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

# FORM 10-Q

**(Mark One)**

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

**For the quarterly period ended September 30, 2025**

**OR**

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

**For the transition period from _____ to _____**

**Commission File No. 001-36876**

# BABCOCK & WILCOX ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

| **Delaware** | **47-2783641** |
|---|---|
| (State or other Jurisdiction of Incorporation or Organization) | (I.R.S. Employer Identification No.) |
| **1200 East Market Street, Suite 650**<br>**Akron, Ohio** | **44305** |
| (Address of Principal Executive Offices) | (Zip Code) |

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

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $0.01 par value | BW | New York Stock Exchange |
| 8.125% Senior Notes due 2026 | BWSN | New York Stock Exchange |
| 6.50% Senior Notes due 2026 | BWNB | New York Stock Exchange |
| 7.75% Series A Cumulative Perpetual Preferred Stock | BW PRA | New York Stock Exchange |

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

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

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

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

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

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

Yes ☐ No ☒

The number of shares of the registrant's common stock outstanding at November 4, 2025 was 111,100,100.

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**Definitions**

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

| Abbreviation or acronym | Term |
|---|---|
| 6.50% Senior Notes | 6.50% Senior Notes due December 31, 2026 issued by Babcock & Wilcox Enterprises, Inc. in 2021 |
| 8.125% Senior Notes | 8.125% Senior Notes due February 28, 2026 issued by Babcock & Wilcox Enterprises, Inc. in 2021 |
| 8.75% Senior Notes | 8.75% Senior Secured Notes due June 30, 2030 issued by Babcock & Wilcox Enterprises, Inc. in 2025 |
| Agents | Collectively, B. Riley Securities, Inc., Seaport Global Securities LLC, Craig-Hallum Capital Group LLC and Lake Street Capital Markets, LLC |
| AOCI | Accumulated Other Comprehensive Income (loss) |
| ASC | Accounting Standards Codification |
| ASH | Allen-Sherman-Hoff Division |
| ASU | Accounting Standards Update |
| At-The-Market offering | The offer and sale from time to time of shares of our common stock, having an aggregate offering price of up to $50.0 million |
| Axos | Axos Bank, an affiliate of Axos Financial, Inc. |
| B&W Solar | Babcock & Wilcox Solar Energy, Inc., formerly known as Fosler Construction Company, Inc. |
| B. Riley | B. Riley Financial, Inc and its affiliates, a related party |
| BWRS | Babcock & Wilcox Renewable Service A/S |
| CODM | Chief Operating Decision Maker, who is our chief executive officer |
| Credit Agreement | Credit Agreement between us, with certain of our subsidiaries as guarantors, the lenders party thereto from time to time and Axos Bank, as administrative agent, swingline lender and letter of credit issuer on January, 18, 2024 (as amended from time to time). |
| Credit Facility | Revolving credit facility |
| CTA | Currency translation adjustment |
| Debt Facilities | Collectively, the Revolving Credit Agreement and Letter of Credit Agreement |
| Diamond Power | Diamond Power International, LLC |
| EBITDA | Earnings before interest, taxes, depreciation and amortization |
| Exchange Act | The Securities Exchange Act of 1934, as amended |
| FASB | Financial Accounting Standards Board |
| GAAP | Generally Accepted Accounting Principles in the United States of America |
| GMAB | Babcock & Wilcox Vølund AB f/k/a Götaverken Miljö AB |
| Letter of Credit Agreement | Letter of Credit agreement with PNC |
| MSD | MSD Partners and affiliates, including MSD PCOF Partners XLV, LLC |
| MTM | Mark-to-Market |
| Over time | Refers to fixed long-term pricing in contract term revenue |
| PBGC | Pension Benefit Guaranty Corporation |
| PNC | PNC Bank, National Association |
| Preferred Stock | 7.75% Series A Cumulative Perpetual Preferred Stock |
| Sales Agreement | Sales agreement with B. Riley Securities, Inc., Seaport Global Securities LLC, Craig-Hallum Capital Group LLC and Lake Street Capital Markets, LLC |
| SEC | United States Securities and Exchange Commission |
| Securities Act | The Securities Act of 1933, as amended |
| SG&A | Selling, general and administrative expenses |

| Abbreviation or acronym | Term |
|---|---|
| SOFR | The Secured Overnight Financing Rate |
| SPIG | SPIG S.p.A |

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

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

The forward-looking statements included herein are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events, or otherwise, except as required by law. These forward-looking statements are based on management's current expectations and involve a number of risks and uncertainties, including, but not limited to: that our financial condition raises substantial doubt as to our ability to continue as a going concern and potential reactions thereto; our amendments and waivers to our Debt Facilities; our need for additional financing to continue as a going concern; our ability to improve our financial position or to obtain additional capital or refinance any of our debt in the future on commercially reasonable terms or at all; our ability to maintain adequate bonding and letter of credit capacity; risks associated with contractual pricing in our industry; our relationships with customers, subcontractors and other third parties; our ability to comply with our contractual obligations; disruptions at our manufacturing facilities or a third-party manufacturing facility that we have engaged; the actions or failures of our co-venturers; our ability to implement our growth strategy, including through strategic acquisitions, which we may not successfully consummate or integrate; our evaluation of strategic alternatives for certain businesses and non-core assets may not result in a successful transaction; the risks of unexpected adjustments and cancellations in our backlog; risks associated with our new and projected data center projects; professional liability, product liability, warranty and other claims; our ability to compete successfully against current and future competitors; our ability to develop and successfully market new products; the impacts of macroeconomic downturns, industry conditions and public health crises; the cyclical nature of the industries in which we operate; changes in the legislative and regulatory environment in which we operate; supply chain issues, including shortages of adequate components; failure to properly estimate customer demand; our ability to comply with the covenants in our debt agreements; our ability to to improve our financial position or to obtain additional capital or refinance any of our debt in the future on commercially reasonable terms or at all; our ability to maintain adequate bonding and letter of credit capacity; impairment of goodwill or other indefinite-lived intangible assets; credit risk; disruptions in, or failures of, our information systems; our ability to comply with privacy and information security laws; our ability to protect our intellectual property and use the intellectual property that we license from third parties; risks related to our international operations, including fluctuations in the value of foreign currencies, current and future changes to global tariffs, sanctions and export controls that could harm our profitability; volatility in the price of our common stock; B. Riley's significant influence over us; changes in tax rates or tax law; our ability to use net operating loss and certain tax credits; our ability to maintain effective internal control over financial reporting; our ability to attract and retain skilled personnel and senior management; labor problems, including negotiations with labor unions and possible work stoppages; risks associated with our retirement benefit plans; natural disasters or other events beyond our control, such as war, armed conflicts or terrorist attacks; and the risks and uncertainties described under the heading "Risk Factors" in Part I, Item 1A of our Annual Report and Quarterly Reports on Form 10-Q, as such risk factors may be amended, supplemented or superseded from time to time by other reports we file with the SEC.

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

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

## PART I

**ITEM 1. Condensed Consolidated Financial Statements**

**BABCOCK & WILCOX ENTERPRISES, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**
**(Unaudited)**

| (in thousands, except per share amounts) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| Revenues | $ 149,011 | $ 152,631 | $ 448,871 | $ 444,919 |
| Costs and expenses: | | | | |
| Cost of operations | 111,869 | 116,517 | 337,921 | 345,572 |
| Selling, general and administrative expenses | 29,782 | 33,335 | 92,807 | 98,485 |
| Research and development costs | 303 | 1,212 | 1,601 | 2,754 |
| Impairment of long-lived assets | — | — | 950 | — |
| Loss on asset disposals, net | 557 | — | 730 | — |
| Total costs and expenses | 142,511 | 151,064 | 434,009 | 446,811 |
| **Operating income (loss)** | **6,500** | **1,567** | **14,862** | **(1,892)** |
| Other (expense) income: | | | | |
| Interest expense | (8,500) | (10,057) | (30,534) | (34,037) |
| Interest income | 356 | 159 | 1,133 | 466 |
| Gain (loss) on debt extinguishment | 1,730 | (665) | 1,730 | (6,789) |
| Benefit plans, net | (783) | 67 | (2,338) | 203 |
| Foreign exchange | (466) | 1,230 | 396 | 2,235 |
| Other expense, net | (151) | (720) | (776) | (1,111) |
| Total other expense, net | (7,814) | (9,986) | (30,389) | (39,033) |
| **Loss before income tax expense** | **(1,314)** | **(8,419)** | **(15,527)** | **(40,925)** |
| Income tax expense (benefit) | 1,028 | (508) | 6,872 | 2,637 |
| **Loss from continuing operations** | **(2,342)** | **(7,911)** | **(22,399)** | **(43,562)** |
| Income (loss) from discontinued operations, net of tax | 37,434 | 2,579 | (23,008) | 46,804 |
| **Net income (loss) attributable to stockholders** | **35,092** | **(5,332)** | **(45,407)** | **3,242** |
| Less: Dividend on Series A preferred stock | 3,715 | 3,715 | 11,145 | 11,144 |
| **Net income (loss) attributable to stockholders of common stock** | **$ 31,377** | **$ (9,047)** | **$ (56,552)** | **$ (7,902)** |
| | | | | |
| Basic and diluted earnings (loss) per share: | | | | |
| Continuing operations | $ (0.06) | $ (0.13) | $ (0.34) | $ (0.60) |
| Discontinued operations | 0.36 | 0.03 | (0.23) | 0.51 |
| **Basic and diluted earnings (loss) per share** | **$ 0.30** | **$ (0.10)** | **$ (0.57)** | **$ (0.09)** |
| | | | | |
| Shares used in the computation of earnings (loss) per share: | | | | |
| Basic and diluted | 103,047 | 92,252 | 99,918 | 90,932 |

See accompanying notes to the Condensed Consolidated Financial Statements.

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

| (in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| Net income (loss) | $ 35,092 | $ (5,332) | $ (45,407) | $ 3,242 |
| Other comprehensive income (loss): | | | | |
| Currency translation adjustments | 4,170 | 3,241 | 6,769 | (2,150) |
| Recognition of currency translation adjustments to net income | 13,981 | — | 66,627 | 1,201 |
| | | | | |
| Benefit obligations: | | | | |
| Pension and post retirement adjustments, net of tax | 124 | 231 | 371 | 694 |
| | | | | |
| Other comprehensive income (loss) | 18,275 | 3,472 | 73,767 | (255) |
| Total comprehensive income (loss) | 53,367 | (1,860) | 28,360 | 2,987 |
| Comprehensive loss (income) attributable to non-controlling interest from discontinued operations | — | 10 | (23) | 127 |
| **Comprehensive income (loss) attributable to stockholders** | **$ 53,367** | **$ (1,850)** | **$ 28,337** | **$ 3,114** |

See accompanying notes to the Condensed Consolidated Financial Statements.

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

| (in thousands, except per share amounts) | September 30, 2025 | December 31, 2024 |
|---|---|---|
| Cash and cash equivalents | $ 24,393 | $ 23,400 |
| Current restricted cash | 165,527 | 94,167 |
| Accounts receivable – trade, net of allowance for credit losses of $1.4 million and $1.4 million as of September 30, 2025 and December 31, 2024, respectively | 101,662 | 94,509 |
| Contracts in progress | 70,757 | 79,392 |
| Inventories, net | 64,564 | 64,802 |
| Other current assets | 26,760 | 23,576 |
| Current assets held for sale | 26,070 | 172,668 |
| Total current assets | 479,733 | 552,514 |
| Net property, plant and equipment and finance leases | 66,618 | 60,921 |
| Goodwill | 52,595 | 51,411 |
| Intangible assets, net | 16,809 | 18,699 |
| Right-of-use assets | 17,892 | 16,902 |
| Long-term restricted cash | 10,340 | 10,042 |
| Deferred tax assets | 85 | — |
| Other assets | 13,812 | 16,498 |
| **Total assets** | **$ 657,884** | **$ 726,987** |
| | | |
| Accounts payable | $ 75,637 | $ 92,068 |
| Accrued employee benefits | 5,928 | 3,830 |
| Advance billings on contracts | 79,439 | 57,814 |
| Accrued warranty expense | 2,609 | 2,748 |
| Financing lease liabilities | 1,831 | 1,644 |
| Operating lease liabilities | 3,375 | 3,204 |
| Other accrued liabilities | 29,333 | 28,729 |
| Current senior notes | 98,157 | — |
| Current borrowings | 70,300 | 125,137 |
| Current liabilities held for sale | 34,376 | 91,477 |
| Total current liabilities | **400,985** | **406,651** |
| Senior notes, net of current portion | 89,790 | 340,227 |
| Senior Notes due 2030 | 144,646 | — |
| Borrowings, net of current portion | 13,476 | 8,556 |
| Pension and other postretirement benefit liabilities | 178,954 | 192,665 |
| Finance lease liabilities, net of current portion | 27,195 | 28,501 |
| Operating lease liabilities, net of current portion | 14,741 | 13,801 |
| Deferred tax liability | 10,547 | 9,800 |
| Other noncurrent liabilities | 9,757 | 9,958 |
| **Total liabilities** | **890,091** | **1,010,159** |
| | | |
| Stockholders' deficit: | | |
| Preferred stock, par value $0.01 per share, authorized shares of 20,000; issued and outstanding shares 7,669 at September 30, 2025 and December 31, 2024 | 77 | 77 |
| Common stock, par value $0.01 per share, authorized shares of 500,000; outstanding shares of 111,100 and 95,138 at September 30, 2025 and December 31, 2024, respectively | 5,375 | 5,208 |
| Capital in excess of par value | 1,593,388 | 1,558,828 |
| Treasury stock at cost, 2,690 and 2,379 shares at September 30, 2025 and December 31, 2024, respectively | (115,886) | (115,500) |
| Accumulated deficit | (1,702,268) | (1,645,716) |
| Accumulated other comprehensive loss | (12,893) | (86,660) |
| Stockholders' deficit attributable to shareholders | (232,207) | (283,763) |
| Non-controlling interest from discontinued operations | — | 591 |
| **Total stockholders' deficit** | **(232,207)** | **(283,172)** |
| **Total liabilities and stockholders' deficit** | **$ 657,884** | **$ 726,987** |

See accompanying notes to the Condensed Consolidated Financial Statements.

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

| (in thousands) | Common Stock Shares | Common Stock Par Value | Preferred Stock Shares | Preferred Stock Par Value | Capital In Excess of Par Value | Treasury Stock | Accumulated Deficit | Accumulated Other Comprehensive Loss | Non-controlling Interest | Total Stockholders' Deficit |
|---|---|---|---|---|---|---|---|---|---|---|
| Balance at December 31, 2024 | 95,138 | $ 5,208 | 7,669 | $ 77 | $ 1,558,828 | $ (115,500) | $ (1,645,716) | $ (86,660) | $ 591 | $ (283,172) |
| Net loss | — | — | — | — | — | — | (22,007) | — | 18 | (21,989) |
| Currency translation adjustments | — | — | — | — | — | — | — | 403 | 4 | 407 |
| Pension and post retirement adjustments, net of tax | — | — | — | — | — | — | — | 124 | — | 124 |
| Stock-based compensation charges | — | — | — | — | 760 | — | — | — | — | 760 |
| Dividends to preferred stockholders | — | — | — | — | — | — | (3,715) | — | — | (3,715) |
| Common stock offering, net | 3,266 | 32 | — | — | 5,155 | — | — | — | — | 5,187 |
| Dividends to non-controlling interest | — | — | — | — | — | — | — | — | (118) | (118) |
| Balance at March 31, 2025 | 98,404 | $ 5,240 | 7,669 | $ 77 | $ 1,564,743 | $ (115,500) | $ (1,671,438) | $ (86,133) | $ 495 | $ (302,516) |
| Net loss | — | $ — | — | $ — | $ — | $ — | $ (58,492) | $ — | $ 26 | $ (58,466) |
| Currency translation adjustments | — | — | — | — | — | — | — | 54,842 | 19 | 54,861 |
| Pension and post retirement adjustments, net of tax | — | — | — | — | — | — | — | 123 | — | 123 |
| Stock-based compensation charges | 531 | 5 | — | — | 728 | — | — | — | — | 733 |
| Dividends to preferred stockholders | — | — | — | — | — | — | (3,715) | — | — | (3,715) |
| Common stock offering, net | 254 | 3 | — | — | 291 | — | — | — | — | 294 |
| Balance at June 30, 2025 | 99,189 | $ 5,248 | 7,669 | $ 77 | $ 1,565,762 | $ (115,500) | $ (1,733,645) | $ (31,168) | $ 540 | $ (308,686) |
| Net income | — | $ — | — | $ — | $ — | $ — | $ 35,092 | $ — | $ 16 | $ 35,108 |
| Currency translation adjustments | — | — | — | — | — | — | — | 18,151 | — | 18,151 |
| Pension and post retirement adjustments, net of tax | — | — | — | — | — | — | — | 124 | — | 124 |
| Stock-based compensation charges | 439 | 12 | — | — | 741 | (386) | — | — | — | 367 |
| Dividends to preferred stockholders | — | — | — | — | — | — | (3,715) | — | — | (3,715) |
| Common stock offering, net | 11,472 | 115 | — | — | 26,885 | — | — | — | — | 27,000 |
| Divestiture of non-controlling interest | — | — | — | — | — | — | — | — | (556) | (556) |
| Balance at September 30, 2025 | 111,100 | $ 5,375 | 7,669 | $ 77 | $ 1,593,388 | $ (115,886) | $ (1,702,268) | $ (12,893) | $ — | $ (232,207) |

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

| (in thousands) | Common Stock Shares | Common Stock Par Value | Preferred Stock Shares | Preferred Stock Par Value | Capital In Excess of Par Value | Treasury Stock | Accumulated Deficit | Accumulated Other Comprehensive Loss | Non-controlling Interest | Total Stockholders' Deficit |
|---|---|---|---|---|---|---|---|---|---|---|
| Balance at December 31, 2023 | 89,449 | $ 5,148 | 7,669 | $ 77 | $ 1,546,281 | $ (115,164) | $ (1,570,942) | $ (66,361) | $ 611 | $ (200,350) |
| Net loss | — | — | — | — | — | — | (16,833) | — | 42 | (16,791) |
| Currency translation adjustments | — | — | — | — | — | — | — | (3,125) | (109) | (3,234) |
| Pension and post retirement adjustments, net of tax | — | — | — | — | — | — | — | 231 | — | 231 |
| Stock-based compensation charges | 31 | 1 | — | — | 1,390 | — | — | — | — | 1,391 |
| Dividends to preferred stockholders | — | — | — | — | — | — | (3,714) | — | — | (3,714) |
| Balance at March 31, 2024 | 89,480 | $ 5,149 | 7,669 | $ 77 | $ 1,547,671 | $ (115,164) | $ (1,591,489) | $ (69,255) | $ 544 | $ (222,467) |
| Net income | — | $ — | — | $ — | $ — | $ — | $ 25,315 | $ — | $ 49 | $ 25,364 |
| Currency translation adjustments | — | — | — | — | — | — | — | (1,065) | (8) | (1,073) |
| Pension and post retirement adjustments, net of tax | — | — | — | — | — | — | — | 232 | — | 232 |
| Stock-based compensation charges | 126 | 1 | — | — | 1,273 | (16) | — | — | — | 1,258 |
| Dividends to preferred stockholders | — | — | — | — | — | — | (3,715) | — | — | (3,715) |
| Common stock offering, net | 2,404 | 24 | — | — | 2,033 | — | — | — | — | 2,057 |
| Balance at June 30, 2024 | 92,010 | $ 5,174 | 7,669 | $ 77 | $ 1,550,977 | $ (115,180) | $ (1,569,889) | $ (70,088) | $ 585 | $ (198,344) |
| Net loss | — | $ — | — | $ — | $ — | $ — | $ (5,332) | $ — | $ 1 | $ (5,331) |
| Currency translation adjustments | — | — | — | — | — | — | — | 3,241 | (10) | 3,231 |
| Pension and postretirement adjustments, net of tax | — | — | — | — | — | — | — | 231 | — | 231 |
| Stock-based compensation charges | 372 | 6 | — | — | 1,062 | (258) | — | — | — | 810 |
| Dividends to preferred stockholders | — | — | — | — | — | — | (3,715) | — | — | (3,715) |
| Balance at September 30, 2024 | 92,382 | $ 5,180 | 7,669 | $ 77 | $ 1,552,039 | $ (115,438) | $ (1,578,936) | $ (66,616) | $ 576 | $ (203,118) |

See accompanying notes to the Condensed Consolidated Financial Statements.

**BABCOCK & WILCOX ENTERPRISES, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Unaudited)**

| (in thousands) | Nine Months Ended September 30, 2025 | 2024 |
|---|---|---|
| Operating Activities: | | |
| Net loss from continuing operations | $ (22,399) | $ (43,562) |
| Net (loss) income from discontinued operations | (23,008) | 46,804 |
| Net (loss) income | $ (45,407) | $ 3,242 |
| | | |
| Adjustments to reconcile net (loss) income to net cash used in operating activities: | | |
| Depreciation and amortization of long-lived assets | 7,754 | 13,736 |
| Impairment of long-lived assets | 9,917 | 5,838 |
| Amortization of deferred financing costs and debt discount | 1,460 | 3,721 |
| Amortization of guaranty fee | 108 | 2,133 |
| Non-cash operating lease expense | 5,163 | 5,223 |
| (Gain) loss on debt extinguishment | (1,730) | 6,789 |
| Gain on sale of business | (17,319) | (40,124) |
| Loss on asset disposals, net | 882 | 421 |
| Benefit from deferred income taxes | (481) | (6,544) |
| Prior service cost amortization for pension and postretirement plans | 371 | 693 |
| Stock-based compensation | 2,245 | 3,781 |
| Foreign exchange | (5,726) | (1,429) |
| Unrealized loss on securities | 2,151 | 43 |
| Bad debt expense | 45 | (1,024) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable - trade, net | (6,284) | (14,188) |
| Contracts in progress | 11,922 | (30,398) |
| Other current and noncurrent assets | (8,191) | (12,015) |
| Advance billings on contracts | 16,600 | (20,703) |
| Inventories, net | (6,131) | (3,434) |
| Income taxes | (98) | 2,665 |
| Accounts payable | (33,231) | 5,127 |
| Accrued and other current liabilities | 12,768 | (5,819) |
| Accrued contract loss | (4,504) | (5,957) |
| Pension liabilities, accrued postretirement benefits and employee benefits | (6,765) | (7,623) |
| Other, net | (1,419) | (369) |
| **Net cash used in operating activities** | **(65,900)** | **(96,215)** |
| Investing Activities: | | |
| Purchase of property, plant and equipment | (12,594) | (10,127) |
| Purchases of securities | (5,592) | (4,537) |
| Sales and maturities of securities | 3,155 | 5,013 |
| Proceeds from sale of business and assets, net | 187,450 | 87,613 |
| **Net cash provided by investing activities** | **172,419** | **77,962** |

**BABCOCK & WILCOX ENTERPRISES, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Unaudited)**

| (in thousands) | Nine Months Ended September 30, 2025 | 2024 |
|---|---|---|
| Financing Activities: | | |
| Borrowings on loan payable | 75,418 | 184,806 |
| Repayments on loan payable | (126,825) | (91,116) |
| Issuance of Senior Notes due 2030 | 5,400 | — |
| Buyback of Senior Notes due 2026 | (6,282) | — |
| Finance lease payments | (1,242) | (1,016) |
| Payment of holdback funds from acquisition | — | (2,950) |
| Payment of preferred stock dividends | (11,145) | (14,859) |
| Shares of common stock returned to treasury stock | (386) | (274) |
| Issuance of common stock, net | 32,481 | 2,033 |
| Payment of non-controlling interest dividends | (118) | — |
| Debt issuance costs | (4,418) | (5,599) |
| Other, net | (259) | (184) |
| **Net cash (used in) provided by financing activities** | **(37,376)** | **70,841** |
| | | |
| Effects of exchange rate changes on cash | 878 | 3,962 |
| Net increase in cash, cash equivalents and restricted cash | 70,021 | 56,550 |
| Cash, cash equivalents and restricted cash at beginning of period | 131,064 | 71,369 |
| **Cash, cash equivalents and restricted cash at end of period** | **$ 201,085** | **$ 127,919** |
| | | |
| **Schedule of cash, cash equivalents and restricted cash:** | | |
| Cash and cash equivalents | $ 25,218 | $ 30,629 |
| Current restricted cash | 165,527 | 63,362 |
| Long-term restricted cash | 10,340 | 33,928 |
| **Total cash, cash equivalents and restricted cash at end of period [1]** | **$ 201,085** | **$ 127,919** |
| | | |
| **Supplemental cash flow information:** | | |
| Income taxes paid, net | $ 8,135 | $ 5,173 |
| Interest paid | 24,803 | 27,796 |

[1] Includes cash held at discontinued operations of $0.8 million and $10.0 million at September 30, 2025 and 2024, respectively.

See accompanying notes to the Condensed Consolidated Financial Statements.

## NOTE 1 – BASIS OF PRESENTATION

These interim Condensed Consolidated Financial Statements of Babcock & Wilcox Enterprises, Inc. ("B&W," "management," "we," "us," "our" or the "Company") have been prepared in accordance with GAAP and SEC instructions for interim financial information, and should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2024. The Notes to the Condensed Consolidated Financial Statements are presented on the basis of continuing operations, unless otherwise stated.

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from these estimates. In the opinion of management, these Condensed Consolidated Financial Statements contain all estimates and adjustments, consisting of normal recurring adjustments, required to fairly present the financial position, results of operations, and cash flows for the periods presented. Operating results for the three and nine months ended September 30, 2025 are not necessarily indicative of the results to be expected for the full-year ending December 31, 2025.

There have been no material changes to our significant accounting policies included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

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

### *Liquidity*

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

Our assessment of our ability to fund future operations is inherently subjective, judgment-based and susceptible to change based on future events. In prior periods, we incurred operating losses, primarily due to losses recognized on our Vølund and B&W Solar business as well as higher debt service costs and recurring cash deficits from operating activities. While these conditions and events raise substantial doubt about our ability to continue as a going concern, we believe it is probable that our alternative measures contemplated alleviate the substantial doubt about our ability to continue as a going concern.

In response to the conditions, we have implemented several strategies to obtain the required funding for future operations and are considering other alternative measures to improve cash flow, including suspension of the dividend on our Preferred Stock and delaying development of new products, which together would reduce our annual cash spending. The following actions were completed through the issuance date of this Quarterly Report:

- sold non-core businesses for $187.5 million in net proceeds in 2025 (described in Note 3 to the Condensed Consolidated Financial Statements);
- sold 15.0 million and 5.0 million common shares for net proceeds of $32.5 million and $7.9 million as of September 30, 2025 and December 31, 2024, respectively, pursuant to our At-The-Market offering (described in Note 14 to the Condensed Consolidated Financial Statements);
- completed privately negotiated exchanges with two institutional investors of noteholders that resulted in $84.0 million aggregate principal amount of the Company's 8.125% Senior Notes and $47.8 million aggregate principal amount of the Company's 6.50% Senior Notes being exchanged for $100.7 million aggregate principal amount of newly-issued 8.75% Senior Notes (described in Note 13 to the Condensed Consolidated Financial Statements);

- completed a cash tender offer for $8.3 million of our 8.125% Senior Notes and 6.5% Senior Notes for a gain of $1.7 million (described in Note 13 to the Condensed Consolidated Financial Statements);
- exchanged $5.0 million of our 8.125% Senior Notes and $10.0 million of our 6.50% Senior Notes for $15.0 million of our 8.75% Senior Notes (described in Note 13 to the Condensed Consolidated Financial Statements);
- completed the redemption of $70.0 million of 8.125% Senior Notes (described in Note 21 to the Condensed Consolidated Financial Statements);
- repaid the outstanding balance on the revolving credit portion of the Credit Facility, leaving $81.1 million of borrowing power under the facility (described in Note 13 to the Condensed Consolidated Financial Statements);
- signed the Ninth Amendment to the Credit Agreement to extend the maturity date of the Credit Facility to November 30, 2026 (described in Note 13 to the Condensed Consolidated Financial Statements); and
- are actively in discussions with certain parties to further divest non-core assets. We cannot provide any assurances that such transaction will close or that proceeds will not be more or less than we anticipate.

Based on our ability to raise funds through the actions noted above and our Cash and cash equivalents as of September 30, 2025, we have concluded it is probable that such actions would provide sufficient liquidity to fund operations for the next twelve months following the date of this Quarterly Report.

***Operations***

Our operations are assessed based on three reportable segments. For segment details and financial information, see Note 5 to the Condensed Consolidated Financial Statements.

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

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| (in thousands, except per share amounts) | 2025 | 2024 | 2025 | 2024 |
| Net loss from continuing operations | $ (2,342) | $ (7,911) | $ (22,399) | $ (43,562) |
| Less: Dividend on Series A preferred stock | 3,715 | 3,715 | 11,145 | 11,144 |
| Loss from continuing operations attributable to stockholders of common stock | (6,057) | (11,626) | (33,544) | (54,706) |
| Income (loss) from discontinued operations, net of tax | 37,434 | 2,579 | (23,008) | 46,804 |
| Net income (loss) attributable to stockholders of common stock | $ 31,377 | $ (9,047) | $ (56,552) | $ (7,902) |
| | | | | |
| Weighted average shares used to calculate basic and diluted earnings (loss) per share | 103,047 | 92,252 | 99,918 | 90,932 |
| | | | | |
| Basic and diluted earnings (loss) per common share: | | | | |
| Continuing operations | $ (0.06) | $ (0.13) | $ (0.34) | $ (0.60) |
| Discontinued operations | 0.36 | 0.03 | (0.23) | 0.51 |
| Basic and diluted earnings (loss) per common share | $ 0.30 | $ (0.10) | $ (0.57) | $ (0.09) |

In accordance with GAAP, dilution is assessed on the basis of continuing operations. We incurred a net loss from continuing operations in the three and nine months ended September 30, 2025 and 2024, therefore the basic and diluted shares are the same for those periods.

If we had net income from continuing operations attributable to stockholders of common stock in the three months ended September 30, 2025 and 2024, diluted shares would have included an additional 0.9 million and 0.4 million shares, respectively. If we had net income from continuing operations attributable to stockholders of common stock in the nine months ended September 30, 2025 and 2024, diluted shares would have included an additional 0.6 million and 0.1 million shares, respectively.

We excluded 0.7 million and 1.8 million shares related to stock options from the diluted share calculation for the three months ended September 30, 2025 and 2024, respectively, because their effect would have been anti-dilutive. We excluded 2.1 million and 2.2 million shares related to stock options from the diluted share calculation from the nine months ended September 30, 2025 and 2024, respectively, because their effect would have been anti-dilutive.

**NOTE 3 – DIVESTITURES**

***2025 Divestitures***

**Vølund**

On April 29, 2025, Babcock & Wilcox A/S ("BWAS"), a subsidiary of the Company, sold substantially all of its assets, including intellectual property, specific project contracts as well as related agreements with suppliers and certain tangible assets, to Kanadevia Inova Denmark A/S (the "Buyer"). The sale was comprised of a simultaneous transfer of assets from BWAS to a newly incorporated BWAS subsidiary (the "NewCo") pursuant to a business transfer agreement ("BTA"), and sale of NewCo by BWAS to the Buyer pursuant to a share purchase agreement (the "SPA" and together with the BTA, the "Purchase Agreements").

The Purchase Agreements provide for a base purchase price equal to $15.0 million plus $0.1 million (400,000 Danish krone), subject to certain offsets and adjustments, including additional payments to BWAS if the Buyer enters into a certain prospective project agreement within five years. In addition, BWAS and the Buyer entered into an agreement under which the Buyer loaned BWAS $5.0 million which will be considered repaid when BWAS transfers to NewCo certain retained intellectual property usage rights. The Purchase Agreements also include representations and warranties regarding BWAS and the transferred business and assets, as well as certain indemnities with respect thereto. The proceeds were used to reduce outstanding debt and support working capital needs. We recorded a net loss of $36.9 million which included a write off of CTA of $52.6 million. As we wind down certain contracts, we will incur additional expenses to settle the sale of the business.

**Diamond Power**

On June 4, 2025, we through our wholly owned subsidiaries, The Babcock & Wilcox Company, Babcock & Wilcox International Sales and Service Corporation, and Babcock & Wilcox Canada Corp. (collectively, the "Sellers") entered into an agreement (the "Purchase Agreement") to sell to certain legal entities affiliated with Andritz AG (the "Buyers") the equity interests of Diamond Power and related legal entities together with assets related to the Diamond Power business (the "Sale"). We closed on the sale on July 31, 2025.

The Purchase Agreement provides for a base purchase price equal to $177 million, subject to certain offsets and adjustments. The Purchase Agreement also includes representations and warranties regarding the Sale, as well as certain indemnities with respect thereto. The Purchase Agreement also includes an undertaking for the Sellers and their affiliates not to compete with the Diamond Power business or to solicit customers or employees with respect to the Diamond Power business for a period of four years. Additionally, we entered into an agreement to provide transition services to the Diamond Power business for a period of 12 months, or until earlier agreed upon with respect to certain services. The proceeds are being used to support working capital needs and reduce outstanding debt. We recorded a gain of $53.2 million on the sale.

***2024 Divestitures***

**BWRS**

On June 28, 2024, we, through our B&W PGG Luxembourg Finance Sárl subsidiary, sold all issued and outstanding share capital of our Denmark-based renewable parts and services subsidiary, BWRS, to Hitachi Zosen Inova AG. We received net cash proceeds of $ 87.6 million and recorded a gain on the sale of the business of $44.9 million. The proceeds were used to reduce outstanding debt and support working capital needs. During the nine months ended September 30, 2025, we recorded a gain of $1.0 million as part of the final settlement.

**SPIG and GMAB**

On October 30, 2024, we, through our B&W PGG Luxembourg Finance Sárl subsidiary and Babcock & Wilcox A/S subsidiary, sold the entire issued and outstanding share capital of our Italy-based SPIG and Sweden-based GMAB subsidiaries to Auctus Neptune Holding S.p.A. We received net cash proceeds of $33.7 million and recorded a gain of $14.1 million, solely related to currency translation adjustments that were realized upon sale of the businesses. We recorded an impairment of $5.8 million as of September 30, 2024, as the disposal group carrying value exceeded the expected net proceeds from the sale. The proceeds were used to support working capital needs and reduce outstanding debt.

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

During 2024, we engaged in a strategy and developed a formalized plan to divest certain non-core businesses to reduce our debt, improve our balance sheet and increase liquidity. As of September 30, 2025, we have divested our BWRS, SPIG, GMAB, Vølund and Diamond Power businesses as part of this plan. BWRS and Vølund were part of our B&W Renewable segment and SPIG and GMAB were part of our B&W Environmental segment. Diamond Power is captured in all three of our segments.

Since parts of our Diamond Power businesses were within each of our B&W Thermal, B&W Renewable and B&W Environmental reporting units, we allocated a portion of the goodwill associated with those reporting units to discontinued operations. The allocation was based upon the fair value of our Diamond Power business compared to the fair value of each of the reporting units. This resulted in a triggering event that required us to immediately perform valuations of the remaining fair value of our B&W Thermal, B&W Renewable and B&W Environmental reporting units. These valuations determined that the fair values for each of the reporting units exceeded their carrying value and no impairment was identified.

Results of operations and the financial position of the divested subsidiaries are reported as discontinued operations for all periods presented and the notes to the financial statement have been adjusted on a retrospective basis. Our sales are described further in Note 3 to the Condensed Consolidated Financial Statements.

We committed to a plan to sell our B&W Solar business (formerly part of our B&W Renewable segment) and classified the assets and liabilities of this business as held for sale. In addition, we also determined that the operations of the B&W Solar business qualified as a discontinued operation, primarily based upon its significance to our current and historic operating losses. We continue to meet the criteria to account for the B&W Solar business as held for sale and discontinued operations as of September 30, 2025.

The following tables summarize the operating results of the disposal groups included in discontinued operations in the Condensed Consolidated Statements of Operations:

| | Three Months Ended September 30, 2025 | | | |
|---|---|---|---|---|
| (in thousands) | Solar | Vølund | Diamond Power | Total |
| Revenues | $ 2,116 | $ 2,764 | $ 8,085 | $ 12,965 |
| Cost of operations | 2,783 | 4,206 | 5,596 | 12,585 |
| Selling general and administrative expenses | 4,202 | 1,387 | 7,653 | 13,242 |
| Research and development costs | — | 20 | (39) | (19) |
| Impairment of long-lived assets | 14 | — | — | 14 |
| Total costs and expenses | 6,999 | 5,613 | 13,210 | 25,822 |
| **Operating loss** | (4,883) | (2,849) | (5,125) | (12,857) |
| Other (expense) income | (106) | 178 | 58 | 130 |
| Loss from discontinued operations before tax | (4,989) | (2,671) | (5,067) | (12,727) |
| Expense from income taxes | — | 12 | 2,977 | 2,989 |
| Gain on divestiture | — | — | 53,166 | 53,166 |
| (Loss) income from discontinued operations, net of tax | (4,989) | (2,683) | 45,122 | 37,450 |
| Less: Net income attributable to non-controlling interest from discontinued operations | — | — | 16 | 16 |
| (Loss) income attributable to stockholders from discontinued operations | $ (4,989) | $ (2,683) | $ 45,106 | $ 37,434 |

| | Nine Months Ended September 30, 2025 | | | | |
|---|---|---|---|---|---|
| (in thousands) | Solar | BWRS | Vølund | Diamond Power | Total |
| Revenues | $ 12,149 | $ — | $ 4,815 | $ 63,053 | $ 80,017 |
| Cost of operations | 24,050 | — | 16,811 | 40,595 | 81,456 |
| Selling general and administrative expenses | 7,360 | — | 6,163 | 15,198 | 28,721 |
| Research and development costs | — | — | 488 | 367 | 855 |
| Impairment of long-lived assets | 7,846 | — | 1,121 | — | 8,967 |
| Loss on asset disposals, net | 16 | — | 136 | — | 152 |
| Total costs and expenses | 39,272 | — | 24,719 | 56,160 | 120,151 |
| **Operating (loss) income** | (27,123) | — | (19,904) | 6,893 | (40,134) |
| Other (expense) income | (533) | — | 2,901 | 1,067 | 3,435 |
| (Loss) income from discontinued operations before tax | (27,656) | — | (17,003) | 7,960 | (36,699) |
| Expense from income taxes | — | — | 120 | 3,448 | 3,568 |
| Gain (loss) on divestiture | — | 1,014 | (36,861) | 53,166 | 17,319 |
| (Loss) income from discontinued operations, net of tax | (27,656) | 1,014 | (53,984) | 57,678 | (22,948) |
| Less: Net income attributable to non-controlling interest from discontinued operations | — | — | — | 60 | 60 |
| (Loss) income attributable to stockholders from discontinued operations | $ (27,656) | $ 1,014 | $ (53,984) | $ 57,618 | $ (23,008) |

| (in thousands) | Three Months Ended September 30, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Solar | BWRS | SPIG | GMAB | Vølund | Diamond Power | Total |
| Revenues | $ 27,134 | $ — | $ 17,861 | $ 3,800 | $ 10,426 | $ 25,141 | $ 84,362 |
| Cost of operations | 25,687 | — | 13,693 | 3,094 | 12,564 | 15,436 | 70,474 |
| Selling general and administrative expenses | (4,280) | — | 2,638 | 290 | 2,444 | 3,640 | 4,732 |
| Research and development costs | — | — | 98 | 19 | — | 94 | 211 |
| Impairment of long-lived assets | — | — | 5,838 | — | — | — | 5,838 |
| Loss (gain) on asset disposals, net | — | — | — | — | 374 | (122) | 252 |
| Total costs and expenses | 21,407 | — | 22,267 | 3,403 | 15,382 | 19,048 | 81,507 |
| **Operating income (loss)** | 5,727 | — | (4,406) | 397 | (4,956) | 6,093 | 2,855 |
| Other income (expense) | 9 | 6 | (768) | 291 | 592 | 316 | 446 |
| Income (loss) from discontinued operations before tax | 5,736 | 6 | (5,174) | 688 | (4,364) | 6,409 | 3,301 |
| Expense (benefit) from income taxes | — | — | 877 | 201 | — | (407) | 671 |
| Loss on divestiture | — | (50) | — | — | — | — | (50) |
| Income (loss) from discontinued operations, net of tax | 5,736 | (44) | (6,051) | 487 | (4,364) | 6,816 | 2,580 |
| Less: Net income attributable to non-controlling interest from discontinued operations | — | — | — | — | — | 1 | 1 |
| Income (loss) attributable to stockholders from discontinued operations | $ 5,736 | $ (44) | $ (6,051) | $ 487 | $ (4,364) | $ 6,815 | $ 2,579 |

| (in thousands) | Nine Months Ended September 30, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Solar | BWRS | SPIG | GMAB | Vølund | Diamond Power | Total |
| Revenues | $ 60,985 | $ 43,255 | $ 54,717 | $ 9,903 | $ 26,696 | $ 71,567 | $ 267,123 |
| Cost of operations | 57,377 | 31,434 | 42,722 | 7,175 | 28,379 | 44,873 | 211,960 |
| Selling general and administrative expenses | (1,762) | 6,783 | 8,589 | 1,018 | 10,282 | 10,877 | 35,787 |
| Research and development costs | — | — | 247 | 54 | 220 | 407 | 928 |
| Impairment of long-lived assets | — | — | 5,838 | — | — | — | 5,838 |
| Loss on asset disposals, net | — | — | 47 | — | 374 | 4 | 425 |
| Total costs and expenses | 55,615 | 38,217 | 57,443 | 8,247 | 39,255 | 56,161 | 254,938 |
| **Operating income (loss)** | 5,370 | 5,038 | (2,726) | 1,656 | (12,559) | 15,406 | 12,185 |
| Other (expense) income | (484) | 177 | (893) | 20 | (1,742) | 896 | (2,026) |
| Income (loss) from discontinued operations before tax | 4,886 | 5,215 | (3,619) | 1,676 | (14,301) | 16,302 | 10,159 |
| Expense from income taxes | — | 196 | 1,465 | 405 | 686 | 635 | 3,387 |
| Gain on divestiture | — | 40,124 | — | — | — | — | 40,124 |
| Income (loss) from discontinued operations, net of tax | 4,886 | 45,143 | (5,084) | 1,271 | (14,987) | 15,667 | 46,896 |
| Less: Net income attributable to non-controlling interest from discontinued operations | — | — | — | — | — | 92 | 92 |
| Income (loss) attributable to stockholders from discontinued operations | $ 4,886 | $ 45,143 | $ (5,084) | $ 1,271 | $ (14,987) | $ 15,575 | $ 46,804 |

The following tables provide the major classes of assets and liabilities of the disposal groups included in assets held for sale and liabilities held for sale in the Condensed Consolidated Balance Sheets:

| | September 30, 2025 | | |
|---|---|---|---|
| (in thousands) | Solar | Vølund | Total |
| Cash | $ 368 | $ 457 | $ 825 |
| Accounts receivable – trade, net | 1,669 | 2,757 | 4,426 |
| Contracts in progress | 3,485 | 6,377 | 9,862 |
| Inventories, net | — | 2,502 | 2,502 |
| Other current assets | 71 | 4,458 | 4,529 |
| Total current assets | 5,593 | 16,551 | 22,144 |
| | | | |
| Net property, plant and equipment and finance leases | 2,991 | — | 2,991 |
| Deferred income taxes | — | 432 | 432 |
| Right-of-use assets | — | 199 | 199 |
| Other assets | — | 304 | 304 |
| Total assets held for sale [1] | $ 8,584 | $ 17,486 | $ 26,070 |
| | | | |
| Accounts payable | $ 18,164 | $ 4,143 | $ 22,307 |
| Accrued employee benefits | 11 | 4 | 15 |
| Advance billings on contracts | 935 | 740 | 1,675 |
| Accrued warranty expense | 1,090 | 256 | 1,346 |
| Operating lease liabilities | — | 290 | 290 |
| Other accrued liabilities | 5,847 | 1,046 | 6,893 |
| Current borrowings | 510 | — | 510 |
| Total current liabilities | 26,557 | 6,479 | 33,036 |
| | | | |
| Borrowings, net of current portion | 345 | — | 345 |
| Operating lease liabilities, net of current portion | — | 990 | 990 |
| Other noncurrent liabilities | 5 | — | 5 |
| Total liabilities held for sale [1] | $ 26,907 | $ 7,469 | $ 34,376 |
| | | | |
| Reported as: | | | |
| Current assets held for sale [1] | $ 8,584 | $ 17,486 | $ 26,070 |
| Current liabilities held for sale [1] | 26,907 | 7,469 | 34,376 |

[1] Diamond Power was sold in July 2025; therefore, no balances are left to disclose.

| (in thousands) | December 31, 2024 | | | |
|---|---|---|---|---|
| | Solar | Vølund | Diamond Power | Total |
| Cash | $ 1,255 | $ 2,200 | $ — | $ 3,455 |
| Accounts receivable – trade, net | 2,814 | 7,202 | 18,168 | 28,184 |
| Contracts in progress | 4,157 | 10,023 | 3,011 | 17,191 |
| Inventories, net | — | 2,365 | 44,087 | 46,452 |
| Other current assets | 90 | 371 | 1,519 | 1,980 |
| Total current assets | 8,316 | 22,161 | 66,785 | 97,262 |
| | | | | |
| Net property, plant and equipment and finance leases | 3,246 | 124 | 8,672 | 12,042 |
| Intangible assets, net | 7,833 | 211 | 352 | 8,396 |
| Goodwill | — | — | 30,727 | 30,727 |
| Deferred income taxes | — | — | 40 | 40 |
| Right-of-use assets | 53 | 1,358 | 15,887 | 17,298 |
| Other assets | 9 | 243 | 6,651 | 6,903 |
| Total assets held for sale [1] | $ 19,457 | $ 24,097 | $ 129,114 | $ 172,668 |
| | | | | |
| Accounts payable | $ 30,365 | $ 5,980 | $ 8,958 | $ 45,303 |
| Accrued employee benefits | — | 518 | 1,029 | 1,547 |
| Advance billings on contracts | 961 | 5,855 | 664 | 7,480 |
| Accrued warranty expense | 1,176 | 845 | 699 | 2,720 |
| Operating lease liabilities | 26 | 288 | 346 | 660 |
| Other accrued liabilities | 5,680 | 190 | 7,264 | 13,134 |
| Current borrowings | 511 | — | — | 511 |
| Total current liabilities | 38,719 | 13,676 | 18,960 | 71,355 |
| | | | | |
| Borrowings, net of current portion | 874 | — | — | 874 |
| Operating lease liabilities, net of current portion | 29 | 1,075 | 16,514 | 17,618 |
| Other noncurrent liabilities | 23 | — | 1,607 | 1,630 |
| Total liabilities held for sale [1] | $ 39,645 | $ 14,751 | $ 37,081 | $ 91,477 |
| | | | | |
| Reported as: | | | | |
| Current assets held for sale [1] | $ 19,457 | $ 24,097 | $ 129,114 | $ 172,668 |
| Current liabilities held for sale [1] | 39,645 | 14,751 | 37,081 | 91,477 |

[1] BWRS, SPIG and GMAB were sold in 2024; therefore, no balances are left to disclose.

The depreciation, amortization, capital expenditures, significant changes in operating assets and liabilities, and significant operating and investing noncash items of the discontinued operations are as follows:

| | Nine Months Ended September 30, 2025 | | | | |
|---|---|---|---|---|---|
| (in thousands) | Solar | BWRS | Vølund | Diamond Power | Total |
| Depreciation and amortization of long-lived assets | $ 14 | $ — | $ — | $ 397 | $ 411 |
| Impairment of long-lived assets | 7,846 | — | 1,121 | — | 8,967 |
| Gain (loss) on divestiture | — | 1,014 | (36,861) | 53,166 | 17,319 |
| | | | | | |
| Changes in operating assets and liabilities: | | | | | |
| Accounts receivable - trade, net | 1,145 | — | 4,445 | 18,168 | 23,758 |
| Contracts in progress | 672 | — | 3,646 | 3,011 | 7,329 |
| Accounts payable | (12,201) | — | (2,140) | (8,958) | (23,299) |
| Advance billings on contracts | (26) | — | (5,115) | (664) | (5,805) |
| | | | | | |
| Purchase of property, plant and equipment | (367) | — | (2) | (271) | (640) |

| | Nine Months Ended September 30, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| (in thousands) | Solar | BWRS | SPIG | GMAB | Vølund | Diamond Power | Total |
| Depreciation and amortization of long-lived assets | $ — | $ 948 | $ 2,699 | $ 4 | $ 396 | $ 629 | $ 4,676 |
| Impairment of long-lived assets | — | — | 5,838 | — | — | — | 5,838 |
| Gain on divestiture | — | 40,124 | — | — | — | — | 40,124 |
| | | | | | | | |
| Changes in operating assets and liabilities: | | | | | | | |
| Accounts receivable - trade, net | (2,059) | 13,396 | 2,887 | 130 | (6,681) | 865 | 8,538 |
| Contracts in progress | (6,021) | 2,152 | (1,659) | (1,936) | 10,827 | 1,207 | 4,570 |
| Accounts payable | 4,903 | (4,700) | (7,537) | (668) | (5,964) | (267) | (14,233) |
| Advance billings on contracts | (4,810) | (86) | 5,482 | (339) | (5,842) | (499) | (6,094) |
| | | | | | | | |
| Purchase of property, plant and equipment | (551) | (352) | (833) | (26) | — | (974) | (2,736) |

**NOTE 5 – SEGMENT REPORTING**

Our operations are assessed based on three reportable market-facing segments as part of our market-focused organizational approach. Our reportable segments are as follows:

- **Babcock & Wilcox Thermal:** The B&W Thermal segment offers steam generation equipment, aftermarket parts, construction, maintenance and field services for plants in the power generation, oil and gas, and industrial sectors. We have an extensive global base of installed equipment for utilities and general industrial applications including refining, petrochemical, food processing, metals and others.
- **Babcock & Wilcox Renewable:** The B&W Renewable segment offers technologies for efficient and environmentally sustainable power and heat generation, including waste-to-energy, oxygen-fired biomass-to-energy and black liquor systems for the pulp and paper industry. Our leading waste-to-energy technologies support a circular economy, diverting waste from landfills to use for power generation and replacing fossil fuels, while recovering recyclable metals and reducing emissions.
- **Babcock & Wilcox Environmental:** The B&W Environmental segment offers a full suite of emissions control and environmental technology solutions for utility, waste-to-energy, biomass-to-energy, carbon black, and industrial

steam generation applications around the world. Our broad experience includes systems for ash handling, particulate control, nitrogen oxides and sulfur dioxides removal, chemical looping for carbon control, and mercury control.

The CODM assesses each segment's performance by using each segment's Adjusted EBITDA. The CODM considers budget-to-actual and forecast-to-actual variances on a quarterly basis when making decisions about the allocation of operating and capital resources to each segment. Adjusted EBITDA by segment includes all items relating to the businesses; items that apply to B&W as a whole are assigned to Corporate. We do not separately identify or report assets by segment as the CODM does not consider assets by segment to be a critical measure by which performance is measured.

An analysis of our operations by segment is as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| (in thousands) | 2025 | 2024 | 2025 | 2024 |
| **Revenues:** | | | | |
| B&W Thermal segment | | | | |
| Parts | $ 55,660 | $ 52,938 | $ 155,225 | $ 127,888 |
| Projects | 37,648 | 26,276 | 90,939 | 80,956 |
| Construction | 24,963 | 30,162 | 99,667 | 103,458 |
| | 118,271 | 109,376 | 345,831 | 312,302 |
| B&W Renewable segment | | | | |
| Parts | 4,876 | 3,275 | 16,031 | 13,888 |
| Projects | 4,520 | 2,938 | 16,277 | 14,402 |
| Construction | 5,797 | 3,313 | 16,111 | 11,776 |
| | 15,193 | 9,526 | 48,419 | 40,066 |
| B&W Environmental segment | | | | |
| Parts | 7,909 | 5,458 | 29,098 | 24,989 |
| Projects | 7,638 | 28,272 | 25,525 | 67,628 |
| | 15,547 | 33,730 | 54,623 | 92,617 |
| Elimination of intersegment revenues | — | (1) | (2) | (66) |
| Total Revenue | $ 149,011 | $ 152,631 | $ 448,871 | $ 444,919 |

The following tables provide information about our segments, as well as the "Corporate/Other Segment" category and include the reconciliation of Revenue to Adjusted EBITDA to Loss from continuing operations before income tax expense:

| | Three Months Ended September 30, 2025 | | | |
|---|---|---|---|---|
| (in thousands) | B&W Thermal segment | B&W Renewable segment | B&W Environmental segment | Total |
| **Revenue** | $ 118,271 | $ 15,193 | $ 15,547 | $ 149,011 |
| Cost of operations | 88,646 | 11,265 | 10,349 | 110,260 |
| General & administrative expense [1] | 7,302 | 1,991 | 1,106 | 10,399 |
| Selling & marketing expense [1] | 7,155 | 1,287 | 1,256 | 9,698 |
| Segment Adjusted EBITDA | **15,168** | **650** | **2,836** | **18,654** |
| Corporate/eliminations [2] | | | | (6,005) |
| Interest expense, net | | | | (8,144) |
| Depreciation & amortization | | | | (2,877) |
| Benefit plans, net | | | | (783) |
| Loss on asset disposals, net | | | | (557) |
| Settlement and related legal costs | | | | (322) |
| Gain on debt extinguishment | | | | 1,730 |
| Financial advisory services | | | | (1,588) |
| Stock compensation | | | | (746) |
| Foreign exchange | | | | (466) |
| Other-net | | | | (210) |
| **Loss from continuing operations before income tax expense** | | | | **$ (1,314)** |

| | Three Months Ended September 30, 2024 | | | |
|---|---|---|---|---|
| (in thousands) | B&W Thermal segment | B&W Renewable segment | B&W Environmental segment | Total |
| **Revenue** | $ 109,376 | $ 9,526 | $ 33,730 | $ 152,632 |
| Cost of operations | 77,454 | 6,833 | 26,565 | 110,852 |
| General & administrative expense [1] | 12,292 | 2,098 | 4,355 | 18,745 |
| Selling & marketing expense [1] | 6,248 | 938 | 2,227 | 9,413 |
| Segment Adjusted EBITDA | **13,382** | **(343)** | **583** | **13,622** |
| Corporate/eliminations [2] | | | | (5,660) |
| Interest expense, net | | | | (9,898) |
| Depreciation & amortization | | | | (2,812) |
| Benefit plans, net | | | | 67 |
| Settlement and related legal recoveries | | | | 61 |
| Loss on debt extinguishment | | | | (665) |
| Financial advisory services | | | | (2,535) |
| Stock compensation | | | | (938) |
| Restructuring activities | | | | (134) |
| Foreign exchange | | | | 1,230 |
| Other-net | | | | (757) |
| **Loss from continuing operations before income tax expense** | | | | **$ (8,419)** |

| (in thousands) | Nine Months Ended September 30, 2025 | | | |
|---|---|---|---|---|
| | B&W Thermal segment | B&W Renewable segment | B&W Environmental segment | Total |
| **Revenue** | $ 345,831 | $ 48,419 | $ 54,623 | $ 448,873 |
| Cost of operations | 256,773 | 35,876 | 38,790 | 331,439 |
| General & administrative expense [1] | 29,092 | 7,302 | 4,795 | 41,189 |
| Selling & marketing expense [1] | 19,732 | 3,879 | 4,138 | 27,749 |
| Segment Adjusted EBITDA | **40,234** | **1,362** | **6,900** | **48,496** |
| Corporate/eliminations [2] | | | | (14,634) |
| Interest expense, net | | | | (29,401) |
| Depreciation & amortization | | | | (7,329) |
| Impairment of long-lived assets | | | | (950) |
| Benefit plans, net | | | | (2,338) |
| Loss on asset disposals, net | | | | (730) |
| Settlement and related legal costs | | | | (858) |
| Financial advisory services | | | | (6,755) |
| Gain on debt extinguishment | | | | 1,730 |
| Stock compensation | | | | (2,267) |
| Restructuring activities | | | | (111) |
| Foreign exchange | | | | 396 |
| Other-net | | | | (776) |
| **Loss from continuing operations before income tax expense** | | | | **$ (15,527)** |

| (in thousands) | Nine Months Ended September 30, 2024 | | | |
|---|---|---|---|---|
| | B&W Thermal segment | B&W Renewable segment | B&W Environmental segment | Total |
| **Revenue** | $ 312,302 | $ 40,066 | $ 92,617 | $ 444,985 |
| Cost of operations | 230,700 | 30,560 | 71,985 | 333,245 |
| General & administrative expense [1] | 30,773 | 6,367 | 10,940 | 48,080 |
| Selling & marketing expense [1] | 18,953 | 3,530 | 6,819 | 29,302 |
| Segment Adjusted EBITDA | **31,876** | **(391)** | **2,873** | **34,358** |
| Corporate/eliminations [2] | | | | (15,636) |
| Interest expense, net | | | | (33,571) |
| Depreciation & amortization | | | | (8,791) |
| Benefit plans, net | | | | 203 |
| Settlement and related legal costs | | | | (3,235) |
| Financial advisory services | | | | (2,884) |
| Loss on debt extinguishment | | | | (6,789) |
| Stock compensation | | | | (3,637) |
| Restructuring activities | | | | (1,144) |
| Foreign exchange | | | | 2,235 |
| Other-net | | | | (2,034) |
| **Loss from continuing operations before income tax expense** | | | | **$ (40,925)** |

[1] General & administrative expense excludes corporate/eliminations of $6.9 million and $6.1 million for the three months ended September 30, 2025 and 2024, respectively, and $16.8 million and $17.5 million for the nine months ended September 30, 2025 and 2024, respectively. We had no selling & marketing expenses excluded from corporate/eliminations for the three and nine months ended September 30, 2025 and 2024.

[2] Other corporate expenses include certain R&D expenses and other costs not allocated to our segments.

**NOTE 6 – REVENUE RECOGNITION AND CONTRACTS**

***Revenue Recognition***

We generate the vast majority of our revenues from the supply of, and aftermarket services for, steam-generating environmental and auxiliary equipment.

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

Revenue from products and services transferred to customers at a point in time, which includes certain aftermarket parts and services, accounted for 7% and 7% of revenue for the three months ended September 30, 2025 and 2024, and 6% and 8% of revenue for the nine months ended September 30, 2025 and 2024, respectively. Revenue from products and services transferred to customers over time, which primarily relates to customized, engineered solutions and construction services, accounted for 93% and 93% of revenue for the three months ended September 30, 2025 and 2024, respectively, and 94% and 92% of revenue for the nine months ended September 30, 2025 and 2024, respectively.

Refer to Note 5 to the Condensed Consolidated Financial Statements for further disaggregation of revenue.

***Contract Balances***

The following represents the components of Accounts receivable - trade, net, Contracts in progress and Advance billings on contracts included in the Condensed Consolidated Balance Sheets. We are also including accrued contract losses included in Other accrued liabilities in the Condensed Consolidated Balance Sheets.

| (in thousands) | September 30, 2025 | December 31, 2024 | $ Change | % Change |
|---|---|---|---|---|
| Accounts receivable - trade, net | $ 101,662 | $ 94,509 | $ 7,153 | 8 % |
| Contracts in progress | $ 70,757 | $ 79,392 | $ (8,635) | (11)% |
| Advance billings on contracts | $ 79,439 | $ 57,814 | $ 21,625 | 37 % |
| Accrued contract losses | $ 1 | $ 217 | $ (216) | (100)% |

| (in thousands) | September 30, 2024 | December 31, 2023 | $ Change | % Change |
|---|---|---|---|---|
| Accounts receivable - trade, net | $ 90,026 | $ 80,474 | $ 9,552 | 12 % |
| Contracts in progress | $ 68,339 | $ 47,454 | $ 20,885 | 44 % |
| Advance billings on contracts | $ 37,553 | $ 60,280 | $ (22,727) | (38) % |
| Accrued contract losses | $ 42 | $ 46 | $ (4) | (9) % |

For the nine months ended September 30, 2025 and 2024, we recognized 93% and 96% of the revenue related to amounts that were included in advance billings on contracts as of December 31, 2024 and 2023, respectively.

***Backlog***

At September 30, 2025, we had $393.5 million of remaining performance obligations, which we also refer to as total backlog. We expect to recognize approximately 33%, 63% and 4% of the remaining performance obligations as revenue in 2025, 2026 and thereafter, respectively.

**NOTE 7 – INVENTORIES, NET**

Inventories are stated at the lower of cost or net realizable value. Certain raw material inventory is sold to our customers directly and without further processing. The components of Inventories, net included in the Condensed Consolidated Balance Sheets are as follows:

| (in thousands) | September 30, 2025 | December 31, 2024 |
|---|---|---|
| Raw materials and supplies | $ 60,369 | $ 60,779 |
| Work in progress | 3,545 | 3,379 |
| Finished goods | 650 | 644 |
| Total inventories, net | $ 64,564 | $ 64,802 |

**NOTE 8 – PROPERTY, PLANT, EQUIPMENT & FINANCE LEASES**

The following table indicates the carrying value of land and each of the major classes of depreciable assets in the Condensed Consolidated Balance Sheets:

| (in thousands) | September 30, 2025 | December 31, 2024 |
|---|---|---|
| Land | $ 1,493 | $ 1,493 |
| Buildings | 16,813 | 16,813 |
| Machinery and equipment | 99,523 | 95,535 |
| Property under construction | 21,253 | 13,164 |
| | 139,082 | 127,005 |
| Less: accumulated depreciation | 94,587 | 90,665 |
| Net property, plant and equipment | 44,495 | 36,340 |
| Finance leases | 33,918 | 34,920 |
| Less: finance lease accumulated amortization | 11,795 | 10,339 |
| Net property, plant and equipment, and finance leases | $ 66,618 | $ 60,921 |

**NOTE 9 – GOODWILL**

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

In July 2025, we allocated $30.8 million of goodwill to our Diamond Power business in connection with its sale, as discussed further in Note 4 to the Condensed Consolidated Financial Statements. We did not identify any impairment in the retained goodwill balances subsequent to the allocation of goodwill to the Diamond Power business.

The following summarizes the changes in the net carrying amount of goodwill in the Condensed Consolidated Balance Sheets:

| (in thousands) | B&W Thermal | B&W Renewable | B&W Environmental | Total |
|---|---|---|---|---|
| Balance at December 31, 2024 | $ 44,929 | $ 6,482 | $ — | $ 51,411 |
| Currency translation adjustments | 1,035 | 149 | — | 1,184 |
| Balance at September 30, 2025 | $ 45,964 | $ 6,631 | $ — | $ 52,595 |

**NOTE 10 – INTANGIBLE ASSETS**

Intangible assets are as follows:

| (in thousands) | September 30, 2025 | December 31, 2024 |
|---|---|---|
| **Definite-lived intangible assets** | | |
| Customer relationships | $ 26,065 | $ 25,462 |
| Unpatented technology | 3,636 | 3,703 |
| Patented technology | 1,912 | 1,912 |
| Trade name | 1,815 | 1,792 |
| All other | 275 | 275 |
| Gross value of definite-lived intangible assets | 33,703 | 33,144 |
| Customer relationships amortization | (13,644) | (11,717) |
| Unpatented technology amortization | (1,376) | (1,129) |
| Patented technology amortization | (1,371) | (1,158) |
| Trade name amortization | (1,286) | (1,224) |
| All other amortization | (275) | (275) |
| Accumulated amortization | (17,952) | (15,503) |
| Net definite-lived intangible assets | $ 15,751 | $ 17,641 |
| **Indefinite-lived intangible assets** | | |
| Trademarks and trade names | $ 1,058 | $ 1,058 |
| Total intangible assets, net | $ 16,809 | $ 18,699 |

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

| (in thousands) | September 30, 2025 |
|---|---|
| Balance at beginning of period | $ 18,699 |
| Amortization expense | (2,217) |
| Currency translation adjustments | 327 |
| Balance at end of the period | $ 16,809 |

Amortization of intangible assets is included in Cost of operations and SG&A in the Condensed Consolidated Statement of Operations.

Estimated future intangible asset amortization expense as of September 30, 2025 is as follows:

| (in thousands) | Amortization Expense |
|---|---|
| Year ending December 31, 2025 | $ 709 |
| Year ending December 31, 2026 | 2,833 |
| Year ending December 31, 2027 | 2,833 |
| Year ending December 31, 2028 | 2,579 |
| Year ending December 31, 2029 | 2,579 |
| Thereafter | 4,218 |

**NOTE 11 – ACCRUED WARRANTY EXPENSE**

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

| (in thousands) | September 30, 2025 | December 31, 2024 |
|---|---|---|
| Balance at beginning of period | $ 2,748 | $ 3,521 |
| Additions | 1,298 | 2,811 |
| Expirations and other changes | (1,411) | (3,134) |
| Payments | (43) | (467) |
| Translation and other | 17 | 17 |
| Balance at end of period | $ 2,609 | $ 2,748 |

We record estimated expense in Cost of operations in the Condensed Consolidated Statements of Operations to satisfy contractual warranty requirements when we recognize the associated revenues on the related contracts, or in the case of a loss contract, the full amount of the estimated warranty costs is recognized when the contract becomes a loss contract. In addition, we record specific adjustments when we expect the actual warranty costs to significantly differ from the initial estimates. Factors that impact our estimate of warranty costs include prior history of warranty claims and our estimate of future costs of materials and labor. Such changes could have a material effect on our consolidated financial position, results of operations and cash flows.

**NOTE 12 – PENSION PLANS AND OTHER POSTRETIREMENT BENEFITS**

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

| | Pension Benefits | | | | Other Benefits | | | |
|---|---|---|---|---|---|---|---|---|
| | Three Months Ended September 30, | | Nine Months Ended September 30, | | Three Months Ended September 30, | | Nine Months Ended September 30, | |
| (in thousands) | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Interest cost | $ 10,012 | $ 10,593 | $ 30,036 | $ 31,780 | $ 63 | $ 70 | $ 189 | $ 210 |
| Expected return on plan assets | (9,438) | (10,953) | (28,325) | (32,862) | — | — | — | — |
| Amortization of prior service cost | 75 | 50 | 225 | 150 | 71 | 173 | 213 | 519 |
| Benefit plans, net [1] | 649 | (310) | 1,936 | (932) | 134 | 243 | 402 | 729 |
| Service cost [2] | 100 | 100 | 300 | 300 | 5 | 5 | 15 | 15 |
| Net periodic benefit cost (benefit) | $ 749 | $ (210) | $ 2,236 | $ (632) | $ 139 | $ 248 | $ 417 | $ 744 |

[1] Benefit plans, net, which is presented separately in the Condensed Consolidated Statements of Operations, is not allocated to the segments.
[2] Service cost related to a small group of active participants is presented within Cost of operations in the Condensed Consolidated Statements of Operations and is recorded at the B&W Thermal segment level.

There were no MTM adjustments for the pension and other postretirement benefit plans during the three and nine months ended September 30, 2025 and 2024.

We made contributions to the pension and other postretirement benefit plans totaling $7.4 million and $15.1 million during the three and nine months ended September 30, 2025 as compared to $3.6 million and $7.5 million during the three and nine months ended September 30, 2024 respectively.

**NOTE 13 – DEBT AND CREDIT FACILITIES**

***Senior Notes Due 2026***

On May 20, 2025, $84.0 million aggregate principal amount of our 8.125% Senior Notes and $47.8 million aggregate principal amount of our 6.50% Senior Notes (collectively, the "Exchanged Notes") were repurchased and cancelled in connection with the privately negotiated exchanged described below.

During the third quarter of 2025, we completed a cash tender offer for $8.3 million of our 8.125% Senior Notes and 6.50% Senior Notes. A gain of $1.7 million was recognized as part of this transaction and is included in Gain (loss) on debt extinguishment on the Condensed Consolidated Statement of Operations.

During the third quarter of 2025, $5.0 million of our 8.125% Senior Notes and $10.0 million of our 6.50% Senior Notes were exchanged for $15.0 million of our 8.75% Senior Notes.

The components of our Senior Notes due 2026 at September 30, 2025 are as follows:

| | Senior Notes | | |
|---|---|---|---|
| (in thousands) | **8.125% [1]** | **6.50% [2]** | **Total** |
| Senior Notes due 2026 | $ 98,420 | $ 90,940 | $ 189,360 |
| Unamortized deferred financing costs | (323) | (1,150) | (1,473) |
| Unamortized premium | 60 | — | 60 |
| Net debt balance | $ 98,157 | $ 89,790 | $ 187,947 |

The components of our senior notes at December 31, 2024 are as follows:

| | Senior Notes | | |
|---|---|---|---|
| (in thousands) | **8.125% [1]** | **6.50% [2]** | **Total** |
| Senior Notes due 2026 | $ 193,035 | $ 151,440 | $ 344,475 |
| Unamortized deferred financing costs | (1,659) | (2,757) | (4,416) |
| Unamortized premium | 168 | — | 168 |
| Net debt balance | $ 191,544 | $ 148,683 | $ 340,227 |

[1] The 8.125% Senior Notes mature in February 2026, and $98.2 million is included in current liabilities in the Condensed Consolidated Balance Sheets at September 30, 2025. $191.5 million is included in noncurrent liabilities in the Condensed Consolidated Balance Sheets at December 31, 2024. As of September 30, 2025 the 8.125% Senior Notes bear an effective interest rate of 12.0%.

[2] The 6.50% Senior Notes mature in December 2026 and are included in noncurrent liabilities in the Condensed Consolidated Balance Sheets at September 30, 2025 and December 31, 2024. As of September 30, 2025 the 6.50% Senior Notes bear an effective interest rate of 7.6%.

***Senior Notes Due 2030***

The components of our Senior Notes due 2030 at September 30, 2025 are as follows:

| (in thousands) | **8.75% [1]** |
|---|---|
| Senior Notes due 2030 | $ 121,073 |
| Unamortized deferred financing costs | (5,324) |
| Unamortized gain | 28,897 |
| Net debt balance | $ 144,646 |

[1] The 8.75% Senior Notes mature in June 2030 and is included in noncurrent liabilities in the Condensed Consolidated Balance Sheets at September 30, 2025. As of September 30, 2025 the 8.75% Senior Notes bear an effective interest rate of 4.9%.

On May 20, 2025, we completed privately negotiated exchange transactions (the "Exchanges") in which we issued $100.7 million aggregate principal amount of newly-issued 8.75% Senior Secured Second Lien Notes due 2030 (the "Senior Secured Notes Due 2030") as consideration for the Exchanged Notes. The Senior Secured Notes Due 2030 are unconditionally guaranteed jointly and severally by all of our direct and indirect wholly-owned restricted subsidiaries, subject to certain

excluded subsidiaries (collectively, the "Guarantors"). The Senior Secured Notes Due 2030 are secured by substantially all of our assets and the assets of the Guarantors. The security interests in our assets are subject to an intercreditor agreement pursuant to which the Senior Secured Notes Due 2030 are subordinated in right of payment and lien priority to the satisfaction in full of (i) the obligations and satisfaction of the liens under our Credit Agreement (described below), (ii) the obligations and lien under the junior secured promissory note with B. Riley and (iii) certain obligations secured by a lien in favor of the Pension Benefit Guaranty Corporation (a wholly owned United States government corporation and agency acting on behalf of the B&W Pension Plan (as defined below)) in connection with its waiver of required minimum contributions to the Retirement Plan for Employees of Babcock & Wilcox Commercial Operations (the "B&W Pension Plan").

The Senior Secured Notes Due 2030 accrue interest a rate of 8.75% per annum, payable semi-annually in arrears on June 30 and December 30, starting December 30, 2025, and mature on June 30, 2030.

Subject to the intercreditor arrangements discussed above, we may redeem the Senior Secured Notes Due 2030 at any time, on or after May 16, 2026, for cash, at a redemption price equal to 100% of the applicable principal amount being redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

The indenture governing the Senior Secured Notes Due 2030 contains certain affirmative and negative covenants that, among other things, limit our and our subsidiaries' ability to incur additional indebtedness or liens, and certain events of default, including with respect to a failure to make payments under the Senior Secured Notes Due 2030 and certain bankruptcy and insolvency events.

As a result of the Company's financial situation as a going concern entity at the time of refinancing, and the fact the creditors have granted concessions, the Exchanges were accounted for as a troubled debt restructuring. Therefore, the gain from the difference between the face value of the original 8.125% Senior Notes and 6.50% Senior Notes and the face value of the 8.75% Senior Notes is recognized ratably over the new 5-year term through May 2030.

During the third quarter of 2025, we made $5.4 million of in-kind contributions of our Senior Secured Notes Due 2030 to settle Company obligations.

***Credit Agreement with Axos***

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

The Credit Agreement provides for an up to $150.0 million asset-based Credit Facility, including a $100.0 million letter of credit sublimit. Our obligations under the Credit Agreement are guaranteed by certain of our domestic and foreign subsidiaries. B. Riley has provided a guaranty of payment with regard to our obligations under the Credit Agreement, as further described below. We used and expect to use the proceeds and letter of credit availability under the Credit Agreement to (i) provide for working capital needs, (ii) provide cash collateral to secure letters of credit to be issued under the Credit Agreement, and (iii) provide for general corporate purposes.

The Credit Agreement has a maturity date of January 18, 2027, provided that by November 30, 2026, the 6.50% Senior Notes have not been repaid, defeased, or otherwise satisfied in full or refinanced, or the maturity date has not otherwise been extended to a date on or after July 18, 2027, then November 30, 2026, as amended by the Ninth Amendment to the Credit Agreement (the "Ninth Amendment") described below.

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

In connection with the Credit Agreement, we are required to pay (i) a commitment fee equal to 0.50% per annum multiplied by the positive difference by which the Aggregate Revolving Commitments exceed the Total Revolvings Outstanding (as defined in the Credit Agreement), subject to adjustment, (ii) a facility fee equal to the Applicable Margin for SOFR Loans multiplied by the positive difference by which the actual daily amount of L/C Obligations the Administrative Agent is then

holding Specified Cash Collateral exceeds the actual daily Outstanding Amount of Revolving Loans, and (iii) a collateral monitoring fee of $1,000 per month. We are permitted to prepay all or any portion of the loans under the Credit Agreement prior to maturity, subject to the payment of an early termination fee. The Credit Agreement requires mandatory prepayments under certain circumstances, including in the event of an overadvance.

The Credit Agreement also contains customary events of default (subject, in certain instances, to specified grace periods) including, but not limited to, the failure to make payments of interest or premium, if any, on, or principal under the Credit Agreement, the failure to comply with certain covenants and agreements specified in the Credit Agreement, defaults in respect of certain other indebtedness, and certain events of insolvency. If any event of default occurs, Axos may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding amounts under the Credit Agreement as due and payable immediately. At September 30, 2025, after giving consideration to the Amendments to the Credit Agreement (discussed below), we are in compliance with all financial and other covenants contained in the Credit Agreement.

On February 28, 2025, the Company with certain subsidiaries of the Company as guarantors, the lenders party to the Credit Agreement and Axos, as administrative agent, entered into the Waiver and Fifth Amendment to the Credit Agreement (the "Fifth Amendment"). In addition, in connection with the Fifth Amendment, the PBGC, Axos, and the second lien holder entered into a lien subordination agreement governing, among other things, the subordination of liens, the provision of enforcement rights, and the application of proceeds.

On March 25, 2025, the Company with certain subsidiaries of the Company as guarantors, the lenders party to the Credit Agreement and Axos, as administrative agent, entered into the Sixth Amendment to the Credit Agreement. The Sixth Amendment, among other things: (i) authorizes 2025 Specified Dispositions subject to satisfaction of the conditions under the Credit Agreement; (ii) increased the inventory valuation percentage as part of the Borrowing Base calculation; (iii) lowered the minimum liquidity covenant level to $20.0 million; and (iv) acknowledged that the Annual Report's financial statements may be qualified with a going concern opinion for the year ended December 31, 2024.

On May 20, 2025, in connection with the issuance of the Senior Secured Notes Due 2030, the Company, certain subsidiaries of the Company, as guarantors, the lenders party to the Credit Agreement and Axos Bank, as administrative agent entered into the Seventh Amendment to the Credit Agreement (the "Seventh Amendment"). The Seventh Amendment, among other things, permitted the issuance of the Senior Secured Second Notes due 2030 in connection with the exchange transactions described above, and amended the maturity date to of the Credit Agreement to January 18, 2027; provided that (i) if the Company's 8.125% Senior Notes are not repaid, defeased, or otherwise satisfied in full or refinanced by November 28, 2025 or the maturity date has not otherwise been extended to a date on or after July 18, 2027, then November 28, 2025, and (ii) if the Company's 6.50% Senior Notes are not repaid, defeased, or otherwise satisfied in full or refinanced by September 30, 2026, or the maturity date has not otherwise been extended to a date on or after July 18, 2027, then September 30, 2026.

On June 18, 2025, the Company with certain subsidiaries of the Company as guarantors, the lenders party to the Credit Agreement and Axos, the administrative agent, amended the Credit Agreement to suspend the B. Riley Guaranty until January 1, 2027.

On July 3, 2025, the Company with certain subsidiaries of the Company as guarantors, the lenders party to the Credit Agreement and Axos, as administrative agent, entered into the Eighth Amendment to the Credit Agreement. Capitalized terms have the meaning as defined in the Eighth Amendment. Pursuant to the Eighth Amendment, Axos and the Lenders party to the Credit Agreement consented to amend certain provisions of the Credit Agreement to, among other things, (i) temporarily increase the amounts available to be borrowed based on inventory in the borrowing base under the Credit Agreement, and (ii) temporarily reduce the amount of the PBGC Reserve by $3,000,000, provided that (A) such temporary reduction shall terminate upon the earlier to occur of (x) the date of the consummation of any Disposition of material assets of the Loan Parties or (y) September 15, 2025 and (B) such reduction shall be permanent following the Company's repayment of the September 2025 PBGC Installment, in an aggregate amount equal to $3,000,000 on or prior to September 15, 2025. As a condition to the forgoing consent and agreements, the Company agreed to apply the net cash proceeds from the Diamond Power Disposition in the following order and amounts: (i) to the repayment of the September 2025 PBGC Installment, in an aggregate amount equal to $3,000,000; (ii) to the repayment of Revolving Loans under the Credit Agreement, in an aggregate amount equal to $48,300,000 (which amounts may be reborrowed in whole or in part to the extent permitted under the Credit Agreement at such time and may be used for purposes permitted under the Credit Agreement, including for working capital needs); (iii) to the partial repayment of the Unsecured Notes; and (iv) the remainder

to be retained by the Company in accounts subject to finance working capital, capital expenditures and acquisitions and for general corporate purposes (including the payment of fees and expenses).

On August 8, 2025, the Company with certain subsidiaries of the Company as guarantors, the lenders party to the Credit Agreement and Axos, as administrative agent, entered into the Ninth Amendment. Capitalized terms have the meaning as defined in the Ninth Amendment. Pursuant to the Ninth Amendment, Axos and the Lenders party to the Credit Agreement consented to amend certain provisions of the Credit Agreement to, among other things, (i) allow an add-back of up to $17 million for Waste to Energy Project losses currently reported in Discontinued Operations to the Adjusted EBITDA calculation used in the debt covenant ratios, (ii) allow an add-back of up to $40 million for the Capital Expenditures calculation used in the debt covenant ratios, (iii) defer the increase of the minimum Fixed Charge Coverage ratio debt covenant to 1.05 until after December 31, 2026, and (iv) change the maturity date to November 30, 2026 from September 30, 2026.

At September 30, 2025, we had a total of $68.9 million outstanding on the Credit Agreement, which includes $0.0 million drawn on the revolving credit portion of the facility and $68.9 million drawn on the letter of credit portion. At September 30, 2025, cash collateralizing the letters of credit totaling $68.9 million is classified as Current restricted cash included in the Condensed Consolidated Balance Sheets.

***Revolving and Letter of Credit Agreements***

In June 2021, we entered into the Revolving Credit Agreement with PNC as administrative agent, and the Letter of Credit Agreement, pursuant to which PNC agreed to issue up to $110.0 million in letters of credit that were secured in part by cash collateral provided by MSD, as well as a reimbursement, guaranty and security agreement with MSD, as administrative agent, and the cash collateral providers from time to time party thereto, along with certain of our subsidiaries as guarantors, pursuant to which we are obligated to reimburse MSD and any other cash collateral provider to the extent the cash collateral provided by MSD and any other cash collateral provider securing the Letter of Credit Agreement was drawn to satisfy draws on letters of credit (the "Reimbursement Agreement") and the Debt Facilities. Our obligations under the Debt Facilities were guaranteed by certain of our existing and future domestic and foreign subsidiaries. B. Riley, a related party, provided a guaranty of payment with regard to our obligations under the Reimbursement Agreement. The Debt Facilities were effectively replaced by our Credit Agreement with Axos that began in January 2024. The Revolving Credit Agreement with PNC was terminated in connection with our entry into the Credit Agreement, and we transitioned letters of credit outstanding under the Letter of Credit Agreement and Reimbursement Agreement to the Credit Agreement. All outstanding letters of credit were transitioned to the Credit Agreement by September 30, 2024, and the Letter of Credit Agreement and Reimbursement Agreement were terminated at that time. We recognized a loss on debt extinguishment of $0.7 million and $6.8 million in the three and nine months ended September 30, 2024 related to the write-off of unamortized deferred financing fees and other costs incurred to exit the Debt Facilities.

A summary of usage of letters of credit under the domestic facilities is as follows:

| | September 30, | |
|---|---|---|
| | **2025** | **2024** |
| Letters of credit under domestic facilities: | | |
| Performance letters of credit | $ 21,258 | $ 15,695 |
| Financial letters of credit | 15,365 | 22,550 |
| Total outstanding | $ 36,623 | $ 38,245 |
| | | |
| Backstopped letters of credit | $ 1,200 | $ 750 |
| Surety backstopped letters of credit | 12,017 | 8,742 |
| Letters of credit subject to currency revaluation | 4,395 | 4,400 |

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

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

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

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

| | September 30, | |
|---|---|---|
| | 2025 | 2024 |
| Letters of credit under non-domestic facilities | $ 623 | $ 594 |
| Surety Bonds | 127,680 | 174,296 |

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

***Other Loans Payable***

As of September 30, 2025, we had loans payable of approximately $9.9 million, net of debt issuance costs of $0.5 million, related to sale-leaseback financing transactions. As of December 31, 2024, we had loans payable of approximately $9.3 million, net of debt issuance costs of $0.5 million, related to sale-leaseback financing transactions.

During the nine months ended September 30, 2025, we received a payment of $5.0 million from the State of West Virginia relating to our BrightLoop™ project which is considered a forgivable loan. The loan will be forgiven in full when certain employment and capital expenditure milestones are met during the course of project.

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

| (in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Components associated with borrowings from: | | | | |
| Senior Notes due 2026 | $ 3,893 | $ 6,407 | $ 15,414 | $ 19,098 |
| Senior Notes due 2030 | 2,426 | — | 3,464 | — |
| Revolving Credit Agreement | 469 | 678 | 2,734 | 3,639 |
| | 6,788 | 7,085 | 21,612 | 22,737 |
| Components associated with amortization or accretion of: | | | | |
| Revolving Credit Agreement | 901 | 1,326 | 3,987 | 3,951 |
| Senior Notes due 2026 | 396 | 653 | 1,540 | 1,947 |
| Senior Notes due 2030 | (1,247) | — | (1,824) | — |
| | 50 | 1,979 | 3,703 | 5,898 |
| | | | | |
| Components associated with interest from: | | | | |
| Lease liabilities | 603 | 580 | 1,839 | 1,683 |
| Letter of Credit interest and fees | 1,309 | 386 | 3,201 | 3,195 |
| Other interest expense | 391 | 27 | 820 | 524 |
| Capitalized interest | (641) | — | (641) | — |
| | 1,662 | 993 | 5,219 | 5,402 |
| | | | | |
| Total interest expense | $ 8,500 | $ 10,057 | $ 30,534 | $ 34,037 |

**NOTE 14 – CAPITAL STOCK**

***Preferred Stock***

During the nine months ended September 30, 2025, our Board of Directors approved dividends totaling $11.1 million to holders of the Preferred Stock. There were no cumulative undeclared dividends of the Preferred Stock at September 30, 2025, and all declared dividends have been paid as of September 30, 2025.

***Common Stock***

On April 10, 2024, we entered into the Sales Agreement with the Agents, in connection with the offer and sale from time to time of shares of our common stock, having an aggregate offering price of up to $50.0 million through the Agents. As of September 30, 2025 and 2024, 15.0 million and 2.4 million shares, respectively, have been sold pursuant to the Sales Agreement, for net proceeds of $32.5 million and $2.0 million, respectively.

**NOTE 15 – SUPPLEMENTAL CASH FLOW INFORMATION**

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

| (in thousands) | September 30, 2025 | December 31, 2024 |
|---|---|---|
| Held by foreign entities | $ 12,669 | $ 20,790 |
| Held by U.S. entities | 12,549 | 6,065 |
| Cash and cash equivalents | 25,218 | 26,855 |
| | | |
| Reinsurance reserve requirements | 1,252 | 2,024 |
| Project indemnity collateral | 12,407 | 12,878 |
| Letters of credit collateral [1] | 68,868 | 89,265 |
| Funds held for Senior notes redemption | 83,000 | — |
| Escrow for long-term project | 10,340 | 42 |
| Current and Long-term restricted cash and cash equivalents | 175,867 | 104,209 |
| Total Cash, cash equivalents and restricted cash shown in the Condensed Consolidated Statements of Cash Flows [2] | $ 201,085 | $ 131,064 |

[1] Balance drawn on Axos Credit Agreement to serve as collateral on our letters of credit. This is reflected in Current restricted cash in the Condensed Consolidated Balance Sheets.
[2] Includes cash held at discontinued operations of $0.8 million and $3.5 million at September 30, 2025 and December 31, 2024, respectively.

**NOTE 16 – INCOME TAXES**

In the three months ended September 30, 2025, income tax expense from continuing operations was $1.0 million, resulting in an effective tax rate of (78.2)%. In the three months ended September 30, 2024, income tax benefit from continuing operations was $(0.5) million, resulting in an effective tax rate of 6.0%.

In the nine months ended September 30, 2025, income tax expense from continuing operations was $6.9 million, resulting in an effective tax rate of (44.3)%. In the nine months ended September 30, 2024, income tax expense from continuing operations was $2.6 million, resulting in an effective tax rate of (6.4)%.

Our effective tax rate for the three and nine months ended September 30, 2025 is not reflective of the U.S. statutory rate due to certain foreign countries having a tax rate higher than the U.S. statutory rate, valuation allowances against certain net deferred tax assets and unfavorable discrete items.

We are subject to federal income tax in the United States and numerous countries that have statutory tax rates different than the U.S. federal statutory rate of 21%. We provide for income taxes based on the tax laws and rates in the jurisdictions where we conduct operations. These jurisdictions may have regimes of taxation that vary in both nominal rates and the basis on which these rates are applied. Our consolidated effective income tax rate can vary from period to period due to these foreign income tax rate variations, changes in the jurisdictional mix of our income, and valuation allowances.

On July 4, 2025, the One Big Beautiful Bill ("OBBB") Act, which includes a broad range of tax reform provisions, was signed into law in the U.S. and we continue to assess its impact. Based on our initial review of the recently passed legislation, we currently do not expect the OBBB Act to have a material impact on our estimated annual effective tax rate in 2025.

**NOTE 17 – ACCUMULATED OTHER COMPREHENSIVE LOSS**

Gains and losses deferred in AOCI are generally reclassified and recognized in the Condensed Consolidated Statements of Operations once they are realized. The changes in the components of AOCI, net of tax, for the nine months ended September 30, 2025 and 2024 were as follows:

| (in thousands) | Currency translation loss | Net unrecognized loss related to benefit plans (net of tax) | Total |
|---|---|---|---|
| Balance at December 31, 2024 | $ (85,487) | $ (1,173) | $ (86,660) |
| Other comprehensive income before reclassifications | $ 403 | $ — | $ 403 |
| Reclassification of AOCI to net income | — | 124 | 124 |
| Net other comprehensive income | 403 | 124 | 527 |
| Balance at March 31, 2025 | $ (85,084) | $ (1,049) | $ (86,133) |
| Other comprehensive income before reclassifications | $ 2,196 | $ — | $ 2,196 |
| Reclassification of AOCI to net income | 52,646 | 123 | 52,769 |
| Net other comprehensive income | 54,842 | 123 | 54,965 |
| Balance at June 30, 2025 | $ (30,242) | $ (926) | $ (31,168) |
| Other comprehensive income before reclassifications | $ 4,170 | $ — | $ 4,170 |
| Reclassification of AOCI to net income | 13,981 | 124 | 14,105 |
| Net other comprehensive income | 18,151 | 124 | 18,275 |
| Balance at September 30, 2025 | $ (12,091) | $ (802) | $ (12,893) |

| (in thousands) | Currency translation loss | Net unrecognized loss related to benefit plans (net of tax) | Total |
|---|---|---|---|
| Balance at December 31, 2023 | $ (64,778) | $ (1,583) | $ (66,361) |
| Other comprehensive loss before reclassifications | $ (3,125) | $ — | $ (3,125) |
| Reclassification of AOCI to net income | — | 231 | 231 |
| Net other comprehensive (loss) income | (3,125) | 231 | (2,894) |
| Balance at March 31, 2024 | $ (67,903) | $ (1,352) | $ (69,255) |
| Other comprehensive loss before reclassifications | $ (2,266) | $ — | $ (2,266) |
| Reclassification of AOCI to net income | 1,201 | 232 | 1,433 |
| Net other comprehensive (loss) income | (1,065) | 232 | (833) |
| Balance at June 30, 2024 | $ (68,968) | $ (1,120) | $ (70,088) |
| Other comprehensive income before reclassifications | $ 3,241 | $ — | $ 3,241 |
| Reclassification of AOCI to net income | — | 231 | 231 |
| Net other comprehensive income | 3,241 | 231 | 3,472 |
| Balance at September 30, 2024 | $ (65,727) | $ (889) | $ (66,616) |

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

| AOCI component | Line items in the Condensed Consolidated Statements of Operations affected by reclassifications from AOCI | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|
| | | 2025 | 2024 | 2025 | 2024 |
| Release of currency translation adjustment with the sale of business | Loss from discontinued operations, net of tax | $ (13,981) | $ — | $ (66,627) | $ (1,201) |
| Pension and post retirement adjustments, net of tax | Benefit plans, net | (124) | (231) | (371) | (694) |
| | Net loss | $ (14,105) | $ (231) | $ (66,998) | $ (1,895) |

**NOTE 18 – FAIR VALUE MEASUREMENTS**

The following tables summarize financial assets carried at fair value, all of which were valued from readily available prices (known as "Level 1" in the fair value hierarchy established by ASC 820, *Fair Value Measurements and Disclosures*).

***Securities***

| (in thousands) | September 30, 2025 | Level 1 |
|---|---|---|
| Corporate notes and bonds | $ 5,124 | $ 5,124 |
| United States Government and agency securities | 1,957 | 1,957 |
| Total fair value of securities | $ 7,081 | $ 7,081 |

| (in thousands) | December 31, 2024 | Level 1 |
|---|---|---|
| Corporate notes and bonds | $ 5,196 | $ 5,196 |
| United States Government and agency securities | 1,598 | 1,598 |
| Total fair value of securities | $ 6,794 | $ 6,794 |

Investments in securities are presented as $6.5 million in Other current assets and $0.6 million in Other assets as of September 30, 2025 in the Condensed Consolidated Balance Sheets with contractual maturities ranging from 0 to 5 years.

***Senior Notes due 2026***

See Note 13 to the Condensed Consolidated Financial Statements for a discussion of our senior notes. The fair value of the senior notes is based on readily available quoted market prices (known as "Level 1") as of September 30, 2025.

| | September 30, 2025 | |
|---|---|---|
| (in thousands) | Carrying Value | Estimated Fair Value |
| 8.125% Senior Notes ("BWSN") | $ 98,420 | $ 98,814 |
| 6.50% Senior Notes ("BWNB") | 90,940 | 83,810 |

***Senior Notes due 2030***

The fair value of the senior notes is based on present value of future cash flows discounted at estimated borrowing rates for similar debt instruments or on estimated prices based on current yields for debt issues of similar quality and terms (known as "Level 2") as of September 30, 2025.

| (in thousands) | September 30, 2025 | |
|---|---|---|
| | Carrying Value | Estimated Fair Value |
| 8.75% Senior Notes | $ 121,073 | $ 122,840 |

***Other Financial Instruments***

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

- *Cash and cash equivalents and restricted cash and cash equivalents*. The carrying amounts reported in the accompanying Condensed Consolidated Balance Sheets for cash and cash equivalents and restricted cash and cash equivalents approximate their fair value due to their highly liquid nature and are classified as Level 1.
- *Revolving Debt*. We base the fair value of debt instruments on quoted market prices. Where quoted prices are not available, we base the fair value on Level 2 inputs such as the present value of future cash flows discounted at estimated borrowing rates for similar debt instruments or on estimated prices based on current yields for debt issues of similar quality and terms. The fair value of Revolving Debt was calculated at $66.7 million, which is $2.2 million less than its carrying amount at September 30, 2025.

**NOTE 19 – RELATED PARTY TRANSACTIONS**

***Transactions with B. Riley***

Based on Schedule 13D filings with the SEC, B. Riley beneficially owns approximately 25.9% of our outstanding common stock as of September 30, 2025. B. Riley currently has the right to nominate one member of our Board of Directors pursuant to the investor rights agreement we entered into with B. Riley in April 2019. The investor rights agreement also provides pre-emptive rights to B. Riley with respect to certain future issuances of our equity securities.

As described in Note 13 to the Condensed Consolidated Financial Statements, in connection with our entry into the Axos Credit Agreement in January 2024, we entered into a guaranty agreement (the "B. Riley Guaranty") and a fee and reimbursement agreement (the "B. Riley Fee Agreement") with B. Riley. The B. Riley Guaranty provides for the guarantee of all of our obligations under the Credit Agreement. The B. Riley Guaranty is enforceable in certain circumstances, including, among others, certain events of default and the acceleration of our obligations under the Credit Agreement. The B. Riley Fee Agreement provides, among other things, for us to pay an annual fee to B. Riley equal to 2.00% of Aggregate Revolving Commitments under the Credit Agreement (or approximately $3 million) as consideration for B. Riley's agreements and commitments under the B. Riley Guaranty. The B. Riley Fee Agreement also requires us to reimburse B. Riley to the extent that B. Riley Guaranty is called upon by the agent or lenders under the Credit Agreement and requires us to execute a junior secured promissory note with respect to the same within 60 days after the execution of the B. Riley Fee Agreement (or such other date as B. Riley may agree to). On June 18, 2025, the B. Riley Guaranty, as well as the associated B. Riley Guaranty fees, were suspended until January 1, 2027.

As described in Note 14 to the Condensed Consolidated Financial Statements, in April 2024, we entered into a sales agreement with B. Riley Securities, Inc., among others, in connection with the offer and sale from time to time of shares of our common stock. B. Riley will be entitled to compensation equal to 3.0% of the gross proceeds from each sale of the shares sold through it as the designated Agent.

We entered into an agreement with BRPI Executive Consulting, LLC, an affiliate of B. Riley, in November 2018 and amended the agreement in November 2020 and December 2023 to retain the services of Mr. Kenneth Young to serve as our Chief Executive Officer until December 31, 2028, unless terminated by either party with thirty days written notice. Under this agreement, payments are $0.75 million per annum, paid monthly. Subject to the achievement of certain performance objectives as determined by the Compensation Committee of our Board of Directors, a bonus or bonuses may also be earned and payable to BRPI Executive Consulting, LLC. In September 2024, we came to an agreement with BRPI Executive Consulting, LLC to terminate the agreement to retain the services of Mr. Kenneth Young effective immediately and concurrently entered into a direct arrangement with Mr. Kenneth Young. We paid zero and $0.4 million in the nine months ended September 30, 2025 and 2024, respectively, to BRPI Executive Consulting, LLC.

We entered into an Advisory Services Agreement with B. Riley on December 12, 2024 to provide financial advisory services to the Company relating to the Company's evaluation of debt financing alternatives. Under this agreement, payments are a cash fee equal to 1.75% of the total financing value, due and payable immediately upon the closing of each debt financing. During the nine months ended September 30, 2025, we paid a total of $2.3 million in connection with this agreement.

***Transactions with Board of Directors***

We entered into a Consultant Agreement with Henry E. Bartoli, a member of our Board of Directors, dated November 5, 2020. On November 26, 2024, we entered into a third amendment to the Bartoli Consulting Agreement that extends the term through December 1, 2025, subject to earlier termination by either party as provided in the Bartoli Consulting Agreement.

**NOTE 20 – NEW ACCOUNTING PRONOUNCEMENTS AND STANDARDS**

The Company did not adopt any new accounting pronouncements during the nine months ended September 30, 2025.

***New accounting standards to be adopted***

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

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

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

In November 2024, FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). The new guidance is intended to improve financial reporting by requiring all public business entities to disclose additional information about specific expense categories. ASU 2024-03 is effective for annual periods beginning after December 15, 2026. Early adoption is permitted. Further, in January 2025, FASB issued ASU 2025-01, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date* ("ASU 2025-01"). ASU 2025-01 is clarifying the effective dates outlined in ASU 2024-03 which is effective for annual periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027, applied retrospectively. We are currently evaluating the impact of this standard on the Condensed Consolidated Financial Statements.

**NOTE 21 – SUBSEQUENT EVENTS**

***Redemption of Senior Notes***

On October 1, 2025, we paid $70.0 million for the partial redemption of our 8.125% Senior Notes.

On November 4, 2025, we issued a notice of redemption (the "Redemption Notice") for all $26.0 million aggregate principal amount outstanding of our 8.125% Senior Notes. Pursuant to the Redemption Notice, on December 5, 2025 (the "Redemption Date"), we will redeem all Notes at a redemption price equal to 100% of the principal amount of such Notes (the "Redemption Price") together with any accrued and unpaid interest up to, but excluding, the Redemption Date. On the Redemption Date, the Redemption Price will become due and payable upon each Note to be redeemed and interest thereon will cease to accrue on and after the Redemption Date. Upon completion of the Redemption, no 8.125% Senior Notes will remain outstanding.

***ASH Divestiture***

On October 31, 2025, we completed a sale of the net assets comprising our ASH business to Andritz AG for $ 29.0 million, subject to customary fees and adjustments. In conjunction with the transaction, we and Andritz AG, through certain wholly-owned subsidiaries, have signed sales representative agreements under which we will continue to market ASH and Diamond Power products and services to customers in the utility power sectors.

***Applied Digital***

On November 4, 2025, we entered into a limited notice to proceed ("LNTP") with Applied Digital Corporation ("Applied Digital") for a project valued at over $1.5 billion to deliver 1 gigawatt of power for an Applied Digital artificial intelligence factory. We and Applied Digital intend to enter into a definitive written agreement in relation to the project in the first quarter of 2026 (the "Definitive Agreement"). We plan to design and install the plant's four 300-megawatt natural gas-fired power plants consisting of boilers and associated steam turbines. The plant is targeted to begin operation in 2028.

In connection with the entry into the LNTP, we issued to Applied Digital, in a private placement, (i) 0.5 million shares of common stock, par value $0.01 per share for a purchase price of $2 million and (ii) a warrant (the "Initial Warrant") exercisable to purchase 2.6 million shares of our common stock at an exercise price of $4.11, subject to registration rights. Upon the future execution of the Definitive Agreement and full authorization to proceed, we have agreed to issue an additional warrant to purchase up to 7.86 million shares of our common stock, on the same terms as the Initial Warrant.

***2025 Common Stock Sales Agreement***

On November 4, 2025, we entered into a sales agreement (the "2025 Sales Agreement") with B. Riley and Lake Street Capital Markets, LLC Group LLC (collectively, the "2025 Agents"), in connection with the offer and sale from time to time by us of shares of our common stock, having an aggregate offering price of up to $200.0 million (the "Shares") through the 2025 Agents.

The Shares may be offered and sold through the 2025 Agents over a period of time and from time to time by any method that is deemed to be an "at-the-market offering" as defined in Rule 415 promulgated under the Securities Act. The 2025 Agents are not required to sell any specific aggregate principal amount of the Shares but will act as our sales agents using commercially reasonable efforts consistent with their normal trading and sales practices, on mutually agreed terms between the 2025 Agents and us. Under the 2025 Sales Agreement, the designated agent will be entitled to compensation equal to 3.0% of the gross proceeds from each sale of the Shares. The amount of net proceeds we will receive from this offering, if any, will depend upon the actual aggregate principal amount of the Shares sold, after deduction of the 2025 Agents' commission and any transaction fees.

Through November 7, 2025, we raised $67.5 million through our at-the-market offering pursuant to the 2025 Sales Agreement.

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

*The following discussion of our financial position and results of operations should be read in conjunction with the financial statements and the notes thereto included in the Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report. The following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements as a result of many factors, including those described in more detail under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024 and Quarterly Reports on Form 10-Q, as such risk factors may be amended, supplemented or superseded from time to time by other reports we file with the SEC. See also "Cautionary Statement Concerning Forward-Looking*

*Information" herein. Unless otherwise noted, discussion of our business and results of operations refers to our continuing operations.*

**BUSINESS OVERVIEW**

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

- **Babcock & Wilcox Thermal:** Our vast installed base of steam generation equipment includes aftermarket parts, construction, maintenance and field services for plants in the power generation, oil and gas and industrial sectors. We have an extensive global base of installed equipment for utilities and general industrial applications including refining, petrochemical, food processing, metals and others. We provide aftermarket parts, construction, maintenance, engineered upgrades and field services for our installed base as well as the installed base of other original equipment manufacturers; the substantial and stable cash flows generated from these businesses help to fund our investments in new clean energy initiatives. In addition to our aftermarket offerings, we also provide complete steam generation systems including package boilers, watertube and firetube waste heat boilers, and other boilers to medium and heavy industrial customers. Our unique range of offerings, coupled with the strength of our brand, provides a competitive advantage in existing and emerging markets.
- **Babcock & Wilcox Renewable:** Our innovative BrightLoop™ hydrogen generation technology supports global climate goals including the decarbonization of industrial and utility steam and power producers. BrightLoop™ offers significant advantages over other hydrogen generation technologies as it generates competitively priced hydrogen from a wide range of fuels, including solid fuels such as biomass and coal, with a high rate of carbon captured resulting in low, or even negative, carbon-intensity hydrogen. We also offer best-in-class technologies for efficient and environmentally sustainable power and heat generation, oxygen-fired biomass-to-energy (OxyBright™), and black liquor systems for the pulp and paper industry. Our leading waste-to-energy technologies support a circular economy, diverting waste from landfills to use for power generation and replacing fossil fuels, while recovering recyclable metals and reducing emissions.
- **Babcock & Wilcox Environmental:** We provide a full suite of emissions control and environmental technology solutions for utility, waste-to-energy, biomass-to-energy, carbon black, and industrial steam generation applications around the world. Our broad experience includes systems for ash handling, particulate control, nitrogen oxides and sulfur dioxides removal, chemical looping for carbon control and mercury control. Our ClimateBright™ products including SolveBright™, OxyBright™, BrightLoop™ and BrightGen™ place us at the forefront of hydrogen production and decarbonization technologies and development with many of these products already commercially available and others ready for commercial deployment. We believe these technologies position us to compete in the bioenergy sector within the carbon capture and sequestration (BECCS) market. Our portfolio of clean power production solutions continues to evolve to reach customers at all stages of their energy transition.

***Market Update***

Management continues to adapt to macroeconomic conditions, including the impacts from inflation, higher interest rates and foreign exchange rate volatility, current and potential tariff actions and geopolitical conflicts. In certain instances, these situations have resulted in cost increases and delays or disruptions that have had, and could continue to have, an adverse impact on our ability to meet customers' demands. We continue to actively monitor the impact of these market conditions on current and future periods and actively manage costs and our liquidity position to provide additional flexibility while still supporting our customers and their specific needs. The duration and scope of these conditions cannot be predicted, and therefore, any anticipated negative financial impact on our operating results cannot be reasonably estimated.

***Discontinued Operations***

***Diamond Power***

On June 4, 2025 we entered into a Purchase Agreement to sell our Diamond Power business for a base purchase price of $177 million, subject to certain offsets and adjustments. We closed the sale of our Diamond Power business on July 31, 2025

and recorded a gain of $53.2 million. For more information on this sale, see Note 3 to the Condensed Consolidated Financial Statements.

The revenue and operating results presented for Diamond Power for the three and nine months ended September 30, 2025 represent the financial results for January through July 2025 operations.

***Vølund***

During the fourth quarter of 2024, we committed to a plan to sell our Vølund business, resulting in a significant change that would impact our business. The Purchase Agreements provide for a base purchase price equal to $15.0 million plus $0.1 million (400,000 Danish krone). We sold our Vølund business on April 29, 2025, described further in Note 3 to the Condensed Consolidated Financial Statements. We recorded a net loss of $36.9 million which included a write off of CTA of $52.6 million. As we wind down certain contracts, we will incur additional expenses to settle the sale of the business.

The revenue and operating results for the three and nine months ended September 30, 2025 represent the financial results for January through April 2025 operations as well as the net loss on the sale primarily from the write off of CTA. As we wind down certain contracts, we will incur additional expenses to settle the sale of the business.

***B&W Solar***

We continue to meet all of the criteria for the assets and liabilities of this business, formerly part of our B&W Renewable segment, to be accounted for as held for sale. In addition, we also determined that the operations of the B&W Solar business qualified as a discontinued operation, primarily based upon its significance to our current and historic operating losses.

For the three months ended September 30, 2025, revenue decreased to $2.1 million from $27.1 million in the three months ended September 30, 2024 as a result of significantly less work year over year as we completed remaining projects. Operating (loss) income for the three months ended September 30, 2025 decreased to $(4.9) million from $5.7 million in the three months ended September 30, 2024, due to lower revenue described above as well as additional costs needed to complete the remaining projects.

For the nine months ended September 30, 2025, revenue decreased to $12.1 million from $61.0 million in the nine months ended September 30, 2024 as a result of significantly less work year over year as we completed remaining projects. Operating (loss) income for the nine months ended September 30, 2025 decreased to $(27.1) million from $5.4 million in the nine months ended September 30, 2024, primarily as a result of lower revenue as well as additional costs needed to complete the remaining projects.

***BWRS, SPIG and GMAB***

In addition to the B&W Solar and Vølund businesses, discontinued operations include the following subsidiaries divested in 2024: BWRS, SPIG, and GMAB. These sale transactions were part of a previously announced strategy to divest certain non-core businesses to reduce our debt, improve our balance sheet and increase liquidity. Results of operations and cash flows for these businesses and the financial position of the divested subsidiaries are reported as discontinued operations for all periods presented and the notes to the financial statements have been adjusted on a retrospective basis.

**RESULTS OF OPERATIONS**

**Condensed Consolidated Results of Operations**

The following discussion is of our consolidated results of operations below.

| (in thousands) | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | $ Change | 2025 | 2024 | $ Change |
| **Revenues** | **$ 149,011** | **$ 152,631** | **$ (3,620)** | **$ 448,871** | **$ 444,919** | **$ 3,952** |
| **Costs and expenses:** | | | | | | |
| Cost of operations | $ 111,869 | $ 116,517 | $ (4,648) | $ 337,921 | $ 345,572 | $ (7,651) |
| Selling, general and administrative expenses | $ 29,782 | $ 33,335 | $ (3,553) | $ 92,807 | $ 98,485 | $ (5,678) |
| Research and development costs | $ 303 | $ 1,212 | $ (909) | $ 1,601 | $ 2,754 | $ (1,153) |
| Impairment of long-lived assets | $ — | $ — | $ — | $ 950 | $ — | $ 950 |
| Loss on asset disposals, net | $ 557 | $ — | $ 557 | $ 730 | $ — | $ 730 |
| Operating income (loss) | $ 6,500 | $ 1,567 | $ 4,933 | $ 14,862 | $ (1,892) | $ 16,754 |
| **Loss from continuing operations** | **$ (2,342)** | **$ (7,911)** | **$ 5,569** | **$ (22,399)** | **$ (43,562)** | **$ 21,163** |

***Three Months Ended September 30, 2025 and 2024***

Revenues decreased by $3.6 million to $149.0 million in the three months ended September 30, 2025 compared to $152.6 million in the three months ended September 30, 2024. The decrease is primarily driven by lower large project volume in B&W Environmental of $20.6 million, due to larger projects being completed last year and the timing of booking replacement projects starting later 2025, partially offset by higher parts volume of $7.1 million and higher volume related to natural gas conversion projects of $7.5 million. This improvement is primarily due to the increasing need for electricity from fossil fuels driven by the demand from artificial intelligence, data centers and expanding economies.

Costs of operations decreased by $4.6 million to $111.9 million in the three months ended September 30, 2025 compared to $116.5 million in the three months ended September 30, 2024. The decrease is primarily driven by the lower revenue as described above as well as the product mix of lower project volume, higher parts volume which has higher gross margin that contributed to the improvement, and lower costs needed to complete certain projects.

SG&A expenses decreased by $3.6 million to $29.8 million in the three months ended September 30, 2025 compared to $33.3 million in the three months ended September 30, 2024. The decrease is primarily driven by the reduction in Corporate overhead costs.

Research and development costs decreased by $0.9 million to $0.3 million in the three months ended September 30, 2025 compared to $1.2 million in the three months ended September 30, 2024. The decrease is primarily driven by the increased commercialization of our BrightLoop™ technology.

Loss on asset disposals, net increased in the three months ended September 30, 2025 compared to the three months ended September 30, 2024 due to small disposals in 2025.

Operating income increased by $4.9 million to $6.5 million in the three months ended September 30, 2025 compared to $1.6 million in the three months ended September 30, 2024. The increase is a result of the reduced costs previously noted.

Loss from continuing operations decreased by $5.6 million to $2.3 million in the three months ended September 30, 2025 compared to a loss of $7.9 million in the three months ended September 30, 2024, primarily driven by the improvement in the operating income results noted above. We benefited from an interest expense reduction and a gain on debt extinguishment offset by an increase to tax expense.

***Nine Months Ended September 30, 2025 and 2024***

Revenues increased by $4.0 million to $448.9 million in the nine months ended September 30, 2025 compared to $444.9 million in the nine months ended September 30, 2024. The increase is primarily driven by larger parts volume of $33.6 million and higher volume related to natural gas conversion projects of $16.7 million, partially offset by lower large project volume in B&W Environmental in 2025 of $42.1 million.

Costs of operations decreased by $7.7 million to $337.9 million in the nine months ended September 30, 2025 compared to $345.6 million in the nine months ended September 30, 2024. The decrease is primarily driven by the mix of the business as parts sales grew more which have higher gross margin, larger project revenue decreased and lower costs were needed to finish larger projects.

SG&A expenses decreased by $5.7 million to $92.8 million in the nine months ended September 30, 2025 compared to $98.5 million in the nine months ended September 30, 2024. The decrease is primarily driven by the legal settlement of $6.5 million in 2024, offset by increased expenses in employee benefits in the current year.

Research and development costs decreased by $1.2 million to $1.6 million in the nine months ended September 30, 2025 compared to $2.8 million in the nine months ended September 30, 2024. The decrease is primarily driven by the increased commercialization of our BrightLoop™ technology.

Impairment of long-lived assets increased in the nine months ended September 30, 2025 compared to a nominal amount in the nine months ended September 30, 2024. The increase is driven by the reduction in our real estate footprint.

Loss on asset disposals increased in the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 due to small disposals in 2025.

Operating income increased by $16.8 million to $14.9 million in the nine months ended September 30, 2025 compared to an operating loss of $1.9 million in the nine months ended September 30, 2024, primarily due to the revenue increase as described above and an increase in gross profit due to the improvement in cost of operations in product mix.

Loss from continuing operations decreased by $21.2 million to $22.4 million compared to a loss of $43.6 million in the nine months ended September 30, 2024, primarily due to the revenue increase as described above and an increase in gross profit due to the improvement in cost of operations in product mix. We benefited from an interest expense reduction and a gain on debt extinguishment compared to a loss in 2024.

**Other Expenses Impacting Operating Results**

***Interest Expense***

| (in thousands) | Three Months Ended September 30, 2025 | Three Months Ended September 30, 2024 | Nine Months Ended September 30, 2025 | Nine Months Ended September 30, 2024 |
|---|---|---|---|---|
| Components associated with borrowings from: | | | | |
| Senior Notes due 2026 | $ 3,893 | $ 6,407 | $ 15,414 | $ 19,098 |
| Senior Notes due 2030 | 2,426 | — | 3,464 | — |
| Revolving Credit Facility | 469 | 678 | 2,734 | 3,639 |
| | 6,788 | 7,085 | 21,612 | 22,737 |
| Components associated with amortization or accretion of: | | | | |
| Revolving Credit Agreement | 901 | 1,326 | 3,987 | 3,951 |
| Senior Notes due 2026 | 396 | 653 | 1,540 | 1,947 |
| Senior Notes due 2030 | (1,247) | — | (1,824) | — |
| | 50 | 1,979 | 3,703 | 5,898 |
| | | | | |
| Components associated with interest from: | | | | |
| Lease liabilities | 603 | 580 | 1,839 | 1,683 |
| Letter of credit interest and fees | 1,309 | 386 | 3,201 | 3,195 |
| Other interest expense | 391 | 27 | 820 | 524 |
| Capitalized interest | (641) | — | (641) | — |
| | 1,662 | 993 | 5,219 | 5,402 |
| | | | | |
| Total interest expense | $ 8,500 | $ 10,057 | $ 30,534 | $ 34,037 |

Interest expense for the three and nine months ended September 30, 2025 is lower compared to the three and nine months ended September 30, 2024 due to the debt refinancing transactions that occurred in 2025 that results in lower base principal and will result in accretion of the gain over the life of the debt. See Note 13 in the Condensed Consolidated Financial Statements for further details.

***Income Taxes***

| (in thousands, except for percentages) | Three Months Ended September 30, 2025 | Three Months Ended September 30, 2024 | $ Change | Nine Months Ended September 30, 2025 | Nine Months Ended September 30, 2024 | $ Change |
|---|---|---|---|---|---|---|
| Loss from continuing operations before income tax expense (benefit) | $ (1,314) | $ (8,419) | $ 7,105 | $ (15,527) | $ (40,925) | $ 25,398 |
| Income tax expense (benefit) | $ 1,028 | $ (508) | $ 1,536 | $ 6,872 | $ 2,637 | $ 4,235 |
| Effective tax rate | (78.2)% | 6.0 % | | (44.3)% | (6.4)% | |

Deferred tax assets are evaluated each period to determine whether realization is more likely than not. Valuation allowances are established when management determines it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. Valuation allowances may be removed in the future if sufficient positive evidence exists to outweigh the negative evidence under the framework of ASC 740, *Income Taxes* ("ASC 740").

Our effective tax rate for the first nine months of 2025 is not reflective of the U.S. statutory rate primarily due to certain foreign entities having a tax rate higher than the U.S. statutory rate, valuation allowances against certain net deferred tax assets and unfavorable discrete items. In certain jurisdictions where we anticipate a loss for the year or incur a loss for the year-to-date period for which a tax benefit cannot be realized in accordance with ASC 740, we exclude the loss in that jurisdiction from the overall computation of the estimated annual effective tax rate.

**Bookings and Backlog**

Bookings and backlog are our measures of remaining performance obligations under our sales contracts. We believe these metrics provide investors, lenders and other users of our financial statements with a leading indicator of future revenues. It is possible that our methodology for determining bookings and backlog may not be comparable to methods used by other companies.

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

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| (in approximate millions) | 2025 | 2024 | 2025 | 2024 |
| B&W Thermal | $ 95.9 | $ 88.5 | $ 265.9 | $ 268.9 |
| B&W Renewable | 10.5 | 19.2 | 50.7 | 66.7 |
| B&W Environmental | 23.4 | 12.3 | 50.6 | 49.4 |
| Other/eliminations | — | — | (1.9) | (3.3) |
| Bookings | $ 129.8 | $ 120.0 | $ 365.3 | $ 381.7 |

Backlog as of September 30, 2025 and 2024 was as follows:

| | September 30, | |
|---|---|---|
| approximate millions) | 2025 | 2024 |
| W Thermal | $ 333.7 | $ 168.7 |
| W Renewable | 26.9 | 25.2 |
| W Environmental | 30.2 | 45.3 |
| er/eliminations | 2.7 | 12.4 |
| Backlog | $ 393.5 | $ 251.6 |

Of the backlog at September 30, 2025, we expect to recognize revenues as follows:

| (in approximate millions) | 2025 | 2026 | Thereafter | Total |
|---|---|---|---|---|
| B&W Thermal | $ 109.7 | $ 212.0 | $ 12.0 | $ 333.7 |
| B&W Renewable | 8.1 | 17.8 | 1.0 | 26.9 |
| B&W Environmental | 9.0 | 19.9 | 1.3 | 30.2 |
| Other/eliminations | 2.7 | — | — | 2.7 |
| Expected revenue from backlog | $ 129.5 | $ 249.7 | $ 14.3 | $ 393.5 |

**Non-GAAP Financial Measures**

We use non-GAAP financial measures internally to evaluate our performance and make financial and operational decisions. When viewed in conjunction with GAAP results and the accompanying reconciliations, we believe that the presentation of

these measures provides investors with greater transparency and a greater understanding of factors affecting our financial position and results of operations than GAAP measures alone. The presentation of non-GAAP financial measures should not be considered in isolation or as a substitute for the related financial results prepared in accordance with GAAP.

The following discussion of our business segment results of operations includes a discussion of EBITDA and Adjusted EBITDA. EBITDA focuses on the earnings generated from core business operations, without considering the effects of financing, accounting decisions or tax. Adjusted EBITDA differs from the most directly comparable measure calculated in accordance with GAAP. A reconciliation of net loss, the most directly comparable GAAP measure, to Adjusted EBITDA is included below. Management believes that this financial measure is useful to investors because it excludes certain expenses, allowing investors to more easily compare our financial performance period to period. When viewed in conjunction with GAAP results and the accompanying reconciliation in Note 5 to the Condensed Consolidated Financial Statements, we believe the presentation of Adjusted EBITDA provides investors with greater transparency and a greater understanding of factors affecting our financial position and results of operations than GAAP measures alone.

Adjusted EBITDA on a consolidated basis is defined as the sum of the Adjusted EBITDA for each of the segments, further adjusted for corporate allocations and research and development costs. At a segment level, the Adjusted EBITDA metrics presented in this report are consistent with the manner in which our CODM primarily reviews the results of operations and makes strategic decisions about the business. Our CODM reviews actuals to budgets and forecasts on a quarterly basis and when making decisions. Adjusted EBITDA is calculated as earnings before interest, tax, depreciation and amortization adjusted for items such as gains or losses arising from the sale of non-income producing assets, net pension benefits, restructuring activities, impairments, gains and losses on debt extinguishment, legal and settlement costs, costs related to financial consulting, and other costs that may not be directly controllable by segment management and are not allocated to the segment. We present consolidated Adjusted EBITDA because we believe it is useful to investors to help facilitate comparisons of the ongoing, operating performance before corporate overhead and other expenses not attributable to the operating performance of our revenue generating segments. Additionally, the Company redefined its definition of Adjusted EBITDA to eliminate the effects of certain items including interest on letters of credit included in Cost of operations and product development costs. Prior period results have been revised to conform with the revised definition and present separate reconciling items in our reconciliation.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| (in thousands) | 2025 | 2024 | 2025 | 2024 |
| Net income (loss) | $ 35,092 | $ (5,332) | $ (45,407) | $ 3,242 |
| Income (loss) from discontinued operations, net of tax | 37,434 | 2,579 | (23,008) | 46,804 |
| Loss from continuing operations | (2,342) | (7,911) | (22,399) | (43,562) |
| Interest expense, net | 8,144 | 9,898 | 29,401 | 33,571 |
| Income tax expense | 1,028 | (508) | 6,872 | 2,637 |
| Depreciation & amortization | 2,877 | 2,812 | 7,329 | 8,791 |
| **EBITDA** | **9,707** | **4,291** | **21,203** | **1,437** |
| | | | | |
| Impairment of long-lived assets | — | — | 950 | — |
| Benefit plans, net | 783 | (67) | 2,338 | (203) |
| Loss on asset disposals, net | 557 | — | 730 | — |
| Stock compensation | 746 | 938 | 2,267 | 3,637 |
| Restructuring activities | — | 134 | 111 | 1,144 |
| Settlements and related legal costs | 322 | (61) | 858 | 3,235 |
| (Gain) loss on debt extinguishment | (1,730) | 665 | (1,730) | 6,789 |
| Foreign exchange | 466 | (1,230) | (396) | (2,235) |
| Financial advisory services | 1,588 | 2,535 | 6,755 | 2,884 |
| Other - net | 210 | 757 | 776 | 2,034 |
| **Adjusted EBITDA** | **$ 12,649** | **$ 7,962** | **$ 33,862** | **$ 18,722** |

| (in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| **Adjusted EBITDA** | | | | |
| B&W Thermal | $ 15,168 | $ 13,382 | $ 40,234 | $ 31,876 |
| B&W Renewable | 650 | (343) | 1,362 | (391) |
| B&W Environmental | 2,836 | 583 | 6,900 | 2,873 |
| Corporate | (6,005) | (5,660) | (14,634) | (15,636) |
| | **$ 12,649** | **$ 7,962** | **$ 33,862** | **$ 18,722** |

**Corporate**

Corporate costs in Adjusted EBITDA include SG&A expenses that are not allocated to the reportable segments. These costs include, among others, certain executive, compliance, strategic, reporting and legal expenses associated with governance of the total organization and being an SEC registrant, and research and development activity costs.

**Impairment of long-lived assets**

Impairment of long-lived assets refers to when the carrying amount of an asset exceeds the fair value or recoverable amount.

**Benefit plans, net**

We recognize benefits from our defined benefit and other postretirement benefit plans based on actuarial calculations primarily because our expected return on assets is greater than our service cost. Service cost is low because our plan benefits are frozen except for a small number of hourly participants.

Our pension costs include MTM adjustments and are primarily a result of changes in the discount rate, curtailments and settlements. Any MTM charge or gain should not be considered to be representative of future MTM adjustments as such events are not currently predicted and are in each case subject to market conditions and actuarial assumptions as of the date of the event giving rise to the MTM adjustment.

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

**Loss on asset disposals, net**

We, at times, will sell or dispose of certain assets that are unrelated to our current or future operations. Therefore, we believe it is useful to exclude these gains and losses from our non-GAAP financial measures in order to highlight the performance of the continuing business.

**Stock compensation**

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

**Restructuring activities**

Restructuring activities and business services transition actions across our business units and corporate functions primarily consist of severance and related costs associated with non-recurring actions taken to transform our operations with impacts on employees and facilities used in our businesses. Business services transition costs relate to new technology implementation, expected to provide future benefit and are included in Cost of operations and SG&A expenses in the Condensed Consolidated Statement of Operations.

**Settlements and related legal costs (recoveries)**

Settlements and related legal costs relate to expenses associated with resolving legal disputes, whether through negotiated settlements or court judgments.

**Gain (loss) on debt extinguishment**

Losses on debt extinguishment were due to the write-off of deferred financing fees and certain other exit costs associated with our extinguishment of the Debt Facilities.

**Foreign exchange**

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

Foreign exchange gains and losses are primarily related to unhedged intercompany loans denominated in European currencies to fund foreign operations.

**Financial advisory services**

Financial advisory services relate to business planning and other professional services.

**RESULTS BY SEGMENT**

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| (in thousands) | 2025 | 2024 | $ Change | 2025 | 2024 | $ Change |
| Revenues: | | | | | | |
| B&W Thermal segment | | | | | | |
| Parts | $ 55,660 | $ 52,938 | $ 2,722 | $ 155,225 | $ 127,888 | $ 27,337 |
| Projects | 37,648 | 26,276 | 11,372 | 90,939 | 80,956 | 9,983 |
| Construction | 24,963 | 30,162 | (5,199) | 99,667 | 103,458 | (3,791) |
| | 118,271 | 109,376 | 8,895 | 345,831 | 312,302 | 33,529 |
| B&W Renewable segment | | | | | | |
| Parts | 4,876 | 3,275 | 1,601 | 16,031 | 13,888 | 2,143 |
| Projects | 4,520 | 2,938 | 1,582 | 16,277 | 14,402 | 1,875 |
| Construction | 5,797 | 3,313 | 2,484 | 16,111 | 11,776 | 4,335 |
| | 15,193 | 9,526 | 5,667 | 48,419 | 40,066 | 8,353 |
| B&W Environmental segment | | | | | | |
| Parts | 7,909 | 5,458 | 2,451 | 29,098 | 24,989 | 4,109 |
| Projects | 7,638 | 28,272 | (20,634) | 25,525 | 67,628 | (42,103) |
| | 15,547 | 33,730 | (18,183) | 54,623 | 92,617 | (37,994) |
| Eliminations of intersegment revenues | — | (1) | 1 | (2) | (66) | 64 |
| Total Revenue | $ 149,011 | $ 152,631 | $ (3,620) | $ 448,871 | $ 444,919 | $ 3,952 |

**B&W Thermal Segment Results**

| (in thousands) | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | $ Change | 2025 | 2024 | $ Change |
| Revenues | $ 118,271 | $ 109,376 | $ 8,895 | $ 345,831 | $ 312,302 | $ 33,529 |
| Adjusted EBITDA | $ 15,168 | $ 13,382 | $ 1,786 | $ 40,234 | $ 31,876 | $ 8,358 |

***Three Months Ended September 30, 2025 and 2024***

Revenues in the B&W Thermal segment increased 8%, or $8.9 million, to $118.3 million in the three months ended September 30, 2025 from $109.4 million in the three months ended September 30, 2024. The increase is primarily due to higher volume of natural gas conversions of $7.5 million and higher parts volume of $2.7 million, partially offset by lower Construction volumes of $5.2 million.

Adjusted EBITDA in the B&W Thermal segment increased $1.8 million to $15.2 million in the three months ended September 30, 2025 from $13.4 million in the three months ended September 30, 2024. This is primarily driven by the increase in revenue as described above.

***Nine Months Ended September 30, 2025 and 2024***

Revenues in the B&W Thermal segment increased 11%, or $33.5 million, to $345.8 million in the nine months ended September 30, 2025 from $312.3 million nine months ended September 30, 2024, driven primarily by the increase in boiler related parts of $27.3 million due to higher volume of natural gas conversions of $16.7 million partially offset by lower Construction volume of $3.8 million.

Adjusted EBITDA in the B&W Thermal segment increased $8.4 million to $40.2 million in the nine months ended September 30, 2025 from $31.9 million in the nine months ended September 30, 2024. The increase in EBITDA is primarily driven by the increased revenue as described above.

**B&W Renewable Segment Results**

| (in thousands) | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | $ Change | 2025 | 2024 | $ Change |
| Revenues | $ 15,193 | $ 9,526 | $ 5,667 | $ 48,419 | $ 40,066 | $ 8,353 |
| Adjusted EBITDA | $ 650 | $ (343) | $ 993 | $ 1,362 | $ (391) | $ 1,753 |

***Three Months Ended September 30, 2025 and 2024***

Revenues in the B&W Renewable segment increased 59%, or $5.7 million, to $15.2 million in the three months ended September 30, 2025 from $9.5 million in the three months ended September 30, 2024. This is primarily attributable to the increase in our pulp and paper business of $4.7 million.

Adjusted EBITDA in the B&W Renewable segment increased $1.0 million, to $0.7 million in the three months ended September 30, 2025 from $(0.3) million the three months ended September 30, 2024 driven by the increase in revenue as described above.

***Nine Months Ended September 30, 2025 and 2024***

Revenues in the B&W Renewable segment increased 21%, or $8.4 million, to $48.4 million in the nine months ended September 30, 2025 from $40.1 million in the nine months ended September 30, 2024. This is primarily attributable to the increase in our pulp and paper business of $5.5 million.

Adjusted EBITDA in the B&W Renewable segment increased $1.8 million, to $1.4 million in the nine months ended September 30, 2025 from $(0.4) million in the nine months ended September 30, 2024. This is primarily attributable to the increase in revenue as described above.

**B&W Environmental Segment Results**

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| (in thousands) | 2025 | 2024 | $ Change | 2025 | 2024 | $ Change |
| Revenues | $ 15,547 | $ 33,730 | $ (18,183) | $ 54,623 | $ 92,617 | $ (37,994) |
| Adjusted EBITDA | $ 2,836 | $ 583 | $ 2,253 | $ 6,900 | $ 2,873 | $ 4,027 |

***Three Months Ended September 30, 2025 and 2024***

Revenues in the B&W Environmental segment decreased 54%, or $18.2 million, to $15.5 million in the three months ended September 30, 2025 from $33.7 million in the three months ended September 30, 2024. This is primarily attributable to lower volume of projects in our flue gas treatment business of $13.7 million as projects that were completed in 2024 were not fully replaced in 2025 primarily due to timing of the replacement projects that have started later in 2025.

Adjusted EBITDA in the B&W Environmental segment increased $2.3 million, to $2.8 million in the three months ended September 30, 2025 from $0.6 million in the three months ended September 30, 2024. This is primarily due to lower SG&A as well as margin improvements on ASH projects of $2.6 million partially offset by the revenue decrease as described above.

***Nine Months Ended September 30, 2025 and 2024***

Revenues in the B&W Environmental segment decreased 41%, or $38.0 million, to $54.6 million in the nine months ended September 30, 2025 from $92.6 million in the nine months ended September 30, 2024. The decrease is primarily due to projects closing out in 2024 that were not fully replaced in 2025 as the replacement projects have started later in 2025.

Adjusted EBITDA in the B&W Environmental segment increased $4.0 million, to $6.9 million in the nine months ended September 30, 2025 from $2.9 million in the nine months ended September 30, 2024. The increase is primarily due to cost reductions offset partially by the lower revenue as described above.

**Corporate Results**

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| (in thousands) | 2025 | 2024 | $ Change | 2025 | 2024 | $ Change |
| Adjusted EBITDA | $ (6,005) | $ (5,660) | $ (345) | $ (14,634) | $ (15,636) | $ 1,002 |

***Three Months Ended September 30, 2025 and 2024***

Adjusted EBITDA in Corporate decreased $0.3 million, to $(6.0) million in the three months ended September 30, 2025 from $(5.7) million in the three months ended September 30, 2024. This is related to an increase in employee benefits.

***Nine Months Ended September 30, 2025 and 2024***

Adjusted EBITDA in Corporate increased $1.0 million, to $(14.6) million in the nine months ended September 30, 2025 from $(15.6) million in the nine months ended September 30, 2024. This is primarily related to a decrease in audit and consulting fees.

**Liquidity and Capital Resources**

***Liquidity***

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

Our assessment of our ability to fund future operations is inherently subjective, judgment-based and susceptible to change based on future events. In prior periods, we incurred operating losses, primarily due to losses recognized on our Vølund and B&W Solar business as well as higher debt service costs and recurring cash deficits from operating activities. While these conditions and events raise substantial doubt about our ability to continue as a going concern, we believe it is probable that our alternative measures contemplated alleviate the substantial doubt about our ability to continue as a going concern.

In response to the conditions, we have implemented several strategies to obtain the required funding for future operations and are considering other alternative measures to improve cash flow, including suspension of the dividend on our Preferred Stock and delaying development of new products, which together would reduce our annual cash spending. The following actions were completed through the issuance date of this Quarterly Report:

- sold non-core businesses for $187.5 million in net proceeds in 2025 (described in Note 3 to the Condensed Consolidated Financial Statements);
- sold 15.0 million and 5.0 million common shares for net proceeds of $32.5 million and $7.9 million as of September 30, 2025 and December 31, 2024, respectively, pursuant to our At-The-Market offering (described in Note 14 to the Condensed Consolidated Financial Statements);
- completed privately negotiated exchanges with two institutional investors of noteholders that resulted in $84.0 million aggregate principal amount of the Company's 8.125% Senior Notes and $47.8 million aggregate principal amount of the Company's 6.50% Senior Notes being exchanged for $100.7 million aggregate principal amount of newly-issued 8.75% Senior Notes (described in Note 13 to the Condensed Consolidated Financial Statements);
- completed a cash tender offer for $8.3 million of our 8.125% Senior Notes and 6.5% Senior Notes for a gain of $1.7 million (described in Note 13 to the Condensed Consolidated Financial Statements);
- exchanged $5.0 million of our 8.125% Senior Notes and $10.0 million of our 6.50% Senior Notes for $15.0 million of our 8.75% Senior Notes (described in Note 13 to the Condensed Consolidated Financial Statements);
- completed the redemption of $70.0 million of 8.125% Senior Notes (described in Note 21 to the Condensed Consolidated Financial Statements);
- repaid the outstanding balance on the revolving credit portion of the Credit Facility, leaving $81.1 million of borrowing power under the facility (described in Note 13 to the Condensed Consolidated Financial Statements);
- signed the Ninth Amendment to the Credit Agreement to extend the maturity date of the Credit Facility to November 30, 2026 (described in Note 13 to the Condensed Consolidated Financial Statements); and
- are actively in discussions with certain parties to further divest non-core assets. We cannot provide any assurances that such transaction will close or that proceeds will not be more or less than we anticipate.

Based on our ability to raise funds through the actions noted above and our Cash and cash equivalents as of September 30, 2025, we have concluded it is probable that such actions would provide sufficient liquidity to fund operations for the next twelve months following the date of this Quarterly Reports.

***Cash and Cash Flows***

At September 30, 2025, our cash and cash equivalents, and restricted cash totaled $201.1 million, and we had total debt of $416.4 million as well as $191.7 million of gross preferred stock outstanding. Our foreign business locations held $12.7 million of our total cash and cash equivalents and restricted cash as of September 30, 2025. In general, our foreign cash balances are not available to fund our U.S. operations unless the funds are repatriated or used to repay intercompany loans made from the U.S. to foreign entities, which could expose us to taxes we have not made a provision for in our results of operations. We have no plans to repatriate these funds to the U.S. In addition, we had $68.9 million of restricted cash as of September 30, 2025 related to collateral for certain letters of credit as part of funding for several ongoing projects.

Cash flows used in operating activities was $65.9 million in the nine months ended September 30, 2025, which is primarily attributable to the year-to-date net loss of $45.4 million and non-cash adjustments arising from gain on sale of business of $17.3 million, partially offset by the impairment of long-lived assets of $9.9 million. Cash flows used in operating activities also included movements in certain operating assets and liabilities such as accounts receivable trade, net of $6.3 million, contracts in progress of $11.9 million, partially offset by advanced billings on contracts of $16.6 million which are primarily impacted by timing differences related to progress made on ongoing projects, billings, and collections, and may fluctuate significantly period to period. Operating cash flow decreases from pension liabilities, accrued postretirement benefits and employee benefits of $6.8 million is a result of contributions made to the plan. Operating cash flow increases from accrued

and other current liabilities of $12.8 million is the result of timing of payments to vendors offset by the decrease in accounts payable of $33.2 million.

Cash flows used in operating activities was $96.2 million in the nine months ended September 30, 2024, which was attributable to the year-to-date net income of $3.2 million offset primarily by the BWRS non-cash gain of $40.1 million. Non-cash expenses including the loss on the debt extinguishment of $6.8 million, depreciation and amortization of long-lived assets of $13.7 million, deferred taxes of $6.5 million and operating lease expenses of $5.2 million were primarily offset by movements in certain operating assets and liabilities such as accounts receivable - trade, net of $14.2 million, contracts in progress of $30.4 million, advanced billings on contracts of $20.7 million, and accrued and other current liabilities of $5.8 million due to the same factors described above for 2025.

Cash flows provided by investing activities was $172.4 million in the nine months ended September 30, 2025, primarily due to proceeds from the sale of our Vølund and Diamond Power businesses of $187.5 million, partially offset by purchases of fixed assets relating to BrightLoop™ projects. Cash flows provided by investing activities were $78.0 million in the nine months ended September 30, 2024, primarily related to the $87.6 million proceeds from the sale of BWRS, offset by purchases of fixed assets relating to BrightLoop™ projects.

Cash flows used in financing activities was $37.4 million in the nine months ended September 30, 2025, primarily related to the net repayments on the Axos Credit Agreement of $51.4 million and payments of preferred stock dividends of $11.1 million, partially offset by proceeds of $32.5 million pursuant to our At-The-Market offering as described in Note 14 to the Condensed Consolidated Financial Statements. Cash flows provided by financing activities was $70.8 million in the nine months ended September 30, 2024 and was primarily related to the net borrowings on the Axos Credit Agreement of $93.7 million, partially offset by preferred stock dividend payments of $14.9 million.

***Debt and Credit Facilities***

As described in Note 13 to the Condensed Consolidated Financial Statements included in Item 1 of this Quarterly Report, we entered into a Credit Agreement in January 2024. B. Riley, a related party, has provided a guaranty of payment with regard to our obligations under the Credit Agreement, which is no longer in place as Axos has suspended the current need for the guarantee. This agreement substantially replaced the Reimbursement Agreement, Revolving Credit Agreement and Letter of Credit Agreement. We completed the transition of letters of credit outstanding under the Letter of Credit Agreement and Reimbursement Agreement to the Credit Agreement in August 2024. Information related to our Debt and Credit Facilities is described in Note 13 to the Condensed Consolidated Financial Statements and is incorporated herein by reference.

***Taxes***

On July 4, 2025, the One Big Beautiful Bill (the "OBBB") Act was enacted in the United States. This legislation increases federal support for oil and gas production while reducing support for renewable energy and infrastructure development. Notably, the OBBBA accelerates the phaseout of certain clean energy tax credits established under the Inflation Reduction Act (the “IRA”), including the clean electricity production and investment credits for solar and wind projects. These credits will no longer apply to projects that begin construction more than 12 months after the enactment date, or that are placed in service after December 31, 2027. Certain provisions of the OBBBA remain subject to further regulatory interpretation and implementation that are expected to be finalized during the remainder of 2025. The OBBBA, along with other evolving trade and immigration policies, may have both positive and negative effects on our business. Potential impacts include, but are not limited to, shifts in the timing and scope of customer projects, fluctuations in demand for our services, and changes in capital and labor costs, including availability.

**CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

For a summary of the critical accounting policies and estimates that we use in the preparation of our unaudited Condensed Consolidated Financial Statements, see "Critical Accounting Policies and Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2024. There have been no significant changes to our policies during the nine months ended September 30, 2025 from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024.

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

Our exposure to market risks has not changed materially from those disclosed under "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2024.

**Item 4. Controls and Procedures**

*Disclosure Controls and Procedures*

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

Based on this evaluation and because of the previously-reported material weaknesses in internal control over financial reporting, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of September 30, 2025.

Notwithstanding the conclusion by our Chief Executive Officer and Chief Financial Officer that our disclosure controls and procedures as of September 30, 2025 were not effective, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that the Condensed Consolidated Financial Statements as of and for the three and nine months ended September 30, 2025 and 2024 present fairly, in all material respects, our financial position, results of operations and cash flows in conformity with GAAP.

*Remediation Plan and Status*

As of September 30, 2025, the material weaknesses previously disclosed have not yet been remediated. In response to the material weaknesses in our internal control over financial reporting, management has initiated remediation efforts, which includes:

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

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

*Changes in Internal Control Over Financial Reporting*

There were no changes in internal control over financial reporting (as defined by Rule13a-15(f)and15d-15(f)under theExchange Act during the quarter ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

*Inherent Limitations in Effectiveness of Controls*

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures, or our internal controls, will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of

controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake or fraud. Additionally, controls can be circumvented by individuals or groups of persons or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements in our public reports due to error or fraud may occur and not be detected.

## PART II

### Item 1. Legal Proceedings

Please refer to our Annual Report on Form 10-K for the year ended December 31, 2024 as there have been no material changes and no new litigation to disclose as of September 30, 2025.

### Item 1A. Risk Factors

We are subject to various risks and uncertainties in the course of our business. The discussion of such risks and uncertainties may be found under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024. Other than the additional risk factor set forth below, there have been no material changes to the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2024.

***There can be no assurance that our efforts to improve our financial position will be successful or that we will be able to obtain additional capital or refinance any of our debt in the future on commercially reasonable terms or at all.***

In January 2024, we entered into a Credit Agreement, as described in Note 15 to the Consolidated Financial Statements included in Part II, Item 8 of our Annual Report for fiscal year 2024 filed with the SEC on March 31, 2024, which has been amended from time to time. The Ninth Amendment provides that the maturity date of the Credit Agreement remains January 18, 2027, provided that by November 30, 2026, the 6.50% Senior Notes have not been repaid, defeased, or otherwise satisfied in full or refinanced, or the maturity date has not otherwise been extended to a date on or after July 18, 2027, then November 30, 2026.

In May 2025, we completed privately negotiated exchange transactions related to our 6.50% Senior Notes and 8.125% Senior Notes (together, the "2026 Notes") in which we issued 8.75% Senior Notes as consideration of the cancellation of approximately $48 million aggregate principal amount of the 6.50% Senior Notes and approximately $84 million aggregate principal amount of the 8.125% Senior Notes for approximately $101 million aggregate principal amount of newly-issued 8.75% Senior Notes. In August 2025, we completed a cash tender offer for the remaining 2026 Notes that we have outstanding with $5.6 million of the 8.125% Senior Notes and $2.7 million of the 6.50% Senior Notes validly tendered and not validly withdrawn, as well as a privately negotiated exchange transaction related to the 2026 Notes in which we issued the 8.75% Senior Notes as consideration of the cancellation of approximately $5 million aggregate principal amount of the 8.125% Senior Notes and approximately $10 million aggregate principal amount of the 6.50% Senior Notes. In October 2025, we completed the redemption of $70 million of the 8.125% Senior Notes.

Although we have amended the terms of and refinanced our debt in the past, there can be no assurance that our efforts to improve our financial position will be successful or that we will be able to obtain additional capital or refinance any of our debt in the future on commercially reasonable terms or at all. If we are unable to do so on commercially reasonable terms or at all, it may materially and adversely affect our reputation, liquidity, business, financial condition or results of operations, we may breach our obligations under such debt and it may be necessary for us to reorganize, including through bankruptcy proceedings.

***Growth of the data center market is difficult to project and may not be sustained, and we may not be successful in achieving our growth, revenue, or profitability objectives in the future related to it.***

The increasing use and development of artificial intelligence has created significant demand for power generation; however, the growth and development of this rapidly evolving industry is difficult to project. Our expectations regarding this market may not prove to be accurate or the market may not be sustainable. Our operating results may fluctuate moving forward as we develop this business. Our expectations around growth for this market may also place significant demands on our management team and require significant capital investment as well as other resources. We may not be able to address these challenges in a cost-effective manner or at all, which could have an impact on our future objectives for growth, revenue, or profitability as well as our financial results and operations.

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

In accordance with the provisions of the employee benefit plans, we acquire shares in connection with the vesting of employee restricted stock that require us to withhold shares to satisfy employee statutory income tax withholding obligations. During the quarter ended September 30, 2025, we did not have any repurchases of shares related to employee restricted stock plans. Also, we do not have a general share repurchase program at this time.

**Item 5. Other Information**

During the three months ended September 30, 2025, none of our directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

**Item 6. Exhibits**

| | |
|---|---|
| 2.1* | Master Separation Agreement, dated as of June 8, 2015, between The Babcock & Wilcox Company and Babcock & Wilcox Enterprises, Inc. (incorporated by reference to Exhibit 2.1 to the Babcock & Wilcox Enterprises, Inc. Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 (File No. 001-36876)). |
| 3.1 | Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Babcock & Wilcox Enterprises, Inc. Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 (File No. 001-36876)). |
| 3.2 | Certificate of Amendment of the Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Babcock & Wilcox Enterprises, Inc. Current Report on Form 8-K filed on June 17, 2019 (File No. 001-36876)). |
| 3.3 | Certificate of Amendment of the Restated Certificate of Incorporation, as amended (incorporated by reference to Exhibit 3.1 to the Babcock & Wilcox Enterprises, Inc. Current Report on Form 8-K filed on July 24, 2019 (File No. 001-36876)). |
| 3.4 | Certificate of Amendment of Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Babcock & Wilcox Enterprises, Inc. Current Report on Form 8-K filed on May 23, 2023 (File No. 001-36876)). |
| 3.5 | Amended and Restated Bylaws of Babcock & Wilcox Enterprises, Inc. (incorporated by reference to Exhibit 3.1 to the Babcock & Wilcox Enterprises, Inc. Current Report on Form 8-K filed on March 5, 2025 (File No. 001-36876)). |
| 3.6 | Certificate of Designations with respect to the 7.75% Series A Cumulative Perpetual Preferred Stock, dated May 6, 2021, filed with the Secretary of State of Delaware and effective on May 6, 2021 (incorporated by reference to Exhibit 3.4 to the Babcock & Wilcox Enterprises, Inc. Form 8-A filed on May 7, 2021 (File No. 001-36876)). |
| 3.7 | Certificate of Increase in Number of Shares of 7.75% Series A Cumulative Perpetual Preferred Stock, dated June 1, 2021 (incorporated by reference to Exhibit 3.1 to the Babcock & Wilcox Enterprises, Inc. Current Report on Form 8-K filed on July 7, 2021 (File No. 001-36876)). |
| 4.1 | Indenture, dated as of May 19, 2025, by and among Babcock & Wilcox Enterprises, Inc., certain of its subsidiaries, as guarantors, and GLAS Trust Company LLC, as trustee and collateral agent (including form of 8.75% Senior Secured Second Lien Notes due 2030) (incorporated by reference to Exhibit 4.1 to the Babcock & Wilcox Enterprises, Inc. Form 8-K filed on May 21, 2025 (File No. 001-36876)). |
| 4.2 | Form of 8.75% Senior Secured Second Lien Notes due 2030 (included as Exhibit A in Exhibit 4.1) (incorporated by reference to Exhibit 4.2 to the Babcock & Wilcox Enterprises, Inc. Form 8-K filed on May 21, 2025 (File No. 001-36876)). |
| 10.1 | Eighth Amendment to Credit Agreement among Babcock & Wilcox Enterprises, Inc., the lenders and Axos Bank, dated July 3, 2025 (incorporated by reference to Exhibit 10.5 to the Babcock & Wilcox Enterprises, Inc. Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 (File No. 001-36876)). |
| 10.2 | Membership Interest, Share and Asset Purchase Agreement, dated June 4, 2025, by and among Andritz (USA) Inc., Andritz China Ltd., Andritz Canada Inc., The Babcock & Wilcox Company, Babcock & Wilcox International Sales and Service Corporation, and Babcock & Wilcox Canada Corp. (incorporated by reference to Exhibit 10.1 to the Babcock & Wilcox Enterprises, Inc. Form 8-K filed on August 4, 2025 (File No. 001-36876)).* |

| | |
|---|---|
| 10.3 | First Amendment to Membership Interest, Share and Asset Purchase Agreement, dated July 31, 2025, by and among Andritz (USA) Inc., Andritz China Ltd., Andritz Canada Inc., Andritz AG, The Babcock & Wilcox Company, Babcock & Wilcox International Sales and Service Corporation, and Babcock & Wilcox Canada Corp. (incorporated by reference to Exhibit 10.2 to the Babcock & Wilcox Enterprises, Inc. Form 8-K filed on August 4, 2025 (File No. 001-36876)). |
| 10.4 | Ninth Amendment to Credit Agreement among Babcock & Wilcox Enterprises, Inc., the lenders and Axos Bank, dated August 8, 2025 (incorporated by reference to Exhibit 10.8 to the Babcock & Wilcox Enterprises, Inc. Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 (File No. 001-36876)). |
| 31.1 | Rule 13a-14(a)/15d-14(a) certification of Chief Executive Officer. |
| 31.2 | Rule 13a-14(a)/15d-14(a) certification of Chief Financial Officer. |
| 32.1 | Section 1350 certification of Chief Executive Officer. |
| 32.2 | Section 1350 certification of Chief Financial Officer. |
| 101.SCH | XBRL Taxonomy Extension Schema Document. |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document. |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document. |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document. |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document. |
| 104 | Cover Page Interactive Data File (embedded within the inline XBRL document) |

*As permitted by Regulation S-K, Item 601(b)(10)(iv) of the Securities Exchange Act of 1934, as amended, certain confidential portions of this exhibit have been redacted from the publicly filed document.

**SIGNATURES**

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

BABCOCK & WILCOX ENTERPRISES, INC.

November 10, 2025 By: /s/ Cameron Frymyer

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