intercompany accounts and transactions have been eliminated. The accompanying condensed consolidated interim financial statements are unaudited and should be read in conjunction with the annual consolidated financial statements, and the notes thereto for the fiscal year ended December 30, 2022. Because of the seasonal nature of the Company’s operations, the results of operations for the period ended June 30, 2023 are not necessarily indicative of the results of operations to be expected for the full fiscal year.

Change in Presentation

Certain prior period balances in the condensed consolidated balance sheets and statements of cash flows have been combined to conform to current period presentation pursuant to Rule 10-01(a)(2) of Regulation S-X of the SEC. These changes had no impact on net (loss) income, cash flows, assets and liabilities, or equity previously reported.

In preparing these condensed consolidated financial statements, the Company evaluated subsequent events through September 14, 2023 and through October 23, 2023, in reference to the stock split discussed.

Summary of Significant Accounting Policies

Our significant accounting policies are described in more detail within the consolidated financial statements for the fiscal years ended December 30, 2022 and December 31, 2021.

Stock Split

On October 23, 2023, the Board of Directors of the Company approved an amendment to the Company’s Certificate of Incorporation in order to effect a stock split of the Company’s Common Stock. Further, the Board of Directors authorized 100,000,000 shares of Common Stock, all of which shall be designated as Common Stock, with a par value of \$0.01 par value per share. Upon the effectiveness of the filing of the amendment, each share of common stock, par value \$0.01 per share (the “Old Common Stock”), issued and outstanding shall automatically, without further action on the part of the Company or any holder of such Old Common Stock, be reclassified as and become 2.7386 validly issued, fully paid and non-assessable shares of Common Stock. There shall be no fractional shares issued with respect to the reclassification of shares of Old Common Stock. In lieu of fractional shares, the Company shall round up to the nearest whole number of shares of Common Stock to be issued. The Company has retro-actively applied the stock split made effective on October 23, 2023, to share and per share amounts on the condensed consolidated financial statements. Accordingly, any information related to or dependent upon the share amounts in the consolidated financial statements and Note 8, Stock-Based Compensation and Note 9, Earnings Per Share have been updated to reflect the effect of the stock split.

Note 2. Significant Transaction

The Company executed a Membership Interest Purchase Agreement on June 30, 2023 for the sale of non-core business contracts. Of the total sale price of \$35.0 million, \$20.0 million in cash was received by the Company on June 30, 2023 and recorded in the condensed consolidated balance sheets as an advance on sale of non-core business contracts. The Company will record a note receivable for \$15.0 million in the condensed consolidated balance sheets upon the closing of the sale, which is expected to occur on or around September 30, 2023.

Note 3. Revenue

The following tables present the Company’s revenue disaggregated by contract types:

<i>(In thousands)</i>	Six Months Ended	
	June 30, 2023	July 1, 2022
Fixed-price	\$ 286,838	\$ 262,090
Cost reimbursable	28,893	24,956
Equipment and labor revenue	3,566	6,532
Total revenue	<u>\$ 319,297</u>	<u>\$ 293,578</u>

Remaining performance obligations

The Company had \$1.3 billion of remaining performance obligations yet to be satisfied as of June 30, 2023. Our remaining performance obligations have a weighted average life of 2.1 years as of June 30, 2023.

Contract Balances

Contract assets, including costs and estimated earnings in excess of billings on uncompleted contracts and retainage receivable, were \$174.7 million and \$164.9 million at June 30, 2023, and December 30, 2022, respectively. Contract liabilities, including billings on uncompleted contracts in excess of costs and estimated earnings and forward loss reserves were \$131.4 million and \$165.6 million at June 30, 2023 and December 30, 2022, respectively. Contract liabilities represent amounts billed to customers in excess of revenue recognized to date and a reserve for loss contracts. The Company recognized revenue of \$53.4 million during the six months ended June 30, 2023 that was included in contract liabilities as of December 30, 2022.

Contract terms with customers include the timing of billing and payment, which usually differs from the timing of revenue recognition. As a result, the Company carries contract assets and liabilities within the condensed consolidated balance sheets. These contract assets and liabilities are calculated on a contract-by-contract basis and reported on a net basis at the end of each period and are classified as current or non-current. The Company presents contract assets within the condensed consolidated balance sheets as costs and estimated earnings in excess of billings on uncompleted contracts (“CIE”). CIE consists of revenue recognized in excess of billings. The Company presents contract liabilities in the condensed consolidated balance sheets as billings on uncompleted contracts in excess of costs and estimated earnings (“BIE”). BIE consists of billings in excess of revenue recognized.

The following table provides information about CIE and BIE:

<i>(In thousands)</i>	June 30, 2023	December 30, 2022	Change
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 127,162	\$ 116,120	\$ 11,042
Billings on uncompleted contracts in excess of costs and estimated earnings	(44,913)	(56,963)	12,050
Net	<u>\$ 82,249</u>	<u>\$ 59,157</u>	<u>\$ 23,092</u>

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The Company's timing of revenue recognition may not be consistent with its rights to bill and collect cash from its clients. Those rights are generally dependent upon advance billing terms, milestone billings based on the completion of certain phases of work or when services are performed. The Company's accounts receivable represents amounts billed to clients that have yet to be collected and represent an unconditional right to cash from its clients as presented below.

<i>(In thousands)</i>	June 30, 2023	December 30, 2022
Total accounts receivable, gross	\$ 62,192	\$ 57,395
Allowance for doubtful accounts	(965)	(965)
Accounts receivable, net	<u>\$ 61,227</u>	<u>\$ 56,430</u>

Substantially all contract assets as of June 30, 2023 and December 30, 2022 are expected to be collected within the Company's estimated operating cycle, except for retainage and claims pertaining to certain contracts. The Company's operating cycle may extend beyond one year.

The Company is in the process of negotiating or awaiting approval of unapproved change orders and claims with its customers. The Company is proceeding with its contractual rights to recoup additional costs incurred from its customers based on completing work associated with change orders, including change orders with pending change order pricing, or claims related to significant changes in scope which resulted in substantial delays and additional costs in completing the work. The Company may take legal action if it and the customer cannot reach a mutually acceptable resolution. Based on the Company's review of the provisions of its contracts, specific costs incurred, and other related evidence supporting the unapproved change orders and claims, the Company concluded it was appropriate to include in contract assets claims of \$97.2 million and \$134.9 million as of June 30, 2023 and December 30, 2022, respectively. Contract retentions represent amounts invoiced to clients where payments have been withheld from progress payments until the contracted work has been completed and approved by the client. These retention agreements vary from project to project and could be outstanding for several months or years. Contract assets included contract retainage receivable, which were \$47.6 million and \$48.8 million as of June 30, 2023 and December 30, 2022, respectively.

Information about significant customers

Significant Customers as a Percentage of Accounts Receivable

As of June 30, 2023	
Customer one	30.6%
Customer two	11.2%
As of December 30, 2022	
Customer one	31.4%
Customer two	21.4%
Customer three	14.4%

Significant Customers as a Percentage of Revenue

Six Months Ended June 30, 2023	
Customer one	15.6%
Customer two	14.3%
Customer three	12.2%
Six Months Ended July 1, 2022	
Customer one	13.0%
Customer two	11.5%
Customer three	10.1%

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Revisions in Estimates

Changes in contract estimates resulted in net decreases in gross margin of \$14.5 million for the six months ended June 30, 2023, primarily due to increased forecasted costs to complete and an agreed upon contract settlement lower than previously estimated. There were no material changes in estimates for the six months ended July 1, 2022.

Note 4. Joint Ventures and Variable Interest Entities

Summary of financial information of the consolidated joint ventures is as follows:

<i>(In thousands)</i>	June 30, 2023	December 30, 2022
Current assets	\$ 31,455	\$ 29,485
Non-current assets	8,655	8,235
Total assets	40,110	37,720
Current liabilities	\$ 24,810	\$ 22,603
Non-current liabilities	45,579	56,595
Total liabilities	\$ 70,389	\$ 79,198

Total revenue of the consolidated joint ventures for the six months ended June 30, 2023 and July 1, 2022 was \$13.5 million and \$14.1 million, respectively. The assets of the Company's consolidated joint ventures are restricted for use only by the particular joint venture and are not available for the general operations of the Company.

Summary of financial information of the unconsolidated joint ventures, as derived from their financial statements, is as follows:

<i>(In thousands)</i>	June 30, 2023	December 30, 2022
Current assets	\$ 79,174	\$ 78,228
Non-current assets	17,906	25,026
Total assets	97,080	103,254
Current liabilities	\$ 45,500	\$ 63,240
Total liabilities	\$ 45,500	\$ 63,240

As of June 30, 2023 and December 30, 2022, the Company's investment in unconsolidated joint ventures was \$21.9 million and \$17.4 million, respectively.

<i>(In thousands)</i>	Six Months Ended	
	June 30, 2023	July 1, 2022
Revenue	\$ 42,596	\$ 283,040
Cost of revenue	32,111	197,854
Gross margin	10,485	85,186
Net income	\$ 10,051	\$ 85,186

The Company recognized equity in earnings of unconsolidated joint ventures of \$7.0 million and \$38.8 million for the six months ended June 30, 2023 and July 1, 2022, respectively.

Contractually required support provided to the Company's joint ventures is discussed in Note 11.

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Related Party Transactions

We often provide construction management and other subcontractor services to the Company's joint ventures and revenue includes amounts related to these services. For the six months ended June 30, 2023 and July 1, 2022, revenue included \$2.1 million and \$3.2 million, respectively, related to services provided to unconsolidated joint ventures.

Amounts included in the condensed consolidated balance sheets related to services provided to unconsolidated joint ventures for the periods ended June 30, 2023 and December 30, 2022 are as follows:

<i>(In thousands)</i>	June 30, 2023	December 30, 2022
Accounts receivable, net	<u>\$ 3,403</u>	<u>\$ 5,045</u>

Note 5. Property, Plant and Equipment

The following table summarizes the components of property, plant and equipment as of June 30, 2023 and December 30, 2022.

<i>(In thousands)</i>	June 30, 2023	December 30, 2022
Building and land	\$ 3,916	\$ 3,887
Machinery, equipment, and vehicles	71,352	67,698
Office furniture and equipment	6,766	7,891
Property, plant and equipment, gross	82,034	79,476
Accumulated depreciation	(31,223)	(24,268)
Property, plant and equipment, net	<u>\$ 50,811</u>	<u>\$ 55,208</u>

Depreciation expense for the six months ended June 30, 2023 and July 1, 2022 was \$7.1 million and \$6.4 million, respectively. Depreciation is recorded within cost of revenue and is calculated using the straight-line method over the estimated useful lives of the assets, or in the case of leasehold improvements and capitalized leases, the lesser of the remaining term of the lease or its estimated useful life.

Note 6. Debt

Total debt outstanding is presented on the condensed consolidated balance sheets as follows:

<i>(In thousands)</i>	June 30, 2023	December 30, 2022
Revolving Credit Facility	\$ 30,000	\$ —
Total debt	30,000	—
Unamortized debt issuance costs	(332)	—
Long-term debt, net	<u>\$ 29,668</u>	<u>\$ —</u>

Loan and Security Agreement

On September 13, 2023, we entered into a Loan and Security Agreement ("Loan Agreement") with Hudson Bridge Capital, which provides a maximum commitment of \$75.0 million and bears interest at an annual rate of 13.0%. Further, the Loan Agreement is subject to a closing fee of 1.50% from proceeds of the Loan. The Loan Agreement matures 36 months from the date of the first draw and repayment of principal does not commence until after the first twelve months of servicing the loan. The Company has not drawn any funds as of September 14, 2023.

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Revolving Credit Facility

On March 27, 2023, we entered into a Revolving Credit Facility (the “Revolving Credit Facility”) with MidCap Financial Services, LLC, which originally provided a total commitment of \$30.0 million. The Revolving Credit Facility was subsequently amended on June 30, 2023. As amended, the Revolving Credit Facility provides for a total commitment of \$35.3 million and bears interest at an annual rate of adjusted term SOFR, subject to a 1.0% floor, plus 4.50%. Further, the Revolving Credit Facility is subject to an annual collateral management fee of 0.50% and an annual unused line fee of 0.50%. Key financial covenants under the Revolving Credit Facility include maintaining a leverage ratio that does not exceed 1.75 to 1.0 and a minimum cash balance of \$25.0 million. The Revolving Credit Facility matures on March 27, 2028. The Company is not aware of any instances of noncompliance with the key financial covenants as of September 14, 2023.

Revolving Line of Credit

We had a \$25.0 million Revolving Line of Credit with BMO Harris Bank, N.A., under which the Company had no outstanding borrowings as of June 30, 2023 or December 30, 2022. Borrowings under the Revolving Line of Credit bear interest at a rate based on SOFR or a combination of rates (prime rate, federal fund rate, and SOFR) at the Company’s election, with an added margin depending on the Company’s leverage ratio. The unused balance of the Revolving Line of Credit bears a commitment fee of between 0.25% and 0.40% per year, depending on the Company’s leverage ratio. Key financial covenants under the Revolving Line of Credit include maintaining a leverage ratio that does not exceed 2.0 to 1.0 and a minimum cash balance of \$35.0 million. The Revolving Line of Credit terminated on March 27, 2023 upon the Company entering into the Revolving Credit Facility. The Company is not aware of any instances of noncompliance with the key financial covenants as of December 30, 2022.

Note 7. Income Taxes

We compute the year-to-date income tax provision by applying our estimated annual effective tax rate to our year-to-date pre-tax income and adjust for discrete tax items in the period in which they occur.

The effective tax rate was 0% and 25.3% for the six months ended June 30, 2023 and July 1, 2022, respectively. For the six months ended June 30, 2023, the deferred tax expense resulting from the current year loss is completely offset by recording additional valuation allowance against the accompanying deferred tax asset, resulting in zero tax expense. For the six months ended July 1, 2022, income is primarily offset by release of valuation allowance against the net operating loss deferred tax assets.

The Company generally anticipates a zero effective tax rate due to a full valuation allowance. However, the Company may recognize a current tax expense in a specific period if its taxable income, net of available deferred tax assets in that period, exceeds the allowable utilization of tax attributes such as NOL carryforwards. The allowable limitation typically restricts the use of NOL carryforwards to 80% of taxable income.

Deferred Tax Assets and Liabilities

We recognize deferred tax assets and liabilities for future tax consequences arising from differences between the carrying amounts of existing assets and liabilities under U.S. GAAP and their respective tax bases, and for net operating loss carryforwards and tax credit carryforwards. We evaluate the recoverability of our deferred tax assets, weighing all positive and negative evidence, and are required to establish or maintain a valuation allowance for these assets if we determine that it is more likely than not that some or all of the deferred tax assets will not be realized.

As of each reporting date, we consider new evidence, both positive and negative, that could impact our view with regard to the future realization of deferred tax assets. We will maintain our positions with regard to future realization of deferred tax assets, including those with respect to which we continue maintaining valuation

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allowances, until there is sufficient new evidence to support a change in expectations. Such a change in expectations could arise due to many factors, including those impacting our forecasts of future earnings, as well as changes in the tax laws under which we operate and tax planning. It is not reasonably possible to forecast any such changes at the present time, but it is possible that, should they arise, our view of their effect on the future realization of deferred tax assets may impact materially our condensed consolidated financial statements.

After weighing all of the evidence, giving more weight to the evidence that was objectively verifiable, a valuation allowance of \$137.6 million as of June 30, 2023 has been recorded to recognize only the portion of the deferred tax asset that is more likely than not to be realized. The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased or if the objective negative evidence in the form of cumulative losses is no longer present and additional weight is given to subjective evidence such as our projections for growth.

Note 8. Stock-Based Compensation

On April 12, 2021, the Company's board approved the Company's 2021 Stock Plan (the "Plan"). The Plan reserves 5,477,200 of the Company's shares for issuance of incentive instruments, including Incentive Stock Options ("Stock Options"), Non-statutory Stock Options, Stock Appreciation Rights, Restricted Stock Awards, and Restricted Stock Unit Awards. Stock Options granted under the Plan have a term of 10 years and vest over four years of service.

For the six months ended June 30, 2023, stock option activity was as follows:

	Stock Options			Weighted average years of remaining contractual term
	Number of shares	Weighted average exercise price per share	Weighted average grant date fair value	
Outstanding as of December 30, 2022	4,489,094	\$ 1.26	\$ —	8.33
Forfeited	(5,316)	1.26	0.28	—
Vested	(6,553)	1.26	—	—
Outstanding as of June 30, 2023	4,477,225	1.26	—	7.84
Exercisable as of June 30, 2023	2,334,596	\$ 1.26	\$ —	7.83

Total compensation expense related to stock-based payments was \$1.1 million and \$0.9 million for the six months ended June 30, 2023 and July 1, 2022, respectively. Unrecognized compensation expense related to stock-based grants to employees of Shimmick outstanding as of June 30, 2023 and July 1, 2022 was \$3.9 million and \$5.1 million, respectively, to be recognized on a straight-line basis over the awards' weighted average remaining vesting period of 1.8 years and 2.8 years, respectively.

[Table of Contents](#)**Note 9. Earnings Per Share**

Basic earnings per share (“EPS”) is calculated based on the weighted average shares outstanding during the period. Diluted earnings per share includes the dilutive effect of employee and director stock options. Stock options are considered dilutive whenever the exercise price is less than the average market price of the stock during the period and antidilutive whenever the exercise price exceeds the average market price of the common stock during the period. All 4.5 million employee stock options were excluded from the calculation of diluted earnings per share for the six months ended June 30, 2023 as they are antidilutive to the EPS calculation. The computation of basic and diluted EPS is as follows:

<i>(In thousands, except per share data)</i>	Six Months Ended	
	June 30, 2023	July 1, 2022
Numerator:		
Net (loss) income attributable to Shimmick Corporation	\$ (19,637)	\$ 3,710
Numerator for basic and diluted EPS	<u>\$ (19,637)</u>	<u>\$ 3,710</u>
Denominator:		
Denominator for basic EPS - weighted average shares	21,909	21,909
Effect of dilutive securities:		
Employee stock options	—	—
Dilutive potential common shares	—	—
Denominator for diluted EPS - adjusted weighted average shares and assumed conversions	<u>21,909</u>	<u>21,909</u>
Basic (loss) earnings per common share	<u>\$ (0.90)</u>	<u>\$ 0.17</u>
Diluted (loss) earnings per common share	<u>\$ (0.90)</u>	<u>\$ 0.17</u>

Note 10. Leases

Lease expenses recorded within the condensed consolidated statements of operations are comprised as follows:

<i>(In thousands)</i>	June 30, 2023	July 1, 2022
Operating lease cost		
Cost of revenue	\$ 6,778	\$ 5,502
Selling, general and administrative expenses	672	743
Finance lease cost (all in cost of revenue):		
Amortization of right-of-use assets	150	150
Interest on lease liabilities	13	18
Short term lease cost	<u>318</u>	<u>201</u>
Total lease cost	<u>\$ 7,931</u>	<u>\$ 6,614</u>

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Additional condensed consolidated balance sheet information related to leases is as follows:

<i>(In thousands)</i>	Balance Sheet Classification	June 30, 2023	December 30, 2022
Assets:			
Operating lease assets	Lease right-of-use assets	\$ 26,912	\$ 21,811
Finance lease assets	Lease right-of-use assets	729	879
Total lease assets		<u>\$ 27,641</u>	<u>\$ 22,690</u>
Liabilities:			
Current:			
Operating lease liabilities	Other current liabilities	\$ 9,139	\$ 7,767
Finance lease liabilities	Other current liabilities	739	313
Total current lease liabilities		<u>\$ 9,878</u>	<u>\$ 8,080</u>
Non-current:			
Operating lease liabilities	Lease liabilities, non-current	\$ 18,073	\$ 13,861
Finance lease liabilities	Lease liabilities, non-current	—	581
Total non-current lease liabilities		<u>\$ 18,073</u>	<u>\$ 14,442</u>

Weighted average remaining lease term information related to leases is as follows:

	June 30, 2023	December 30, 2022
Weighted average remaining lease term (in years):		
Operating leases	3.7	4.1
Finance leases	0.6	2.1
Weighted average discount rate:		
Operating leases	5.9%	5.3%
Finance leases	3.2%	3.2%

Supplemental cash flow information related to leases is as follows:

<i>(In thousands)</i>	June 30, 2023	July 1, 2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 6,028	\$ 6,003
Financing cash flows from finance leases	155	150
Right-of-use assets obtained in exchange for new operating leases	\$ 11,044	\$ 1,217

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

<u>Year</u> <u>(In thousands)</u>	<u>Operating</u> <u>Leases</u>	<u>Financing</u> <u>Leases</u>
2023	\$ 6,018	\$ 196
2024	9,077	555
2025	7,613	—
2026	3,132	—
2027	1,784	—
Thereafter	2,525	—
Total lease payments	30,149	751
Amounts representing interest	(2,937)	(12)
Total lease liabilities	<u>\$ 27,212</u>	<u>\$ 739</u>

Note 11. Commitments and Contingencies

In the Company's joint venture arrangements, the liability of each partner is usually joint and several. This means as each joint venture partner may become liable for the entire risk of performance guarantees provided by each partner to the customer. Typically, each joint venture partner indemnifies the other partners for any liabilities incurred in excess of the liabilities the other party is obligated to bear under the respective joint venture agreement. In addition, the Company may be required to guarantee performance directly to the customer. The Company is unable to estimate the maximum potential amount of future payments that the Company could be required to make under outstanding performance guarantees related to joint venture projects due to a number of factors, including but not limited to, the nature and extent of any contractual defaults by the other joint venture partners, resource availability, potential performance delays caused by the defaults, the location of the projects, and the terms of the related contracts.

In the ordinary course of business, the Company is subject to other claims, lawsuits, investigations and disputes arising out of the conduct of its business, including matters relating to commercial transactions, government contracts, and employment matters. The Company recognizes a liability for contingencies that are probable of occurrence and reasonably estimable. To date, no such matters are material to the condensed consolidated statements of operations.

In certain contracts, there are provisions that require the Company to pay liquidated damages if the Company is responsible for the failure to meet specified contractual milestone dates and the applicable customer asserts a conforming claim under these provisions. These contracts define the conditions under which customers may make claims against the Company for liquidated damages. Based upon the evaluation of performance and other commercial and legal analysis, management has recognized relevant probable liquidated damages as of June 30, 2023 and December 30, 2022, and believes that the ultimate resolution of such matters will not materially affect the Company's condensed consolidated financial position, results of operations, or cash flows.

The Company has recorded contingent consideration as of June 30, 2023 and December 30, 2022 at its estimated fair value. The Company is unable to reasonably determine an estimated range of amounts of the payments that could be made due to the uncertainty of future events.

Guarantees

The Company obtains bonding on construction contracts through third-party bonding companies. As is customary in the construction industry, the Company indemnifies the third-party bonding companies for any losses incurred by it in connection with bonds that are issued. The Company has granted the third-party bonding companies a security interest in accounts receivable, contract assets and contract rights for that obligation.

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The Company typically indemnifies contract owners for claims arising during the construction process and carries insurance coverage for such claims.

Letters of Credit

In the ordinary course of business and under certain contracts, the Company is required to post standby letters of credit for its insurance carriers. At June 30, 2023 and December 30, 2022, the total amount of standby letters of credit outstanding were \$14.1 million and \$8.2 million, respectively.

4,550,000 Shares



Common Stock

PROSPECTUS

Sole Book-Running Manager

Roth Capital Partners

Co-Manager

Craig-Hallum Capital Group

, 2023

Until , 2023 (25 days after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealers' obligation to deliver a prospectus when acting as an underwriter and with respect to their unsold allotments or subscriptions.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the various expenses, other than the underwriting discounts and commissions, expected to be incurred by Shimmick Corporation (the “Registrant”) in connection with the issuance and sale of common stock being registered. All amounts are estimated except for Securities and Exchange Commission (“SEC”) registration fees, Financial Industry Regulatory Authority (“FINRA”) filing fees and Nasdaq listing fees.

SEC registration fee	\$ 9,268
FINRA filing fee	25,000
Nasdaq listing fee	270,000
Printing and engraving expenses	625,000
Legal fees and expenses	2,500,000
Accounting fees and expenses	1,100,000
Blue sky qualification fees and expenses	25,000
Transfer agent fees and expenses	5,500
Miscellaneous fees and expenses	190,232
Total	4,750,000

Item 14. Indemnification of Directors and Officers.

Section 102(b)(7) of the Delaware General Corporation Law (“DGCL”) allows a corporation to provide in its certificate of incorporation that a director of the corporation will not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except where the director breached the duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our amended and restated certificate of incorporation will provide for this limitation of liability.

Section 145 of the DGCL (“Section 145”), provides that a Delaware corporation may indemnify any person who was, is or is threatened to be made, party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person is or was an officer, director, employee or agent of such corporation or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the corporation’s best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was illegal.

Section 145 further authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would otherwise have the power to indemnify him under Section 145.

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Our amended and restated certificate of incorporation will provide that we must indemnify our directors and officers to the fullest extent authorized by the DGCL and must also pay expenses incurred in defending any such proceeding in advance of its final disposition upon delivery of an undertaking, by or on behalf of an indemnified person, to repay all amounts so advanced if it should be determined ultimately that such person is not entitled to be indemnified under this section or otherwise.

We intend to enter into indemnification agreements with each of our current directors and officers. These agreements will require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified.

The indemnification rights set forth above shall not be exclusive of any other right which an indemnified person may have or hereafter acquire under any statute, provision of our certificate of incorporation, our bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

We expect to maintain standard policies of insurance that provide coverage (1) to our directors and officers against loss rising from claims made by reason of breach of duty or other wrongful act and (2) to us with respect to indemnification payments that we may make to such directors and officers.

Item 15. Recent Sales of Unregistered Securities.

We have issued 1,800,000 stock options in fiscal year 2021 to certain employees to purchase common shares in our company with an exercise price of \$3.45, of which 1,634,859 remain outstanding as of June 30, 2023 (the amounts of stock options do not reflect the 2.7386-for-1 stock split of our common stock, which was effected on October 23, 2023). The issuances of the above securities were deemed to be exempt from registration under the Securities Act of 1933, as amended (the "Securities Act") in reliance upon Rule 701 promulgated under Section 3(b) of the Securities Act as transactions pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions.

Item 16. Exhibits and Financial Statement Schedules.

<u>Exhibit No.</u>	<u>Description</u>
1.1	Form of Underwriting Agreement.
2.1*+	Purchase and Sale Agreement, dated, December 9, 2020, by and among AECOM, URS Holdings, Inc. and SCC Group, LLC.
3.1	Certificate of Incorporation of Shimmick Corporation (f/k/a SCCI National Holdings, Inc.), currently in effect.
3.2	Certificate of Amendment to the Certificate of Incorporation of Shimmick Corporation (f/k/a SCCI National Holdings, Inc.), effective as of April 12, 2021.
3.3	Certificate of Amendment to the Certificate of Incorporation of Shimmick Corporation (f/k/a SCCI National Holdings, Inc.), effective as of September 11, 2023.
3.4	Certificate of Amendment to the Certificate of Incorporation of Shimmick Corporation, effective as of October 23, 2023.
3.5	Form of Amended and Restated Certificate of Incorporation of Shimmick Corporation, to be in effect upon consummation of this offering.

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<u>Exhibit No.</u>	<u>Description</u>
3.6	Bylaws of Shimmick Corporation (SCCI National Holdings, Inc.), effective as of October 18, 2019.
3.7	Form of Amended and Restated Bylaws of Shimmick Corporation, to be in effect upon consummation of this offering.
5.1	Opinion of King & Spalding LLP.
10.1#	Form of Indemnification Agreement for Executive Officers and Directors.
10.2*#	SCCI National Holdings, Inc. 2021 Stock Plan.
10.3#	Form of Shimmick Corporation 2023 Equity Incentive Plan.
10.4*+	Credit Agreement, dated February 26, 2021, by and among Shimmick Construction Company, Inc., BMO Harris Bank N.A. and the other parties thereto.
10.5*+	Credit, Security and Guaranty Agreement, dated March 27, 2023, by and among Shimmick Construction Company, Inc., Rust Constructors Inc., The Leasing Corporation, SCCI National Holdings, Inc., MidCap Funding IV Trust and other parties thereto.
10.6*	Amendment No. 1 to Credit, Security and Guaranty Agreement, dated June 30, 2023, by and among Shimmick Construction Company, Inc., Rust Constructors, Inc., The Leasing Corporation, SCCI National Holdings, Inc., MidCap Funding IV Trust and other parties thereto.
10.7*	Amendment No. 2 to Credit, Security and Guaranty Agreement, dated September 22, 2023, by and among Shimmick Construction Company, Inc., Rust Constructors Inc., The Leasing Corporation, Shimmick Corporation (f/k/a SCCI National Holdings, Inc.), MidCap Funding IV Trust and other parties thereto.
10.8*+	Loan and Security Agreement, effective September 13, 2023, by and between Hudson Bridge Partners, LLC and/or its assigns and Shimmick Construction Company, Inc.
21.1	List of Subsidiaries of Shimmick Corporation.
23.1	Consent of Deloitte and Touche LLP
23.2	Consent of King & Spalding LLP (included as part of Exhibit 5.1).
24.1*	Powers of Attorney.
99.1*	Consent of Carolyn L. Trabuco to be listed as a director nominee.
99.2*	Consent of Geoffrey E. Heekin to be listed as a director nominee.
99.3*	Consent of J. Brendan Herron to be listed as a director nominee.
107	Filing Fee Table.

* Previously filed.

Indicates management contract or compensatory plan.

+ Portions of this exhibit have been redacted in accordance with Item 601(b)(10)(iv) of Regulation S-K.

Item 17. Undertakings.

The undersigned Registrant hereby undertakes that:

1. For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

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2. For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
3. For the purpose of determining liability of a registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of an undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
 - i. Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424,
 - ii. Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by an undersigned registrant,
 - iii. The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant, and
 - iv. Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Irvine, State of California, on October 23, 2023.

Shimmick Corporation

/s/ Steven E. Richards

Name: Steven E. Richards

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Steven E. Richards</u> Steven E. Richards	Chief Executive Officer (Principal Executive Officer)	October 23, 2023
<u>/s/ Devin J. Nordhagen</u> Devin J. Nordhagen	Executive Vice President, Chief Financial Officer (Principal Financial and Accounting Officer)	October 23, 2023
<u>**</u> Mitchell B. Goldsteen	Executive Chairman	October 23, 2023

**By: /s/ Steven E. Richards

Name: Steven E. Richards

Attorney-in-Fact

SHIMMICK CORPORATION
UNDERWRITING AGREEMENT
4,550,000 Shares of Common Stock

_____, 2023

Roth Capital Partners, LLC
As the Representative of the
Several Underwriters Named on Schedule I hereto

c/o Roth Capital Partners, LLC
888 San Clemente Drive, Suite 400
Newport Beach, CA 92660

Ladies and Gentlemen:

SHIMMICK CORPORATION, formerly known as SCCI National Holdings, Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell to the underwriters named in **Schedule I** hereto (the "Underwriters," or each, an "Underwriter"), for whom Roth Capital Partners, LLC is acting as the representative (the "Representative"), an aggregate of 4,550,000 authorized but unissued shares (the "Firm Shares") of common stock, par value \$0.01 per share (the "Common Stock"), of the Company. The Company also proposes to sell to the Underwriters, upon the terms and conditions set forth herein, up to an additional 682,500 shares of Common Stock (the "Option Shares"). The Firm Shares and the Option Shares are hereinafter collectively referred to as the "Shares."

The Company and the Underwriters hereby confirm their agreement as follows:

1. Registration Statement and Prospectus.

The Company has prepared and filed with the Securities and Exchange Commission (the "Commission") a registration statement covering the Shares on Form S-1 (File No. 333-274870) under the Securities Act of 1933, as amended (the "Securities Act"), and the rules and regulations (the "Rules and Regulations") of the Commission thereunder, and such amendments to such registration statement (including post-effective amendments) as may have been required to the date of this Agreement. Such registration statement, as amended (including any post effective amendments), has been declared effective by the Commission. Such registration statement, including amendments thereto (including post effective amendments thereto) at the time of effectiveness thereof (the "Effective Time"), the exhibits and any schedules thereto at the Effective Time or thereafter during the period of effectiveness and the documents and information otherwise deemed to be a part thereof or included therein by the Securities Act or otherwise pursuant to the Rules and Regulations at the Effective Time or thereafter during the period of effectiveness, is herein called the "Registration Statement." If the Company has filed or

files an abbreviated registration statement pursuant to Rule 462(b) under the Securities Act (the “Rule 462 Registration Statement”), then any reference herein to the term Registration Statement shall include such Rule 462 Registration Statement. Any preliminary prospectus included in the Registration Statement or filed with the Commission pursuant to Rule 424(a) under the Securities Act is hereinafter called a “Preliminary Prospectus.” The Preliminary Prospectus relating to the Shares that was included in the Registration Statement immediately prior to the pricing of the offering contemplated hereby is hereinafter called the “Pricing Prospectus.”

The Company is filing with the Commission pursuant to Rule 424 under the Securities Act a final prospectus covering the Shares, which includes the information permitted to be omitted therefrom at the Effective Time by Rule 430A under the Securities Act. Such final prospectus, as so filed, is hereinafter called the “Final Prospectus.” The Final Prospectus, the Pricing Prospectus and any preliminary prospectus in the form in which they were included in the Registration Statement or filed with the Commission pursuant to Rule 424 under the Securities Act is hereinafter called a “Prospectus.”

The Commission has not notified the Company of any objection to the use of form of Registration Statement or any post-effective amendment thereto.

2. Representations and Warranties of the Company Regarding the Offering.

(a) The Company represents and warrants to, and agrees with, the several Underwriters, as of the date hereof, and as of the Closing Date (as defined in Section 4(d) below) and as of each Option Closing Date (as defined in Section 4(b) below), as follows (except where a representation or warranty specifies as of a different date as indicated below):

(i) **No Material Misstatements or Omissions.** At the Effective Time, at the date hereof, at the Closing Date, and at each Option Closing Date, if any, the Registration Statement and any post-effective amendment thereto complied or will comply in all material respects with the requirements of the Securities Act and the Rules and Regulations and did not, does not, and will not, as the case may be, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Time of Sale Disclosure Package (as defined in Section 2(a)(v)(A)(1) below) as of [•] p.m. (Eastern time) (the “Applicable Time”) on the date hereof, at the Closing Date and on each Option Closing Date, if any, and the Final Prospectus, as amended or supplemented, as of its date, at the time of filing pursuant to Rule 424(b) under the Securities Act, at the Closing Date and at each Option Closing Date, if any, and any individual Written Testing-the-Waters Communication, when considered together with the Time of Sale Disclosure Package, did not, does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties set forth in the two immediately preceding sentences shall not apply to statements in or omissions from the Registration Statement, the Time of Sale Disclosure Package or any Prospectus in reliance upon, and in conformity with, written information furnished to the Company by any Underwriter (or its counsel) specifically for use in the preparation thereof, which written information is

described in Section 7(f). The Registration Statement contains all exhibits and schedules required to be filed by the Securities Act or the Rules and Regulations. No order preventing or suspending the effectiveness or use of the Registration Statement or any Prospectus is in effect and no proceedings for such purpose have been instituted or are pending, or, to the knowledge of the Company, are contemplated or threatened by the Commission.

(ii) **Marketing Materials.** The Company has not distributed any prospectus or other offering material in connection with the offering and sale of the Shares other than the Time of Sale Disclosure Package and the roadshow or investor presentations delivered to and approved by the Representative for use in connection with the marketing of the offering of the Shares (the "Marketing Materials").

(iii) **Emerging Growth Company.** The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act (an "Emerging Growth Company").

(iv) **Testing-the-Waters Communications.** The Company (i) has not alone engaged in any Testing-the-Waters Communication other than Testing-the-Waters Communications with the consent of the Representative with entities that are qualified institutional buyers within the meaning of Rule 144A under the Securities Act or institutions that are accredited investors within the meaning of Rule 501(a) under the Securities Act and (ii) has not authorized anyone other than the Underwriters to engage in Testing-the-Waters Communications. The Company has not distributed any Testing-the-Waters Communication (as defined below) that is a written communication within the meaning of Rule 405 under the Securities Act ("Written Testing-the-Waters Communications"), except as set forth on Schedule IV hereto. "Testing-the-Waters Communication" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Securities Act. The Company has filed publicly on the Electronic Data Gathering, Analysis, and Retrieval system ("EDGAR") at least 15 calendar days prior to any "road show" (as defined in Rule 433 und the Securities Act), any confidentially submitted registration statement and registration statement amendments relating to the offer and sale of Shares. Each Written Testing-the-Waters Communications, when taken together with the Time of Sale Disclosure Package, did not, as of the Applicable Time, and at all times through the completion of the public offer and sale of Shares will not, include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus.

(v) **Accurate Disclosure.** (A) The Company has provided a copy to the Underwriters of each Issuer Free Writing Prospectus (as defined below) used in the sale of Shares. The Company has filed all Issuer Free Writing Prospectuses required to be so filed with the Commission, and no order preventing or suspending the effectiveness or use of any Issuer Free Writing Prospectus is in effect and no proceedings for such purpose have been instituted or are pending, or, to the knowledge of the Company, are contemplated or threatened by the Commission. When taken together with the rest of the Time of Sale Disclosure Package or the Final Prospectus, no Issuer Free Writing

Prospectus, as of its issue date and at all subsequent times through the completion of the public offer and sale of Shares, has, does or will include (1) any untrue statement of a material fact or omission to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (2) information that conflicted, conflicts or will conflict with the information contained in the Registration Statement or the Final Prospectus. The representations and warranties set forth in the immediately preceding sentence shall not apply to statements in or omissions from the Time of Sale Disclosure Package, the Final Prospectus or any Issuer Free Writing Prospectus in reliance upon, and in conformity with, written information furnished to the Company by any Underwriter (or its counsel) specifically for use in the preparation thereof, which written information is described in Section 7(f). As used in this paragraph and elsewhere in this Agreement:

(1) "Time of Sale Disclosure Package" means the Pricing Prospectus, each Issuer Free Writing Prospectus, and the description of the transaction provided by the Underwriters included on **Schedule II**.

(2) "Issuer Free Writing Prospectus" means any "issuer free writing prospectus," as defined in Rule 433 under the Securities Act, relating to the Shares that (A) is required to be filed with the Commission by the Company, or (B) is exempt from filing pursuant to Rule 433(d)(5)(i) or (d)(8) under the Securities Act, in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g) under the Securities Act.

(B) At the time of filing of the Registration Statement and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405 under the Securities Act or an "excluded issuer" as defined in Rule 164 under the Securities Act.

(C) Each Issuer Free Writing Prospectus listed on **Schedule III** satisfied, as of its issue date and at all subsequent times through the Prospectus Delivery Period, all other conditions as may be applicable to its use as set forth in Rules 164 and 433 under the Securities Act, including any legend, record-keeping or other requirements.

(vi) **Financial Statements.** The financial statements of the Company, together with the related notes and schedules, included in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus comply in all material respects with the applicable requirements of the Securities Act and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations of the Commission thereunder, and fairly present, in all material respects, the financial condition of the Company as of the dates indicated and the results of operations and changes in cash flows for the periods therein specified in conformity with U.S. generally accepted accounting principles ("GAAP") consistently applied throughout the periods involved. No other financial statements or schedules are required under the Securities Act, the Exchange Act, or the Rules and Regulations to be included in the Registration Statement, the Time of Sale Disclosure Package or the Final Prospectus.

(vii) **Independent Accountants.** To the Company’s knowledge, Deloitte & Touche LLP, which has expressed its opinion with respect to the financial statements and schedules included as a part of the Registration Statement and included in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus, is an independent public accounting firm with respect to the Company within the meaning of the Securities Act and the Rules and Regulations.

(viii) **Accounting and Disclosure Controls.** Except as disclosed in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus, the Company and its subsidiaries maintain systems of “internal control over financial reporting” (as defined under Rules 13a-15 and 15d-15 under the Exchange Act) that comply with the requirements of the Exchange Act and have been designed by, or under the supervision of, their respective principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, including, but not limited to, internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management’s general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus, since the date of the latest audited financial statements included in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus, there has been no change in the Company’s internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

Except as disclosed in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus, the Company maintains disclosure controls and procedures (as defined under Rules 13a-15 and 15d-15 under the Exchange Act) that have been designed to ensure that material information relating to the Company and its subsidiaries is made known to the Company’s principal executive officer and principal financial officer by others within those entities; and such disclosure controls and procedures are effective.

(ix) **Forward-Looking Statements.** The Company had a reasonable basis for, and made in good faith, each “forward-looking statement” (within the meaning of Section 27A of the Securities Act or Section 21E of the Exchange Act) contained or incorporated by reference in the Registration Statement, the Time of Sale Disclosure Package, the Final Prospectus or the Marketing Materials.

(x) **Statistical and Marketing-Related Data.** All statistical or market-related data included or incorporated by reference in the Registration Statement, the Time of Sale Disclosure Package or the Final Prospectus, or included in the Marketing Materials, are based on or derived from sources that the Company reasonably believes to be reliable and accurate, and the Company has obtained the written consent to the use of such data from such sources, to the extent required.

(xi) **Trading Market.** The Common Stock is registered pursuant to Section 12(b) of the Exchange Act and is approved for [Nasdaq Global Market] (“Nasdaq”). There is no action pending by the Company or, to the Company’s knowledge, Nasdaq to delist the Common Stock from Nasdaq, nor has the Company received any notification that Nasdaq is contemplating terminating such listing. When issued, the Shares will be listed on Nasdaq. The Company has taken all actions it deems reasonably necessary or advisable to take on or prior to the date of this Agreement to assure that it will be in compliance in all material respects with all applicable corporate governance requirements set forth in the rules of Nasdaq that are then in effect, subject to applicable phase-in provisions.

(xii) **Absence of Manipulation.** The Company has not taken, directly or indirectly, any action that is designed to or that has constituted or that would reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

(xiii) **Investment Company Act.** The Company is not and, after giving effect to the offering and sale of the Shares and the application of the net proceeds thereof, will not be an “investment company,” as such term is defined in the Investment Company Act of 1940, as amended.

3. Representations and Warranties Regarding the Company.

(a) The Company represents and warrants to, and agrees with each Underwriter, as of the date hereof and as of the Closing Date and as of each Option Closing Date, as follows:

(i) **Good Standing.** Each of the Company and its subsidiaries has been duly organized and is validly existing as a corporation or other entity in good standing under the laws of its jurisdiction of incorporation, has the corporate power and authority to own its properties and conduct its business as currently being carried on and as described in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus, and is duly qualified to do business as a foreign corporation or other entity in good standing in each jurisdiction in which it owns or leases real property or in which the conduct of its business makes such qualification necessary, except where the failure to be so qualified, in good standing or have such power or authority would not have a material adverse effect upon the business, prospects, properties, operations, condition (financial or otherwise) or results of operations of the Company and its subsidiaries, taken as a whole, or in its ability to perform its obligations under this Agreement (“Material Adverse Effect”).

(ii) **Authorization.** The Company has the power and authority to enter into this Agreement and to authorize, issue and sell the Shares as contemplated by this Agreement. This Agreement has been duly authorized by the Company, and when executed and delivered by the Company, and will constitute the valid, legal and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as rights to indemnity hereunder may be limited by federal or state securities laws and except as such enforceability may be limited by bankruptcy, fraudulent transfer, moratorium, insolvency, reorganization or similar laws affecting the rights of creditors generally and subject to general principles of equity.

(iii) **Contracts.** The execution, delivery and performance of this Agreement and the consummation of the transactions herein contemplated will not (A) result in a breach or violation of any of the terms and provisions of, or constitute a default under, any law, order, rule or regulation to which the Company or any subsidiary is subject, or by which any property or asset of the Company or any subsidiary is bound or affected, (B) conflict with, result in any violation or breach of, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) (a "Default Acceleration Event") of, any agreement, lease, credit facility, debt, note, bond, mortgage, indenture or other instrument (the "Contracts") or obligation or other understanding to which the Company or any subsidiary is a party or by which any property or asset of the Company or any subsidiary is bound or affected, or (C) result in a breach or violation of any of the terms and provisions of, or constitute a default under, the Company's certificate of incorporation or by-laws, except in the cases of clauses (A) and (B) only, to the extent that such breach, violation, conflict, default or Default Acceleration Event would not, individually or in the aggregate, be reasonably likely to result in a Material Adverse Effect.

(iv) **No Violations of Governing Documents.** Neither the Company nor any of its subsidiaries is in violation, breach or default under its certificate of incorporation, by-laws or other equivalent organizational or governing documents.

(v) **Consents.** No consents, approvals, orders, authorizations or filings are required on the part of the Company in connection with the execution, delivery or performance of this Agreement and the issue and sale of the Shares, except (A) the registration under the Securities Act of the Shares, which has been effected, (B) the necessary filings and approvals from Nasdaq to list the Shares, (C) such consents, approvals, authorizations, registrations or qualifications as may be required under state or foreign securities or blue sky laws and the rules of the Financial Industry Regulatory Authority, Inc. ("FINRA") in connection with the purchase and distribution of the Shares by the Underwriters, (D) such consents and approvals as have been obtained and are in full force and effect, and (E) such consents, approvals, orders, authorizations and filings the failure of which to make or obtain is not reasonably likely to result in a Material Adverse Effect.

(vi) **Capitalization.** The Company has an authorized capitalization as set forth in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus. All of the issued and outstanding shares of capital stock of the Company are duly authorized and validly issued, fully paid and nonassessable, and have been issued in compliance with all applicable securities laws, and conform in all material respects to the description thereof in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus. All of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and, except as set forth in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus, are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims. Except for the issuances of options or restricted stock in the ordinary course of business, since the respective dates as of which information is provided in the Registration Statement, the Time of Sale Disclosure Package or the Final Prospectus, the Company has not entered into or granted any convertible or exchangeable securities, options, warrants, agreements, contracts or other rights in existence to purchase or acquire from the Company any shares of the capital stock of the Company. The Shares, when issued and paid for as provided herein, will be duly authorized and validly issued, fully paid and nonassessable, will be issued in compliance with all applicable securities laws, and will be free of preemptive, registration or similar rights and will conform in all material respects to the description of the capital stock of the Company contained in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus.

(vii) **Taxes.** Each of the Company and its subsidiaries has (a) filed all foreign, federal, state and local tax returns (as hereinafter defined) required to be filed with taxing authorities prior to the date hereof or has duly obtained extensions of time for the filing thereof and (b) paid all taxes (as hereinafter defined) shown as due and payable on such returns that were filed and has paid all taxes due and imposed on or assessed against the Company or such respective subsidiary, except for any taxes that are currently being contested in good faith or that, if not paid, would not result in a Material Adverse Effect. The provisions for taxes payable, if any, shown on the financial statements included in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus are sufficient for all accrued and unpaid taxes, whether or not disputed, and for all periods to and including the dates of such consolidated financial statements. To the knowledge of the Company, no issues have been raised (and are currently pending) by any taxing authority in connection with any of the returns or taxes asserted as due from the Company or its subsidiaries, and no waivers of statutes of limitation with respect to the returns or collection of taxes have been given by or requested from the Company or its subsidiaries. The term “taxes” mean all federal, state, local, foreign, and other net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profits, customs, duties or other taxes, fees, assessments, or charges of any kind whatever, together with any interest and any penalties, additions to tax, or additional amounts with respect thereto. The term “returns” means all returns, declarations, reports, statements, and other documents required to be filed in respect to taxes.

(viii) **Material Change.** Since the respective dates as of which information is given in the Registration Statement, the Time of Sale Disclosure Package or the Final Prospectus, (a) neither the Company nor any of its subsidiaries has incurred any material liabilities or obligations, direct or contingent, or entered into any material transactions other than in the ordinary course of business, (b) the Company has not declared or paid any dividends or made any distribution of any kind with respect to its capital stock; (c) there has not been any change in the capital stock of the Company or any of its subsidiaries (other than a change in the number of outstanding shares of Common Stock due to the issuance of shares upon the exercise of outstanding options or warrants, upon the conversion of outstanding shares of preferred stock or other convertible securities or the issuance of restricted stock awards or restricted stock units under the Company's existing stock awards plan, or any new grants thereof in the ordinary course of business), (d) there has not been any material change in the Company's long-term or short-term debt, and (e) there has not been the occurrence of any Material Adverse Effect.

(ix) **Absence of Proceedings.** There is not pending or, to the knowledge of the Company, threatened, any action, suit or proceeding to which the Company or any of its subsidiaries is a party or of which any property or assets of the Company or any of its subsidiaries is the subject before or by any court or governmental agency, authority or body, or any arbitrator or mediator, which is reasonably likely to result in a Material Adverse Effect.

(x) **Permits.** The Company and each of its subsidiaries holds, and is in compliance with, all franchises, grants, authorizations, licenses, permits, easements, consents, certificates and orders ("Permits") of any governmental or self-regulatory agency, authority or body required for the conduct of its business as currently conducted as described in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus, and all such Permits are in full force and effect, in each case except where the failure to hold, or comply with any of them or the failure of any of them to be in full force and effect, is not reasonably likely to result in a Material Adverse Effect or adversely affect the consummation of the transactions contemplated by this Agreement.

(xi) **Good Title.** The Company and each of its subsidiaries have good and marketable title to all property (whether real or personal) described in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus as being owned by them that are material to the business of the Company, in each case free and clear of all liens, claims, security interests, other encumbrances or defects, except those that are disclosed in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus and those that are not reasonably likely to result in a Material Adverse Effect. The property held under lease by the Company and its subsidiaries is held by them under valid, subsisting and enforceable leases with only such exceptions with respect to any particular lease as do not interfere in any material respect with the conduct of the business of the Company and its subsidiaries.

(xii) **Environmental and Safety Laws.** Neither the Company nor any of its subsidiaries is in violation, or has received written notice of any violation with respect to, any applicable environmental, safety or similar law applicable to the business of the Company or any of its subsidiaries; the Company and its subsidiaries have received all permits, licenses or other approvals required of them under applicable federal and state occupational safety and health and environmental laws and regulations to conduct

their respective businesses, and the Company and its subsidiaries are in compliance with all terms and conditions of any such permit, license or approval, except any such violation of law or regulation, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

(xiii) **Hiring Practices.** Neither the Company nor any of its subsidiaries is in violation of or has received notice of any violation with respect to any federal or state law relating to discrimination in the hiring, promotion or pay of employees, or any applicable federal or state wages and hours law or the rules and regulations promulgated thereunder, except for those violations that would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(xiv) **Intellectual Property.** The Company and each of its subsidiaries owns or possesses or has valid right to use all patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses, inventions, trade secrets and similar rights ("Intellectual Property") necessary for the conduct of the business of the Company and its subsidiaries as currently conducted and as described in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus. To the knowledge of the Company, no action or use by the Company or any of its subsidiaries involves or gives rise to any infringement of, or license or similar fees for, any Intellectual Property of others, except where such action, use, license or fee is not reasonably likely to result in a Material Adverse Effect. Neither the Company nor any of its subsidiaries has received any notice alleging any such infringement or fee. To the Company's knowledge, none of the technology employed by the Company or any subsidiary has been obtained or is being used by the Company or such subsidiary in violation of any contractual obligation binding on the Company or such subsidiary or, to the Company's knowledge, any of the officers, directors or employees of the Company or any subsidiary, or, to the Company's knowledge, otherwise in violation of the rights of any persons, except in each case for such violations as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(xv) **Employment Matters.** There is (A) no unfair labor practice complaint pending against the Company, or any of its subsidiaries, nor to the Company's knowledge, threatened against it or any of its subsidiaries, before the National Labor Relations Board, any state or local labor relation board or any foreign labor relations board, and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement is so pending against the Company or any of its subsidiaries, or, to the Company's knowledge, threatened against it and (B) no labor disturbance by the employees of the Company or any of its subsidiaries exists or, to the Company's knowledge, is imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or its subsidiaries, principal suppliers, manufacturers, customers or contractors, that could reasonably be expected, singularly or in the aggregate, to have a Material Adverse Effect. To the knowledge of the Company, there is no key employee or significant group of employees of the Company or any subsidiary plans to terminate employment with the Company or any such subsidiary.

(xvi) **ERISA Compliance.** No “prohibited transaction” (as defined in Section 406 of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder (“ERISA”), or Section 4975 of the Internal Revenue Code of 1986, as amended from time to time (the “Code”)) or “accumulated funding deficiency” (as defined in Section 302 of ERISA) or any of the events set forth in Section 4043(b) of ERISA (other than events with respect to which the thirty (30)-day notice requirement under Section 4043 of ERISA has been waived) has occurred or could reasonably be expected to occur with respect to any employee benefit plan of the Company or any of its subsidiaries which would reasonably be expected to, singularly or in the aggregate, have a Material Adverse Effect. Each employee benefit plan of the Company or any of its subsidiaries is in compliance in all material respects with applicable law, including ERISA and the Code. The Company and its subsidiaries have not incurred and could not reasonably be expected to incur liability under Title IV of ERISA with respect to the termination of, or withdrawal from, any pension plan (as defined in ERISA). Each pension plan for which the Company or any of its subsidiaries would have any liability that is intended to be qualified under Section 401(a) of the Code is so qualified, and to the Company’s knowledge, nothing has occurred, whether by action or by failure to act, which could, singularly or in the aggregate, cause the loss of such qualification.

(xvii) **SOX Compliance.** The Company has taken all actions it deems reasonably necessary or advisable to take on or prior to the date of this Agreement to assure that, upon and at all times after the effectiveness of the Registration Statement, it will be in compliance in all material respects with all applicable provisions of the Sarbanes-Oxley Act of 2002 and all rules and regulations promulgated thereunder or implementing the provisions thereof (the “Sarbanes-Oxley Act”) that are then in effect.

(xviii) **Improper Payments.** Neither the Company nor any of its subsidiaries nor, to the Company’s knowledge, any officer or director purporting to act on behalf of the Company or any of its subsidiaries has at any time (i) made any contributions to any candidate for political office, or failed to disclose fully any such contributions, in violation of law, (ii) made any payment to any state, federal or foreign governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or allowed by applicable law, or (iii) engaged in any transactions, maintained any bank account or used any corporate funds except for transactions, bank accounts and funds which have been and are reflected in the normally maintained books and records of the Company and its subsidiaries.

(xix) **Money Laundering Laws.** The operations of the Company and its subsidiaries are and have been conducted at all times since January 2, 2021 in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules,

regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the “Money Laundering Laws”); and no action, suit or proceeding by or before any Governmental Entity involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened. “Governmental Entity” shall be defined as any arbitrator, court, governmental body, regulatory body, administrative agency or other authority, body or agency (whether foreign or domestic) having jurisdiction over the Company or any of its subsidiaries or any of their respective properties, assets or operations.

(xx) **Foreign Corrupt Practices Act.** Neither the Company nor any of its subsidiaries, or any director or officer of the Company or any subsidiary, nor, to the knowledge of the Company, any employee, representative, agent, affiliate of the Company or any of its subsidiaries or any other person acting on behalf of the Company or any of its subsidiaries, is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the “FCPA”), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any “foreign official” (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA and the Company and, to the knowledge of the Company, its affiliates have conducted their businesses in compliance with the FCPA and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

(xxi) **OFAC.** Neither the Company nor any of its subsidiaries or any director or officer of the Company or any subsidiary, nor, to the knowledge of the Company, any employee, representative, agent or affiliate of the Company or any of its subsidiaries or any other person acting on behalf of the Company or any of its subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department (“OFAC”); and the Company will not directly or indirectly use the proceeds of the offering of the Shares contemplated hereby, or lend, contribute or otherwise make available such proceeds to any person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(xxii) **Insurance.** The Company, on a consolidated basis with each of its subsidiaries carries, or is covered by, insurance in such amounts and covering such risks as is adequate for the conduct of its business and the value of its properties and as is customary for companies engaged in similar businesses in similar industries.

(xxiii) **Books and Records.** The minute books of the Company and each of its subsidiaries have been made available to the Underwriters and counsel for the Underwriters, and such books accurately in all material respects reflect all transactions referred to in such minutes.

(xxiv) **No Undisclosed Contracts.** There is no Contract or document required by the Securities Act or by the Rules and Regulations to be described in the Registration Statement, the Time of Sale Disclosure Package or in the Final Prospectus or to be filed as an exhibit to the Registration Statements which is not so described or filed therein as required; and all descriptions of any such Contracts or documents contained in the Registration Statement, the Time of Sale Disclosure Package and in the Final Prospectus are accurate and complete descriptions of such documents in all material respects. Other than as described in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus, no such Contract has been suspended or terminated for convenience or default by the Company or any subsidiary party thereto or any of the other parties thereto, and neither the Company nor any of its subsidiaries has received notice, and the Company has no knowledge, of any such pending or threatened suspension or termination, except for suspensions or terminations that are not reasonably likely to result in a Material Adverse Effect.

(xxv) **No Undisclosed Relationships.** No relationship, direct or indirect, exists between or among the Company or any of its subsidiaries on the one hand, and the directors, officers, stockholders (or analogous interest holders), customers or suppliers of the Company or any of its subsidiaries on the other hand, which is required to be described in the Registration Statement, the Time of Sale Disclosure Package or the Final Prospectus and which is not so described.

(xxvi) **Insider Transactions.** There are no outstanding loans, advances (except normal advances for business expenses in the ordinary course of business) or guarantees of indebtedness by the Company or any of its subsidiaries to or for the benefit of any of the officers or directors of the Company, any of its subsidiaries or any of their respective family members, except as disclosed in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus. All transactions by the Company with office holders or control persons of the Company have been duly approved by the board of directors of the Company, or duly appointed committees or officers thereof, if and to the extent required under applicable law.

(xxvii) **No Registration Rights.** No person or entity has the right to require registration of Common Stock or other securities of the Company or any of its subsidiaries within 180 days of the date hereof because of the filing or effectiveness of the Registration Statement or otherwise, except for persons and entities who have expressly waived such right in writing or who have been given timely and proper written notice and have failed to exercise such right within the time or times required under the terms and conditions of such right. Except as described in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus, there are no persons with registration rights or similar rights to have any securities registered by the Company or any of its subsidiaries under the Securities Act.

(xxviii) **Continued Business.** No supplier, customer, distributor or sales agent of the Company or any subsidiary has notified the Company or any subsidiary that it intends to discontinue or decrease the rate of business done with the Company or any subsidiary, except where such discontinuation or decrease has not resulted in and would not reasonably be expected to result in a Material Adverse Effect.

(xxix) **No Finder's Fee.** There are no claims, payments, issuances, arrangements or understandings for services in the nature of a finder's, consulting or origination fee with respect to the introduction of the Company to any Underwriter or the sale of the Shares hereunder or any other arrangements, agreements, understandings, payments or issuances with respect to the Company that may affect the Underwriters' compensation, as determined by FINRA.

(xxx) **No Fees.** Except as disclosed to the Representative in writing, the Company has not made any direct or indirect payments (in cash, securities or otherwise) to (i) any person, as a finder's fee, investing fee or otherwise, in consideration of such person raising capital for the Company or introducing to the Company persons who provided capital to the Company, (ii) any FINRA member, or (iii) any person or entity that has any direct or indirect affiliation or association with any FINRA member within the 12-month period prior to the date on which the Registration Statement was filed with the Commission ("Filing Date") or thereafter.

(xxxii) **Proceeds.** None of the net proceeds of the offering will be paid by the Company to any participating FINRA member or any affiliate or associate of any participating FINRA member, except as specifically authorized herein.

(xxxiii) **No FINRA Affiliations.** To the Company's knowledge, no (i) officer or director of the Company or its subsidiaries, (ii) owner of 5% or more of any class of the Company's securities or (iii) owner of any amount of the Company's unregistered securities acquired within the 180-day period prior to the Filing Date, has any direct or indirect affiliation or association with any FINRA member. The Company will advise the Representative and counsel to the Representative if it becomes aware that any officer, director of the Company or its subsidiaries or any owner of 5% or more of any class of the Company's securities is or becomes an affiliate or associated person of a FINRA member participating in the offering.

(xxxiiii) **No Financial Advisor.** Other than the Underwriters, no person has the right to act as an underwriter or as a financial advisor to the Company in connection with the transactions contemplated hereby.

(xxxv) **Certain Statements.** The statements set forth in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus, insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair in all material respects, and under the caption "Description of Capital Stock" insofar as they purport to constitute a summary of (i) the terms of the Company's outstanding securities, (ii) the terms of the Shares, and (iii) the terms of the documents referred to therein, are accurate, complete and fair in all material respects.

(xxxv) **Prior Sales of Securities.** Except as set forth in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus, the Company has not sold or issued any shares of Common Stock during the six-month period preceding the date hereof, including any sales pursuant to Rule 144A under, or Regulations D or S of, the Securities Act, other than shares issued pursuant to employee benefit plans, stock option plans or other employee compensation plans or pursuant to outstanding preferred stock, options, rights or warrants or other outstanding convertible securities.

(b) Any certificate signed by any officer of the Company and delivered to the Representative on behalf of the Underwriters or to counsel for the Underwriters shall be deemed a representation and warranty by the Company to the Underwriters as to the matters covered thereby.

4. Purchase, Sale and Delivery of Shares.

(a) On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to issue and sell the Firm Shares to the several Underwriters, and each Underwriters agrees, severally and not jointly, to purchase from the Company the number of Firm Shares set forth opposite the name of such Underwriters in **Schedule I** hereto. The purchase price to be paid by the Underwriters to the Company for each Firm Share shall be \$[•] per share.

(b) The Company hereby grants to the Underwriters the option to purchase some or all of the Option Shares and, upon the basis of the warranties and representations and subject to the terms and conditions herein set forth, the Underwriters shall have the right, severally and not jointly, to purchase all or any portion of the Option Shares as may be necessary to cover over-allotments made in connection with the transactions contemplated hereby. The purchase price to be paid by the Underwriters for the Option Shares shall be \$[•] per share. This option may be exercised by the Representative at any time and from time to time on or before the thirtieth (30th) day following the date hereof, by written notice from the Representative to the Company (the "Option Notice"). The Option Notice shall set forth the aggregate number of Option Shares as to which the option is being exercised, and the date and time when the Option Shares are to be delivered (such date and time being herein referred to as the "Option Closing Date"); *provided, however*, that the Option Closing Date shall not be earlier than the Closing Date (as defined below) nor earlier than the first business day after the date on which the option shall have been exercised nor later than the fifth business day after the date on which the option shall have been exercised unless the Company and the Representative otherwise agree.

(c) Payment of the purchase price for and delivery of the Option Shares shall be made on an Option Closing Date in the same manner and at the same office as the payment for the Firm Shares as set forth in subparagraph (d) below.

(d) The Firm Shares will be delivered by the Company to the Representative, against payment of the purchase price therefor by wire transfer of same day funds payable to the order of the Company at the offices of Roth Capital Partners, LLC, 888 San Clemente Drive, Suite 400, Newport Beach, CA 92660, or such other location as may be mutually acceptable, at 6:00 a.m. Pacific Time, on the second (or if the Firm Shares are priced, as contemplated by Rule 15c6-1(c) under the Exchange Act, after 4:30 p.m. Eastern time, the third) full business day

following the date hereof, or at such other time and date as the Representative and the Company determine pursuant to Rule 15c6-1(a) under the Exchange Act, or, in the case of the Option Shares, at such date and time set forth in the Option Notice. The time and date of delivery of the Firm Shares, is referred to herein as the “Closing Date.” On the Closing Date, the Company shall deliver the Firm Shares, which shall be registered in the name or names and shall be in such denominations as the Representative may request in writing on behalf of the Underwriters at least one (1) business day before the Closing Date, to the respective accounts of the several Underwriters, which delivery shall, with respect to the Firm Shares, be made through the facilities of the Depository Trust Company’s DWAC system.

(e) It is understood that the Representative has been authorized, for its own account and the accounts of the several Underwriters, to accept delivery of and receipt for, and make payment of the purchase price for, the Firm Shares and any Option Shares that the Underwriters have agreed to purchase. The Representative, individually and not as the Representative of the Underwriters, may (but shall not be obligated to) make payment for any Shares to be purchased by any Underwriter whose funds shall not have been received by the Representative by the Closing Date or any Option Closing Date, as the case may be, for the account of such Underwriter, but any such payment shall not relieve such Underwriter from any of its obligations under this Agreement.

5. Covenants.

(a) The Company covenants and agrees with the Underwriters as follows:

(i) The Company shall prepare the Final Prospectus in a form approved by the Representative and file such Final Prospectus pursuant to Rule 424(b) under the Securities Act not later than the Commission’s close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by the Rules and Regulations.

(ii) During the period beginning on the date hereof and ending on the later of the Closing Date or such date as determined by the Representative the Final Prospectus is no longer required by law to be delivered in connection with sales by an underwriter or dealer (the “Prospectus Delivery Period”), prior to amending or supplementing the Registration Statement, including any Rule 462 Registration Statement, the Time of Sale Disclosure Package or the Final Prospectus, the Company shall furnish to the Representative for review and comment a copy of each such proposed amendment or supplement, and the Company shall not file any such proposed amendment or supplement to which the Representative reasonably objects.

(iii) From the date of this Agreement until the end of the Prospectus Delivery Period, the Company shall promptly advise the Representative in writing (A) of the receipt of any comments of, or requests for additional or supplemental information from, the Commission, (B) of the time and date of any filing of any post-effective amendment to the Registration Statement or any amendment or supplement to the Time of Sale Disclosure Package, the Final Prospectus or any Issuer Free Writing Prospectus, (C) of the time and date that any post-effective amendment to the Registration Statement

becomes effective and (D) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending its use or the use of the Time of Sale Disclosure Package, the Final Prospectus or any Issuer Free Writing Prospectus, or of any proceedings to remove, suspend or terminate from listing or quotation the Common Stock from any securities exchange upon which it is listed for trading or included or designated for quotation, or of the threatening or initiation of any proceedings for any of such purposes. If the Commission shall enter any such stop order at any time during the Prospectus Delivery Period, the Company will use its reasonable efforts to obtain the lifting of such order at the earliest possible moment. Additionally, the Company agrees that it shall comply with the provisions of Rules 424(b), 430A or 430C as applicable, under the Securities Act and will use its reasonable efforts to confirm that any filings made by the Company under Rule 424(b) or Rule 433 were received in a timely manner by the Commission (without reliance on Rule 424(b)(8) or 164(b) of the Securities Act).

(iv) (A) During the Prospectus Delivery Period, the Company will comply with all requirements imposed upon it by the Securities Act, as now and hereafter amended, and by the Rules and Regulations, as from time to time in force, and by the Exchange Act, as now and hereafter amended, so far as necessary to permit the continuance of sales of or dealings in the Shares as contemplated by the provisions hereof, the Time of Sale Disclosure Package, the Registration Statement and the Final Prospectus. If during the Prospectus Delivery Period any event occurs the result of which would cause the Final Prospectus (or if the Final Prospectus is not yet available to prospective purchasers, the Time of Sale Disclosure Package) to include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances then existing, not misleading, or if during such period it is necessary or appropriate in the opinion of the Company or its counsel or the Representative or counsel to the Representative to amend the Registration Statement or supplement the Final Prospectus (or if the Final Prospectus is not yet available to prospective purchasers, the Time of Sale Disclosure Package) to comply with the Securities Act, the Company will promptly notify the Representative, allow the Representative the opportunity to provide reasonable comments on such amendment, prospectus supplement or document, and will amend the Registration Statement or supplement the Final Prospectus (or if the Final Prospectus is not yet available to prospective purchasers, the Time of Sale Disclosure Package) or file such document (at the expense of the Company) so as to correct such statement or omission or effect such compliance.

(b) If at any time during the Prospectus Delivery Period there occurred or occurs an event or development the result of which such Issuer Free Writing Prospectus conflicted or would conflict with the information contained in the Registration Statement or any Prospectus or included or would include, when taken together with the Time of Sale Disclosure Package, an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at that subsequent time, not misleading, the Company will promptly notify the Representative and will promptly amend or supplement, at its own expense, such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission.

(i) The Company shall take or cause to be taken all necessary action to qualify the Shares for sale under the securities laws of such jurisdictions as the Representative reasonably designates and to continue such qualifications in effect so long as required for the distribution of the Shares, except that the Company shall not be required in connection therewith to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified, to execute a general consent to service of process in any state or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise subject.

(ii) The Company will furnish to the Underwriters and counsel to the Underwriters copies of the Registration Statement, each Prospectus, any Issuer Free Writing Prospectus, and all amendments and supplements to such documents, in each case as soon as available and in such quantities as the Underwriters may from time to time reasonably request.

(iii) The Company will make generally available to its security holders as soon as practicable, but in any event not later than 15 months after the end of the Company's current fiscal quarter, an earnings statement (which need not be audited) covering a 12-month period that shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 of the Rules and Regulations.

(iv) The Company, whether or not the transactions contemplated hereunder are consummated or this Agreement is terminated, will pay or cause to be paid (A) all expenses (including transfer taxes allocated to the respective transferees) incurred in connection with the delivery to the Underwriters of the Shares (including all fees and expenses of the registrar and transfer agent of the Shares and the cost of preparing and printing stock certificates), (B) all reasonable expenses and fees (including, without limitation, the reasonable fees and expenses of the Company's counsel) in connection with the preparation, printing, filing, delivery, and shipping of the Registration Statement (including the financial statements therein and all amendments, schedules, and exhibits thereto), the Shares, the Time of Sale Disclosure Package, any Prospectus, the Final Prospectus, any Issuer Free Writing Prospectus and any amendment thereof or supplement thereto, (C) all reasonable filing fees and reasonable fees and disbursements of the Representative's counsel incurred in connection with the qualification of the Shares for offering and sale by the Representative or by dealers under the securities or blue sky laws of the states and other jurisdictions that the Representative shall designate, (D) the reasonable filing fees and reasonable fees and disbursements of counsel to the

Representative incident to any required review and approval by FINRA, of the terms of the sale of the Shares, (E) listing fees, if any, and (F) all other reasonable costs and reasonable expenses incident to the performance of its obligations hereunder that are not otherwise specifically provided for herein. The Company will reimburse the Representative for the Underwriters' reasonable out-of-pocket expenses, including legal fees and disbursements, in connection with the purchase and sale of the Shares contemplated hereby up to an aggregate of \$450,000 (including amounts payable pursuant to clauses (C) and (D) above). The Company will pre-approve in writing any expense (other than fees and disbursements of Underwriters' counsel) in excess of \$25,000, which pre-approval will not be unreasonably withheld or delayed. If this Agreement is terminated by the Representative in accordance with the provisions of Section 6, Section 9 or Section 11, the Company will reimburse the Underwriters for all out-of-pocket disbursements (including, but not limited to, reasonable fees and disbursements of counsel, travel expenses, postage, facsimile and telephone charges) incurred by the Representative in connection with its investigation, preparing to market and marketing the Shares or in contemplation of performing its obligations hereunder.

(v) If the Closing Date occurs, the Company grants the Representative the right of first refusal for a period of twelve (12) months from the Closing Date to act as sole managing underwriter and sole book runner for any and all future public or private equity, equity-linked or debt offerings undertaken by the Company in the United States, or any successor to or any subsidiary of the Company. The Company shall provide written notice to the Representative with the terms of such offering and if the Representative fails to accept in writing any such proposal within ten (10) business days after receipt of such written notice, then the Representative will have no claim or right with respect to such offering(s).

(vi) The Company intends to apply the net proceeds from the sale of the Shares to be sold by it hereunder for the purposes set forth in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus under the heading "Use of Proceeds."

(vii) The Company has not taken and will not take, directly or indirectly, during the Prospectus Delivery Period, any action designed to or which might reasonably be expected to cause or result in, or that has constituted, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

(viii) The Company represents and agrees that, unless it obtains the prior written consent of the Representative, and each Underwriter, severally, and not jointly, represents and agrees that, unless it obtains the prior written consent of the Company, it has not made and will not make any offer relating to the Shares that would constitute an Issuer Free Writing Prospectus; provided that the prior written consent of the parties hereto shall be deemed to have been given in respect of the free writing prospectuses included in **Schedule III**. Any such free writing prospectus consented to by the Company and the Representative is hereinafter referred to as a "Permitted Free Writing Prospectus." The Company represents that it has treated or agrees that it will treat each

Permitted Free Writing Prospectus as an “issuer free writing prospectus,” as defined in Rule 433, and has complied or will comply with the requirements of Rule 433 applicable to any Permitted Free Writing Prospectus, including timely Commission filing where required, legending and record-keeping.

(ix) The Company hereby agrees that, without the prior written consent of the Representative, it will not, during the period ending one hundred and eighty (180) days after the date hereof (“Lock-Up Period”), (i) offer, pledge, issue, sell, contract to sell, purchase, contract to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock; or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise; or (iii) file any registration statement with the Commission relating to the offering of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock. The restrictions contained in the preceding sentence shall not apply to (1) the Shares to be sold hereunder, (2) the issuance or purchase of Common Stock upon the exercise of options or warrants, vesting or settlement of restricted stock or restricted stock units or the conversion of preferred stock or other convertible securities each as disclosed in the Registration Statement (excluding exhibits thereto), the Time of Sale Disclosure Package and the Final Prospectus, or (3) the issuance of employee stock options and the grant of restricted stock awards or restricted stock units or shares of Common Stock pursuant to equity incentive plans described in the Registration Statement (excluding exhibits thereto), the Time of Sale Disclosure Package, and the Final Prospectus or the amendment of awards under the equity incentive plans of the Company (collectively, “Incentive Equity”), (4) the filing of a registration statement on Form S-8 covering Incentive Equity, or (5) the entry into an agreement providing for the issuance by the Company of shares of Common Stock or any security convertible into or exercisable for shares of Common Stock in connection with the acquisition by the Company or any of its subsidiaries of the securities, business, technology, property or other assets of another person or entity or pursuant to an employee benefit plan assumed by the Company in connection with such acquisition, and the issuance of any such securities pursuant to any such agreement or (6) the entry into any agreement providing for the issuance of shares of Common Stock or any security convertible into or exercisable for shares of Common Stock in connection with joint ventures, commercial relationships or other strategic transactions, and the issuance of any such securities pursuant to any such agreement.

(x) The Company hereby agrees to engage and maintain, at its expense, a registrar and transfer agent for the Common Stock.

(xi) The Company hereby agrees to use its reasonable best efforts to obtain approval to list the Shares on Nasdaq.

(xii) The Company hereby agrees not to take, directly or indirectly, any action designed to cause or result in, or that has constituted or might reasonably be expected to constitute, under the Exchange Act or otherwise, the stabilization or manipulation of the price of any securities of the Company to facilitate the sale or resale of the Shares.

(xiii) The Company will promptly notify the Representative if the Company ceases to be an Emerging Growth Company at any time prior to the later of (a) the end of the Prospectus Delivery Period and (b) the expiration of the Lock-Up Period described in Section 5(b)(ix) above.

6. Conditions of the Underwriters' Obligations. The respective obligations of the several Underwriters hereunder to purchase the Shares are subject to the accuracy, as of the date hereof and at all times through the Closing Date, and on each Option Closing Date (as if made on the Closing Date or such Option Closing Date, as applicable), of and compliance with all representations, warranties and agreements of the Company contained herein, the performance by the Company of its obligations hereunder and the following additional conditions:

(a) If filing of the Final Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, is required under the Securities Act or the Rules and Regulations, the Company shall have filed the Final Prospectus (or such amendment or supplement) or such Issuer Free Writing Prospectus with the Commission in the manner and within the time period so required (without reliance on Rule 424(b)(8) or 164(b) under the Securities Act); the Registration Statement shall remain effective; no stop order suspending the effectiveness of the Registration Statement or any part thereof, any Rule 462 Registration Statement, or any amendment thereof, nor suspending or preventing the use of the Time of Sale Disclosure Package, any Prospectus, the Final Prospectus or any Issuer Free Writing Prospectus shall have been issued; no proceedings for the issuance of such an order shall have been initiated or threatened by the Commission; any request of the Commission or the Representative for additional information (to be included in the Registration Statement, the Time of Sale Disclosure Package, any Prospectus, the Final Prospectus, any Issuer Free Writing Prospectus or otherwise) shall have been complied with to the satisfaction of the Representative.

(b) The Shares shall be approved for listing on Nasdaq, subject to official notice of issuance.

(c) FINRA shall have raised no objection to the fairness and reasonableness of the underwriting terms and arrangements.

(d) The Representative shall not have reasonably determined, and advised the Company, that the Registration Statement, the Time of Sale Disclosure Package, any Prospectus, the Final Prospectus, or any amendment thereof or supplement thereto, or any Issuer Free Writing Prospectus, contains an untrue statement of fact which, in the reasonable opinion of the Representative, is material, or omits to state a fact which, in the reasonable opinion of the Representative, is material and is required to be stated therein or necessary to make the statements therein not misleading.

(e) On or after the date hereof (i) no downgrading shall have occurred in the rating accorded any of the Company's securities by any "nationally recognized statistical organization," as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Securities Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's securities.

(f) On the Closing Date and on each Option Closing Date, there shall have been furnished to the Representative, for the benefit of the Underwriters, the opinion and negative assurance letters of King & Spalding LLP, counsel to the Company, each dated the Closing Date or the Option Closing Date, as applicable, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representative.

(g) On the Closing Date and on each Option Closing Date, there shall have been furnished to the Representative, for the benefit of the Underwriters the negative assurance letter of Nelson Mullins Riley & Scarborough LLP, counsel to the Underwriters, dated the Closing Date or the Option Closing Date, as applicable, and addressed to the Representative, in form and substance reasonably satisfactory to the Representative.

(h) The Representative, for the benefit of the Underwriters, shall have received a letter of Deloitte & Touche LLP, on the date hereof and on the Closing Date and on each Option Closing Date, addressed to the Underwriters, confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualifications of accountants under Rule 2-01 of Regulation S-X of the Commission, and confirming, as of the date of each such letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus, as of a date not prior to the date hereof or more than five days prior to the date of such letter), the conclusions and findings of said firm with respect to the financial information and other matters required by the Representative.

(i) On the Closing Date and on each Option Closing Date, there shall have been furnished to the Representative, for the benefit of the Underwriters, a certificate, dated the Closing Date and on each Option Closing Date and addressed to the Underwriters, signed by the chief executive officer and the chief financial officer of the Company, in their capacity as officers of the Company, to the effect that:

(i) The representations and warranties of the Company in this Agreement that are qualified by materiality or by reference to any Material Adverse Effect are true and correct in all respects, and all other representations and warranties of the Company in this Agreement are true and correct, in all material respects, as if made at and as of the Closing Date and on the Option Closing Date, and the Company has complied in all material respects with all the agreements and satisfied all the conditions on its part required to be performed or satisfied at or prior to the Closing Date or on the Option Closing Date, as applicable;

(ii) No stop order or other order (A) suspending the effectiveness of the Registration Statement or any part thereof or any amendment thereof, (B) suspending the qualification of the Shares for offering or sale, or (C) suspending or preventing the use of the Time of Sale Disclosure Package, any Prospectus, the Final Prospectus or any Issuer Free Writing Prospectus, has been issued, and no proceeding for that purpose has been instituted or, to their knowledge, is contemplated by the Commission or any state or regulatory body; and

(iii) There has been no occurrence of any event resulting or reasonably likely to result in a Material Adverse Effect during the period from and after the date of this Agreement and prior to the Closing Date or on the Option Closing Date, as applicable.

(j) On or before the date hereof, the Representative shall have received duly executed lock-up agreements (each a "Lock-Up Agreement") in the form set forth on **Exhibit A** hereto, by and between the Representative and each of the parties specified in **Schedule V**.

If the Representative, in its sole discretion, agrees to release or waive the restrictions set forth in the Lock-Up Agreement for an officer or director of the Company and provides the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of **Exhibit B** hereto through a major news service at least two business days before the effective date of the release or waiver.

(k) The Company shall have furnished to the Representative and its counsel such additional documents, certificates and evidence as the Representative or its counsel may have reasonably requested.

If any condition specified in this Section 6 shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by the Representative by notice to the Company at any time at or prior to the Closing Date or on the Option Closing Date, as applicable, and such termination shall be without liability of any party to any other party, except that Section 5(b)(viii) and Section 7 shall survive any such termination and remain in full force and effect.

7. Indemnification and Contribution.

(a) The Company agrees to indemnify, defend and hold harmless each Underwriter, its affiliates, directors and officers and employees, and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any losses, claims, damages or liabilities to which such party may become subject, under the Securities Act or otherwise (including in settlement of any litigation if such settlement is effected with the written consent of the Company), insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, including the information deemed to be a part of the Registration Statement at the time of effectiveness and at any subsequent time pursuant to Rules 430A and 430B of the Rules and Regulations, or arise out of or are based upon the omission from the Registration Statement, or alleged omission to state therein, a material fact required to be stated therein or necessary to make the statements therein not misleading (ii) an untrue statement or alleged untrue statement

of a material fact contained in the Time of Sale Disclosure Package, any Written Testing-the-Waters Communications, any Prospectus, the Final Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus, or the Marketing Materials or in any other materials used in connection with the offering of the Shares, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (iii) in whole or in part, any inaccuracy in the representations and warranties of the Company contained herein, or (iv) in whole or in part, any failure of the Company to perform its obligations hereunder or under law, and will reimburse such party for any actual, reasonable and documented legal or other expenses reasonably incurred by such party in connection with evaluating, investigating or defending against such loss, claim, damage, liability or action; *provided, however*, that such indemnity shall not inure to the benefit of any Underwriter (or any person controlling such Underwriter) in any such case to the extent that any such loss, claim, damage, liability or action arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, the Time of Sale Disclosure Package, any Written Testing-the-Waters Communications, any Prospectus, the Final Prospectus, or any amendment or supplement thereto or any Issuer Free Writing Prospectus, in reliance upon and in conformity with written information furnished to the Company by the related Underwriter (or its counsel) specifically for use in the preparation thereof, which written information is described in Section 7(f).

(b) Each Underwriter, severally and not jointly, will indemnify, defend and hold harmless the Company, its directors and each officer of the Company who signs the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any losses, claims, damages or liabilities to which such party may become subject, under the Securities Act or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of such Underwriter), insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, the Time of Sale Disclosure Package, any Prospectus, the Final Prospectus, or any amendment or supplement thereto or any Issuer Free Writing Prospectus, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, the Time of Sale Disclosure Package, any Prospectus, the Final Prospectus, or any amendment or supplement thereto or any Issuer Free Writing Prospectus in reliance upon and in conformity with written information furnished to the Company by such Underwriter (or its counsel) specifically for use in the preparation thereof, which written information is described in Section 7(f), and will reimburse such party for any actual, reasonable and documented legal or other expenses reasonably incurred by such party in connection with evaluating, investigating, and defending against any such loss, claim, damage, liability or action. The obligation of each Underwriter to indemnify the Company (including any controlling person, director or officer thereof) shall be limited to the amount of the underwriting discount applicable to the Shares to be purchased by such Underwriter hereunder actually received by such Underwriter.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the failure to notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have to any indemnified party except to the extent such indemnifying party has been materially prejudiced by such failure. In case any such action shall be brought against any indemnified party, and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate in, and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of the indemnifying party's election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof; *provided, however*, that if (i) the indemnified party has reasonably concluded (based on advice of counsel) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, (ii) a conflict or potential conflict exists (based on advice of counsel to the indemnified party) between the indemnified party and the indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party), or (iii) the indemnifying party has not in fact employed counsel reasonably satisfactory to the indemnified party to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, the indemnified party shall have the right to employ a single counsel to represent it in any claim in respect of which indemnity may be sought under subsection (a) or (b) of this Section 7, in which event the reasonable fees and expenses of such separate counsel shall be borne by the indemnifying party or parties and reimbursed to the indemnified party as incurred.

The indemnifying party under this Section 7 shall not be liable for any settlement of any proceeding effected without its written consent, which shall not be unreasonably conditioned, withheld or delayed, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party against any loss, claim, damage, liability or expense by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement, compromise or consent to the entry of judgment in any pending or threatened action, suit or proceeding in respect of which any indemnified party is a party or could be named and indemnity was or would be sought hereunder by such indemnified party, unless such settlement, compromise or consent (a) includes an unconditional release of such indemnified party from all liability for claims that are the subject matter of such action, suit or proceeding and (b) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 7 is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the

one hand and the Underwriters on the other from the offering and sale of the Shares or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discount received by the Underwriters, in each case as set forth in the table on the cover page of the Final Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriters and the parties' relevant intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to this subsection (d) were to be determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the first sentence of this subsection (d). The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending against any action or claim that is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount of the underwriting discount applicable to the Shares to be purchased by such Underwriter hereunder actually received by such Underwriter. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' respective obligations to contribute as provided in this Section 7 are several in proportion to their respective underwriting commitments and not joint.

(e) The obligations of the Company under this Section 7 shall be in addition to any liability that the Company may otherwise have and the benefits of such obligations shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act; and the obligations of each Underwriter under this Section 7 shall be in addition to any liability that each Underwriter may otherwise have and the benefits of such obligations shall extend, upon the same terms and conditions, to the Company, and its officers, directors and each person who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act.

(f) For purposes of this Agreement, each Underwriter severally confirms, and the Company acknowledges, that there is no information concerning such Underwriter furnished in writing to the Company by such Underwriter specifically for preparation of or inclusion in the Registration Statement, the Time of Sale Disclosure Package, any Prospectus, the Final Prospectus or any Issuer Free Writing Prospectus, other than the statement set forth in the last paragraph on the cover page of the Prospectus, the marketing and legal names of each Underwriter, and the statements set forth in the "Underwriting" section of the Registration Statement, the Time of Sale Disclosure Package, and the Final Prospectus only insofar as such statements relate to the amount of selling concession and re-allowance, if any, or to over-allotment, stabilization and related activities that may be undertaken by such Underwriter.

8. Representations and Agreements to Survive Delivery. All representations, warranties, and agreements of the Company contained herein or in certificates delivered pursuant hereto, including, but not limited to, the agreements of the several Underwriters and the Company contained in Section 5(b)(vii) and Section 7 hereof, shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the several Underwriters or any controlling person thereof, or the Company or any of its officers, directors, or controlling persons, and shall survive delivery of, and payment for, the Shares to and by the Underwriters hereunder.

9. Termination of this Agreement.

(a) The Representative shall have the right to terminate this Agreement by giving notice to the Company as hereinafter specified at any time at or prior to the Closing Date or any Option Closing Date (as to the Option Shares to be purchased on such Option Closing Date only), if in the discretion of the Representative, (i) there has occurred any material adverse change in the securities markets or any event, act or occurrence that has materially disrupted, or in the opinion of the Representative, will in the future materially disrupt, the securities markets or there shall be such a material adverse change in general financial, political or economic conditions or the effect of international conditions on the financial markets in the United States is such as to make it, in the reasonable judgment of the Representative, inadvisable or impracticable to market the Shares or enforce contracts for the sale of the Shares (ii) trading in the Company's Common Stock shall have been suspended by the Commission or Nasdaq or trading in securities generally on Nasdaq Stock Market, or the New York Stock Exchange ("NYSE") shall have been suspended, (iii) minimum or maximum prices for trading shall have been fixed, or maximum ranges for prices for securities shall have been required, on Nasdaq Stock Market or the NYSE, by such exchange or by order of the Commission or any other governmental authority having jurisdiction, (iv) a banking moratorium shall have been declared by federal or state authorities, (v) there shall have occurred any attack on, outbreak or escalation of hostilities or act of terrorism directly involving the United States, any declaration by the United States of a national emergency or war, any substantial change or development involving a prospective substantial change in the United States or international political, financial or economic conditions or any other calamity or crisis, or (vi) the Company suffers any material loss by strike, fire, flood, earthquake, accident or other calamity, whether or not covered by insurance, or (vii) in the reasonable judgment of the Representative, there has been, since the time of execution of this Agreement or since the respective dates as of which information is given in the Registration Statement, the Time of Sale Disclosure Package or the Final Prospectus, any material adverse change in the assets, properties, condition, financial or otherwise, or in the results of operations, business affairs or business prospects of the Company and its subsidiaries considered as a whole, whether or not arising in the ordinary course of business. Any such termination shall be without liability of any party to any other party except that the provisions of Section 5(b)(viii) and Section 7 hereof shall at all times be effective and shall survive such termination.

(b) If the Representative elects to terminate this Agreement as provided in this Section, the Company and the other Underwriters shall be notified promptly by the Representative by telephone, confirmed by letter.

10. Substitution of Underwriters. If any Underwriter or Underwriters shall default in its or their obligations to purchase Shares hereunder on the Closing Date or any Option Closing Date and the aggregate number of Shares which such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed ten percent (10%) of the total number of Shares to be purchased by all Underwriters on such Closing Date or Option Closing Date, the other Underwriters shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Shares which such defaulting Underwriter or Underwriters agreed but failed to purchase on such Closing Date or Option Closing Date. If any Underwriter or Underwriters shall so default and the aggregate number of Shares with respect to which such default or defaults occur is more than ten percent (10%) of the total number of Shares to be purchased by all Underwriters on such Closing Date or Option Closing Date and arrangements satisfactory to the remaining Underwriters and the Company for the purchase of such Shares by other persons are not made within forty-eight (48) hours after such default, this Agreement shall terminate.

If the remaining Underwriters or substituted Underwriters are required hereby or agree to take up all or part of the Shares of a defaulting Underwriter or Underwriters on such Closing Date or Option Closing Date as provided in this Section 10, (i) the Company shall have the right to postpone such Closing Date or Option Closing Date for a period of not more than five (5) full business days in order to permit the Company to effect whatever changes in the Registration Statement, the Final Prospectus, or in any other documents or arrangements, which may thereby be made necessary, and the Company agrees to promptly file any amendments to the Registration Statement or the Final Prospectus which may thereby be made necessary, and (ii) the respective numbers of Shares to be purchased by the remaining Underwriters or substituted Underwriters shall be taken as the basis of their underwriting obligation for all purposes of this Agreement. Nothing herein contained shall relieve any defaulting Underwriter of its liability to the Company or any other Underwriter for damages occasioned by its default hereunder. Any termination of this Agreement pursuant to this Section 10 shall be without liability on the part of any non-defaulting Underwriters or the Company, except that the representations, warranties, covenants, indemnities, agreements and other statements set forth in Section 2 and Section 3, the obligations with respect to expenses to be paid or reimbursed pursuant to Section 5 and the provisions of Section 5(b)(viii) and Section 7 and Sections 11 through 17, inclusive, shall not terminate and shall remain in full force and effect.

As used in this Agreement, the term "Underwriter" shall be deemed to include any person substituted for a defaulting Underwriter under this Section 10. Any action taken under this Section 10 shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

11. Notices. Except as otherwise provided herein, all communications hereunder shall be in writing and, if to the Representative, shall be mailed, delivered or telecopied to Roth Capital Partners, LLC, 800 San Clemente Drive, Suite 400, Newport Beach, CA 92660, telecopy number: (949) 720-7227, Attention: Roth Equity Capital Markets; with a copy which shall not

constitute notice to: Nelson Mullins Riley & Scarborough LLP, 101 Constitution Avenue NW, Suite 900, Washington, DC 20001, Attention: Jonathan Talcott and Peter Strand; and if to the Company, shall be mailed, delivered or telecopied to it at Shimmick Corporation, 530 Technology Drive, Suite 300, Irvine, CA 92618, telecopy number: (510) 777-5000, Attention: Devin Nordhagen; with a copy which shall not constitute notice to: King & Spalding LLP, 1180 Peachtree Street, NE, Suite 1600, Atlanta, Georgia 30309, Attention: Zachary Davis and Alan Noskow, or in each case to such other address as the person to be notified may have requested in writing. Any party to this Agreement may change such address for notices by sending to the parties to this Agreement written notice of a new address for such purpose.

12. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns and the controlling persons, officers and directors referred to in Section 7. Nothing in this Agreement is intended or shall be construed to give to any other person, firm or corporation any legal or equitable remedy or claim under or in respect of this Agreement or any provision herein contained. The term "successors and assigns" as herein used shall not include any purchaser, as such purchaser, of any of the Shares from any Underwriter.

13. Absence of Fiduciary Relationship. The Company acknowledges and agrees that: (a) each Underwriter has been retained solely to act as underwriter in connection with the sale of the Shares and that no fiduciary, advisory or agency relationship between the Company and any Underwriter has been created in respect of any of the transactions contemplated by this Agreement, irrespective of whether the Underwriter has advised or is advising the Company on other matters; (b) the price and other terms of the Shares set forth in this Agreement were established by the Company following discussions and arms-length negotiations with the Underwriters and the Company is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement; (c) it has been advised that the Underwriters and their affiliates are engaged in a broad range of transactions that may involve interests that differ from those of the Company and that no Underwriter has any obligation to disclose such interest and transactions to the Company by virtue of any fiduciary, advisory or agency relationship; and (d) it has been advised that each Underwriter is acting, in respect of the transactions contemplated by this Agreement, solely for the benefit of such Underwriter, and not on behalf of the Company.

14. Amendments and Waivers. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. The failure of a party to exercise any right or remedy shall not be deemed or constitute a waiver of such right or remedy in the future. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (regardless of whether similar), nor shall any such waiver be deemed or constitute a continuing waiver unless otherwise expressly provided.

15. Partial Unenforceability. The invalidity or unenforceability of any section, paragraph, clause or provision of this Agreement shall not affect the validity or enforceability of any other section, paragraph, clause or provision.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

17. Submission to Jurisdiction. The Company irrevocably (a) submits to the jurisdiction of the Supreme Court of the State of New York, Borough of Manhattan or the United States District Court for the Southern District of New York for the purpose of any suit, action, or other proceeding arising out of this Agreement, or any of the agreements or transactions contemplated by this Agreement, the Registration Statement, the Time of Sale Disclosure Package, any Prospectus and the Final Prospectus (each a “Proceeding”), (b) agrees that all claims in respect of any Proceeding may be heard and determined in any such court, (c) waives, to the fullest extent permitted by law, any immunity from jurisdiction of any such court or from any legal process therein, (d) agrees not to commence any Proceeding other than in such courts, and (e) waives, to the fullest extent permitted by law, any claim that such Proceeding is brought in an inconvenient forum. THE COMPANY (ON BEHALF OF ITSELF AND, TO THE FULLEST EXTENT PERMITTED BY LAW, ON BEHALF OF ITS RESPECTIVE EQUITY HOLDERS AND CREDITORS) HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED UPON, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, THE REGISTRATION STATEMENT, THE TIME OF SALE DISCLOSURE PACKAGE, ANY PROSPECTUS AND THE FINAL PROSPECTUS.

18. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission or electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g. DocuSign)) in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original and all such counterparts shall together constitute one and the same instrument.

19. Entire Agreement. This Agreement, together with any other written agreements that relate to the offering of the Shares (to the extent not superseded by this Agreement), including the exhibits and schedules hereto, represents the entire agreement between the Company and the Underwriters with respect to the preparation of the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus, the conduct of the offering contemplated by this Agreement, and the purchase and sale of the Shares.

[Signature Page Follows]

Please sign and return to the Company the enclosed duplicates of this letter whereupon this letter will become a binding agreement between the Company and the several Underwriters in accordance with its terms.

Very truly yours,

SHIMMICK CORPORATION

By: _____
Name: _____
Title: _____

Confirmed as of the date first above-mentioned by the Representative of the several Underwriters.

ROTH CAPITAL PARTNERS, LLC

By: _____
Name: Aaron M. Gurewitz
Title: President & Head of Investment Banking

[Signature page to Underwriting Agreement]

SCHEDULE I

<u>Name</u>	<u>Number of Firm Shares to be Purchased</u>	<u>Number of Option Shares to be Purchased</u>
Roth Capital Partners, LLC		
Craig-Hallum Capital Group, LLC		
Total	4,550,000	682,500

SCHEDULE II

Final Term Sheet

Issuer: SHIMMICK CORPORATION (the “Company”)

Symbol: SHIM

Securities: [•] shares of common stock, par value \$0.01 per share (the “Common Stock”), of the Company.

Over-allotment option: Up to an additional [•] shares of Common Stock.

Public offering price: \$[•] per share of Common Stock

Underwriting discount: \$[•] per share of Common Stock

Expected net proceeds: Approximately \$[•] million (\$[•] if the overallotment option is exercised in full) (after deducting the underwriting discount and estimated offering expenses payable by the Company).

Trade date: _____, 2023

Settlement date: _____, 2023

Underwriters: Roth Capital Partners, LLC

Craig-Hallum Capital Group, LLC

SCHEDULE III

Free Writing Prospectus

1. None.

SCHEDULE IV

Written Testing-the-Waters Communications

Investor Presentation, dated [*], 2023

SCHEDULE V

List of officers, directors and stockholders executing lock-up agreements

EXHIBIT A

Form of Lock-Up Agreement

[SEPARATELY PROVIDED]

EXHIBIT B

Form of Press Release

Shimmick Corporation

[Date]

Shimmick Corporation (the “Company”) announced today that Roth Capital Partners, LLC, the Representative in the Company’s recent public sale of shares of common stock, are [waiving][releasing] a lock-up restriction with respect to shares of the Company’s common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver][release] will take effect on , 202[*], and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

STATE of DELAWARE
CERTIFICATE of INCORPORATION
A STOCK CORPORATION

- **First:** The name of this Corporation is SCCI National Holdings, Inc.
- **Second:** Its registered office in the State of Delaware is to be located at 1209 Orange Street Street, in the City of Wilmington County of New Castle Zip Code 19801. The registered agent in charge thereof is The Corporation Trust Company.
- **Third:** The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.
- **Fourth:** The amount of the total stock of this corporation is authorized to issue is 100 shares (number of authorized shares) with a par value of 0.0100000000 per share.
- **Fifth:** The name and mailing address of the incorporator are as follows:
 - Name Charles Szurgot
 - Mailing Address 1999 Avenue of the Stars, Suite 2600
Los Angeles, CA Zip Code 90067
- **I, The Undersigned,** for the purpose of forming a corporation under the laws of the State of Delaware, do make, file and record this Certificate, and do certify that the facts herein stated are true, and I have accordingly hereunto set my hand this 18th day of October, A.D. 2019.

BY: /s/ Charles Szurgot
 (Incorporator)

NAME: Charles Szurgot
 (type or print)

**FIRST CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF INCORPORATION
OF
SCCI NATIONAL HOLDINGS, INC.**

SCCI National Holdings, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the state of Delaware (the “**Corporation**”), does hereby certify:

FIRST: That the Board of Directors of the Corporation, by unanimous written consent of its members, adopted a resolution proposing and declaring advisable the following First Certificate of Amendment to the Certificate of Incorporation of the Corporation:

A. The first paragraph of the Fourth Article of the Certificate of Incorporation shall be amended in its entirety to read as follows:

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is 10,000,000 shares, all of which shall be designated as Common Stock, with a par value of \$0.01 par value per share (“**Common Stock**”).

SECOND: That in lieu of a meeting and vote of the stockholders of the Corporation, the stockholders have consented to and approved said amendments in writing, in accordance with the provisions of Section 228 of the General Corporation Law of the state of Delaware.

THIRD: That the aforesaid amendments were duly adopted in accordance with the applicable provisions of Section 242 of the General Corporation Law of the state of Delaware.

IN WITNESS WHEREOF, SCCI National Holdings, Inc. has caused this Certificate of Amendment to be signed by its Chief Executive Officer effective as of the 12 day of April, 2021.

SCCI NATIONAL HOLDINGS, INC.

By: /s/ Mitchell Goldsteen

Name: Mitchell Goldsteen

Title: Chief Executive Officer

**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
SHIMMICK CORPORATION**

Shimmick Corporation, a corporation organized and existing under and by virtue of the General Corporation Law of the state of Delaware (the “**Corporation**”), does hereby certify:

FIRST: That the Board of Directors of the Corporation, by unanimous written consent of its members, adopted a resolution proposing and declaring advisable the following proposed amendments to the Certificate of Incorporation of the Corporation (as amended, the “**Certificate of Incorporation**”), declaring said amendments to be advisable and in the best interest of the stockholders of the Corporation:

A. The first paragraph of the Fourth Article of the Certificate of Incorporation shall be amended in its entirety to read as follows:

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is 100,000,000 shares of Common Stock, all of which shall be designated as Common Stock, with a par value of \$0.01 par value per share (“**Common Stock**”).

Upon the effectiveness of the filing (the “**Split Effective Time**”) of this Certificate of Amendment to the Certificate of Incorporation (the “**Certificate of Amendment**”) with the Secretary of State of the State of Delaware, (a) each share of common stock, par value \$0.01 per share (the “**Old Common Stock**”), issued and outstanding immediately prior to the Split Effective Time, shall automatically, without further action on the part of the Corporation or any holder of such Old Common Stock, be reclassified as and become 2.7386 validly issued, fully paid and non-assessable shares of Common Stock (the “**Stock Split**”). The reclassification of the Old Common Stock into Common Stock shall occur at the Split Effective Time, regardless of when and whether the certificates, if any, previously representing such shares of Old Common Stock are physically surrendered to the Corporation in exchange for certificates representing the shares of Common Stock into which they shall have been reclassified pursuant to this paragraph. After the Split Effective Time, any certificates previously representing shares of Old Common Stock will, until such certificates are surrendered to the Corporation, be deemed to represent the whole number of shares of Common Stock into which such shares of Old Common Stock shall have been reclassified pursuant to this Certificate of Amendment. There shall be no fractional shares issued with respect to the reclassification of shares of Old Common Stock. In lieu of fractional shares, the Corporation shall round up to the nearest whole number of shares of Common Stock to be issued. For the avoidance of doubt and notwithstanding any other provision hereof, all of the share numbers and dollar amounts expressed herein have been adjusted to give effect to the Stock Split and shall not be further adjusted as a result of the Stock Split.

SECOND: That the aforesaid amendments were duly adopted in accordance with the applicable provisions of Section 242 of the General Corporation Law of the state of Delaware.

THIRD: This Certificate of Amendment to the Certificate of Incorporation of the Corporation shall be effective on and as of the date of filing of this Certificate of Amendment with the office of the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, Shimmick Corporation has caused this Certificate of Amendment to be signed by its Chief Executive Officer effective as of the 23rd day of October, 2023.

SHIMMICK CORPORATION

By: /s/ Steven E. Richards

Name: Steven E. Richards

Title: Chief Executive Officer

[Signature Page to Certificate of Amendment to Certificate of Incorporation]

FORM OF AMENDED AND RESTATED CERTIFICATE OF INCORPORATION**OF****SHIMMICK CORPORATION**

* * * * *

The present name of the corporation is Shimmick Corporation (the "Corporation"). The Corporation was incorporated under the name "SCCI National Holdings, Inc." by the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware on October 18, 2019. This Amended and Restated Certificate of Incorporation of the Corporation (the "Certificate of Incorporation"), which restates and integrates and also further amends the provisions of the Certificate of Incorporation of the Corporation, dated October 18, 2019 (the "Original Restated Certificate of Incorporation"), was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware (as the same exists or may hereafter be amended from time to time, the "DGCL") and by the written consent of its stockholders in accordance with Section 228 of the DGCL. The Original Restated Certificate of Incorporation is hereby amended, integrated and restated to read in its entirety as follows:

ARTICLE I**NAME**

The name of the Corporation is Shimmick Corporation.

ARTICLE II**REGISTERED OFFICE AND AGENT**

The address of the registered office of the Corporation in the State of Delaware is Corporation Service Company, 251 Little Falls Drive, in the City of Wilmington, County of New Castle, DE 19808. The name of the registered agent of the Corporation in the State of Delaware at such address is Corporation Service Company.

ARTICLE III**PURPOSE**

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the DGCL.

ARTICLE IV**CAPITAL STOCK**

The total number of shares of all classes of stock that the Corporation shall have authority to issue is 125,000,000, which shall be divided into two classes as follows:

100,000,000 shares of common stock, par value \$0.01 per share (“Common Stock”); and

25,000,000 shares of preferred stock, par value \$0.01 per share (“Preferred Stock”).

I. Capital Stock.

A. The Board of Directors of the Corporation (the “Board of Directors”) is hereby expressly authorized, by resolution or resolutions, to provide, out of the unissued shares of Preferred Stock, for one or more series of Preferred Stock and, with respect to each such series, to fix, without further stockholder approval, the designation of such series, the powers (including voting powers), preferences and relative, participating, optional and other special rights, and the qualifications, limitations or restrictions thereof, of such series of Preferred Stock and the number of shares of such series, which number the Board of Directors may, except where otherwise provided in the designation of such series, increase (but not above the total number of authorized shares of Preferred Stock) or decrease (but not below the number of shares of such series then outstanding) and as may be permitted by the DGCL. The powers, preferences and relative, participating, optional and other special rights of, and the qualifications, limitations or restrictions thereof, of each series of Preferred Stock, if any, may differ from those of any and all other series at any time outstanding.

B. Each holder of record of Common Stock, as such, shall have one vote for each share of Common Stock which is outstanding in his, her or its name on the books of the Corporation on all matters on which stockholders are entitled to vote generally. The holders of shares of Common Stock shall not have cumulative voting rights. Except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock) that relates solely to the terms, number of shares, powers, designations, preferences or relative, participating, optional or other special rights (including, without limitation, voting rights), or to qualifications, limitations or restrictions thereof, of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock) or pursuant to the DGCL.

C. Except as otherwise required by law, holders of any series of Preferred Stock shall be entitled to only such voting rights, if any, as shall expressly be granted thereto by this Certificate of Incorporation (including any certificate of designation relating to such series of Preferred Stock).

D. Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Common Stock with respect to the payment of dividends and other distributions in cash, property or shares of stock of the Corporation, dividends and other distributions may be declared and paid ratably on the Common Stock out of the assets of the Corporation which are legally available for this purpose at such times and in such amounts as the Board of Directors in its discretion shall determine.

E. Upon the dissolution, liquidation or winding up of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation and subject to the rights, if any, of the holders of any outstanding series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Common Stock with respect to the distribution of assets of the Corporation upon such dissolution, liquidation or winding up of the Corporation, the holders of Common Stock shall be entitled to receive the remaining assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares held by them.

F. The number of authorized shares of Preferred Stock or Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of any of the Common Stock or the Preferred Stock voting separately as a class shall be required therefor, unless a vote of any such holder is required pursuant to this Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock).

ARTICLE V

AMENDMENT OF THE CERTIFICATE OF INCORPORATION AND BYLAWS

A. In addition to any vote required by applicable law or this Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock), the amendment, alteration, repeal or rescission of, in whole or in part, or the adoption of any provision inconsistent with, the following provisions in this Certificate of Incorporation shall require the affirmative vote of the holders of at least 66 $\frac{2}{3}$ % in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class: this Article V, Article VI, Article VII and Article VIII.

B. The Board of Directors is expressly authorized to make, repeal, alter, amend and rescind, in whole or in part, the bylaws of the Corporation (as in effect from time to time, the “Bylaws”) without the assent or vote of the stockholders in any manner not inconsistent with the laws of the State of Delaware or this Certificate of Incorporation. In addition to any vote of the holders of any class or series of capital stock of the Corporation required by this Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock), by the Bylaws or applicable law, the affirmative vote of the holders of at least 66 $\frac{2}{3}$ % in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to alter, amend, repeal or rescind, in whole or in part, any provision of the Bylaws or to adopt any provision inconsistent therewith.

ARTICLE VI

BOARD OF DIRECTORS

A. Except as otherwise provided in this Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. Except as otherwise provided for or fixed pursuant to the provisions of Article IV (including any certificate of designation with respect to any series of Preferred Stock) and this Article VI relating to the rights of the holders of any series of Preferred Stock to elect additional directors, the total number of directors shall be determined from time to time exclusively by resolution adopted by the Board of Directors. Commencing with the first annual meeting following the IPO Date, directors whose term expires at the annual meeting shall be elected for a one year term. Any such director shall hold office until the subsequent annual meeting and until his or her successor shall be elected and qualified, or his or her death, resignation, retirement, disqualification or removal from office.

B. Subject to the rights granted to the holders of any one or more series of Preferred Stock then outstanding, any newly-created directorship on the Board of Directors that results from an increase in the number of directors and any vacancy occurring on the Board of Directors (whether by death, resignation, retirement, disqualification, removal or other cause) shall be filled only by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director (and not by the stockholders). Any director elected to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall be elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal.

C. Any or all of the directors (other than the directors elected by the holders of any series of Preferred Stock of the Corporation, voting separately as a series or together with one or more other such series, as the case may be) may be removed only for cause and only by the affirmative vote of the holders of at least 66 $\frac{2}{3}$ % in voting power of all the then outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class.

D. Elections of directors need not be by written ballot unless the Bylaws shall so provide.

E. During any period when the holders of any series of Preferred Stock, voting separately as a series or together with one or more series, have the right to elect additional directors, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to said provisions, and (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his or her earlier death, resignation, retirement, disqualification or removal. Notwithstanding any other provision of this Certificate of Incorporation, except as otherwise provided by the Board of Directors in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate (in which case each such director shall thereupon cease to be qualified as, and shall cease to be, a director) and the total authorized number of directors of the Corporation shall automatically be reduced accordingly.

ARTICLE VII

LIMITATION OF DIRECTOR AND OFFICER LIABILITY

A. To the fullest extent permitted by the DGCL as it now exists or may hereafter be amended, a director or officer of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty owed to the Corporation or its stockholders.

B. To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Corporation (and any other persons to which applicable law permits the Corporation to provide indemnification and advancement of expenses) through provisions of the Bylaws, agreements with such persons, vote of stockholders or disinterested directors, or otherwise. Any repeal or modification of this provision shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

C. Neither the amendment nor repeal of this Article VII, nor the adoption of any provision of this Certificate of Incorporation, nor, to the fullest extent permitted by the DGCL, any modification of law shall eliminate, reduce or otherwise adversely affect any right or protection of a current or former director or officer of the Corporation existing at the time of such amendment, repeal, adoption or modification.

ARTICLE VIII

CONSENT OF STOCKHOLDERS IN LIEU OF MEETING, ANNUAL AND SPECIAL MEETINGS OF STOCKHOLDERS

A. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in lieu of a meeting of stockholders by such holders; *provided, however*, that any action required or permitted to be taken by the holders of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable certificate(s) of designation relating to such series of Preferred Stock.

B. Except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time only by or at the direction of the Board of Directors or the Chair of the Board of Directors.

C. An annual meeting of stockholders for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, if any, on such date, and at such time as shall be fixed exclusively by resolution of the Board of Directors or a duly authorized committee thereof.

ARTICLE IX

MISCELLANEOUS

A. If any provision or provisions of this Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not, to the fullest extent permitted by law, in any way be affected or impaired thereby and (ii) to the fullest extent permitted by law, the provisions of this Certificate of Incorporation (including, without limitation, each such portion of any paragraph of this Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service or for the benefit of the Corporation to the fullest extent permitted by law.

B. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or if such court does not have subject matter jurisdiction another state or federal court (as appropriate) located within the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee or stockholder of the Corporation to the Corporation or the Corporation's stockholders, creditors or other constituents, (iii) any action asserting a claim against the Corporation or any current or former director or officer of the Corporation arising pursuant to any provision of the DGCL or this Certificate of Incorporation or the Bylaws (as either may be amended and/or restated from time to time) or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any action asserting a claim governed by the internal affairs doctrine. Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the federal securities laws of the United States of America. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article IX(B).

* * *

This Certificate of Incorporation shall be effective on , 2023 at a.m. (Eastern Time).

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Shimmick Corporation has caused this Amended and Restated Certificate of Incorporation to be executed by its duly authorized officer on this day of , 2023.

Shimmick Corporation

By: _____
Name: Steven E. Richards
Title: Chief Executive Officer

BY-LAWS OF SCCI NATIONAL HOLDINGS, INC.

ARTICLE I
OFFICES

Section 1.01 Offices. The address of the registered office of SCCI National Holdings, Inc. (hereinafter called the “**Corporation**”) in the State of Delaware shall be at 1209 Orange Street, Wilmington, New Castle, Delaware 19801. The Corporation may have other offices, both within and without the State of Delaware, as the board of directors of the Corporation (the “**Board of Directors**”) from time to time shall determine or the business of the Corporation may require.

Section 1.02 Books and Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be maintained on any information storage device or method; *provided that* the records so kept can be converted into clearly legible paper form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to applicable law.

ARTICLE II
MEETINGS OF THE STOCKHOLDERS

Section 2.01 Place of Meetings. All meetings of the stockholders shall be held at such place, if any, either within or without the State of Delaware, as shall be designated from time to time by resolution of the Board of Directors and stated in the notice of meeting.

Section 2.02 Annual Meeting. The annual meeting of the stockholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at such date, time and place, if any, as shall be determined by the Board of Directors and stated in the notice of the meeting.

Section 2.03 Special Meetings. Special meetings of stockholders for any purpose or purposes shall be called pursuant to a resolution approved by the Board of Directors and may not be called by any other person or persons. The only business which may be conducted at a special meeting shall be the matter or matters set forth in the notice of such meeting.

Section 2.04 Adjournments. Any meeting of the stockholders, annual or special, may be adjourned from time to time to reconvene at the same or some other place, if any, and notice need not be given of any such adjourned meeting if the time, place, if any, thereof and the means of remote communication, if any, are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date is fixed for stockholders entitled to vote

at the adjourned meeting, the Board of Directors shall fix a new record date for notice of the adjourned meeting and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at the adjourned meeting as of the record date fixed for notice of the adjourned meeting.

Section 2.05 Notice of Meetings. Notice of the place, if any, date, hour, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and means of remote communication, if any, of every meeting of stockholders shall be given by the Corporation not less than ten days nor more than 60 days before the meeting (unless a different time is specified by law) to every stockholder entitled to vote at the meeting as of the record date for determining the stockholders entitled to notice of the meeting. Notices of special meetings shall also specify the purpose or purposes for which the meeting has been called. Except as otherwise provided herein or permitted by applicable law, notice to stockholders shall be in writing and delivered personally or mailed to the stockholders at their address appearing on the books of the Corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, notice of meetings may be given to stockholders by means of electronic transmission in accordance with applicable law. Notice of any meeting need not be given to any stockholder who shall, either before or after the meeting, submit a waiver of notice or who shall attend such meeting, except when the stockholder attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of the meeting shall be bound by the proceedings of the meeting in all respects as if due notice thereof had been given.

Section 2.06 List of Stockholders. The officer of the Corporation who has charge of the stock ledger shall prepare a complete list of the stockholders entitled to vote at any meeting of stockholders (provided, however, if the record date for determining the stockholders entitled to vote is less than ten days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares of each class of capital stock of the Corporation registered in the name of each stockholder at least ten days before any meeting of the stockholders. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, on a reasonably accessible electronic network if the information required to gain access to such list was provided with the notice of the meeting or during ordinary business hours, at the principal place of business of the Corporation for a period of at least ten business days before the meeting. If the meeting is to be held at a place, the list shall also be produced and kept at the time and place of the meeting the whole time thereof and may be inspected by any stockholder who is present. If the meeting is held solely by means of remote communication, the list shall also be open for inspection by any stockholder during the whole time of the meeting as provided by applicable law. Except as provided by applicable law, the stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger and the list of stockholders or to vote in person or by proxy at any meeting of stockholders.

Section 2.07 Quorum. Unless otherwise required by law, the Corporation's Certificate of Incorporation (the "**Certificate of Incorporation**") or these by-laws, at each meeting of the stockholders, a majority in voting power of the shares of the Corporation entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power, by the affirmative vote of a majority in voting power thereof, to adjourn the meeting from time to time, in the manner provided in Section 2.04, until a quorum shall be present or represented. A quorum, once established, shall not be broken by the subsequent withdrawal of enough votes to leave less than a quorum. At any such adjourned meeting at which there is a quorum, any business may be transacted that might have been transacted at the meeting originally called.

Section 2.08 Conduct of Meetings. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of the stockholders as it shall deem appropriate. At every meeting of the stockholders, the President, or in his or her absence or inability to act, the Secretary, or, in his or her absence or inability to act, the person whom the President shall appoint, shall act as chairman of, and preside at, the meeting. The secretary or, in his or her absence or inability to act, the person whom the chairman of the meeting shall appoint secretary of the meeting, shall act as secretary of the meeting and keep the minutes thereof. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of the stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (c) rules and procedures for maintaining order at the meeting and the safety of those present; (d) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (e) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (f) limitations on the time allotted to questions or comments by participants.

Section 2.09 Voting; Proxies. Unless otherwise required by law or the Certificate of Incorporation the election of directors shall be decided by a plurality of the votes cast at a meeting of the stockholders by the holders of stock entitled to vote in the election. Unless otherwise required by law, the Certificate of Incorporation or these by-laws, any matter, other than the election of directors, brought before any meeting of stockholders shall be decided by the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the matter. Each stockholder entitled to vote at a meeting of stockholders or to express consent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date. Voting at meetings of stockholders need not be by written ballot.

Section 2.10 Inspectors at Meetings of Stockholders. The Board of Directors, in advance of any meeting of stockholders, may, and shall if required by law, appoint one or more inspectors, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and make a written report thereof. The Board of Directors may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall (a) ascertain the number of shares outstanding and the voting power of each, (b) determine the shares represented at the meeting, the existence of a quorum and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors and (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties. Unless otherwise provided by the Board of Directors, the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxies, votes or any revocation thereof or change thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery of the State of Delaware upon application by a stockholder shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for office at an election may serve as an inspector at such election.

Section 2.11 Written Consent of Stockholders Without a Meeting. Any action to be taken at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action to be so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered (by hand or by certified or registered mail, return receipt requested) to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Every written consent shall bear the date of signature of each stockholder who signs the consent, and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered in the manner required by this Section 2.11, written consents signed by a sufficient number of holders to take action are delivered to the Corporation as aforesaid. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by applicable law, be given to those stockholders who have not consented in writing, and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation.

Section 2.12 Fixing the Record Date.

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 nor less than ten days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however,* that the Board of Directors may fix a new record date for the determination of stockholders entitled to vote at the adjourned meeting and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for the determination of stockholders entitled to vote therewith at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting: (i) when no prior action by the Board of Directors is required by law, the record date for such purpose shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery (by hand, or by certified or registered mail, return receipt requested) to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded and (ii) if prior action by the Board of Directors is required by law, the record date for such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

**ARTICLE III
BOARD OF DIRECTORS**

Section 3.01 General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The Board of Directors may adopt such rules and procedures, not inconsistent with the Certificate of Incorporation, these by-laws or applicable law, as it may deem proper for the conduct of its meetings and the management of the Corporation.

Section 3.02 Number; Term of Office. The Board of Directors shall consist of not less than one member. Each director shall hold office until a successor is duly elected and qualified or until the director's earlier death, resignation, disqualification or removal.

Section 3.03 Newly Created Directorships and Vacancies. Any newly created directorships resulting from an increase in the authorized number of directors and any vacancies occurring in the Board of Directors, may be filled by the affirmative votes of a majority of the remaining members of the Board of Directors, although less than a quorum, or by a sole remaining director. A director so elected shall be elected to hold office until the earlier of the expiration of the term of office of the director whom he or she has replaced, a successor is duly elected and qualified or the earlier of such director's death, resignation or removal.

Section 3.04 Resignation. Any director may resign at any time by notice given in writing or by electronic transmission to the Corporation. Such resignation shall take effect at the date of receipt of such notice by the Corporation or at such later time as is therein specified.

Section 3.05 Removal. Except as prohibited by applicable law or the Certificate of Incorporation, the stockholders entitled to vote in an election of directors may remove any director from office at any time, with or without cause, by the affirmative vote of a majority in voting power thereof.

Section 3.06 Fees and Expenses. Directors shall receive such fees and expenses as the Board of Directors shall from time to time prescribe.

Section 3.07 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such times and at such places as may be determined from time to time by the Board of Directors or its chairman.

Section 3.08 Special Meetings. Special meetings of the Board of Directors may be held at such times and at such places as may be determined by the chairman or the President on at least 24 hours' notice to each director given by one of the means specified in Section 3.11 hereof other than by mail or on at least three days' notice if given by mail. Special meetings shall be called by the chairman or the President in like manner and on like notice on the written request of any two or more directors.

Section 3.09 Telephone Meetings. Board of Directors or Board of Directors committee meetings may be held by means of telephone conference or other communications equipment by means of which all persons participating in the meeting can hear each other and be heard. Participation by a director in a meeting pursuant to this Section 3.09 shall constitute presence in person at such meeting.

Section 3.10 Adjourned Meetings. A majority of the directors present at any meeting of the Board of Directors, including an adjourned meeting, whether or not a quorum is present, may adjourn and reconvene such meeting to another time and place. At least 24 hours' notice of any adjourned meeting of the Board of Directors shall be given to each director whether or not present at the time of the adjournment, if such notice shall be given by one of the means specified in Section 3.11 hereof other than by mail, or at least three days' notice if by mail. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

Section 3.11 Notices. Subject to Section 3.08, Section 3.10 and Section 3.12 hereof, whenever notice is required to be given to any director by applicable law, the Certificate of Incorporation or these by-laws, such notice shall be deemed given effectively if given in person or by telephone, mail addressed to such director at such director's address as it appears on the records of the Corporation, facsimile, e-mail or by other means of electronic transmission.

Section 3.12 Waiver of Notice. Whenever notice to directors is required by applicable law, the Certificate of Incorporation or these by-laws, a waiver thereof, in writing signed by, or by electronic transmission by, the director entitled to the notice, whether before or after such notice is required, shall be deemed equivalent to notice. Attendance by a director at a meeting shall constitute a waiver of notice of such meeting except when the director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting was not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special Board of Directors or committee meeting need be specified in any waiver of notice.

Section 3.13 Organization. At each meeting of the Board of Directors, the chairman or, in his or her absence, another director selected by the Board of Directors shall preside. The secretary shall act as secretary at each meeting of the Board of Directors. If the secretary is absent from any meeting of the Board of Directors, an assistant secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the secretary and all assistant secretaries, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

Section 3.14 Quorum of Directors. The presence of a majority of the Board of Directors shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 3.15 Action by Majority Vote. Except as otherwise expressly required by these by-laws, the Certificate of Incorporation or by applicable law, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 3.16 Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all directors or members of such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writings or electronic transmissions are filed with the minutes of proceedings of the Board of Directors or committee in accordance with applicable law.

Section 3.17 Committees of the Board of Directors. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. If a member of a committee shall be absent from any meeting, or disqualified from voting thereat, the remaining member or members present at the meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent permitted by applicable law, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers that may require it to the extent so authorized by the Board of Directors. Unless the Board of Directors provides otherwise, at all meetings of such committee, a majority of the then authorized members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at any meeting at which there is a quorum shall be the act of the committee. Each committee shall keep regular minutes of its meetings. Unless the Board of Directors provides otherwise, each committee designated by the Board of Directors may make, alter and repeal rules and procedures for the conduct of its business. In the absence of such rules and procedures each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to this Article III.

ARTICLE IV OFFICERS

Section 4.01 Positions and Election. The officers of the Corporation shall be elected annually by the Board of Directors and shall include a president, a treasurer and a secretary. The Board of Directors, in its discretion, may also elect a chairman (who must be a director), one or more vice chairmen (who must be directors) and one or more vice presidents, assistant treasurers, assistant secretaries and other officers. Any two or more offices may be held by the same person.

Section 4.02 Term. Each officer of the Corporation shall hold office until such officer's successor is elected and qualified or until such officer's earlier death, resignation or removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors at any time with or without cause by the majority vote of the members of the Board of Directors then in office. The removal of an officer shall be without prejudice to his or her contract rights, if any. The election or appointment of an officer shall not of itself create contract rights. Any officer of the Corporation may resign at any time by giving written notice of his or her resignation to the president or the secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Should any vacancy occur among the officers, the position shall be filled for the unexpired portion of the term by appointment made by the Board of Directors.

Section 4.03 The President. The president shall have general supervision over the business of the Corporation and other duties incident to the office of president, and any other duties as may be from time to time assigned to the president by the Board of Directors and subject to the control of the Board of Directors in each case.

Section 4.04 Vice Presidents. Each vice president shall have such powers and perform such duties as may be assigned to him or her from time to time by the chairman of the Board of Directors or the president.

Section 4.05 The Secretary. The secretary shall attend all sessions of the Board of Directors and all meetings of the stockholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for committees when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders and meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the president. The secretary shall keep in safe custody the seal of the Corporation and have authority to affix the seal to all documents requiring it and attest to the same.

Section 4.06 The Treasurer. The treasurer shall have the custody of the corporate funds and securities, except as otherwise provided by the Board of Directors, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and the directors, at the regular meetings of the Board of Directors, or whenever they may require it, an account of all his or her transactions as treasurer and of the financial condition of the Corporation.

Section 4.07 Duties of Officers May Be Delegated. In case any officer is absent, or for any other reason that the Board of Directors may deem sufficient, the president or the Board of Directors may delegate for the time being the powers or duties of such officer to any other officer or to any director.

ARTICLE V STOCK CERTIFICATES AND THEIR TRANSFER

Section 5.01 Certificates Representing Shares. The shares of stock of the Corporation shall be represented by certificates; provided that the Board of Directors may provide by resolution or resolutions that some or all of any class or series shall be uncertificated shares that may be evidenced by a book-entry system maintained by the registrar of such stock. If shares are represented by certificates, such certificates shall be in the form, other than bearer form, approved by the Board of Directors. The certificates representing shares of stock of each class shall be signed by, or in the name of, the

Corporation by the chairman, any vice chairman, the president or any vice president, and by the secretary, any assistant secretary, the treasurer or any assistant treasurer. Any or all such signatures may be facsimiles. Although any officer, transfer agent or registrar whose manual or facsimile signature is affixed to such a certificate ceases to be such officer, transfer agent or registrar before such certificate has been issued, it may nevertheless be issued by the Corporation with the same effect as if such officer, transfer agent or registrar were still such at the date of its issue.

Section 5.02 Transfers of Stock. Stock of the Corporation shall be transferable in the manner prescribed by law and in these by-laws. Transfers of stock shall be made on the books of the Corporation only by the holder of record thereof, by such person's attorney lawfully constituted in writing and, in the case of certificated shares, upon the surrender of the certificate thereof, which shall be cancelled before a new certificate or uncertificated shares shall be issued. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred. To the extent designated by the president or any vice president or the treasurer of the Corporation, the Corporation may recognize the transfer of fractional uncertificated shares, but shall not otherwise be required to recognize the transfer of fractional shares.

Section 5.03 Transfer Agents and Registrars. The Board of Directors may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

Section 5.04 Lost, Stolen or Destroyed Certificates. The Board of Directors may direct a new certificate or uncertificated shares to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the owner of the allegedly lost, stolen or destroyed certificate. When authorizing such issue of a new certificate or uncertificated shares, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of the lost, stolen or destroyed certificate, or the owner's legal representative to give the Corporation a bond sufficient to indemnify it against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed or the issuance of such new certificate or uncertificated shares.

ARTICLE VI GENERAL PROVISIONS

Section 6.01 Seal. The seal of the Corporation shall be in such form as shall be approved by the Board of Directors. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise, as may be prescribed by law or custom or by the Board of Directors.

Section 6.02 Fiscal Year. The fiscal year of the Corporation shall begin on October 1st and end on September 30th of each year.

Section 6.03 Checks, Notes, Drafts, Etc. All checks, notes, drafts or other orders for the payment of money of the Corporation shall be signed, endorsed or accepted in the name of the Corporation by such officer, officers, person or persons as from time to time may be designated by the Board of Directors or by an officer or officers authorized by the Board of Directors to make such designation.

Section 6.04 Dividends. Subject to applicable law and the Certificate of Incorporation, dividends upon the shares of capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting of the Board of Directors. Dividends may be paid in cash, in property or in shares of the Corporation's capital stock, unless otherwise provided by applicable law or the Certificate of Incorporation.

Section 6.05 Conflict with Applicable Law or Certificate of Incorporation. These by-laws are adopted subject to any applicable law and the Certificate of Incorporation. Whenever these by-laws may conflict with any applicable law or the Certificate of Incorporation, such conflict shall be resolved in favor of such law or the Certificate of Incorporation.

ARTICLE VII AMENDMENTS

These by-laws may be amended, altered, changed, adopted and repealed or new by-laws adopted by the Board of Directors. The stockholders may make additional by-laws and may alter and repeal any by-laws whether such by-laws were originally adopted by them or otherwise.

FORM OF AMENDED AND RESTATED BYLAWS**OF****SHIMMICK CORPORATION****ARTICLE I****Offices**

SECTION 1.01 Registered Office. The registered office and registered agent of Shimmick Corporation (the "Corporation") in the State of Delaware shall be as set forth in the Certificate of Incorporation (as defined below). The Corporation may also have offices in such other places in the United States or elsewhere (and may change the Corporation's registered agent) as the Board of Directors of the Corporation (the "Board of Directors") may, from time to time, determine or as the business of the Corporation may require.

ARTICLE II**Meetings of Stockholders**

SECTION 2.01 Annual Meetings. Annual meetings of stockholders may be held at such place, if any, either within or without the State of Delaware, and at such time and date as the Board of Directors shall determine and state in the notice of meeting. The Board of Directors may, in its sole discretion, determine that meetings of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as described in Section 2.11 of these Amended and Restated Bylaws (the "Bylaws") in accordance with Section 211(a)(2) of the General Corporation Law of the State of Delaware (the "DGCL"). The Board of Directors may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board of Directors.

SECTION 2.02 Special Meetings. Special meetings of the stockholders may only be called in the manner provided in the Corporation's certificate of incorporation as then in effect (as the same may be amended and/or restated from time to time, the "Certificate of Incorporation") and may be held at such place, if any, either within or without the State of Delaware, and at such time and date as the Board of Directors or the Chairman of the Board of Directors (the "Chair") shall determine and state in the notice of meeting. The Board of Directors may, in its sole discretion, determine that special meetings of the stockholders shall not be held at any place, but may instead be held solely by means of remote communication as described in Section 2.11 of these Bylaws in accordance with Section 211(a)(2) of the DGCL. The Board of Directors may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board of Directors or the Chair.

SECTION 2.03 Notice of Stockholder Business and Nominations.

(A) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (a) pursuant to the Corporation's notice of meeting (or any supplement thereto) delivered pursuant to Section 2.04 of Article II of these Bylaws, (b) by or at the direction of the Board of Directors or any authorized committee thereof or (c) by any stockholder of the Corporation who is entitled to vote at the meeting, who complied with the notice procedures set forth in paragraphs (A)(2) and (A)(3) of this Section 2.03 and who was a stockholder of record at the time such notice is delivered to the Secretary of the Corporation.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph (A)(1) of this Section 2.03, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation, and, in the case of business other than nominations of persons for election to the Board of Directors, such other business must constitute a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day nor earlier than the one hundred and twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting (which date shall, for purposes of the Corporation's first annual meeting of stockholders after its shares of Common Stock (as defined in the Certificate of Incorporation) are first publicly traded, be deemed to have occurred on [•], 2023); *provided, however*, that in the event that the date of the annual meeting is advanced by more than thirty (30) days or delayed by more than seventy (70) days from the anniversary date of the previous year's meeting, or if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be so delivered not earlier than the one hundred and twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation. The number of nominees a stockholder may nominate for election at the annual meeting on such stockholder's own behalf (or in the case of a stockholder giving the notice of on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at the annual meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such annual meeting. Public announcement of an adjournment or postponement of an annual meeting shall not commence a new time period (or extend any time period) for the giving of a stockholder's notice. Notwithstanding anything in this Section 2.03(A)(2) to the contrary, if the number of directors to be elected to the Board of Directors at an annual meeting is increased after the time period for which nominations would otherwise be due under this Section and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least one hundred (100) days prior to the first anniversary of the prior year's annual meeting of stockholders, then a stockholder's notice required by this Section shall be considered timely, but only with respect to nominees for any new positions created by such increase, if it is received by the Secretary of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(3) A stockholder's notice delivered pursuant to this Section 2.03(A) shall set forth: (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, (i) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder, (ii) such person's written consent to being named in the proxy statement and accompanying proxy card and to serving as a director if elected, (iii) a questionnaire completed and signed by such person (in the form to be provided by the Secretary upon written request of any stockholder of record within ten (10) days of such request) with respect to the background and qualification of such proposed nominee and the background of any other person or entity on whose behalf the nomination is being made and (iv) a written representation and agreement (in the form to be provided by the Secretary upon written request of any stockholder of record within ten (10) days of such request) that such proposed nominee (A) is not and will not become a party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question that has not been disclosed to the Corporation or that could limit or interfere with such proposed nominee's fiduciary duties under applicable law, (B) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the Corporation, and (C) would be in compliance, if elected as a director of the Corporation, and will comply with, all applicable publicly disclosed corporate governance, code of conduct and ethics, conflict of interest, confidentiality, corporate opportunities, trading and any other policies and guidelines of the Corporation applicable to directors; (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend these Bylaws, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books and records, and of such beneficial owner, (ii) the class or series and number of shares of capital stock of the Corporation that are owned, directly or indirectly, beneficially and of record by such stockholder and such beneficial owner, including any shares of any class or series of capital stock of the Corporation as to which such stockholder and such beneficial owner or any of its affiliates or associates has a right to acquire beneficial ownership at any time in the future, (iii) a representation that the stockholder is a holder of record of the stock of the Corporation at the time of the giving of the notice, will be entitled to vote at such meeting and will appear in person (which, for the avoidance of doubt, includes remote appearance at virtual meetings) or by proxy at the meeting to propose such business or nomination, (iv) a representation whether the stockholder or the beneficial owner, if any, will be or is part of a group that will (x) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the voting power of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (y) otherwise solicit proxies or votes from stockholders in support of such proposal or nomination, and/or (z) solicit proxies in support of any proposed nominee in accordance with Rule 14a-19 promulgated under the Exchange Act, (v) a certification regarding whether such stockholder and beneficial owner, if any, have complied with all applicable federal, state and other legal requirements in connection with (x) the stockholder's and/or beneficial owner's acquisition of shares of capital stock or other securities of the Corporation and/or (y) the stockholder's and/or the beneficial owner's acts or omissions as a stockholder of the Corporation and (vi) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder; (d) a description of any agreement, arrangement or understanding with respect to the nomination or proposal and/or the voting of shares of any class or series of stock of the Corporation between or among the stockholder giving the notice, the beneficial owner, if any, on whose behalf the nomination or proposal is made, any of their respective affiliates or associates and/or any other person (collectively, "proponent persons"), including, in the case of a nomination, the nominee, including any agreements, arrangements or understandings relating to any compensation or payments to be paid to any such proposed nominee(s), pertaining to the nomination(s) or other business proposed to be brought before the meeting of stockholders (which description shall identify the name of each other person who is party to such an agreement, arrangement or understanding); (e) a description of any agreement, arrangement or understanding (including without limitation any contract to purchase or sell, acquisition or grant of any option, right or warrant to purchase or sell, swap or other instrument) to which any proponent person is a party, the intent or effect of which may be (i) to transfer to or from any proponent person, in whole or in part, any of the economic consequences of ownership of any security of the Corporation, (ii) to increase or decrease the voting power of any proponent person with respect to shares of any class or series of stock of the Corporation and/or (iii) to provide any proponent person, directly or indirectly, with the opportunity to profit or share in any profit derived from, or to otherwise benefit economically from, any increase or decrease in the value of any security of the Corporation; (f) a description of any proxy (other than a revocable proxy given in response to a public proxy solicitation made pursuant to, and in accordance with, the Exchange Act), agreement, arrangement, understanding or relationship pursuant to which such stockholder or beneficial owner has or shares a right, directly or indirectly, to vote any shares of any class or series of capital stock of the Corporation; (g) a description of any rights to dividends or other distributions on the shares of any class or series of capital stock of the Corporation, directly or indirectly, owned beneficially by such stockholder or beneficial owner that are separated or separable from the underlying shares of the Corporation; (h) a description of any performance-related fees (other than an asset-based fee) that such stockholder or beneficial owner, directly or indirectly, is entitled to based on any increase or decrease in the value of shares of any class or series of capital stock of the Corporation or any interests described in clause (c)(iv) of this Section 2.03(A); and (i) the names and addresses of other stockholders and beneficial owners known by any stockholder giving the notice (and/or beneficial owner, if any, on whose behalf the nomination or proposal is made) to support such nomination or proposal, and to the extent known, the class and number of all shares of the Corporation's capital stock owned beneficially and/or of record by such other stockholder(s) and beneficial owner(s). A stockholder providing notice of a proposed nomination for election to the Board of Directors or other business proposed to be brought before a meeting (whether given pursuant to this paragraph (A)(3) or paragraph (B) of this Section 2.03 of these Bylaws) shall update and supplement such notice from time to time to the extent necessary so that the information provided or required to be provided in such notice shall be true and correct (x) as of the record date for determining the stockholders entitled to notice of the meeting and (y) as of the date that is fifteen (15) days prior to the meeting or any adjournment or postponement thereof. For the avoidance of doubt, the obligation to update and supplement as set forth in this Section 2.03(A)(3) or any other section of these Bylaws shall not limit the Corporation's rights with respect to any deficiencies in any stockholder's notice, including, without limitation, any representation required herein, extend any applicable deadlines under these Bylaws or enable or be deemed to permit a stockholder who has previously submitted a stockholder's notice under these Bylaws to amend or update any proposal or to submit any new proposal, including by changing or adding nominees, matters, business and/or resolutions proposed to be brought before a meeting of stockholders. Any such update and supplement shall be delivered in writing to the Secretary of the Corporation at the principal executive offices of the Corporation (i) in the case of any update and supplement required to be made as of the record date for notice of the meeting, not later than five (5) days after the later of such record date and the public announcement of such record date and (ii) in the case of any update or supplement required to be made as of fifteen (15) days prior to the meeting or adjournment or postponement thereof, not later than ten (10) days prior to the date for the meeting or any adjournment or postponement thereof. The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation and to determine the independence of such director under the Exchange Act and rules and regulations thereunder and applicable stock exchange rules.

(B) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a

special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (1) by or at the direction of the Board of Directors or any authorized committee thereof or (2) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is entitled to vote at the meeting on such matters, who complies with the notice procedures set forth in this Section 2.03 and who is a stockholder of record at the time such notice is delivered to the Secretary of the Corporation. The number of nominees a stockholder may nominate for election at the special meeting on such stockholder's own behalf (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at the special meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such special meeting. In the event a special meeting of stockholders is called for the purpose of electing one or more directors to fill any vacancy or newly created directorship on the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting if the stockholder's notice as required by paragraph (A)(2) of this Section 2.03 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which the Corporation first makes a public announcement of the date of the special meeting at which directors are to be elected. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(C) **General.** (1) Only such persons who are nominated in accordance with the procedures set forth in this Section 2.03 shall be eligible to serve as directors and only such business shall be conducted at an annual or special meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the chair of the meeting (and in advance of the meeting of stockholders, the Board of Directors or authorized committee thereof) shall, in addition to making any other determination that may be appropriate for the conduct of the meeting, have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made, solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies or votes in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by clause (A)(3)(c)(iv) of this Section 2.03) and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposal or nomination shall be disregarded. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chair of the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chair of the meeting shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chair, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chair of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting, (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the chair of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to questions or comments by participants. Notwithstanding the foregoing provisions of this Section 2.03, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that such proposal or nomination is set forth in the notice of meeting or other proxy materials and notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.03, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders. Unless and to the extent determined by the Board of Directors or the chair of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. Notwithstanding anything to the contrary in these Bylaws, unless otherwise required by law, if any stockholder or proponent person (i) provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act with respect to any proposed nominee and (ii) subsequently fails to comply with the requirements of Rule 14a-19 promulgated under the Exchange Act (or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such stockholder has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act in accordance with the following sentence), then the nomination of each such proposed nominee shall be disregarded, notwithstanding that the nominee is included as a nominee in the Corporation's proxy statement, notice of meeting or other proxy materials for any annual meeting (or any supplement thereto) and notwithstanding that proxies or votes in respect of the election of such proposed nominees may have been received by the Corporation (which proxies and votes shall be disregarded). If any stockholder or proponent person provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act, such stockholder shall deliver to the Corporation, no later than five (5) business days prior to the date of the meeting and any adjournment or postponement thereof, reasonable evidence that it or such Stockholder Associated Person has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act.

(2) Whenever used in these Bylaws, "**public announcement**" shall mean disclosure (a) in a press release released by the Corporation, *provided* such press release is released by the Corporation following its customary procedures, is reported by the Dow Jones News Service, Associated Press, Business Wire or PR Newswire or comparable national news service, or is generally available on internet news sites, or (b) in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(3) Notwithstanding the foregoing provisions of this Section 2.03, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 2.03; *provided, however*, that, to the fullest extent permitted by law, any references in these Bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to these Bylaws (including paragraphs (A)(1)(c) and (B) of this Section 2.03), and compliance with paragraphs (A)(1)(c) and (B) of this Section 2.03 of these Bylaws shall be the exclusive means for a stockholder to make nominations or submit other business. Nothing in these Bylaws shall be deemed to affect any rights of the holders of any or series of Preferred Stock to elect directors under specified circumstances pursuant to any applicable provision of the Certificate of Incorporation.

SECTION 2.04 Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a timely notice in writing or by electronic transmission, in the manner provided in Section 232 of the DGCL, of the meeting, which shall state the place, if any, date and time of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purposes for which the meeting is called, shall be mailed or transmitted electronically by the Secretary of the Corporation to each stockholder of record entitled to vote thereat as of the record date for determining the stockholders entitled to notice of the meeting. Unless otherwise provided by law, the Certificate of Incorporation or these Bylaws, the notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

SECTION 2.05 Quorum. Unless otherwise required by law, the Certificate of Incorporation or the rules of any stock exchange upon which the Corporation's securities are listed, the holders of record of a majority of the voting power of the issued and outstanding shares of capital stock of the Corporation entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of stockholders. Notwithstanding the foregoing, where a separate vote by a class or series or classes or series is required, a majority in voting power of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on that matter. Once a quorum is present to organize a meeting, it shall not be broken by the subsequent withdrawal of any stockholders.

SECTION 2.06 Voting. Except as otherwise provided by or pursuant to the provisions of the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder that has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent to corporate action without a meeting may authorize another person or persons to act for such stockholder by proxy in any manner provided under Section 212(c) of the DGCL or as otherwise provided under applicable law, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date. Unless required by the Certificate of Incorporation or applicable law, or determined by the chair of the meeting to be advisable, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or by such stockholder's proxy, if there be such proxy. When a quorum is present or represented at any meeting, the vote of the holders of a majority of the voting power of the shares of stock present in person or represented by proxy and entitled to vote on the subject matter shall decide any question brought before such meeting, unless the question is one upon which, by express provision of applicable law, of the rules or regulations of any stock exchange applicable to the Corporation, of any regulation applicable to the Corporation or its securities, of the Certificate of Incorporation or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. Notwithstanding the foregoing sentence and subject to the Certificate of Incorporation, all elections of directors shall be determined by a plurality of the votes cast in respect of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

SECTION 2.07 Chair of Meetings. The Chair, if one is elected, or, in his or her absence or disability or refusal to act, the Chief Executive Officer of the Corporation (the "Chief Executive Officer"), or in the absence, disability or refusal to act of the Chair and the Chief Executive Officer, a person designated by the Board of Directors shall be the chair of the meeting and, as such, preside at all meetings of the stockholders.

SECTION 2.08 Secretary of Meetings. The Secretary of the Corporation shall act as secretary at all meetings of the stockholders. In the absence or disability or refusal to act of the Secretary, the Chair, the Chief Executive Officer or the chair of the meeting shall appoint a person to act as secretary at such meetings.

SECTION 2.09 Consent of Stockholders in Lieu of Meeting. Any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote only to the extent permitted by and in the manner provided in the Certificate of Incorporation and in accordance with applicable law.

SECTION 2.10 Adjournment. At any meeting of stockholders of the Corporation, if less than a quorum be present, the chair of the meeting or stockholders holding a majority in voting power of the shares of stock of the Corporation, present in person or by proxy and entitled to vote thereon, shall have the power to adjourn the meeting from time to time (including to address a technical failure to convene or continue a meeting using remote communication) without notice of the adjourned meeting if the time and place, if any, thereof and the means of remote communication, if any, by which stockholders and proxyholders may be deemed present in person and may vote at such meeting are (i) announced at the meeting at which the adjournment is taken, (ii) displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxy holders to participate in the meeting by means of remote communication or (ii) set forth in the notice of meeting given in accordance with Section 2.04. Any business may be transacted at the adjourned meeting that might have been transacted at the meeting originally noticed. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date so fixed for notice of such adjourned meeting.

SECTION 2.11 Remote Communication. If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(A) participate in a meeting of stockholders; and

(B) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, *provided*, that

(1) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder;

(2) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and

(3) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

SECTION 2.12 Inspectors of Election. The Corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the chair of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (a) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each such share, (b) determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (e) certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

SECTION 2.13 Delivery to the Corporation. Whenever Section 2.03 requires one or more persons (including a record or beneficial owner of stock) to deliver a document or information to the Corporation or any officer, employee or agent thereof (including any notice, request, questionnaire, revocation, representation or other document or agreement), except as otherwise requested or consented to by the Corporation, such document or information shall be in writing exclusively (and not in an electronic transmission) and shall be delivered exclusively by hand (including, without limitation, overnight courier service) or by certified or registered mail, return receipt requested, and the Corporation shall not be required to accept delivery of any document not in such written form or so delivered.

ARTICLE III

Board of Directors

SECTION 3.01 Powers. Except as otherwise provided in the Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The Board of Directors may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not by the DGCL or the Certificate of Incorporation directed or required to be exercised or done by the stockholders.

SECTION 3.02 Number and Term; Chair. Subject to the Certificate of Incorporation, the number of directors shall be fixed exclusively by resolution of the Board of Directors. Directors shall be elected by the stockholders at their annual meeting, and the term of each director so elected shall be as set forth in the Certificate of Incorporation. Directors need not be stockholders. The Board of Directors shall elect a Chair, who shall have the powers and perform such duties as provided in these Bylaws and as the Board of Directors may from time to time prescribe. The Chair shall preside at all meetings of the Board of Directors at which he or she is present. If the Chair is not present at a meeting of the Board of Directors, the Chief Executive Officer (if the Chief Executive Officer is a director and is not also the Chair) shall preside at such meeting, and, if the Chief Executive Officer is not present at such meeting or is not a director, a majority of the directors present at such meeting shall elect one of their members to preside over such meeting.

SECTION 3.03 Resignations. Any director may resign at any time upon notice given in writing or by electronic transmission to the Board of Directors, the Chair, the Chief Executive Officer or the Secretary of the Corporation. The resignation shall take effect at the time or upon the happening of any event specified therein, and if no time or event is specified, at the time of its receipt. The acceptance of a resignation shall not be necessary to make it effective unless otherwise expressly provided in the resignation.

SECTION 3.04 Removal. Directors of the Corporation may be removed in the manner provided in the Certificate of Incorporation and applicable law.

SECTION 3.05 Vacancies and Newly Created Directorships. Except as otherwise provided by law, vacancies occurring in any directorship (whether by death, resignation, retirement, disqualification, removal or other cause) and newly created directorships resulting from any increase in the number of directors shall be filled in accordance with the Certificate of Incorporation. Any director elected to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall be elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal.

SECTION 3.06 Meetings. Regular meetings of the Board of Directors may be held at such places and times as shall be determined from time to time by the Board of Directors. Special meetings of the Board of Directors may be called by the Chief Executive Officer or the Chair or as provided by the Certificate of Incorporation, and shall be called by the Chief Executive Officer or the Secretary of the Corporation if directed by a majority of the directors then in office and shall be at such places and times as they or he or she shall fix. Notice need not be given of regular meetings of the Board of Directors. At least twenty-four (24) hours before each special meeting of the Board of Directors, either written notice, notice by electronic transmission or oral notice (either in person or by telephone) of the time, date and place of the meeting shall be given to each director. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

SECTION 3.07 Quorum, Voting and Adjournment. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, a majority of the total number of directors shall constitute a quorum for the transaction of business. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the directors present thereat may adjourn such meeting to another time and place. Notice of such adjourned meeting need not be given if the time and place of such adjourned meeting are announced at the meeting so adjourned.

SECTION 3.08 Committees; Committee Rules. The Board of Directors may designate one or more committees, including but not limited to an Audit Committee, a Compensation and Human Capital Committee and a Nominating & Corporate Governance Committee, each such committee to consist of one or more of the directors of the Corporation subject to the Exchange Act and rules and regulations thereunder and applicable stock exchange rules. The Board of Directors may designate one or more directors as alternate members of any committee to replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the Board of Directors establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority in reference to the following matters: (a) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval or (b) adopting, amending or repealing any provision of these Bylaws. All committees of the Board of Directors shall keep minutes of their meetings and shall report their proceedings to the Board of Directors when requested or required by the Board of Directors. Each committee of the Board of Directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the Board of Directors designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee then serving shall be necessary to constitute a quorum unless there are only one or two members then serving, in which event one member shall constitute a quorum; and all matters shall be determined by a majority vote of the members present at a meeting of the committee at which a quorum is present. Unless otherwise provided in such a resolution, in the event that a member and that member's alternate, if alternates are designated by the Board of Directors, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

SECTION 3.09 Action Without a Meeting. Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or any committee thereof, as the case may be, consent thereto in writing or by electronic transmission. After an action is taken, the consent or consents, or electronic transmission or transmissions, shall be filed in the minutes of proceedings of the Board of Directors in accordance with applicable law. Such filing shall be in paper form if the minutes are maintained in paper form or shall be in electronic form if the minutes are maintained in electronic form.

SECTION 3.10 Remote Meeting. Unless otherwise restricted by the Certificate of Incorporation, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting by means of conference telephone or other communications equipment in which all persons participating in the meeting can hear each other. Participation in a meeting by means of conference telephone or other communications equipment shall constitute presence in person at such meeting.

SECTION 3.11 Compensation. The Board of Directors shall have the authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity.

SECTION 3.12 Reliance on Books and Records. A member of the Board of Directors, or a member of any committee designated by the Board of Directors shall, in the performance of such person's duties, be fully protected in relying in good faith upon records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board of Directors, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

ARTICLE IV

Officers

SECTION 4.01 Number. The officers of the Corporation shall include a Chief Executive Officer, a Chief Financial Officer and a Secretary, each of whom shall be elected by the Board of Directors and who shall hold office for such terms as shall be determined by the Board of Directors and until their successors are elected and qualify or until their earlier resignation or removal. In addition, the Board of Directors may elect one or more Presidents, one or more Vice Presidents, including one or more Executive Vice Presidents, Senior Vice Presidents and one or more Assistant Treasurers and one or more Assistant Secretaries, who shall hold their office for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. Any number of offices may be held by the same person.

SECTION 4.02 Other Officers and Agents. The Board of Directors may appoint such other officers and agents as it deems advisable, who shall hold their office for such terms and shall exercise and perform such powers and duties as shall be determined from time to time by the Board of Directors. The Board of Directors may appoint one or more officers called a Vice Chair, each of whom does not need to be a member of the Board of Directors.

SECTION 4.03 Chief Executive Officer. The Chief Executive Officer, who may also be a President, subject to the determination of the Board of Directors, shall have general executive charge, management, and control of the properties and operations of the Corporation in the ordinary course of its business, with all such powers with respect to such properties and operations as may be reasonably incident to such responsibilities or that are delegated to the Chief Executive Officer by the Board of Directors. If the Board of Directors has not elected a Chair or in the absence or inability of the person elected to serve as the Chair to act as the Chair, the Chief Executive Officer shall exercise all of the powers and discharge all of the duties of the Chair, but only if the Chief Executive Officer is a director of the Corporation.

SECTION 4.04 Presidents and Vice Presidents. Each President and each Vice President, if any are appointed, of whom one or more may be designated an Executive Vice President or Senior Vice President, shall have such powers and shall perform such duties as shall be assigned to him or her by the Chief Executive Officer or the Board of Directors.

SECTION 4.05 Chief Financial Officer. The Chief Financial Officer, if any is appointed, shall have custody of the corporate funds, securities, evidences of indebtedness and other valuables of the Corporation and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The Chief Financial Officer shall deposit all moneys and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors or its designees selected for such purposes. The Chief Financial Officer shall disburse the funds of the Corporation, taking proper vouchers therefor. The Chief Financial Officer shall render to the Chief Executive Officer and the Board of Directors, upon their request, a report of the financial condition of the Corporation. If required by the Board of Directors, the Chief Financial Officer shall give the Corporation a bond for the faithful discharge of his or her duties in such amount and with such surety as the Board of Directors shall prescribe.

In addition, the Chief Financial Officer shall have such further powers and perform such other duties incident to the office of Chief Financial Officer as from time to time are assigned to him or her by the Chief Executive Officer or the Board of Directors.

SECTION 4.06 Secretary. The Secretary shall: (a) cause minutes of all meetings of the stockholders and directors to be recorded and kept properly; (b) cause all notices required by these Bylaws or otherwise to be given properly; (c) see that the minute books, stock books, and other nonfinancial books, records and papers of the Corporation are kept properly; and (d) cause all reports, statements, returns, certificates and other documents to be prepared and filed when and as required. The Secretary shall have such further powers and perform such other duties as prescribed from time to time by the Chief Executive Officer or the Board of Directors.

SECTION 4.07 Assistant Treasurers and Assistant Secretaries. Each Assistant Treasurer and each Assistant Secretary, if any are appointed, shall be vested with all the powers and shall perform all the duties of the Chief Financial Officer and Secretary, respectively, in the absence or disability of such officer, unless or until the Chief Executive Officer or the Board of Directors shall otherwise determine. In addition, Assistant Treasurers and Assistant Secretaries shall have such powers and shall perform such duties as shall be assigned to them by the Chief Executive Officer or the Board of Directors.

SECTION 4.08 Corporate Funds and Checks. The funds of the Corporation shall be kept in such depositories as shall from time to time be prescribed by the Board of Directors or its designees selected for such purposes. All checks or other orders for the payment of money shall be signed by the Chief Executive Officer, a President, a Vice President, the Chief Financial Officer or the Secretary or such other person or agent as may from time to time be authorized and with such countersignature, if any, as may be required by the Board of Directors.

SECTION 4.09 Contracts and Other Documents. The Chief Executive Officer, the Chief Financial Officer and the Secretary, or such other officer or officers as may from time to time be authorized by the Board of Directors or any other committee given specific authority in the premises by the Board of Directors during the intervals between the meetings of the Board of Directors, shall have power to sign and execute on behalf of the Corporation deeds, conveyances and contracts, and any and all other documents requiring execution by the Corporation.

SECTION 4.10 Ownership of Stock of Another Entity. Unless otherwise directed by the Board of Directors, the Chief Executive Officer, a President, a Vice President, the Chief Financial Officer or the Secretary, or such other officer or agent as shall be authorized by the Board of Directors, shall have the power and authority, on behalf of the Corporation, to attend and to vote at any meeting of securityholders of any entity in which the Corporation holds securities or equity interests and may exercise, on behalf of the Corporation, any and all of the rights and powers incident to the ownership of such securities or equity interests at any such meeting, including the authority to execute and deliver proxies and consents on behalf of the Corporation.

SECTION 4.11 Delegation of Duties. In the absence, disability or refusal of any officer to exercise and perform his or her duties, the Board of Directors may delegate to another officer such powers or duties.

SECTION 4.12 Resignation and Removal. Any officer of the Corporation may be removed from office for or without cause at any time by the Board of Directors. Any Vice President, Assistant Secretary, Assistant Treasurer or other officer of the Corporation (other than the Chief Executive Officer and Chief Financial Officer) may also be removed by the Chair or the Chief Executive Officer whenever, in his or her judgment, the best interests of the Corporation would be served thereby. Any officer may resign at any time in the same manner prescribed under Section 3.03 of these Bylaws.

SECTION 4.13 Vacancies. The Board of Directors shall have the power to fill vacancies occurring in any office.

ARTICLE V

Stock

SECTION 5.01 Shares With Certificates. The shares of stock of the Corporation shall be uncertificated and shall not be represented by certificates, except to the extent as may be required by applicable law or as otherwise authorized by the Board of Directors. If the shares of stock of the Corporation shall be certificated, such certificates shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the Corporation represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation by any two authorized officers of the Corporation (it being understood that each of the Chair (if an officer), a Vice Chair (if an officer), the Chief Executive Officer, a President, the Chief Financial Officer, a Vice President, the Chief Accounting Officer, an Assistant Treasurer, the Secretary and an Assistant Secretary of the Corporation shall be an authorized officer for such purpose), certifying the number and class of shares of stock of the Corporation owned by such holder. Any or all of the signatures on the certificate may be a facsimile or other electronic signature as permitted by applicable law. The Board of Directors shall have the power to appoint one or more transfer agents and/or registrars for the transfer or registration of certificates of stock of any class, and may require stock certificates to be countersigned or registered by one or more of such transfer agents and/or registrars.

SECTION 5.02 Shares Without Certificates. So long as the Board of Directors chooses to issue shares of stock without certificates, in accordance with Section 5.01, the Corporation, if required by the DGCL, shall, within a reasonable time after the issue or transfer of shares without certificates, send the stockholder a statement of the information required by the DGCL. The Corporation may adopt a system of issuance, recordation and transfer of its shares of stock by electronic or other means not involving the issuance of certificates, *provided* the use of such system by the Corporation is permitted in accordance with applicable law.

SECTION 5.03 Transfer of Shares. Shares of stock of the Corporation shall be transferable upon its books by the holders thereof, in person or by their duly authorized attorneys or legal representatives, in the manner prescribed by law, the Certificate of Incorporation and in these Bylaws, upon surrender to the Corporation by delivery thereof (to the extent evidenced by a physical stock certificate) to the person in charge of the stock and transfer books and ledgers. Certificates representing such shares, if any, shall be cancelled and new certificates, if the shares are to be certificated, shall thereupon be issued. Shares of capital stock of the Corporation that are not represented by a certificate shall be transferred in accordance with any procedures adopted by the Corporation or its agents and applicable law. A record shall be made of each transfer. Whenever any transfer of shares shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the certificates are presented to the Corporation for transfer or uncertificated shares requested to be transferred, both the transferor and transferee request the Corporation to do so. The Corporation shall have power and authority to make such rules and regulations as it may deem necessary or proper concerning the issue, transfer and registration of certificates for shares of stock of the Corporation.

SECTION 5.04 Lost, Stolen, Destroyed or Mutilated Certificates. A new certificate of stock or uncertificated shares may be issued in the place of any certificate previously issued by the Corporation alleged to have been lost, stolen or destroyed, and the Corporation may, in its discretion, require the owner of such lost, stolen or destroyed certificate, or his or her legal representative, to give the Corporation a bond, in such sum as the Corporation may direct, in order to indemnify the Corporation against any claims that may be made against it in connection therewith. A new certificate or uncertificated shares of stock may be issued in the place of any certificate previously issued by the Corporation that has become mutilated upon the surrender by such owner of such mutilated certificate and, if required by the Corporation, the posting of a bond by such owner in an amount sufficient to indemnify the Corporation against any claim that may be made against it in connection therewith.

SECTION 5.05 List of Stockholders Entitled To Vote. The Corporation shall prepare, no later than the tenth (10th) day before each meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (*provided, however*, that if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of ten (10) days ending on the day before the meeting date (a) on a reasonably accessible electronic network, *provided* that the information required to gain access to such list is provided with the notice of meeting, or (b) during ordinary business hours at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 5.05 or to vote in person or by proxy at any meeting of stockholders.

SECTION 5.06 Fixing Date for Determination of Stockholders of Record.

(A) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(B) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than sixty (60) days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(C) Unless otherwise restricted by the Certificate of Incorporation, in order that the Corporation may determine the stockholders entitled to express consent to corporate action without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date for determining stockholders entitled to express consent to corporate action without a meeting is fixed by the Board of Directors, (a) when no prior action of the Board of Directors is required by law, the record date for such purpose shall be the first date on which a signed consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, and (b) if prior action by the Board of Directors is required by law, the record date for such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

SECTION 5.07 Registered Stockholders. Prior to the surrender to the Corporation of the certificate or certificates for a share or shares of stock or notification to the Corporation of the transfer of uncertificated shares with a request to record the transfer of such share or shares, the Corporation may treat the registered owner of such share or shares as the person entitled to receive dividends, to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner of such share or shares. To the fullest extent permitted by law, the Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof.

ARTICLE VI

Notice and Waiver of Notice

SECTION 6.01 Notice. If mailed, notice to stockholders shall be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation, and if given by any other form, including any form of electronic transmission, permitted by the DGCL, shall be deemed given as provided in the DGCL. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the DGCL.

SECTION 6.02 Waiver of Notice. A written waiver of any notice, signed by a stockholder or director, or waiver by electronic transmission by such person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance at any meeting (in person or by remote communication) shall constitute waiver of notice except attendance for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VII

Indemnification

SECTION 7.01 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a “proceeding”), by reason of the fact that he or she is or was a director or an officer of the Corporation or, while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an “indemnitee”), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, agent or trustee or in any other capacity while serving as a director, officer, employee, agent or trustee, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by Delaware law, as the same exists or may hereafter be amended (but, in the case of any such amendment, if permitted, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys’ fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) actually and reasonably incurred or suffered by such indemnitee in connection therewith; *provided, however*, that, except as provided in Section 7.03 with respect to proceedings to enforce rights to indemnification or advancement of expenses or with respect to any compulsory counterclaim brought by such indemnitee, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors.

Any reference to an officer of the Corporation in this Article VII shall be deemed to refer exclusively to the Chief Executive Officer, President, Chief Financial Officer, Chief Legal Officer and Secretary of the Corporation appointed pursuant to Article IV of these Bylaws, and to any Vice President, Assistant Secretary, Assistant Treasurer or other officer of the Corporation appointed by the Board of Directors pursuant to Article IV of these Bylaws, including, without limitation, any “executive officer” or “Section 16 officer,” and any reference to an officer of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be deemed to refer exclusively to an officer appointed by the board of directors or equivalent governing body of such other entity pursuant to the certificate of incorporation and bylaws or equivalent organizational documents of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. The fact that any person who is or was an employee of the Corporation or an employee of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, but not an officer thereof as described in the preceding sentence, has been given or has used the title of “Vice President” or any other title that could be construed to suggest or imply that such person is or may be such an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall not result in such person being constituted as, or being deemed to be, such an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise for purposes of this Article VII.

SECTION 7.02 Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 7.01, an indemnitee shall also have the right to be paid by the Corporation the expenses (including attorney’s fees) incurred by indemnitee in appearing at, participating in or defending any such proceeding in advance of its final disposition or in connection with a proceeding brought to establish or enforce a right to indemnification or advancement of expenses under this Article VII (which shall be governed by Section 7.03 (hereinafter an “advancement of expenses”)); *provided, however*, that, if the DGCL requires or in the case of an advancement of expenses made in a proceeding brought to establish or enforce a right to indemnification or advancement of expenses, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer of the Corporation (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made solely upon delivery to the Corporation of an undertaking (hereinafter an “undertaking”), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a “final adjudication”) that such indemnitee is not entitled to be indemnified under Sections 7.01 and 7.02 or otherwise.

SECTION 7.03 Right of Indemnitee to Bring Suit. If a claim under Section 7.01 or 7.02 is not paid in full by the Corporation within (a) sixty (60) days after a written claim for indemnification has been received by the Corporation or (b) thirty (30) days after a claim for an advancement of expenses has been received by the Corporation, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim or to obtain advancement of expenses, as applicable. To the fullest extent permitted by law, if successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that the indemnitee has not met any applicable standard for indemnification set forth in the DGCL, and in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VII or otherwise shall be on the Corporation.

SECTION 7.04 Indemnification Not Exclusive.

(A) The provision of indemnification to or the advancement of expenses and costs to any indemnitee under this Article VII, or the entitlement of any indemnitee to indemnification or advancement of expenses and costs under this Article VII, shall not limit or restrict in any way the power of the Corporation to indemnify or advance expenses and costs to such indemnitee in any other way permitted by law or be deemed exclusive of, or invalidate, any right to which any indemnitee seeking indemnification or advancement of expenses and costs may be entitled under any law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such indemnitee’s capacity as an officer, director, employee or agent of the Corporation and as to action in any other capacity.

(B) Given that certain jointly indemnifiable claims (as defined below) may arise due to the service of the indemnitee as a director and/or officer of the Corporation at the request of the indemnitee-related entities (as defined below), the Corporation shall be fully and primarily responsible for the payment to the indemnitee in respect of indemnification or advancement of all expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of the Certificate of Incorporation or these Bylaws of the Corporation (or any other agreement between the Corporation and such persons, as applicable) in connection with any such jointly indemnifiable claims, pursuant to and in accordance with the terms of this Article VII, irrespective of any right of recovery the indemnitee may have from the indemnitee-related entities. Any obligation on the part of any indemnitee-related entities to indemnify or advance expenses to any indemnitee shall be secondary to the Corporation's obligation and shall be reduced by any amount that the indemnitee may collect as indemnification or advancement from the Corporation. The Corporation irrevocably waives, relinquishes and releases the indemnitee-related entities from any and all claims it may have against the indemnitee-related entities for contribution, subrogation or any other recovery of any kind in respect thereof. Under no circumstance shall the Corporation be entitled to any right of subrogation or contribution by the indemnitee-related entities and no right of advancement or recovery the indemnitee may have from the indemnitee-related entities shall reduce or otherwise alter the rights of the indemnitee or the obligations of the Corporation hereunder. In the event that any of the indemnitee-related entities shall make any payment to the indemnitee in respect of indemnification or advancement of expenses with respect to any jointly indemnifiable claim, the indemnitee-related entity making such payment shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnitee against the Corporation, and the indemnitee shall execute all papers reasonably required and shall do all things that may be reasonably necessary to secure such rights, including the execution of such documents as may be necessary to enable the indemnitee-related entities effectively to bring suit to enforce such rights. Each of the indemnitee-related entities shall be third-party beneficiaries with respect to this Section 7.04(B) of Article VII, entitled to enforce this Section 7.04(B) of Article VII.

For purposes of this Section 7.04(B) of Article VII, the following terms shall have the following meanings:

(1) The term "indemnitee-related entities" means any corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise (other than the Corporation or any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise for which the indemnitee has agreed, on behalf of the Corporation or at the Corporation's request, to serve as a director, officer, employee or agent and which service is covered by the indemnity described herein) from whom an indemnitee may be entitled to indemnification or advancement of expenses with respect to which, in whole or in part, the Corporation may also have an indemnification or advancement obligation (other than as a result of obligations under an insurance policy).

(2) The term “jointly indemnifiable claims” shall be broadly construed and shall include, without limitation, any action, suit or proceeding for which the indemnitee shall be entitled to indemnification or advancement of expenses from both the indemnitee-related entities and the Corporation pursuant to Delaware law, any agreement or certificate of incorporation, bylaws, partnership agreement, operating agreement, certificate of formation, certificate of limited partnership or comparable organizational documents of the Corporation or the indemnitee-related entities, as applicable.

SECTION 7.05 Corporate Obligations; Reliance. The rights granted pursuant to the provisions of this Article VII shall vest at the time a person becomes a director or officer of the Corporation and shall be deemed to create a binding contractual obligation on the part of the Corporation to the persons who from time to time are elected as officers or directors of the Corporation, and such persons in acting in their capacities as officers or directors of the Corporation or any subsidiary shall be entitled to rely on such provisions of this Article VII without giving notice thereof to the Corporation. Such rights shall continue as to an indemnitee who has ceased to be a director or officer and shall inure to the benefit of the indemnitee’s heirs, executors and administrators. Any amendment, alteration or repeal of this Article VII that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

SECTION 7.06 Insurance. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

SECTION 7.07 Indemnification of Employees and Agents of the Corporation and Others. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation and to any person (in addition to an indemnitee) serving at the request of the Corporation as an officer, director, employee or agent of any other enterprise to the fullest extent of the provisions of this Article VII with respect to the indemnification and advancement of expenses of indemnitees hereunder.

ARTICLE VIII

Miscellaneous

SECTION 8.01 Electronic Transmission. For purposes of these Bylaws, “electronic transmission” means any form of communication, not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases (including one or more distributed electronic networks or databases), that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

SECTION 8.02 Corporate Seal. The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Chief Financial Officer or by an Assistant Secretary or Assistant Treasurer.

SECTION 8.03 Fiscal Year. The fiscal year of the Corporation shall end on such day as the Board of Directors may designate.

SECTION 8.04 Section Headings. Section headings in these Bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

SECTION 8.05 Inconsistent Provisions. In the event that any provision of these Bylaws is or becomes inconsistent with any provision of the Certificate of Incorporation, the DGCL or any other applicable law, such provision of these Bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE IX

Amendments

SECTION 9.01 Amendments. The Board of Directors is authorized to make, repeal, alter, amend and rescind, in whole or in part, these Bylaws without the assent or vote of the stockholders in any manner not inconsistent with the laws of the State of Delaware or the Certificate of Incorporation. In addition to any vote of the holders of any class or series of capital stock of the Corporation required by the Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock (as defined in the Certificate of Incorporation)), these Bylaws or applicable law, the affirmative vote of the holders of at least 66 $\frac{2}{3}$ % in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to alter, amend, repeal or rescind, in whole or in part, any provision of these Bylaws (including, without limitation, this Section 9.01) or to adopt any provision inconsistent herewith.

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October 23, 2023

Shimmick Corporation
530 Technology Drive, Suite 300
Irvine, California 92618

Ladies and Gentlemen:

We have acted as counsel to Shimmick Corporation, a Delaware corporation (the "Company"), in connection with the preparation of the Registration Statement on Form S-1 (the "Registration Statement") filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), relating to issuance by the Company of an aggregate of 5,232,500 shares of common stock, par value \$0.01 per share (the "Securities").

In so acting, we have examined and relied upon the accuracy of original, certified, conformed or photographic copies of such records, agreements, certificates and other documents as we have deemed necessary or appropriate to enable us to render the opinions set forth below. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to such original documents of all copies submitted to us as certified, conformed or photographic copies and, as to certificates of public officials, we have assumed the same to have been properly given and to be accurate. As to matters of fact material to this opinion, we have relied, without independent verification, upon statements and representations of representatives of the Company and public officials.

Based on the foregoing, and subject to the assumptions, qualifications and limitations set forth herein, we are of the opinion that, when the Registration Statement has become effective under the Securities Act and the Securities have been duly issued and sold as contemplated by the Registration Statement, the Securities will be validly issued, fully paid and non-assessable.

This opinion is limited in all respects to the federal laws of the United States of America and the Delaware General Corporation Law, and no opinion is expressed with respect to the laws of any other jurisdiction or any effect that such laws may have on the opinions expressed herein. This opinion is limited to the matters stated herein, and no opinion is implied or may be inferred beyond the matters expressly stated herein.

This opinion is given as of the date hereof, and we assume no obligation to advise you after the date hereof of facts or circumstances that come to our attention or changes in law that occur, which could affect the opinions contained herein. This opinion is being rendered for the benefit of the Company in connection with the matters addressed herein.

We consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the caption "Legal Matters" in the prospectus that forms a part thereof. In giving such consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act.

Very truly yours,

/s/ King & Spalding LLP

FORM OF INDEMNIFICATION AGREEMENT

This **INDEMNIFICATION AGREEMENT** is made and executed effective as of [DATE] by and between Shimmick Corporation, a Delaware corporation (the "Company"), and [NAME], an individual resident of the State of [STATE] (the "Indemnitee").

WHEREAS, Indemnitee is a member of the Board of Directors or an officer of the Company and in such capacity is performing a valuable service for the Company;

WHEREAS, the Company is aware that, in order to induce highly competent persons to serve the Company as directors or officers or in other capacities, the Company must provide such persons with adequate protection through indemnification against risks of claims and actions against them arising out of their service to and activities on behalf of the Company;

WHEREAS, Section 145 of the General Corporation Law of the State of Delaware (the "DGCL"), under which the Company is organized, empowers the Company to indemnify by agreement its officers, directors, employees and agents, and persons who serve, at the request of the Company, as directors, officers, employees or agents of other corporations or enterprises, and expressly provides that the indemnification provided by the DGCL is not exclusive;

WHEREAS, the Board of Directors of the Company has determined that it is in the best interests of the Company's stockholders that the Company act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify such persons to the fullest extent permitted by applicable law so that they will continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Certificate (as defined below) and Bylaws (as defined below) of the Company and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefore, nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, the Indemnitee is willing to serve, continue to serve, and take on additional service for or on behalf of the Company on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Indemnitee do hereby agree as follows:

1. Indemnification. The Company hereby agrees to hold harmless and indemnify the Indemnitee to the fullest extent permitted by the Amended and Restated Certificate of Incorporation of the Company (as may be further amended or restated from time to time, the "Certificate"), Amended and Restated Bylaws of the Company (as may be further amended or restated from time to time, the "Bylaws") and DGCL or other applicable law in effect on the date of this Agreement and to any greater extent that applicable law may in the future from time to time permit. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

(a) **Indemnity in Third-Party Proceedings.** The Company shall indemnify and hold harmless Indemnitee in accordance with the provisions of this Section 1(a) if Indemnitee is made, or is threatened to be made, a party to or a participant in (as a witness or otherwise) any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 1(a), Indemnitee shall be indemnified against all Expenses, judgments, liabilities, fines, penalties, amounts paid in settlement (including, without limitation, all interest, assessments and other charges paid or payable in connection with or in respect of any of the foregoing) (collectively, "Losses") actually incurred by Indemnitee or on his behalf in connection with such Proceeding or any action, discovery event, claim, issue or matter therein or related thereto, if Indemnitee acted in good faith, for a purpose which he reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding, in addition, had no reasonable cause to believe that his conduct was unlawful.

(b) **Indemnity in Proceedings by or in the Right of the Company.** The Company shall indemnify and hold harmless Indemnitee in accordance with the provisions of this Section 1(b) if Indemnitee was, is, or is threatened to be made, a party to or a participant (as a witness or otherwise) in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 1(b), Indemnitee shall be indemnified against all Losses actually incurred by him or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Losses shall be made under this Section 1(b) in respect of any claim, issue or matter in any Proceeding as to which Indemnitee shall have been finally adjudged by a court in a non-appealable decision to be liable to the Company, unless and only to the extent that any court in which the Proceeding was brought or the Chancery Court in the State of Delaware shall determine upon application that Indemnitee is entitled to indemnification.

2. Partial Indemnification. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Losses actually incurred by the Indemnitee in connection with the investigation, defense, appeal or settlement of any Proceeding, but is not entitled to indemnification for the total amount thereof, the Company shall nevertheless indemnify the Indemnitee for the portion of such Losses actually incurred by the Indemnitee to which the Indemnitee is entitled. For purposes of this Section 2 and without limitation, (a) the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter, and (b) a decision by any government, regulatory or self-regulatory authority, agency or body not to commence or pursue any investigation, civil or criminal enforcement matter or case or in any civil suit, shall be deemed to be a successful result as to such claim, issue or matter.

3. Indemnity for Expenses Incurred to Secure Recovery or as a Witness.

(a) The Company shall, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, any and all Expenses and, if requested by Indemnitee, shall advance on an as-incurred basis (as provided in Section 8 of this Agreement) such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any Proceeding or part thereof brought by Indemnitee for (i) indemnification or advance payment of Expenses by the Company under this Agreement, any other agreement, the Certificate or Bylaws of the Company as now or hereafter in effect; or (ii) recovery under any director and officer liability insurance policies maintained by the Company.

(b) To the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness (or is forced or asked to respond to discovery requests) in any Proceeding to which Indemnitee is not a party, the Company shall, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, and the Company will advance on an as-incurred basis (as provided in Section 8 of this Agreement), all Expenses actually incurred by Indemnitee or on behalf of Indemnitee in connection therewith.

4. Additional Indemnity. In addition to, and without regard to any limitations on, the indemnification provided for in Sections 1, 2 or 3 hereof, the Company shall and hereby does indemnify and hold harmless Indemnitee, to the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) law against all Losses actually incurred by Indemnitee or on Indemnitee's behalf if, by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding (including, without limitation, a Proceeding by or in the right of the Company). No indemnification shall be made under this Section 4 on account of Indemnitee's conduct that is finally determined (under the procedures and subject to the presumptions set forth in Sections 6, 7 and 9 hereof) to be an act or omission not in good faith or involving intentional misconduct or a knowing violation of the law.

5. Contribution.

(a) Whether or not any of the indemnification and hold harmless rights provided in Sections 1, 2, 3, 4 and 8 hereof are available in respect of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), the Company shall pay, to the fullest extent permitted by applicable law, in the first instance, the entire amount of any judgment or settlement of such Proceeding without requiring Indemnitee to contribute to such payment, and the Company hereby waives and relinquishes any right of contribution it may have against Indemnitee. The Company shall not enter into any settlement of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.

(b) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), the Company shall, to the fullest extent permitted by applicable law, contribute to the amount of Losses actually incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction from which such Proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the events that resulted in such expenses, judgments, fines or amounts paid in settlement, as well as any other equitable considerations. The relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary, and the degree to which their conduct is active or passive.

(c) To the fullest extent permitted by applicable law, the Company hereby agrees to fully indemnify and hold harmless Indemnitee from any claims for contribution which may be brought by officers, directors or employees of the Company other than Indemnitee who may be jointly liable with Indemnitee.

(d) To the fullest extent permitted by applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement or for Expenses and any other Losses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the events or transactions giving cause to such Proceeding; or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such events or transactions.

6. Procedure for Determination of Entitlement to Indemnification.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit a written request to the Company for indemnification hereunder. The time at which Indemnitee submits a written request for indemnification shall be determined by the Indemnitee in the Indemnitee's sole discretion. Once Indemnitee submits such a written request for indemnification, a Determination (as defined by Section 24 of this Agreement) shall thereafter be made, as provided in and only to the extent required by Section 6(c) of this Agreement. In no event shall a Determination of Indemnitee's entitlement to indemnification be made, or be required to be made, as a condition to or otherwise in connection with any advancement of Expenses pursuant to Section 8 of this Agreement or, with respect to any Proceeding, to the extent Indemnitee has been successful on the merits or otherwise in such Proceeding. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any liability that it may have to Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Company.

(b) The Secretary of the Company shall, promptly upon receipt of a claim for indemnification from the Indemnitee, advise the Board of Directors in writing that Indemnitee has requested indemnification. Any Expenses incurred by the Indemnitee in connection with the Indemnitee's request for indemnification hereunder shall be borne by the Company. The Company hereby indemnifies and agrees to hold the Indemnitee harmless for any Expenses incurred by Indemnitee under the immediately preceding sentence irrespective of the outcome of the determination of the Indemnitee's entitlement to indemnification.

(c) Upon submission of a written request by the Indemnitee for indemnification as provided in Section 6(a), a Determination shall be made as to Indemnitee's entitlement to indemnification. Any such Determination shall be made within thirty (30) days after receipt of Indemnitee's written request for indemnification pursuant to Section 6(a), unless Indemnitee agrees to a longer period, and such Determination shall be made either (i) by a majority of the Disinterested Directors, even though less than a quorum, so long as there are Disinterested Directors or Indemnitee does not request that such Determination be made by Independent Counsel, or (ii) if there are no Disinterested Directors or if so requested by Indemnitee, in Indemnitee's sole discretion, by Independent Counsel in a written opinion to the Company and Indemnitee. If a Determination is made that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such Determination. Indemnitee shall reasonably cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including, without limitation, providing to such person, persons or entity upon reasonable advance request any documentation or

information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such Determination. Any Expenses incurred by Indemnitee in so cooperating shall be advanced and borne by the Company (irrespective of the Determination as to Indemnitee's entitlement to indemnification) and the Company is liable to indemnify and hold Indemnitee harmless therefrom. If the person, persons or entity making such Determination shall determine that the Indemnitee is entitled to indemnification as to part (but not all) of the application for indemnification, such person, persons or entity shall reasonably prorate such part of indemnification among such claims, issues or matters.

(d) In the event Indemnitee requests that the Determination be made by Independent Counsel, Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board of Directors, in which event the Board of Directors shall make such selection on behalf of the Company, subject to the remaining provisions of this Section 6(d)), and Indemnitee or the Company, as the case may be, shall give written notice to the other, advising the Company or Indemnitee of the identity of the Independent Counsel so selected. The Company or Indemnitee, as the case may be, may, within ten (10) days after such written notice of selection shall have been received, deliver to Indemnitee or the Company, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 24 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of competent jurisdiction has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 6(a) of this Agreement, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under this Agreement. Any expenses incurred by Independent Counsel shall be borne by the Company (irrespective of the Determination of Indemnitee's entitlement to indemnification) and not by Indemnitee, and the Company shall pay all expenses incident to the procedures of this Section 6(d), regardless of the manner in which such Independent Counsel was selected or appointed.

7. Presumptions and Effect of Certain Proceedings.

(a) In making a Determination with respect to entitlement to indemnification, the Indemnitee shall be presumed to be entitled to indemnification hereunder and the Company or anyone seeking to overcome this presumption shall bear the burden to make any showing necessary to the making of any determination contrary to such presumption. Neither the failure of the Company (including, without limitation, by its directors or independent legal counsel (including Independent Counsel)) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including, without limitation, by its directors or independent legal counsel (including Independent Counsel)) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) If the Board of Directors or, if so elected by Indemnitee, Independent Counsel shall have failed to make a Determination as to entitlement to indemnification under Section 6 of this Agreement within thirty (30) days after receipt by the Company of such request, the requisite determination of entitlement to indemnification shall be deemed to have been made and the Indemnitee shall be absolutely entitled to such indemnification, absent actual fraud in the request for indemnification or a prohibition of indemnification under applicable law, in which case such right to indemnification shall be enforceable by Indemnitee in any court of competent jurisdiction; provided, however, that such thirty (30) day period may be extended (or any claim, issue or matter therein) for a reasonable time, not to exceed an additional fifteen (15) days, if the person, persons or entity making the Determination in good faith requires such additional time for obtaining or evaluating documentation or information relating thereto. The termination of any Proceeding covered by Section 1 hereof by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself adversely affect the rights of the Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal proceeding, that Indemnitee had reasonable cause to believe that his conduct was not unlawful, except as may be provided herein.

(c) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including, without limitation, financial statements, or on information supplied to Indemnitee by the officers of the Enterprise the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected by the Enterprise. The provisions of this Section 7(c) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement. Whether or not the foregoing provisions of this Section 7(c) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. The Company or anyone seeking to overcome this presumption shall bear the burden to make any showing necessary to the making of any determination contrary to such presumption.

(d) The knowledge or actions, or failure to act, of any other director, officer, trustee, partner, managing member, fiduciary, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

8. Advancement of Expenses.

(a) To obtain advancement of Expenses under this Agreement, Indemnitee shall submit to the Company a written request therefor, together with such invoices or other supporting information as may be reasonably requested by the Company and reasonably available to Indemnitee, and an unsecured, interest-free written undertaking by Indemnitee to repay amounts advanced if it is ultimately determined that the Indemnitee is not entitled to be indemnified against such Expenses by the Company pursuant to this Agreement or otherwise. The Company shall make advance payment of Expenses to Indemnitee, without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement, no later than ten (10) days after receipt of the written request for advancement (and each subsequent request for advancement) by Indemnitee. The Indemnitee's entitlement to such Expenses shall include, without limitation, those incurred in connection with any proceeding by the Indemnitee seeking an adjudication or award in arbitration pursuant to this Agreement.

(b) Indemnitee's right to advancement of Expenses under this Section 8 shall continue until such time as a final determination of the Proceeding for which advancement or indemnification is sought hereunder, from which all rights to appeal have been exhausted, is made pursuant to Sections 6 and 9 of this Agreement.

9. Remedies of the Indemnitee in Cases of Determination not to Indemnify or to Advance Expenses. In the event that a Determination is made that the Indemnitee is not entitled to indemnification hereunder, or if payment of indemnification has not been made within ten (10) days following a Determination of entitlement to indemnification pursuant to Section 6, or if Expenses are not advanced pursuant to Section 8, the Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware or any other court of competent jurisdiction of the Indemnitee's entitlement to such indemnification or advance. Alternatively, the Indemnitee may, at the Indemnitee's option, seek an award in arbitration to be conducted by a single arbitrator pursuant to the rules of the American Arbitration Association, such award to be made within 60 days following the filing of the demand for arbitration. Except as set forth herein, the provisions of Delaware law (without regard to its conflict-of-law rules) shall apply to any such arbitration. The Company shall not oppose the Indemnitee's right to seek any such adjudication or award in arbitration or any other claim. Such judicial proceeding or arbitration shall be made *de novo*, and the Indemnitee shall not be prejudiced by reason of a prior determination (if so made) that the Indemnitee is not entitled to indemnification. In any judicial proceeding or arbitration commenced pursuant to this Section 9, Indemnitee shall be presumed to be entitled to indemnification under this Agreement, and the Company shall bear the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses. If a Determination is made or deemed to have been made pursuant to the terms of Section 6 hereof that the Indemnitee is entitled to indemnification, the Company shall be bound by such Determination and shall be precluded from asserting that such Determination has not been made or that the procedure by which such Determination was made is not valid, binding and enforceable. The Company further agrees to stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement and is precluded from making any assertions to the contrary. The Company shall advance all Expenses actually incurred by the Indemnitee in connection with such adjudication or award in arbitration (including, without limitation, any appellate proceedings) in accordance with the provisions set forth in Section 8 of this Agreement.

10. Notification and Defense of Claim. Indemnitee agrees to notify the Company promptly upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses hereunder. Any failure by Indemnitee to notify the Company will relieve the Company of its advancement or indemnification obligations under this Agreement only to the extent the Company can establish that such omission to notify actually and materially prejudiced the interests of the Company, and the omission to notify the Company will, in any event, not relieve the Company from any liability which it may have to indemnify Indemnitee otherwise than under this Agreement. A notice provided under this Section 10 shall not be construed as a request for indemnification pursuant to Section 6 or a request for advancement of Expenses under Section 8 of this Agreement.

Notwithstanding any other provision of this Agreement, with respect to any such Proceeding as to which the Indemnitee gives notice to the Company of the commencement thereof:

(a) The Company will be entitled to participate therein at its own expense.

(b) If Indemnitee is a participant in a Proceeding with any other Company directors or officers to whom the Company owes an indemnification obligation, the Company shall not be required to advance expenses for more than one law firm chosen by the a majority of directors and officers that are participating in the Proceeding and

reasonably satisfactory to Indemnitee (and, if necessary, an additional law firm chosen by a majority of directors and officers that are participating in the Proceeding and reasonably satisfactory to Indemnitee to act as local counsel) to represent collectively Indemnitee and such other Company directors or officers in respect of the same matter, unless Indemnitee reasonably concludes, in its sole discretion, that the representation of Indemnitee and such other Company directors or officers gives rise to an actual or potential conflict of interest or the law firms so chosen are not reasonably satisfactory to Indemnitee.

(c) The Company shall not, without the prior written consent of Indemnitee, which may be provided or withheld in Indemnitee's sole discretion, effect any settlement of any Proceeding against Indemnitee or which could have been brought against Indemnitee or which potentially or actually imposes any cost, liability, exposure or burden on Indemnitee, including, without limitation, the entry of any contribution bar order, other bar order or other similar order, decree or stipulation pursuant to 15 U.S.C. § 78u-4 or any other foreign, federal or state statute, regulation, rule or law, unless such settlement solely involves the payment of money or performance of any obligation by persons other than Indemnitee and includes an unconditional and final release of Indemnitee from all liability on any matters that are the subject of such Proceeding and does not impose any penalty or limitation on Indemnitee without Indemnitee's written consent. The Company shall not be obligated to indemnify Indemnitee against amounts paid in settlement of a Proceeding against Indemnitee if such settlement is effected by Indemnitee without the Company's prior written consent, which consent shall not be unreasonably withheld.

11. Other Right to Indemnification; Insurance; Subrogation.

(a) The indemnification and advancement of Expenses provided by this Agreement are cumulative, and not exclusive, and are in addition to any other rights to which the Indemnitee may now or in the future be entitled under any provision of the Bylaws or Certificate, any vote of stockholders or Disinterested Directors, any provision of law or otherwise. Except as required by applicable law, the Company shall not adopt any amendment to the Bylaws or Certificate the effect of which would be to deny, diminish or encumber the Indemnitee's right to indemnification under this Agreement.

(b) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including, without limitation, execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(c) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided hereunder) hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(d) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such Enterprise.

12. Director and Officer Liability Insurance. The Company shall, if commercially reasonable, obtain and maintain a policy or policies of insurance with reputable insurance companies providing the officers and directors of the Company with coverage for losses from wrongful acts, or to ensure the Company's performance of its indemnification obligations under this Agreement. Among other considerations, the Company will weigh the costs of obtaining such insurance coverage against the protection afforded by such coverage. In the event the Company maintains directors' and officers' liability insurance, the Indemnitee shall be named as an insured in such manner as to provide the Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's officers or directors. However, the Company agrees that the provisions hereof shall remain in effect regardless of whether liability or other insurance coverage is at any time obtained or retained by the Company; except that any payments made to, or on behalf of, the Indemnitee under an insurance policy shall reduce the obligations of the Company hereunder. If, at the time of receipt of any request for indemnification or advancement of Expenses hereunder, the Company has director and officer insurance policies in effect, the Company will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

13. Spousal Indemnification. The Company will indemnify the Indemnitee's spouse to whom the Indemnitee is legally married at any time the Indemnitee is covered under the indemnification provided in this Agreement (even if Indemnitee did not remain married to him or her during the entire period of coverage) against any Proceeding for the same period, to the same extent and subject to the same standards, limitations, obligations and conditions under which the Indemnitee is provided indemnification herein, if the Indemnitee's spouse (or former spouse) becomes involved in a pending or threatened action, suit, proceeding or investigation solely by reason of his status as Indemnitee's spouse, including, without limitation, any pending or threatened action, suit, proceeding or investigation that seeks damages recoverable from marital community property, jointly-owned property or property purported to have been transferred from the Indemnitee to his spouse (or former spouse). The Indemnitee's spouse or former spouse also shall be entitled to advancement of Expenses to the same extent that Indemnitee is entitled to advancement of Expenses herein. The Company may maintain insurance to cover its obligation hereunder with respect to Indemnitee's spouse (or former spouse) or set aside assets in a trust or escrow fund for that purpose.

14. Security. To the extent requested by Indemnitee and approved by the Board of Directors of the Company, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of the Indemnitee.

15. Intent. This Agreement is intended to be broader than any statutory indemnification rights applicable in the State of Delaware and shall be in addition to any other rights Indemnitee may have under the Certificate, Bylaws, applicable law or otherwise. To the extent that a change in applicable law (whether by statute or judicial decision) permits greater indemnification by agreement than would be afforded currently under the Certificate, Bylaws, applicable law or this Agreement, it is the intent of the parties that Indemnitee enjoy by this Agreement the greater benefits so afforded by such change.

16. Attorney's Fees and Other Expenses to Enforce Agreement. In the event that the Indemnitee is subject to, a party to, a participant in, or intervenes in any Proceeding in which the validity or enforceability of this Agreement is at issue or seeks an adjudication or award in arbitration to enforce the Indemnitee's rights under, or to recover damages for breach of, this Agreement the Indemnitee, if Indemnitee prevails in whole or in part in such action, shall be entitled to advancement of Expenses, including, without limitation, for attorneys' fees and disbursements reasonably incurred by the Indemnitee, in accordance with the terms set forth in Section 8 of this Agreement.

17. Effective Date. The provisions of this Agreement shall cover claims, actions, suits or proceedings whether now pending or hereafter commenced and shall be retroactive to cover acts or omissions or alleged acts or omissions which heretofore have taken place. The Company shall be liable under this Agreement, to the extent specified in Section 1, 2, 3, 4 or 8 hereof, for all acts and omissions of the Indemnitee while serving as a director or officer, notwithstanding the termination of the Indemnitee's service, if such act was performed or omitted to be performed during the term of the Indemnitee's service to the Company.

18. Duration of Agreement; Binding Effect.

(a) This Agreement shall survive and continue even though the Indemnitee may have terminated his service as a director, officer, employee, agent or fiduciary of the Company or as a director, officer, partner, employee, agent or fiduciary of any other entity or Enterprise, including, without limitation, another corporation, partnership, limited liability company, employee benefit plan, joint venture, trust or other enterprise or by reason of any act or omission by the Indemnitee in any such capacity.

(b) This Agreement shall be binding upon the Company and its successors and assigns, including, without limitation, any corporation or other entity which may have acquired all or substantially all of the Company's assets or business or into which the Company may be consolidated or merged, and shall inure to the benefit of the Indemnitee and his spouse, successors, assigns, heirs, devisees, executors, administrators or other legal representatives. The Company shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Company and the Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place.

(c) The Company expressly confirms and agrees that it has entered into this Agreement and assumes the obligations imposed on it hereby in order to induce Indemnitee to serve as an officer or director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as an officer or director of the Company or another Enterprise.

19. Third-Party Beneficiary. The Independent Counsel is express third-party beneficiaries of this Agreement, and may specifically enforce the Company's obligations hereunder as though a party hereunder.

20. Disclosure of Payments. Except as required by any Federal or state securities laws or other Federal or state law, neither party shall disclose any payments under this Agreement unless prior approval of the other party is obtained.

21. Severability. If any provision or provisions of this Agreement shall be held invalid, illegal or unenforceable for any reason whatsoever, (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, all portions of any Sections of this Agreement containing any such provision held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing

any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifest by the provision held invalid, illegal or unenforceable. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee indemnification rights to the fullest extent permitted by applicable laws. In the event any provision hereof conflicts with any applicable law, such provision shall be deemed modified, consistent with the aforementioned intent, to the extent necessary to resolve such conflict.

22. **Counterparts.** This Agreement may be executed by one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement.

23. **Captions.** The captions and headings used in this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

24. **Definitions.** For purposes of this Agreement:

(a) "Corporate Status" describes the status of a person who is or was a director, officer, trustee, partner, managing member, fiduciary, employee or agent of the Company or of any other Enterprise which such person is or was serving at the request of the Company.

(b) "Determination" shall mean that either (x) there is a reasonable basis for the conclusion that indemnification of Indemnitee is proper in the circumstances because Indemnitee met a particular standard of conduct or (y) there is no reasonable basis for the conclusion that indemnification of Indemnitee is proper in the circumstances because Indemnitee met a particular standard of conduct.

(c) "Disinterested Director" shall mean a director of the Company who is not or was not a party to the Proceeding in respect of which indemnification is being sought by the Indemnitee.

(d) "Enterprise" shall mean the Company, any subsidiary of the Company and any other corporation, limited liability company, partnership, limited partnership, limited liability partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, employee, trustee, partner, managing member, fiduciary, employee or agent.

(e) "Expenses" shall include all direct and indirect attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, any threatened, pending or completed Proceeding, whether civil, criminal, administrative or investigative in nature, in each case to the extent reasonable. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding and any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent.

(f) "Independent Counsel" shall mean a law firm or a member of a law firm that neither is presently nor in the past five years has been retained to represent (i) the Company or the Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements) or (ii) any other party to the action, suit, investigation or proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or the Indemnitee in an action to determine the Indemnitee's right to indemnification under this Agreement.

(g) "Proceeding" shall include any actual, threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened, pending or completed proceeding, and any appeal thereof, whether brought by or in the right of the Company or otherwise and whether civil (including, without limitation, intentional or unintentional tort claims), criminal, administrative or investigative in nature, in which Indemnitee was, is, may be or will be involved as a party, witness or otherwise, by reason of the Corporate Status of Indemnitee, by reason of any action taken by Indemnitee or of any inaction on Indemnitee's part while acting in such Corporate Status, or by reason of the fact that Indemnitee is or was serving at the request of the Company as a director, officer, general partner, managing member, fiduciary, employee or agent of any other Enterprise (in each case whether or not he is acting or serving in any such capacity or has such status at the time any Loss or Expense is incurred for which indemnification or advancement of Expenses can be provided under this Agreement), or any foreign equivalent of the foregoing, including, without limitation, one pending on or before the date of this Agreement.

25. Entire Agreement, Modification and Waiver. This Agreement constitutes the entire agreement and understanding of the parties hereto regarding the subject matter hereof, and no supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver. No supplement, modification or amendment of this Agreement shall limit or restrict any right of the Indemnitee under this Agreement in respect of any act or omission of the Indemnitee prior to the effective date of such supplement, modification or amendment unless expressly provided therein.

26. Specific Performance. The Company and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which Indemnitee may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including, without limitation, temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the court, and the Company hereby waives any such requirement of such a bond or undertaking.

27. **Notices.** All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand with receipt acknowledged by the party to whom said notice or other communication shall have been directed, (ii) delivered by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, or (iii) mailed by certified or registered mail, return receipt requested with postage prepaid, on the date shown on the return receipt:

(a) If to the Indemnitee, to:

[NAME]

[ADDRESS]

(b) If to the Company, to:

Shimmick Corporation
530 Technology Drive, Suite 300
Irvine, CA 92618
Attn: []

or to such other address as may be furnished to the Indemnitee by the Company or to the Company by the Indemnitee, as the case may be.

28. **Governing Law.** The parties hereto agree that this Agreement, the rights and obligations of the parties under this Agreement, and any claim or controversy directly or indirectly based upon, or arising out of, this Agreement or the transactions contemplated by this Agreement (whether based upon contact, tort or any other theory), including, without limitation, all matters of construction, validity and performance, shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, applied without giving effect to any conflicts-of-law principles.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

SHIMMICK CORPORATION

By: _____
Name: _____
Title: _____

INDEMNITEE

By: _____
Name: _____

[Signature Page to Indemnification Agreement]

SHIMMICK CORPORATION
2023 EQUITY INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility;
- to provide additional incentive to Employees, Directors and Consultants; and
- to promote the success of the Company's business.

2. Definitions. As used herein, the following definitions will apply:

(a) "Administrator" means the Committee.

(b) "Applicable Laws" means the legal and regulatory requirements relating to the administration of equity-based awards and the related issuance of Shares thereunder, including but not limited to U.S. federal and state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any non-U.S. country or jurisdiction where Awards are, or will be, granted under the Plan.

(c) "Award" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares or Other Share-Based Awards.

(d) "Award Agreement" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(e) "Board" means the Board of Directors of the Company.

(f) "Cause" means, in the absence of an effective Award Agreement or employment or service agreement with the Participant otherwise defining Cause, (i) a Participant's conviction of or indictment for any crime (whether or not involving the Company or any Parent or Subsidiary of the Company) (A) constituting a felony or (B) that has, or could reasonably be expected to result in, an adverse impact on the performance of the Participant's duties to the Company or any Parent or Subsidiary of the Company, or otherwise has, or could reasonably be expected to result in, an adverse impact on the business or reputation of the Company or any Parent or Subsidiary of the Company; (ii) conduct of a Participant, in connection with his employment or service, that has, or could reasonably be expected to result in, material injury to the business or reputation of the Company or any Parent or Subsidiary of the Company; (iii) any material violation of the policies of the Company or any Parent or Subsidiary of the Company including, but not limited to, those relating to sexual harassment or the disclosure or misuse of confidential information, or those set forth in the manuals or statements of policy of the Company or any Parent or Subsidiary of the Company; (iv) willful neglect in the performance of a Participant's duties for

the Company or any Parent or Subsidiary of the Company or willful or repeated failure or refusal to perform such duties; (v) acts of willful misconduct on the part of a Participant in the course of his employment or service that has, or could be reasonably expected to result in, material injury to the reputation or business of the Company or any Parent or Subsidiary of the Company; (vi) embezzlement, misappropriation or fraud committed by a Participant or at his direction, or with his personal knowledge, in the course of his employment or service, that has, or could be reasonably expected to result in, material injury to the reputation or business of the Company or any Parent or Subsidiary of the Company; or (vii) a Participant's breach of any material provision of any employment or service agreement that has, or could be reasonably expected to result in, material injury to the reputation or business of the Company or any Parent or Subsidiary of the Company, which breach is not susceptible to cure, or that is not cured within thirty (30) days after the Participant is given written notice of such breach by the Company; provided, however, that if, subsequent to a Participant's voluntary termination for any reason or involuntary termination by the Company or any Parent or Subsidiary of the Company without Cause, it is discovered that the Participant's employment or service could have been terminated for Cause, upon determination by the Administrator, such Participant's employment or service shall be deemed to have been terminated for Cause for all purposes under this Plan. In the event there is an effective Award Agreement or an employment or service agreement with the Participant defining Cause, "Cause" shall have the meaning provided in such agreement, and a termination by the Company or any Parent or Subsidiary of the Company for Cause hereunder shall not be deemed to have occurred unless all applicable notice and cure periods in such Award Agreement or employment or service agreement are complied with.

(g) "Change in Control" means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person (within the meaning of Section 13(d) of the Exchange Act), or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, (A) the acquisition of additional stock by any one Person who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control and (B) if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, the direct or indirect beneficial ownership of fifty percent (50%) or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event will not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership will include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities;

(ii) The consummation of a merger or consolidation of the Company with any other corporation or other entity, or the issuance of voting securities in connection with a merger or consolidation of the Company pursuant to applicable stock exchange requirements; provided that immediately following such merger or consolidation the voting securities of the Company outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity of such merger or consolidation or parent entity thereof) fifty percent (50%) or more of the total voting power of the Company's stock (or, if the Company is not the surviving entity of such merger or consolidation, fifty percent (50%) or more of the total voting power of the stock of such surviving entity or parent entity thereof); and provided, further, that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing fifty percent (50%) or more of either the then-outstanding Shares or the combined voting power of the Company's then-outstanding voting securities shall not be considered a Change in Control;

(iii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12)-month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; or

(iv) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iv), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iv)(B)(3). For purposes of this subsection (iv), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, with respect to any Award that constitutes "nonqualified deferred compensation" within the meaning of Section 409A, an event described in subsection (i), (ii), (iii) or (iv) above shall not be deemed a Change in Control under the Plan to the extent the impact of a Change in Control on such Award would subject a Participant to additional taxes under 409A unless such event qualifies as a "change in ownership," a "change in effective control" or a "change in ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A.

Further and for the avoidance of doubt, an event will not constitute a Change in Control if: (i) its sole purpose is to change the state of the Company's incorporation; or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(h) "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder will include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(i) "Committee" means the compensation committee of the Board, unless another duly authorized committee is designated by the Board, in accordance with Section 4 hereof. If there is no compensation committee of the Board and the Board does not designate another committee or if the Board acts hereunder, references herein to the "Committee" shall refer to the Board.

(j) "Common Stock" means the common stock, par value \$0.01 per share of the Company.

(k) "Company" means Shimmick Corporation, a Delaware corporation, or any successor thereto.

(l) "Consultant" means any natural person, including an advisor, engaged by the Company or a Parent or Subsidiary to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital-raising transaction, and (ii) do not directly promote or maintain a market for the Company's securities, in each case, within the meaning of Form S-8 promulgated under the Securities Act, and provided, further, that a Consultant will include only those persons to whom the issuance of Shares may be registered under Form S-8 promulgated under the Securities Act. For the avoidance of doubt, a Consultant will include advisory members of the Board.

(m) "Data" means certain personal information about a Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company and details of all Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor.

(n) "Director" means a member of the Board.

(o) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time. Except in situations where the Administrator is determining Disability for purposes of the term of an Incentive Stock Option pursuant to Section 6(d)(iii) hereof within the meaning of Section 22(e)(3) of the Code,

the Administrator may rely on any determination that a Participant is disabled for purposes of benefits under any long-term disability plan maintained by the Company or any affiliate in which a Participant participates. Notwithstanding the foregoing, with respect to an Award that is subject to Section 409A where the Award will be paid by reference to the Participant's Disability, solely for purposes of determining the timing of payment, no such event will constitute a Disability for purposes of the Plan or any Award Agreement unless such event also constitutes a "disability" as defined under Section 409A.

(p) "Employee" means any person, including Officers and Inside Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

(q) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(r) "Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

(i) For purposes of any Awards granted on the Registration Date, the Fair Market Value will be the initial price to the public as set forth in the final prospectus included within the registration statement in Form S-1 filed with the Securities and Exchange Commission.

(ii) For purposes of any Awards granted on any other date, the Fair Market Value will be the closing sales price for Common Stock as quoted on any established stock exchange or national market system (including without limitation the New York Stock Exchange, NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market of the NASDAQ Stock Market) on which the Common Stock is listed on the date of determination (or the closing bid, if no sales were reported). If the determination date for the Fair Market Value occurs on a non-trading day (i.e., a weekend or holiday), the Fair Market Value will be such price on the immediately preceding trading day, unless otherwise determined by the Administrator. In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Administrator.

The determination of fair market value for purposes of tax withholding may be made in the Administrator's discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

(s) "Fiscal Year" means the fiscal year of the Company.

(t) "Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(u) "Inside Director" means a Director who is an Employee.

(v) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(w) “Officer” means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(x) “Option” means a stock option granted pursuant to the Plan.

(y) “Other Share-Based Award” means an Award granted pursuant to Section 11 that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares or factors that may influence the value of Shares, including convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, purchase rights for Shares, dividend rights or dividend equivalent rights or Awards with value and payment contingent upon service with performance of the Company, its Subsidiaries or business units thereof or any other factors designated by the Committee.

(z) “Outside Director” means a Director who is not an Employee.

(aa) “Parent” means a “parent corporation,” whether now or hereafter existing, as defined in Section 424(e) of the Code.

(bb) “Participant” means the holder of an outstanding Award.

(cc) “Performance Share” means an Award denominated in Shares which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine pursuant to Section 10.

(dd) “Performance Unit” means an Award which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 10.

(ee) “Period of Restriction” means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(ff) “Plan” means this Shimmick Corporation 2023 Equity Incentive Plan.

(gg) “Registration Date” means the effective date of the first registration statement that is filed by the Company and declared effective pursuant to Section 12(b) of the Exchange Act, with respect to any class of the Company’s securities.

(hh) “Restricted Stock” means Shares issued pursuant to a Restricted Stock award under Section 7 of the Plan, or issued pursuant to the early exercise of an Option.

(ii) “Restricted Stock Unit” means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 8. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(jj) “Section 409A” means Section 409A of the Code, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

(kk) “Securities Act” means the Securities Act of 1933, as amended.

(ll) “Service Provider” means an Employee, Director or Consultant.

(mm) “Share” means a share of Common Stock, as adjusted in accordance with Section 15 of the Plan.

(nn) “Stock Appreciation Right” means an Award, granted alone or in connection with an Option, that pursuant to Section 9 is designated as a Stock Appreciation Right.

(oo) “Subsidiary” means a “subsidiary corporation,” whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the provisions of Section 15 of the Plan, the maximum aggregate number of Shares that may be issued under the Plan is ten percent (10%) of outstanding Common Stock immediately following consummation of the Company’s initial public offering of Common Stock plus (ii) any reserved and authorized shares for awards under the Company’s 2021 Stock Plan that were not granted as of the Registration Date. The Shares may be authorized, but unissued, or reacquired Common Stock. The maximum aggregate number of Shares that may be issued under the Plan will automatically increase annually on the first (1st) day of each Fiscal Year beginning with the 2024 Fiscal Year in an amount equal to five percent (5%) of Common Stock outstanding on the last day of the immediately preceding Fiscal Year or such lesser amount as determined by the Administrator.

(b) Lapsed Awards. For purposes of determining the number of Shares available for issuance under the Plan:

(i) If any Award (A) expires or is terminated, surrendered or cancelled or otherwise becomes unexercisable without having been exercised in full, is forfeited in whole or in part (including as the result of Shares subject to such Award being repurchased by the Company at or below the original issuance price pursuant to a contractual repurchase right) or (B) with respect to Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares, is forfeited to or repurchased by the Company due to failure to vest, then the unpurchased Shares (or, for Awards other than Options or Stock Appreciation Rights, the forfeited, unused or repurchased Shares), which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated); provided, however, that in the case of the exercise of a Stock Appreciation Right, the number of Shares counted against the Shares available for issuance under the Plan shall be the full number of Shares subject to the Stock Appreciation Right multiplied by the percentage of the Stock Appreciation Right actually exercised, regardless of the number of Shares actually used to settle such Stock Appreciation Right upon exercise.

(ii) Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if Shares issued pursuant to Awards of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units are repurchased by the Company or are forfeited to the Company, such Shares will become available for future grant under the Plan.

(iii) Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations (including, without limitation, by actual delivery, attestation or net settlement) by a Participant related to an Award will become available for future grant or sale under the Plan.

(iv) To the extent an Award under the Plan is settled or paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan.

(v) Shares repurchased by the Company on the open market using the proceeds from the exercise of an Award shall not increase the number of Shares available for issuance under the Plan.

(vi) Notwithstanding the foregoing and, subject to adjustment as provided in Section 15, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share pool stated in Section 3(a), plus, to the extent allowable under Section 422 of the Code and the Treasury Regulations promulgated thereunder, any Shares that become available for issuance under the Plan pursuant to Sections 3(b) and 3(c).

(c) Share Reserve. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

(d) Indemnification. In addition to such other rights of indemnification as they may have as Directors or members of the Committee, and to the extent allowed by Applicable Laws, the Committee shall be indemnified by the Company against the reasonable expenses, including attorney's fees, actually incurred in connection with any action, suit or proceeding or in connection with any appeal therein, to which the Committee may be party by reason of any action taken or failure to act under or in connection with the Plan or any Award granted under the Plan, and against all amounts paid by the Committee in settlement thereof (provided, however, that the settlement has been approved by the Company, which approval shall not be unreasonably withheld) or paid by the Committee in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee did not act in good faith and in a manner which such person reasonably believed to be in the best interests of the Company, or in the case of a criminal proceeding, had no reason to believe that the conduct complained of was unlawful; provided, however, that within sixty (60) days after the institution of any such action, suit or proceeding, such Committee shall, in writing, offer the Company the opportunity at its own expense to handle and defend such action, suit or proceeding.

4. Administration of the Plan.

(a) Administration; Delegation. The Plan shall be administered by the Committee. To the extent permitted by Applicable Law, the Committee may delegate to one or more officers of the Company some or all of its authority under the Plan, including the authority to grant Awards (except that such delegation shall not be applicable to any Award for a Person then covered by Section 16 of the Exchange Act), and the Committee may delegate to one or more committees of the Board (which may consist of one or more Directors) some or all of its authority under the Plan, including the authority to grant all types of Awards, in accordance with Applicable Law.

(b) Powers of the Administrator. Subject to the provisions of the Plan and Applicable Law, the Administrator (or its delegate) will have the authority, in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Awards may be granted hereunder;

(iii) to determine the number of Shares to be covered by each Award granted hereunder;

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vi) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(vii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable non-U.S. laws or for qualifying for favorable tax treatment under applicable non-U.S. laws;

(viii) to modify or amend each Award (subject to Section 21 of the Plan), including but not limited to the discretionary authority to extend the post-termination exercisability period of Awards and to extend the maximum term of an Option (subject to Section 6(b) of the Plan regarding Incentive Stock Options);

(ix) to allow Participants to satisfy tax withholding obligations in such manner as prescribed in Section 16 of the Plan;

(x) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xi) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant under an Award;

(xii) to determine the timing and characterization or reason for a Participant's termination of employment or service with the Company; and

(xiii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

5. Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units and Other Share-Based Awards may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Stock Options.

(a) Limitations. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate fair market value of the shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such options will be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options will be taken into account in the order in which they were granted. The fair market value of the shares will be determined as of the time the option with respect to such shares is granted.

(b) Term of Option. The term of each Option will be stated in the Award Agreement, which will be ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(c) Option Exercise Price and Consideration.

(i) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, subject to the following:

(1) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant;

(B) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(2) In the case of a Nonstatutory Stock Option, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of: (A) cash; (B) check; (C) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (D) consideration received by the Company under a broker-assisted (or other) cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (E) by net exercise; (F) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (G) any combination of the foregoing methods of payment.

(d) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option will be deemed exercised when the Company receives: (A) a notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, and (B) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 15 of the Plan.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following the Participant's termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will be forfeited and cancelled. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following the Participant's termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will be forfeited and cancelled. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised following the Participant's death within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the option be exercised later than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's designated beneficiary, provided such beneficiary has been designated prior to Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to

whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following Participant's death (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will be forfeited and cancelled. If the Option is not so exercised within the time specified herein, the Option will terminate.

(v) Prohibition on Repricing. Except as otherwise provided in Section 15, without prior approval of stockholders of the Company, no Option may be (A) amended to reduce the Option's exercise price; (B) cancelled in exchange for the grant of any new Option with a lower exercise price; (C) cancelled in exchange for cash, other property or the grant of any new award at a time when the exercise price of the Option is greater than the current Fair Market Value of a Share; or (D) involved in any other transaction that would be considered a form of repricing under applicable accounting rules and/or the applicable exchange listing requirements.

7. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) Transferability. Except as provided in this Section 7 or the Award Agreement, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeiture as the Shares of Restricted Stock with respect to which they were paid.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

8. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units under the Plan, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon continued employment or service and/or the achievement of Company-wide, divisional, business unit, or individual goals or any other basis determined by the Administrator in its discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payment in respect of the underlying Shares as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made at such times as determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may only settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(e) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited and cancelled.

9. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Service Provider.

(c) Exercise Price and Other Terms. The per share exercise price for the Shares to be issued pursuant to exercise of a Stock Appreciation Right will be determined by the Administrator and will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan. Except as otherwise provided in Section 15, without prior approval of stockholders of the Company, no Stock Appreciation Right may be: (i) amended to reduce the Stock Appreciation Right's exercise price; (ii) cancelled in exchange for the grant of any new Stock Appreciation Right with a lower exercise price; (iii) cancelled in exchange for cash, other property or the grant of any new award at a time when the exercise price of the Stock Appreciation Right is greater than the current Fair Market Value of a Share; or (iv) involved in any other transaction that would be considered a form of repricing under applicable accounting rules and/or the applicable exchange listing requirements.

(d) Stock Appreciation Right Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement, as determined by the Administrator, in its sole discretion. Notwithstanding the foregoing, the rules of Section 6(d) relating to exercise also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

10. Performance Units and Performance Shares.

(a) Grant of Performance Units/Shares. Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Performance Units and Performance Shares granted to each Participant.

(b) Value of Performance Units/Shares. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator will set performance objectives or other vesting provisions (including, without limitation, continued employment or service as a Service Provider) in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units/Shares that will be paid out to the Service Providers. The time period during which the performance objectives or other vesting provisions must be met will be called the "Performance Period." Each Award of Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine. The Administrator may set performance objectives based upon the achievement of Company-wide, divisional, business unit or individual goals or any other basis determined by the Administrator in its discretion. If the Administrator determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which the Company conducts its business, or other events or circumstances render the performance objectives unsuitable, the Administrator may modify the performance objectives or the related level of achievement, in whole or in part, as the Administrator deems appropriate and equitable.

(d) Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payment in respect of units/Shares underlying the Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Performance Unit/Share.

(e) Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Shares will be made at such times as determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(f) Cancellation of Performance Units/Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited and cancelled.

11. Other Share-Based Awards. The Administrator is authorized, subject to limitations under Applicable Law, to grant Other Share-Based Awards. The Administrator shall determine the terms and conditions of such Awards. Shares delivered pursuant to an Award in the nature of a purchase right granted under this Section 11 shall be purchased for such consideration, and paid for at such times, by such methods and in such forms, including cash, Shares, other Awards, other property, net settlement, broker-assisted cashless exercise or any combination thereof, as the Administrator shall determine; provided that the purchase price therefor shall not be less than the Fair Market Value of such Shares on the date of grant of such right.

12. Outside Director Limitations. No Outside Director may be paid, issued or granted, in any Fiscal Year, cash compensation and equity awards (including any Awards issued under this Plan) with an aggregate value greater than \$750,000 (with the value of each equity award based on its grant date fair value (determined in accordance with U.S. generally accepted accounting principles). Any cash compensation paid or Awards granted to an individual for his or her services as an Employee, or for his or her services as a Consultant (other than as an Outside Director), will not count for purposes of the limitation under this Section 12.

13. Leaves of Absence/Transfer Between Locations. Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence. A Participant will not cease to be an Employee in the case of (a) any leave of absence approved by the Company or (b) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months following the first (1st) day of such leave, any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

14. Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will, by the laws of descent or distribution or to a trust or estate planning vehicle (provided that such trust or estate planning vehicle is approved by the Administrator), and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate.

15. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, separation, rights offering, repurchase, or exchange of Shares or other securities of the Company occurs, or in the event that there are changes in Applicable Laws, regulations or accounting principles, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, subject to compliance with Section 409A and other Applicable Law, adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award, the terms and conditions of any outstanding Award and the numerical Share limits in Section 3 of the Plan.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control. In the event of a merger of the Company with or into another corporation or other entity or a Change in Control, each outstanding Award will be treated as the Administrator determines subject to the restriction in the following paragraph, including, without limitation, that each Award be assumed or an equivalent option or right substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. The Administrator will not be required to treat all Awards or Participants similarly in the transaction.

In the event that the successor corporation does not assume or substitute for the Award, the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, unless specifically provided otherwise under the applicable Award Agreement, a Company policy applicable to the Participant, or other written agreement between the Participant and the Company, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period for no consideration.

For the purposes of this subsection (c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, Performance Unit or Performance Share, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control.

Notwithstanding anything in this Section 15(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

(d) Outside Director Awards. With respect to Awards granted to an Outside Director, in the event of a Change in Control, then the Outside Director will fully vest in and have the right to exercise Options and/or Stock Appreciation Rights as to all of the Shares underlying such Award, including those Shares which would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, unless specifically provided otherwise under the applicable Award Agreement, a Company policy applicable to the Outside Director, or other written agreement between the Outside Director and the Company, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met.

16. Tax.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof) or such earlier time as any tax withholding obligations are due, the Company will have the power and the right to deduct or withhold from any Award granted or any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to the Participant, or require a Participant to remit to the Company, an amount sufficient to satisfy U.S. federal, state, or local taxes, non-U.S. taxes, or other taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a fair market value not in excess of the maximum statutory amount required to be withheld (i.e., net settlement), or (iii) delivering to the Company already-owned Shares having a fair market value not in excess of the maximum statutory amount required to be withheld or (iv) any combination thereof. The fair market value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

(c) Compliance With Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. If any provision of the Plan or any term or condition of any Award would otherwise frustrate or conflict with this intent, the provision, term or condition shall be interpreted and deemed amended so as to avoid this conflict. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A, the Award will be granted, paid, settled or deferred

in a manner that will meet the requirements of Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A. Notwithstanding anything in the Plan to the contrary, if the Board considers a Participant to be a “specified employee” under Section 409A at the time of such Participant’s “separation from service” (as defined in Section 409A), and any amount hereunder is “deferred compensation” subject to Section 409A, any distribution of such amount that otherwise would be made to such Participant with respect to an Award as a result of such “separation from service” shall not be made until the date that is six months after such “separation from service,” except to the extent that earlier distribution would not result in such Participant’s incurring interest or additional tax under Section 409A. If an Award includes a “series of installment payments” (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), the Participant’s right to such series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment, and if an Award includes “dividend equivalents” (within the meaning of Section 1.409A-3(e) of the Treasury Regulations), the Participant’s right to such dividend equivalents shall be treated separately from the right to other amounts under the Award. Notwithstanding the foregoing, the tax treatment of the benefits provided under the Plan or any Award Agreement is not warranted or guaranteed, and in no event shall the Company (or any Parent or Subsidiary of the Company, as applicable) be liable for or reimburse a Participant for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by any Participant on account of non-compliance with Section 409A.

17. No Effect on Employment or Service. Neither the Plan nor any Award (nor any vesting schedule contained therein) will confer upon a Participant any right with respect to continuing the Participant’s relationship as a Service Provider, nor will they interfere in any way with the Participant’s right or the right of the Company (or any Parent or Subsidiary of the Company) to terminate such relationship at any time, with or without Cause, to the extent permitted by Applicable Laws.

18. No Uniformity of Treatment. No Service Provider, Participant, or other Person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Service Providers, Participants, holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to each recipient. Any Award granted under the Plan shall be a one-time Award that does not constitute a promise of or any contractual right to receive future grants, or benefits in lieu of grants, even if Awards have been granted in the past. The Company, in its sole discretion, maintains the right to make available future grants under the Plan.

19. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

20. Term of Plan. Subject to Section 25 of the Plan, the Plan will become effective upon the later to occur of (a) its adoption by the Board or (b) the business day immediately prior to the Registration Date. It will continue in effect for a term of ten (10) years from the date adopted by the Board, unless terminated earlier under Section 21 of the Plan.

21. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time amend, alter, suspend or terminate the Plan and the Administrator may at any time waive any conditions or rights under, amend any terms of, or amend, alter, suspend or terminate any Award granted thereunder, prospectively or retroactively, without the consent of any relevant Participant or beneficiary of an Award, subject to Section 21(c).

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan or any Award will materially adversely impair the rights of any Participant or beneficiary under any Award theretofore granted under the Plan, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company except (i) to the extent any such action is made to cause the Plan to comply with Applicable Law, stock market or exchange rules and regulations or accounting or tax rules and regulations, or (ii) to impose any "clawback" or recoupment provisions on any Awards (including any amounts or benefits arising from such Awards) in accordance with Section 24 hereof. The Administrator shall be authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of events (including the events described in Section 15) affecting the Company, or the financial statements of the Company, or of changes in Applicable Laws, regulations or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

22. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

23. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction or to complete or comply with the requirements of any registration or other qualification of the Shares under any U.S. federal or state law, any non-U.S. law, or the rules and regulations of the Securities and Exchange Commission, the stock exchange on which Shares of the same class are then listed, or any other governmental or regulatory body, which authority, registration, qualification or rule compliance is deemed by the Company's counsel to be necessary or

advisable for the issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority, registration, qualification or rule compliance will not have been obtained.

24. Forfeiture Events.

(a) All Awards granted under the Plan will be subject to recoupment under any clawback policy that the Company has in place from time to time, including any policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Laws. The Administrator may, to the extent permitted by Applicable Laws and stock exchange rules or by any applicable policy or arrangement, and shall, to the extent required, cancel or require repayment of any Awards granted to a Participant or any Shares issued or cash received upon vesting, exercise or settlement of any such Awards or sale of Shares underlying such Awards. In addition, the Administrator may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Administrator determines necessary or appropriate, including but not limited to a reacquisition right regarding previously acquired Shares or other cash or property.

(b) The Administrator may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award will be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but will not be limited to, termination of such Participant's status as a Service Provider for cause or any specified action or inaction by a Participant, whether before or after the date Participant is no longer a Service Provider, that would constitute cause for termination of such Participant's status as a Service Provider.

(c) If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under securities laws, any Participant who (1) knowingly or through gross negligence engaged in the misconduct or who knowingly or through gross negligence failed to prevent the misconduct or (2) is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002, must reimburse the Company the amount of any payment in settlement of an Award earned or accrued during the twelve (12)-month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever first occurred) of the financial document embodying such financial reporting requirement.

25. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

26. Miscellaneous.

(a) Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(b) If any provision of the Plan or any Award Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Administrator, such provision shall be construed or deemed amended to conform to Applicable Laws, or if it cannot be so construed or deemed amended without, in the determination of the Administrator, materially altering the intent of the Plan or the Award Agreement, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of the Plan and any such Award Agreement shall remain in full force and effect.

(c) Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(d) No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Administrator shall determine whether cash or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

(e) Awards may be granted to Participants who are non-United States nationals or employed or providing services outside the United States, or both, on such terms and conditions different from those applicable to Awards to Participants who are employed or providing services in the United States as may, in the judgment of the Administrator, be necessary or desirable to recognize differences in local law, tax policy or custom. The Administrator also may impose conditions on the exercise or vesting of Awards in order to minimize the Administrator's obligation with respect to tax equalization for Participants on assignments outside their home country.

(f) Language. If the Participant receives an Award Agreement or any other document related to the Plan translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version of such Award Agreement or such other document will control.

27. Successors and Assigns. The terms of the Plan shall be binding upon and inure to the benefit of the Company and any assignee or successor entity, including any successor entity contemplated by Section 15(c).

28. Data Protection.

(a) Personal Data Processing. By participating in the Plan, the Participant understands and acknowledges that it is necessary for the Company, Parent and any of its Subsidiaries and affiliates to collect, use, disclose, hold, transfer and otherwise process certain personal information about the Participant, including, but not limited to, the Participant's Data, or other personal information as described in an Award Agreement or any other grant materials or as otherwise provided to the Company or any Parent, Subsidiary or affiliate for the purpose of implementing, administering and managing the Plan. Any such processing will be carried out in accordance with the Company's legitimate interest in administering the Plan and only to the extent permitted by and in full compliance with any applicable data protection laws and regulations. A Participant's failure or refusal to provide or update such Participant's Data (or to agree to the terms and conditions of the Plan) may result in the Company being unable to administer the Plan in respect of such Participant. A Participant's Data will be retained by the Company for as long as such Participant holds Awards and/or Shares in the Company, and thereafter, to the extent necessary to fulfill lawful purposes or as long as required by applicable law, which is generally seven (7) years. These purposes include:

(i) administering and maintaining Participant records;

(ii) providing information to the Company or any Parent, Subsidiary or affiliate, trustees of any employee benefit trust, registrars, brokers or third-party administrators of the Plan;

(iii) providing information to future purchasers or merger partners of the Company or any affiliate, or the business in which the Participant works; and

(iv) transferring information about the Participant to any country or territory that may not provide the same protection for the information as the Participant's home country.

(b) Disclosure. The Company may transfer a Participant's Data amongst its Parent, Subsidiaries or affiliates and service providers, acting as processors or joint data controllers, including any stock plan administrator (the "Stock Plan Administrator") that is an independent service provider based in the United States assisting the Company with the implementation, administration and management of the Plan. The Stock Plan Administrator may open an account for a Participant to receive and trade Shares. A Participant may be asked to acknowledge, or agree to, separate terms and data processing practices with the Stock Plan Administrator. In the future, the Company may select a different service provider or additional service providers and share Data with such other provider(s) serving the Company in a similar manner.

(c) International Transfer. A Participant's Data may be transferred from such Participant's country to other jurisdictions, including the United States. The Participant understands and acknowledges that such jurisdictions might have enacted data privacy laws that are less protective or otherwise different from those applicable in the Participant's country of residence. The Company shall take reasonable steps to ensure that the Participant's Data is legally transferred and continues to be adequately protected and securely held. If the Participant's Data is subject to the data protection laws of the European Economic Area, including the United Kingdom (the "EEA"), the Company shall rely upon an adequate mechanism for the international transfer and subsequent onward transfers of personal data. The Company is certified to the EU-U.S. Privacy Shield Program.

(d) Data Subject Rights. Subject to the nature of the data, the purpose and nature of the processing, and any lawful bases of the Company, the Participant understands that he or she may have a number of rights under data privacy laws in the Participant's jurisdiction. Subject to the conditions set out in the applicable law and depending on where the Participant is based, such rights may include the right to (i) request access to or copies of Data processed by the Company, (ii) rectification of incorrect Data, (iii) deletion of Data, (iv) restrictions on the processing of Data, (v) object to the processing of Data for legitimate interests, (vi) portability of Data, (vii) lodge complaints with competent authorities in the Participant's jurisdiction, and/or (viii) receive a list with the names and addresses of any potential recipients of the Participant's Data. To receive clarification regarding these rights or to exercise these rights, the Participant may contact the Company.

(e) Data Controller and Data Protection Officer. The data controller is the Company and the data protection officer is the Company's Director of IT.

29. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Awards granted under the Plan or future Awards that may be granted under the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. By participating in the Plan, the Participant consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

30. Governing Law. The Plan and each Award Agreement shall be governed by the laws of the State of Delaware, without application of the conflicts of law principles thereof.

LIST OF SUBSIDIARIES OF SHIMMICK CORPORATION

<u>Entity Name</u>	<u>Jurisdiction of Organization</u>
Rust Constructors, Inc.	Delaware
Shimmick Construction Company, Inc.	California
The Leasing Corporation	Nevada
Gilcrease Constructors	Oklahoma
21 st Century Rail Corporation	Delaware
Gilcrease Holding Company LLC	Oklahoma
Gilcrease Developers LLC	Oklahoma
Shimmick/Traylor/Granite JV	California
Shimmick Construction Company Inc. / Danny's Construction Co., LLC, Joint Venture	California
Shimmick Construction Company, Inc. / California Engineering Contractors, Inc., Joint Venture	California
Myers & Sons / Shimmick Construction Company, Inc. Joint Venture	California
Shimmick Construction Company, Inc. / FCC Construcccion S.A. / Impregilo S.P.A., Joint Venture	California
SFI Leasing Company	California
Shimmick Construction Company, Inc. / Con-Quest Contractors, Inc., Joint Venture	California
Skansa USA Civil, Inc. / Shimmick Construction Company, Inc. / Herzog Contract Corp., Joint Venture	California
Shimmick Construction Company, Inc. / Disney Construction, Inc., Joint Venture	California
Shimmick Construction Company, Inc. / Parson Construction Group, Inc., Joint Venture	California
Shimmick Construction Company Inc. / Nicholson Joint Venture	California
Eastside LRT Constructors	California
Washington Group / Alberici Joint Venture	Illinois

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement No. 333-274870 on Form S-1 of our report dated July 14, 2023 (August 9, 2023 as to earnings per share information and Notes 1, 7 and 10 and October 23, 2023, as to the effects of the stock split described in Notes 1 and 14), relating to the financial statements of SCCI National Holdings, Inc. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ DELOITTE & TOUCHE LLP

Denver, Colorado
October 23, 2023

Calculation of Filing Fee Tables

Form S-1
(Form Type)

Shimmick Corporation

(Exact Name of Registrant as Specified in Its Charter)

Table 1: Newly Registered and Carry Forward Securities

	Security Type	Security Class Title	Fee Calculation or Carry Forward Rule	Amount Registered	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price ⁽¹⁾	Fee Rate	Amount of Registration Fee	Carry Forward Form Type	Carry Forward File Number	Carry Forward Initial Effective Date	Filing Fee Previously Paid in Connection with Unsold Securities to be Carried Forward
Newly Registered Securities												
Fees to be Paid	Equity	Common stock, \$0.01 par value per share	Rule 457(a)	5,232,500	\$12.00	\$62,790,000 ⁽²⁾	0.00014760	\$9,268				
Fees Previously Paid	Equity	Common stock, \$0.01 par value per share	Rule 457(o)	—	—	\$50,000,000 ⁽³⁾	0.00014760	\$7,380				
	Total Offering Amounts					\$62,790,000 ⁽²⁾		\$9,268				
	Total Fees Previously Paid							\$7,380				
	Total Fee Offsets											
	Net Fee Due							\$1,888				

(1) Includes shares of our common stock subject to the underwriters' option to purchase additional shares.

(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(a) under the Securities Act of 1933, as amended.

(3) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.