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

FORM 10-Q

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

For the quarterly period ended July 1, 2023

OR

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

For the transition period from __________ to

Commission File Number 001-35849

NV5 Global, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**45-3458017**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 South Park Road, Suite 350	
Hollywood, Florida	**33021**
(Address of principal executive offices)	(Zip Code)

(954) 495-2112
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	**NVEE**	**The NASDAQ Stock Market**

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 definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

As of August 4, 2023, there were 15,890,254 shares outstanding of the registrant's common stock, $0.01 par value.

NV5 GLOBAL, INC.
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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

NV5 Global, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(in thousands, except share data)

	July 1, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 28,827	$ 38,541
Billed receivables, net	149,110	145,637
Unbilled receivables, net	107,192	92,862
Prepaid expenses and other current assets	20,501	13,636
Total current assets	305,630	290,676
Property and equipment, net	49,392	41,640
Right-of-use lease assets, net	38,628	39,314
Intangible assets, net	243,579	160,431
Goodwill	526,848	400,957
Other assets	3,751	2,705
Total assets	$ 1,167,828	$ 935,723
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 55,578	$ 57,771
Accrued liabilities	52,735	44,313
Billings in excess of costs and estimated earnings on uncompleted contracts	37,195	31,183
Other current liabilities	2,072	1,597
Current portion of contingent consideration	4,149	10,854
Current portion of notes payable and other obligations	14,800	15,176
Total current liabilities	166,529	160,894
Contingent consideration, less current portion	1,897	4,481
Other long-term liabilities	28,526	29,542
Notes payable and other obligations, less current portion	209,241	39,673
Deferred income tax liabilities, net	20,487	6,893
Total liabilities	426,680	241,483
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.01 par value; 5,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, $0.01 par value; 45,000,000 shares authorized, 15,890,908 and 15,523,300 shares issued and outstanding as of July 1, 2023 and December 31, 2022, respectively	159	155
Additional paid-in capital	497,035	471,300
Accumulated other comprehensive income (loss)	(191)	—
Retained earnings	244,145	222,785
Total stockholders' equity	741,148	694,240
Total liabilities and stockholders' equity	$ 1,167,828	$ 935,723

See accompanying notes to consolidated financial statements (unaudited).

NV5 Global, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME
(UNAUDITED)
(in thousands, except share data)

	Three Months Ended		Six Months Ended	
	July 1, 2023	July 2, 2022	July 1, 2023	July 2, 2022
Gross revenues	$ 222,638	$ 202,732	$ 406,955	$ 392,885
Direct costs:				
Salaries and wages	57,079	47,704	105,463	93,681
Sub-consultant services	39,690	40,479	67,304	75,305
Other direct costs	15,569	15,309	27,890	30,833
Total direct costs	112,338	103,492	200,657	199,819
Gross profit	110,300	99,240	206,298	193,066
Operating expenses:				
Salaries and wages, payroll taxes, and benefits	58,949	47,283	111,621	97,049
General and administrative	11,551	14,494	29,472	30,881
Facilities and facilities related	5,823	5,195	11,197	10,381
Depreciation and amortization	13,539	9,668	24,585	19,602
Total operating expenses	89,862	76,640	176,875	157,913
Income from operations	20,438	22,600	29,423	35,153
Interest expense	(3,648)	(887)	(5,229)	(1,801)
Income before income tax expense	16,790	21,713	24,194	33,352
Income tax expense	(1,377)	(4,445)	(2,834)	(7,442)
Net income	$ 15,413	$ 17,268	$ 21,360	$ 25,910
Earnings per share:				
Basic	$ 1.03	$ 1.17	$ 1.43	$ 1.76
Diluted	$ 1.00	$ 1.13	$ 1.39	$ 1.70
Weighted average common shares outstanding:				
Basic	15,014,106	14,736,167	14,948,796	14,714,745
Diluted	15,451,788	15,232,157	15,421,535	15,211,835
Comprehensive income:				
Net income	$ 15,413	$ 17,268	$ 21,360	$ 25,910
Foreign currency translation losses, net of tax	(191)	—	(191)	—
Comprehensive income	$ 15,222	$ 17,268	$ 21,169	$ 25,910

See accompanying notes to consolidated financial statements (unaudited).

NV5 Global, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)
(in thousands, except share data)

Three Months Ended

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
	Shares	Amount				
Balance, April 2, 2022	**15,495,451**	**$ 155**	**$ 457,894**	**$ —**	**$ 181,454**	**$ 639,503**
Stock-based compensation	—	—	4,172	—	—	4,172
Restricted stock issuance, net	41,683	—	—	—	—	—
Net income	—	—	—	—	17,268	17,268
Balance, July 2, 2022	**15,537,134**	**$ 155**	**$ 462,066**	**$ —**	**$ 198,722**	**$ 660,943**
Balance, April 1, 2023	**15,708,193**	**$ 157**	**$ 490,981**	**$ —**	**$ 228,732**	**$ 719,870**
Stock-based compensation	—	—	4,359	—	—	4,359
Restricted stock issuance, net	182,715	2	(2)	—	—	—
Reclassification of liability-classified awards to equity-classified awards	—	—	1,697	—	—	1,697
Other comprehensive income (loss)	—	—	—	(191)	—	(191)
Net income	—	—	—	—	15,413	15,413
Balance, July 1, 2023	**15,890,908**	**$ 159**	**$ 497,035**	**$ (191)**	**$ 244,145**	**$ 741,148**

Six Months Ended

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
	Shares	Amount				
Balance, January 1, 2022	**15,414,005**	**$ 154**	**$ 451,754**	**$ —**	**$ 172,812**	**$ 624,720**
Stock-based compensation	—	—	8,961	—	—	8,961
Restricted stock issuance, net	110,610	1	(1)	—	—	—
Stock issuance for acquisitions	12,519	—	1,352	—	—	1,352
Net income	—	—	—	—	25,910	25,910
Balance, July 2, 2022	**15,537,134**	**$ 155**	**$ 462,066**	**$ —**	**$ 198,722**	**$ 660,943**
Balance, December 31, 2022	**15,523,300**	**$ 155**	**$ 471,300**	**$ —**	**$ 222,785**	**$ 694,240**
Stock-based compensation	—	—	9,571	—	—	9,571
Restricted stock issuance, net	246,263	3	(3)	—	—	—
Stock issuance for acquisitions	121,345	1	14,470	—	—	14,471
Reclassification of liability-classified awards to equity-classified awards	—	—	1,697	—	—	1,697
Other comprehensive income (loss)	—	—	—	(191)	—	(191)
Net income	—	—	—	—	21,360	21,360
Balance, July 1, 2023	**15,890,908**	**$ 159**	**$ 497,035**	**$ (191)**	**$ 244,145**	**$ 741,148**

See accompanying notes to consolidated financial statements (unaudited).

NV5 Global, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

	Six Months Ended	
	July 1, 2023	**July 2, 2022**
Cash flows from operating activities:		
Net income	$ 21,360	$ 25,910
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	27,205	22,058
Non-cash lease expense	6,784	6,265
Provision for doubtful accounts	607	594
Stock-based compensation	10,728	9,615
Change in fair value of contingent consideration	(7,514)	(518)
Gain on disposals of property and equipment	(408)	(61)
Deferred income taxes	(7,673)	(3,014)
Amortization of debt issuance costs	365	370
Changes in operating assets and liabilities, net of impact of acquisitions:		
Billed receivables	10,882	15,152
Unbilled receivables	(9,842)	(3,801)
Prepaid expenses and other assets	(4,691)	(511)
Accounts payable	(8,164)	(4,349)
Accrued liabilities and other long-term liabilities	(5,698)	(6,309)
Billings in excess of costs and estimated earnings on uncompleted contracts	(7,606)	(6,867)
Contingent consideration	(1,307)	—
Other current liabilities	474	(276)
Net cash provided by operating activities	25,502	54,258
Cash flows from investing activities:		
Cash paid for acquisitions (net of cash received from acquisitions)	(186,242)	(4,670)
Proceeds from sale of assets	295	48
Purchase of property and equipment	(10,239)	(10,379)
Net cash used in investing activities	(196,186)	(15,001)
Cash flows from financing activities:		
Borrowings from Senior Credit Facility	180,000	—
Payments on notes payable	(5,131)	(6,218)
Payments of contingent consideration	(793)	(1,597)
Payments of borrowings from Senior Credit Facility	(13,000)	(35,000)
Net cash provided by (used in) financing activities	161,076	(42,815)
Effect of exchange rate changes on cash and cash equivalents	(106)	—
Net decrease in cash and cash equivalents	(9,714)	(3,558)
Cash and cash equivalents – beginning of period	38,541	47,980
Cash and cash equivalents – end of period	$ 28,827	$ 44,422

See accompanying notes to consolidated financial statements (unaudited).

NV5 Global, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

	Six Months Ended	
	July 1, 2023	**July 2, 2022**
Non-cash investing and financing activities:		
Contingent consideration (earn-out)	$ 325	$ 6,579
Notes payable and other obligations issued for acquisitions	$ 7,404	$ 2,933
Stock issuance for acquisitions	$ 14,471	$ 1,352
Reclassification of liability-classified awards to equity-classified awards	$ 1,697	$ —
Finance leases	$ 232	$ 644

See accompanying notes to consolidated financial statements (unaudited).

NV5 Global, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(in thousands, except share data)

Note 1 – Organization and Nature of Business Operations

Business

NV5 Global, Inc. and its subsidiaries (collectively, the "Company" or "NV5 Global") is a provider of technology, conformity assessment, and consulting solutions to public and private sector clients in the infrastructure, utility services, construction, real estate, environmental, and geospatial markets, operating nationwide and abroad. The Company's clients include the U.S. Federal, state and local governments, and the private sector. NV5 Global provides a wide range of services, including, but not limited to:

- Utility services
- LNG services
- Engineering
- Civil program management
- Surveying
- Construction quality assurance
- Code compliance consulting
- Forensic services
- Litigation support
- Ecological studies
- MEP & technology design
- Commissioning
- Building program management
- Environmental health & safety
- Real estate transaction services
- Energy efficiency & clean energy services
- 3D geospatial data modeling
- Environmental & natural resources
- Robotic survey solutions
- Geospatial data applications & software

Fiscal Year

The Company operates on a "52/53 week" fiscal year ending on the Saturday closest to the calendar quarter end.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements of the Company are presented in U.S. dollars in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for reporting of interim financial information. Pursuant to such rules and regulations, certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

In the opinion of management, the accompanying unaudited interim consolidated financial statements of the Company contain all adjustments necessary to present fairly the financial position and results of operations of the Company as of the dates and for the periods presented. Accordingly, these statements should be read in conjunction with the consolidated financial statements and notes contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 (the "2022 Form 10-K"). The results of operations and cash flows for the interim periods presented are not necessarily indicative of the results to be expected for any future interim period or for the full 2023 fiscal year.

Performance Obligations

To determine the proper revenue recognition method, the Company evaluates whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. The majority of the Company's contracts have a single performance obligation as the promise to transfer the individual goods or services that is not separately identifiable from other promises in the contracts and therefore, is not distinct.

The Company’s performance obligations are satisfied as work progresses or at a point in time. Revenue on the Company's cost-reimbursable contracts is recognized over time using direct costs incurred or direct costs incurred to date as compared to the estimated total direct costs for performance obligations because it depicts the transfer of control to the customer. Contract costs include labor, sub-consultant services, and other direct costs.

Gross revenue from services transferred to customers at a point in time is recognized when the customer obtains control of the asset, which is generally upon delivery and acceptance by the customer of the reports and/or analysis performed.

As of July 1, 2023, the Company had $821,052 of remaining performance obligations, of which $676,038 is expected to be recognized over the next 12 months and the majority of the balance over the next 24 months. Contracts for which work authorizations have been received are included in performance obligations. Performance obligations include only those amounts that have been funded and authorized and does not reflect the full amounts the Company may receive over the term of such contracts. In the case of non-government contracts and project awards, performance obligations include future revenue at contract or customary rates, excluding contract renewals or extensions that are at the discretion of the client. For contracts with a not-to-exceed maximum amount, the Company includes revenue from such contracts in performance obligations to the extent of the remaining estimated amount.

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed receivables, unbilled receivables (contract assets), and billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities) on the Consolidated Balance Sheet. The liability “Billings in excess of costs and estimated earnings on uncompleted contracts” represents billings in excess of revenues recognized on these contracts as of the reporting date. This liability is generally classified as current. During the three and six months ended July 1, 2023 the Company performed services and recognized $6,616 and $25,046, respectively, of revenue related to its contract liabilities that existed as of December 31, 2022.

Goodwill and Intangible Assets

Goodwill is the excess of consideration paid for an acquired entity over the amounts assigned to assets acquired, including other identifiable intangible assets and liabilities assumed in a business combination. To determine the amount of goodwill resulting from a business combination, the Company performs an assessment to determine the acquisition date fair value of the acquired company’s tangible and identifiable intangible assets and liabilities.

Goodwill is required to be evaluated for impairment on an annual basis or whenever events or changes in circumstances indicate the asset may be impaired. An entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. These qualitative factors include macroeconomic and industry conditions, cost factors, overall financial performance, and other relevant entity-specific events. If the entity determines that this threshold is met, then the Company applies a one-step quantitative test and record the amount of goodwill impairment as the excess of a reporting unit's carrying amount over its fair value, not to exceed the total amount of goodwill allocated to the reporting unit. The Company determines fair value through multiple valuation techniques, and weights the results accordingly. Subjective and complex judgments are required in assessing whether an event of impairment of goodwill has occurred, including assumptions and estimates used to determine the fair value of its reporting units. The Company has elected to perform its annual goodwill impairment review as of August 1 of each year. The Company conducts its annual impairment tests on the goodwill using the quantitative method of evaluating goodwill.

(in thousands, except share data)

As of August 1, 2022, the Company conducted its annual impairment tests using the quantitative method of evaluating goodwill. Based on the quantitative analyses the Company determined the fair value of each of the reporting units exceeded its carrying value. Therefore, the goodwill was not impaired and the Company did not recognize an impairment charge relating to goodwill as of August 1, 2022. Furthermore, there were no indicators, events or changes in circumstances that would indicate goodwill was impaired during the period from August 2, 2022 through July 1, 2023.

Identifiable intangible assets primarily include customer backlog, customer relationships, trade names, non-compete agreements, and developed technology. Amortizable intangible assets are amortized on a straight-line basis over their estimated useful lives and reviewed for impairment whenever events or changes in circumstances indicate that the assets may be impaired. If an indicator of impairment exists, the Company compares the estimated future cash flows of the asset, on an undiscounted basis, to the carrying value of the asset. If the undiscounted cash flows exceed the carrying value, no impairment is indicated. If the undiscounted cash flows do not exceed the carrying value, then impairment, if any, is measured as the difference between fair value and carrying value, with fair value typically based on a discounted cash flow model. There were no indicators, events or changes in circumstances that would indicate intangible assets were impaired during the six months ended July 1, 2023. See Note 8, *Goodwill and Intangible Assets*, for further information on goodwill and identified intangibles.

There have been no material changes in the Company's significant accounting policies described in the audited financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Note 3 – Recent Accounting Pronouncements

None.

Note 4 – Earnings per Share

Basic earnings per share is calculated by dividing net income by the weighted average number of common shares outstanding during the period, excluding unvested restricted shares. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the Company. The effect of potentially dilutive securities is not considered during periods of loss or if the effect is anti-dilutive.

The weighted average number of shares outstanding in calculating basic earnings per share for the six months ended July 1, 2023 and July 2, 2022 exclude 688,377 and 739,919 non-vested restricted shares, respectively. During the three and six months ended July 1, 2023, there were 111,584 and 41,536 weighted average securities, respectively, which are not included in the calculation of diluted weighted average shares outstanding because their impact is anti-dilutive or their performance conditions have not been met. During the three and six months ended July 2, 2022, there were 20,854 and 25,653 weighted average securities, respectively, which are not included in the calculation of diluted weighted average shares outstanding because their impact is anti-dilutive or their performance conditions have not been met.

The following table represents a reconciliation of the net income and weighted average shares outstanding for the calculation of basic and diluted earnings per share:

	Three Months Ended		Six Months Ended	
	July 1, 2023	**July 2, 2022**	**July 1, 2023**	**July 2, 2022**
Numerator:				
Net income – basic and diluted	$ 15,413	$ 17,268	$ 21,360	$ 25,910
Denominator:				
Basic weighted average shares outstanding	15,014,106	14,736,167	14,948,796	14,714,745
Effect of dilutive non-vested restricted shares and units	413,856	481,815	447,546	481,379
Effect of issuable shares related to acquisitions	23,826	14,175	25,193	15,711
Diluted weighted average shares outstanding	15,451,788	15,232,157	15,421,535	15,211,835

Note 5 – Business Acquisitions

2023 Acquisitions

On April 6, 2023, the Company acquired all of the outstanding equity interests in the Visual Information Solutions commercial geospatial technology and software business ("VIS") from L3Harris. VIS is a provider of subscription-based software solutions for the analysis and management of software applications and Analytics as a Service (AaaS) solutions. The Company acquired VIS for a cash purchase price of $75,682. The purchase price and other related costs associated with the transaction were financed through the Company's amended and restated credit agreement (the "Second A&R Credit Agreement") with Bank of America, N.A. and other lenders party thereto. See Note 10, *Notes Payable and Other Obligations*, for further detail on the Second A&R Credit Agreement. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed, the Company engaged an independent third-party valuation specialist to assist in the determination of fair values. The final determination of the fair value of assets and liabilities will be completed within the one-year measurement period as required by ASC 805. The acquisition will necessitate the use of this measurement period to adequately analyze and assess the factors used in establishing the asset and liability fair values as of the relevant acquisition date, including intangible assets, accounts receivable, certain fixed assets, and the fair value of other assets and liabilities acquired.

On February 22, 2023, the Company acquired all of the outstanding equity interests in Continental Mapping Acquisition Corp. and Continental Mapping Holdings, LLC and its subsidiaries, including Axim Geospatial, LLC (collectively "Axim"), a provider of comprehensive geospatial services and solutions addressing critical mission requirements for customers across the defense and intelligence and state and local government sectors. The aggregate purchase price of the acquisition was $141,010, including $120,106 in cash, a $7,404 promissory note, and $13,500 of the Company's common stock. The purchase price and other related costs associated with the transaction were financed through the Company's Second A&R Credit Agreement with Bank of America, N.A. and other lenders party thereto. See Note 10, *Notes Payable and Other Obligations*, for further detail on the Second A&R Credit Agreement. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed, the Company engaged an independent third-party valuation specialist to assist in the determination of fair values. The final determination of the fair value of assets and liabilities will be completed within the one-year measurement period as required by ASC 805. The acquisition will necessitate the use of this measurement period to adequately analyze and assess the factors used in establishing the asset and liability fair values as of the relevant acquisition date, including intangible assets, accounts receivable, certain fixed assets, and the fair value of other assets and liabilities acquired.

The Company has completed three other acquisitions during 2023. The aggregate purchase price for the three acquisitions was $3,315, including $2,900 in cash, $90 of the Company's common stock, and a potential earn-out of up to $340 payable in cash, which has been recorded at an estimated fair value of $325. A probability-weighted approach was used to determine the fair value of the earn-out, which is a generally accepted valuation technique that embodies all significant assumption types. The final determination of the fair value of assets and liabilities will be completed within the one-year measurement period as required by ASC 805. The 2023 acquisitions will necessitate the use of this measurement period to adequately analyze and assess the factors used in establishing the asset and liability fair values as of the relevant acquisition date, including intangible assets and accounts receivable.

2022 Acquisitions

The Company completed five acquisitions during 2022. The aggregate purchase price of all five acquisitions was $14,220, including $5,882 of cash, $1,606 of promissory notes, $433 of the Company's common stock, and potential earn-outs of up to $15,850 payable in cash and stock, which was recorded at an estimated fair value of $6,299. An option-based model was used to determine the fair value of the earn-outs, which is a generally accepted valuation technique that embodies all significant assumption types. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed, the Company engaged an independent third-party valuation specialist to assist in the determination of fair values. The final determination of the fair value of assets and liabilities will be completed within the one-year measurement period as required by ASC 805. The 2022 acquisitions will necessitate the use of this measurement period to adequately analyze and assess the factors used in establishing the asset and liability fair values as of the acquisition date, including intangible assets, accounts receivable, and certain fixed assets. Purchase price allocation adjustments recorded during 2023 were immaterial.

(in thousands, except share data)

The following table summarizes the fair values of the assets acquired and liabilities assumed as of the acquisition date for the acquisitions closed during the six months ended July 1, 2023 and the fiscal year ended December 31, 2022:

	2023				2022
	VIS	**Axim**	**Other**	**Total**	**Total**
Cash	$ 7,027	$ 5,419	$ —	$ 12,446	$ —
Billed and unbilled receivables, net	5,042	13,937	487	19,466	1,794
Right-of-use assets	2,113	1,622	189	3,924	632
Property and equipment	118	2,870	—	2,988	1,510
Prepaid expenses	1,505	1,543	17	3,065	—
Other assets	—	155	—	155	—
Intangible assets:					
Customer relationships	33,394	52,206	859	86,459	3,606
Trade name	2,958	2,266	33	5,257	268
Customer backlog	868	3,920	186	4,974	459
Developed technology	4,222	1,942	—	6,164	—
Non-compete	25	580	93	698	298
Total Assets	$ 57,272	$ 86,460	$ 1,864	$ 145,596	$ 8,567
Liabilities	(16,439)	(13,668)	(188)	(30,295)	(5,623)
Deferred tax liabilities	(7,105)	(14,223)	—	(21,328)	—
Net assets acquired	$ 33,728	$ 58,569	$ 1,676	$ 93,973	$ 2,944
Consideration paid (Cash, Notes and/or stock)	$ 75,682	$ 141,010	$ 2,990	$ 219,682	$ 7,921
Contingent earn-out liability (Cash and stock)	—	—	325	325	6,299
Total Consideration	$ 75,682	$ 141,010	$ 3,315	$ 220,007	$ 14,220
Excess consideration over the amounts assigned to the net assets acquired (Goodwill)	$ 41,954	$ 82,441	$ 1,639	$ 126,034	$ 11,276

Goodwill was recorded based on the amount by which the purchase price exceeded the fair value of the net assets acquired and the amount is attributable to the reputation of the business acquired, the workforce in place and the synergies to be achieved from these acquisitions. See Note 8, *Goodwill and Intangible Assets*, for further information on fair value adjustments to goodwill and identified intangibles.

The consolidated financial statements of the Company include the results of operations from any business acquired from their respective dates of acquisition. The following table presents the results of operations of businesses acquired from their respective dates of acquisition for the three and six months ended July 1, 2023. The revenue and earnings of the fiscal 2022 acquisitions included in the Company's results since the acquisition dates are not material to the Company's consolidated financial statements and have not been presented.

	Three Months Ended July 1, 2023	Six Months Ended July 1, 2023
Gross revenues	$ 29,589	$ 37,064
Income before income taxes	$ 4,904	$ 5,631

General and administrative expenses for the three and six months ended July 1, 2023 and July 2, 2022 include acquisition-related costs pertaining to the Company's acquisition activities. Acquisition-related costs were not material to the Company's consolidated financial statements.

The following table presents the unaudited, pro forma consolidated results of operations (in thousands, except per share amounts) for the three and six months ended July 1, 2023 and July 2, 2022 as if the fiscal 2023 and 2022 acquisitions had occurred at the beginning of fiscal year 2022. The pro forma information provided below is compiled from pre-acquisition financial information and includes pro forma adjustments for amortization expense, adjustments to certain expenses, and the income tax impact of these adjustments. The pro forma results are not necessarily indicative of (i) the results of operations that would have occurred had the operations of these acquisitions actually been acquired at the beginning of fiscal year 2022 or (ii) future results of operations:

	Three Months Ended		Six Months Ended	
	July 1, 2023	July 2, 2022	July 1, 2023	July 2, 2022
Gross revenues	$ 223,036	$ 231,351	$ 429,754	$ 450,204
Net income	$ 15,374	$ 16,998	$ 20,581	$ 25,363
Basic earnings per share	$ 1.02	$ 1.14	$ 1.38	$ 1.71
Diluted earnings per share	$ 0.99	$ 1.11	$ 1.33	$ 1.65

Adjustments were made to the pro forma results to adjust amortization of intangible assets to reflect fair value of identified assets acquired, to record the effects of financing from the Company's Senior Credit Facility, to record the effects of promissory notes issued, and to record the income tax effect of these adjustments.

Note 6 – Billed and Unbilled Receivables

Billed and unbilled receivables consists of the following:

	July 1, 2023	December 31, 2022
Billed receivables	$ 152,530	$ 149,082
Less: allowance for doubtful accounts	(3,420)	(3,445)
Billed receivables, net	$ 149,110	$ 145,637
Unbilled receivables	$ 109,463	$ 95,104
Less: allowance for doubtful accounts	(2,271)	(2,242)
Unbilled receivables, net	$ 107,192	$ 92,862

Note 7 – Property and Equipment, net

Property and equipment, net, consists of the following:

	July 1, 2023	December 31, 2022
Office furniture and equipment	$ 3,346	$ 3,421
Computer equipment	29,820	25,816
Survey and field equipment	57,126	49,985
Leasehold improvements	6,828	6,546
Total	97,120	85,768
Less: accumulated depreciation	(47,728)	(44,128)
Property and equipment, net	$ 49,392	$ 41,640

Depreciation expense was $3,605 and $6,871 for the three and six months ended July 1, 2023, respectively, of which $1,366 and $2,620 was included in other direct costs. Depreciation expense was $2,835 and $5,739 for the three and six months ended July 2, 2022, respectively, of which $1,223 and $2,456 was included in other direct costs.

(in thousands, except share data)

Note 8 – Goodwill and Intangible Assets

Goodwill

The changes in the carrying value by reportable segment for the six months ended July 1, 2023 were as follows:

	Six Months Ended				
	December 31, 2022	**2023 Acquisitions**	**Adjustments**	**Foreign Currency Translation of non-USD functional currency goodwill**	**July 1, 2023**
INF	$ 90,932	$ 726	$ —	$ —	$ 91,658
BTS	111,838	913	13	—	112,764
GEO	198,187	124,395	(10)	(146)	322,426
Total	$ 400,957	$ 126,034	$ 3	$ (146)	$ 526,848

Goodwill of $1,225 from acquisitions completed during the six months ended July 1, 2023 is expected to be deductible for income tax purposes.

Intangible Assets

Intangible assets, net, as of July 1, 2023 and December 31, 2022 consist of the following:

	July 1, 2023			December 31, 2022		
	Gross Carrying Amount	**Accumulated Amortization**	**Net Amount**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Amount**
Finite-lived intangible assets:						
Customer relationships[1]	$ 309,452	$ (100,697)	$ 208,755	$ 222,998	$ (87,054)	$ 135,944
Trade name[2]	22,140	(16,996)	5,144	16,883	(15,933)	950
Customer backlog[3]	34,391	(29,711)	4,680	29,419	(27,333)	2,086
Non-compete[4]	14,826	(11,995)	2,831	14,110	(11,298)	2,812
Developed technology[5]	39,108	(16,939)	22,169	32,944	(14,305)	18,639
Total finite-lived intangible assets	$ 419,917	$ (176,338)	$ 243,579	$ 316,354	$ (155,923)	$ 160,431

(1) Amortized on a straight-line basis over estimated lives (1 to 17 years)
(2) Amortized on a straight-line basis over their estimated lives (1 to 5 years)
(3) Amortized on a straight-line basis over their estimated lives (1 to 10 years)
(4) Amortized on a straight-line basis over their contractual lives (1 to 5 years)
(5) Amortized on a straight-line basis over their estimated lives (5 to 10 years)

The identifiable intangible assets acquired during the six months ended July 1, 2023 consist of customer relationships, trade name, customer backlog, non-compete, and developed technology with weighted average lives of 12.5 years, 3.7 years, 1.2 years, 3.6 years, and 6.6 years. respectively. Amortization expense was $11,300 and $20,334 during the three and six months ended July 1, 2023, respectively, and $8,056 and $16,319 during the three and six months ended July 2, 2022, respectively.

(in thousands, except share data)

Note 9 – Accrued Liabilities

Accrued liabilities consist of the following:

	July 1, 2023	December 31, 2022
Current portion of lease liability	$ 14,238	$ 13,081
Accrued vacation	15,083	12,467
Payroll and related taxes	8,612	6,616
Benefits	4,478	5,160
Accrued operating expenses	7,090	4,540
Other	3,234	2,449
Total	$ 52,735	$ 44,313

Note 10 – Notes Payable and Other Obligations

Notes payable and other obligations consists of the following:

	July 1, 2023	December 31, 2022
Senior credit facility	$ 200,750	$ 33,750
Uncollateralized promissory notes	21,665	18,492
Finance leases	3,001	3,465
Other obligations	933	1,814
Debt issuance costs, net of amortization	(2,308)	(2,672)
Total notes payable and other obligations	224,041	54,849
Current portion of notes payable and other obligations	14,800	15,176
Notes payable and other obligations, less current portion	$ 209,241	$ 39,673

As of July 1, 2023 and December 31, 2022, the carrying amount of debt obligations approximates their fair values based on Level 2 inputs as the terms are comparable to terms currently offered by local lending institutions for arrangements with similar terms to industry peers with comparable credit characteristics.

Senior Credit Facility

On August 13, 2021 (the "Closing Date"), the Company amended and restated its Credit Agreement (the "Second A&R Credit Agreement"), originally dated December 7, 2016 and as amended to the Closing Date, with Bank of America, N.A. ("Bank of America"), as administrative agent, swingline lender and letter of credit issuer, the other lenders party thereto, and certain of the Company's subsidiaries as guarantors. Pursuant to the Second A&R Credit Agreement, the previously drawn term commitments of $150,000 and revolving commitments totaling $215,000 in the aggregate were converted into revolving commitments totaling $400,000 in the aggregate. These revolving commitments are available through August 13, 2026 (the "Maturity Date") and an aggregate amount of approximately $138,750 was drawn under the Second A&R Credit Amendment on the Closing Date to repay previously existing borrowings under the term and revolving facilities prior to such amendment and restatement. Borrowings under the Second A&R Credit Agreement are secured by a first priority lien on substantially all of the assets of the Company. The Second A&R Credit Agreement also includes an accordion feature permitting the Company to request an increase in the revolving facility under the Second A&R Credit Agreement by an additional amount of up to $200,000 in the aggregate. As of July 1, 2023 and December 31, 2022, the outstanding balance on the Second A&R Credit Agreement was $200,750 and $33,750, respectively.

The Company's Second A&R Credit Agreement provides for the replacement of LIBOR (London Interbank Offered Rate), which prior to April 1, 2023, was transitioned to SOFR (Secured Overnight Funding Rate), subject to the completion of the relevant existing interest period ("LIBOR Transition"). Borrowings under the Second A&R Credit Agreement bear interest at variable rates which are, at the Company's option, tied to a Eurocurrency rate equal to LIBOR or, from and after the LIBOR Transition, either Term SOFR or Daily Simple SOFR, plus in each case an applicable margin or a base rate denominated in U.S. dollars. Interest rates remain subject to change based on the Company's consolidated leverage ratio. As of July 1, 2023, the Company's interest rate was 6.5%.

The Second A&R Credit Agreement contains financial covenants that require NV5 Global to maintain a consolidated net leverage ratio (the ratio of the Company's pro forma consolidated net funded indebtedness to the Company's pro forma consolidated EBITDA for the most recently completed measurement period) of no greater than 4.00 to 1.00.

These financial covenants also require the Company to maintain a consolidated fixed charge coverage ratio of no less than 1.10 to 1.00 as of the end of any measurement period. As of July 1, 2023, the Company was in compliance with the financial covenants.

The Second A&R Credit Agreement contains covenants that may have the effect of limiting the Company's ability to, among other things, merge with or acquire other entities, enter into a transaction resulting in a Change in Control, create certain new liens, incur certain additional indebtedness, engage in certain transactions with affiliates, or engage in new lines of business or sell a substantial part of their assets. The Second A&R Credit Agreement also contains customary events of default, including (but not limited to) a default in the payment of principal or, following an applicable grace period, interest, breaches of the Company's covenants or warranties under the Second A&R Credit Agreement, payment default or acceleration of certain indebtedness, certain events of bankruptcy, insolvency or liquidation, certain judgments or uninsured losses, changes in control and certain liabilities related to ERISA based plans.

The Second A&R Credit Agreement limits the payment of cash dividends (together with certain other payments that would constitute a "Restricted Payment" within the meaning of the Second A&R Credit Agreement and generally including dividends, stock repurchases and certain other payments in respect to warrants, options, and other rights to acquire equity securities), unless the Consolidated Leverage Ratio would be less than 3.25 to 1.00 and available liquidity (defined as unrestricted, domestically held cash plus revolver availability) would be at least $30,000, in each case after giving effect to such payment.

Total debt issuance costs incurred and capitalized in connection with the issuance of the Second A&R Credit Agreement were $3,702. Total amortization of debt issuance costs was $171 and $365 during the three and six months ended July 1, 2023, respectively, and $185 and $370 during the three and six months ended July 2, 2022, respectively.

Other Obligations

The Company has aggregate obligations related to acquisitions of $22,598 and $20,306 as of July 1, 2023 and December 31, 2022, respectively. As of July 1, 2023, the Company's weighted average interest rate on other outstanding obligations was 3.1%.

(in thousands, except share data)

Note 11 – Contingent Consideration

The following table summarizes the changes in the carrying value of estimated contingent consideration:

	July 1, 2023	December 31, 2022
Contingent consideration, beginning of the year	$ 15,335	$ 8,328
Additions for acquisitions	325	6,299
Reduction of liability for payments made	(2,100)	(2,264)
(Decrease) increase of liability related to re-measurement of fair value	(7,514)	2,972
Total contingent consideration, end of the period	6,046	15,335
Current portion of contingent consideration	4,149	10,854
Contingent consideration, less current portion	$ 1,897	$ 4,481

During the six months ended July 1, 2023, the Company recorded earn-out fair value adjustments of $7,514 that decreased the contingent consideration liability related to acquisitions.

Note 12 – Commitments and Contingencies

Litigation, Claims and Assessments

The Company is subject to certain claims and lawsuits typically filed against the engineering, consulting and construction profession, alleging primarily professional errors or omissions. The Company carries professional liability insurance, subject to certain deductibles and policy limits, against such claims. However, in some actions, parties are seeking damages that exceed our insurance coverage or for which we are not insured. While management does not believe that the resolution of these claims will have a material adverse effect, individually or in aggregate, on its financial position, results of operations or cash flows, management acknowledges the uncertainty surrounding the ultimate resolution of these matters.

Note 13 – Stock-Based Compensation

In October 2011, the Company's stockholders approved the NV5 Global, Inc. 2011 Equity Incentive Plan, which was subsequently amended and restated in March 2013 (as amended, the "2011 Equity Plan"). The 2011 Equity Incentive Plan expired pursuant to its terms in March 2023, accordingly no further grants were made following the date of such expiration. Prior to such expiration, the Company's Board adopted the NV5 Global, Inc. 2023 Equity Incentive Plan (the "2023 Equity Plan") to replace the 2011 Equity Plan, subject to stockholder approval. On June 13, 2023, the Company's stockholders approved the 2023 Equity Plan. The 2023 Equity Plan provides directors, executive officers, and other employees of the Company with additional incentives by allowing them to acquire ownership interest in the business and, as a result, encouraging them to contribute to the Company's success. The Company may provide these incentives through the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares and units, and other cash-based or stock-based awards. As of July 1, 2023, 2,145,774 shares of common stock are authorized, reserved, and registered for issuance under the 2023 Equity Plan. The restricted shares of common stock granted generally provide for service-based cliff vesting after two to four years following the grant date.

The following summarizes the activity of restricted stock awards during the six months ended July 1, 2023:

	Number of Unvested Restricted Shares of Common Stock and Restricted Stock Units	Weighted Average Grant Date Fair Value
December 31, 2022	713,793	$ 81.25
Granted	264,434	$ 107.12
Vested	(202,453)	$ 47.00
Forfeited	(18,171)	$ 87.75
July 1, 2023	757,603	$ 99.26

Stock-based compensation expense relating to restricted stock awards during the three and six months ended July 1, 2023 was $4,902 and $10,728, respectively, and $4,826 and $9,615 during the three and six months ended July 2, 2022, respectively. In connection with the Company's 401(k) Profit Sharing match, stock-based compensation expense during the three and six months ended July 1, 2023 includes $543 and $1,157, respectively, of expense related to the Company's liability-classified awards. Stock-based compensation expense during the three and six months ended July 2, 2022 includes $383 and $654, respectively, of expense related to the Company's liability-classified awards. The total estimated amount of the liability-classified awards for fiscal 2023 is approximately $5,120. The 401(k) Profit Sharing restricted stock awards are issued under the rules of the NV5 Global, Inc. 2023 Equity Incentive Plan and are not issued into the NV5 401(k) Profit Sharing plan. Approximately $46,313 of deferred compensation, which is expected to be recognized over the remaining weighted average vesting period of 1.7 years, is unrecognized at July 1, 2023. The total fair value of restricted shares vested during the six months ended July 1, 2023 and July 2, 2022 was $20,851 and $7,296, respectively.

Note 14 – Income Taxes

As of July 1, 2023 and December 31, 2022, the Company had net deferred income tax liabilities of $20,487 and $6,893, respectively. Deferred income tax liabilities primarily relate to intangible assets and accounting basis adjustments where we have a future obligation for tax purposes.

The Company's effective income tax rate was 8.2% and 11.7% during the three and six months ended July 1, 2023, respectively, and 20.5% and 22.3% during the three and six months ended July 2, 2022, respectively. The difference between the effective income tax rate and the combined statutory federal and state income tax rate was primarily due to the recognition of excess tax benefits from stock-based payments in the second quarter of 2023 and 2022 and federal credits.

The Company evaluates tax positions for recognition using a more-likely-than-not recognition threshold, and those tax positions eligible for recognition are measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon the effective settlement with a taxing authority that has full knowledge of all relevant information. Fiscal years 2019 through 2022 are considered open tax years in the U.S. federal jurisdiction, state and foreign jurisdictions. Fiscal years 2012 - 2014 are considered open in the State of California. It is not expected that there will be a significant change in the unrecognized tax benefits within the next 12 months.

(in thousands, except share data)

Note 15 – Reportable Segments

The Company reports segment information in accordance with ASC Topic No. 280 "*Segment Reporting*" ("Topic No. 280"). The Company's Chief Executive Officer, who is the chief operating decision maker ("CODM"), organized the Company into three operating and reportable segments: Infrastructure ("INF"), which includes the Company's engineering, civil program management, utility services, and construction quality assurance practices; Building, Technology & Sciences ("BTS"), which includes the Company's environmental health sciences, clean energy consulting, buildings and program management, and MEP & technology design practices; and Geospatial Solutions ("GEO"), which includes the Company's geospatial solution practices.

The Company evaluates the performance of these reportable segments based on their respective operating income before the effect of amortization expense related to acquisitions and other unallocated corporate expenses. The following tables set forth summarized financial information concerning our reportable segments:

	Three Months Ended		Six Months Ended	
	July 1, 2023	July 2, 2022	July 1, 2023	July 2, 2022
Gross revenues				
INF	$ 96,728	$ 102,639	$ 184,938	$ 202,600
BTS	54,032	61,331	106,878	121,785
GEO	71,878	38,762	115,139	68,500
Total gross revenues	$ 222,638	$ 202,732	$ 406,955	$ 392,885
Segment income before taxes				
INF	$ 16,745	$ 19,206	$ 33,726	$ 35,457
BTS	8,113	12,622	16,531	25,435
GEO	14,814	11,034	21,835	16,138
Total Segment income before taxes	39,672	42,862	72,092	77,030
Corporate[1]	(22,882)	(21,149)	(47,898)	(43,678)
Total income before taxes	$ 16,790	$ 21,713	$ 24,194	$ 33,352

[1] Includes amortization of intangibles of $11,300 and $20,334 for the three and six months ended July 1, 2023, respectively, and $8,056 and $16,319 during the three and six months ended July 2, 2022, respectively.

The Company disaggregates its gross revenues from contracts with customers by geographic location, customer-type and contract-type for each of our reportable segments. Disaggregated revenues include the elimination of inter-segment revenues which has been allocated to each segment. The Company believes this best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by economic factors. Gross revenue, classified by the major geographic areas in which the Company's customers were located, were as follows:

	Three Months Ended July 1, 2023				Six Months Ended July 1, 2023			
	INF	BTS	GEO	Total	INF	BTS	GEO	Total
United States	$ 96,728	$ 46,560	$ 68,218	$ 211,506	$ 184,938	$ 90,946	$ 110,442	$ 386,326
Foreign	—	7,472	3,660	11,132	—	15,932	4,697	20,629
Total gross revenues	$ 96,728	$ 54,032	$ 71,878	$ 222,638	$ 184,938	$ 106,878	$ 115,139	$ 406,955

	Three Months Ended July 2, 2022				Six Months Ended July 2, 2022			
	INF	BTS	GEO	Total	INF	BTS	GEO	Total
United States	$ 102,639	$ 54,603	$ 38,245	$ 195,487	$ 202,600	$ 107,521	$ 67,462	$ 377,583
Foreign	—	6,728	517	7,245	—	14,264	1,038	15,302
Total gross revenues	$ 102,639	$ 61,331	$ 38,762	$ 202,732	$ 202,600	$ 121,785	$ 68,500	$ 392,885

(in thousands, except share data)

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Gross revenue by customer were as follows:

	Three Months Ended July 1, 2023				Six Months Ended July 1, 2023			
	INF	BTS	GEO	Total	INF	BTS	GEO	Total
Public and quasi-public sector	$ 77,332	$ 15,998	$ 61,641	$ 154,971	$ 147,062	$ 33,945	$ 97,409	$ 278,416
Private sector	19,396	38,034	10,237	67,667	37,876	72,933	17,730	128,539
Total gross revenues	$ 96,728	$ 54,032	$ 71,878	$ 222,638	$ 184,938	$ 106,878	$ 115,139	$ 406,955

	Three Months Ended July 2, 2022				Six Months Ended July 2, 2022			
	INF	BTS	GEO	Total	INF	BTS	GEO	Total
Public and quasi-public sector	$ 80,054	$ 15,635	$ 31,644	$ 127,333	$ 159,258	$ 30,896	$ 54,634	$ 244,788
Private sector	22,585	45,696	7,118	75,399	43,342	90,889	13,866	148,097
Total gross revenues	$ 102,639	$ 61,331	$ 38,762	$ 202,732	$ 202,600	$ 121,785	$ 68,500	$ 392,885

Gross revenues by contract type were as follows:

	Three Months Ended July 1, 2023				Six Months Ended July 1, 2023			
	INF	BTS	GEO	Total	INF	BTS	GEO	Total
Cost-reimbursable contracts	$ 93,185	$ 38,670	$ 70,274	$ 202,129	$ 177,042	$ 79,294	$ 113,501	$ 369,837
Fixed-unit price contracts	3,543	15,362	1,604	20,509	7,896	27,584	1,638	37,118
Total gross revenues	$ 96,728	$ 54,032	$ 71,878	$ 222,638	$ 184,938	$ 106,878	$ 115,139	$ 406,955

	Three Months Ended July 2, 2022				Six Months Ended July 2, 2022			
	INF	BTS	GEO	Total	INF	BTS	GEO	Total
Cost-reimbursable contracts	$ 98,604	$ 39,006	$ 38,638	$ 176,248	$ 194,326	$ 78,492	$ 68,283	$ 341,101
Fixed-unit price contracts	4,035	22,325	124	26,484	8,274	43,293	217	51,784
Total gross revenues	$ 102,639	$ 61,331	$ 38,762	$ 202,732	$ 202,600	$ 121,785	$ 68,500	$ 392,885

Note 16 – Stockholders' Equity

Accumulated Other Comprehensive Income (Loss)

The Company's accumulated other comprehensive income (loss) consists of foreign currency translation adjustments related to the Company's foreign operations with functional currency other than the U.S. dollar. The after-tax changes in accumulated other comprehensive income (loss) by component were as follows:

	Accumulated Other Comprehensive Income (Loss)
Foreign currency translation adjustments balance, December 31, 2022	$ —
Other comprehensive income (loss)	(191)
Foreign currency translation adjustments balance, July 1, 2023	$ (191)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis of the financial condition and results of operations of NV5 Global, Inc. and its subsidiaries (collectively, the "Company," "we," "our," "us," or "NV5 Global") should be read in conjunction with the financial statements included elsewhere in this Quarterly Report and the audited financial statements for the year ended December 31, 2022, included in our Annual Report on Form 10-K. This Quarterly Report contains, in addition to unaudited historical information, forward-looking statements, which involve risk and uncertainties. The words "believe," "expect," "estimate," "may," "will," "could," "plan," or "continue," and similar expressions are intended to identify forward-looking statements. Our actual results could differ materially from those anticipated in such forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, those discussed under the headings "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022 and this Quarterly Report on Form 10-Q, if any. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. We undertake no obligation to (and we expressly disclaim any obligation to) revise or update any forward-looking statement, whether as a result of new information, subsequent events, or otherwise (except as may be required by law), in order to reflect any event or circumstance which may arise after the date of this Quarterly Report on Form 10-Q. Amounts presented are in thousands, except per share data.

Overview

We are a provider of technology, conformity assessment, and consulting solutions to public and private sector clients. We focus on the infrastructure, utility services, construction, real estate, and environmental markets. Our primary clients include U.S. Federal, state, municipal, and local government agencies, and military and defense clients. We also serve quasi-public and private sector clients from the education, healthcare, utility services, and public utilities, including schools, universities, hospitals, health care providers, and insurance providers.

Fiscal Year

We operate on a "52/53 week" fiscal year ending on the Saturday closest to the calendar quarter end.

Recent Acquisitions

On April 6, 2023, we acquired all of the outstanding equity interests in the Visual Information Solutions commercial geospatial technology and software business ("VIS") from L3Harris. VIS is a provider of subscription-based software solutions for the analysis and management of software applications and Analytics as a Service (AaaS) solutions. We acquired VIS for a cash purchase price of $75,682. The purchase price and other related costs associated with the transaction were financed through our amended and restated credit agreement (the "Second A&R Credit Agreement") with Bank of America, N.A. and other lenders party thereto. See Note 10, *Notes Payable and Other Obligations*, of the Notes to Consolidated Financial Statements included elsewhere herein for further detail on the Second A&R Credit Agreement. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed, we engaged an independent third-party valuation specialist to assist in the determination of fair values. The final determination of the fair value of assets and liabilities will be completed within the one-year measurement period as required by ASC 805. The acquisition will necessitate the use of this measurement period to adequately analyze and assess the factors used in establishing the asset and liability fair values as of the relevant acquisition date, including intangible assets, accounts receivable, certain fixed assets, and the fair value of other assets and liabilities acquired.

On February 22, 2023, we acquired all of the outstanding equity interests in Continental Mapping Acquisition Corp. and Continental Mapping Holdings, LLC and its subsidiaries, including Axim Geospatial, LLC (collectively "Axim"), a provider of comprehensive geospatial services and solutions addressing critical mission requirements for customers across the defense and intelligence and state and local government sectors. The aggregate purchase price of the acquisition was $141,010, including $120,106 in cash, a $7,404 promissory note, and $13,500 of our common stock. The purchase price and other related costs associated with the transaction were financed through our Second A&R Credit Agreement with Bank of America, N.A. and other lenders party thereto. See Note 10, *Notes Payable and Other Obligations*, of the Notes to Consolidated Financial Statements included elsewhere herein for further detail on the Second A&R Credit Agreement. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed, we engaged an independent third-party valuation specialist to assist in the determination of fair values. The final determination of the fair value of assets and liabilities will be completed within the one-year measurement period as required by ASC 805. The acquisition will necessitate the use of this measurement period to adequately analyze and assess the factors used in establishing the asset and liability fair values as of the relevant acquisition date, including intangible assets, accounts receivable, certain fixed assets, and the fair value of other assets and liabilities acquired.

We have completed three other acquisitions during 2023. The aggregate purchase price of the three acquisitions was $3,315, including $2,900 in cash, $90 of our common stock, and a potential earn-out of up to $340 payable in cash and common stock, which was recorded at an estimated fair value of $325. A probability-weighted approach was used to determine the fair value of the earn-out, which is a generally accepted valuation technique that embodies all significant assumption types. The final determination of the fair value of assets and liabilities will be completed within the one-year measurement period as required by ASC 805. The 2023 acquisitions will necessitate the use of this measurement period to adequately analyze and assess the factors used in establishing the asset and liability fair values as of the relevant acquisition date, including intangible assets and accounts receivable.

Segments

Our operations are organized into three operating and reportable segments:

- *Infrastructure ("INF")* – includes our engineering, civil program management, utility services, and construction quality assurance practices;
- *Building, Technology & Sciences ("BTS")* – includes our environmental health sciences, clean energy consulting, buildings and program management, and MEP & technology design practices; and
- *Geospatial Solutions ("GEO")* – includes our geospatial solution practices.

For additional information regarding our reportable segments, see Note 15, *Reportable Segments,* of the Notes to Consolidated Financial Statements included elsewhere herein.

Critical Accounting Policies and Estimates

For a discussion of our critical accounting estimates, see Management's Discussion and Analysis of Financial Condition and Results of Operations that is included in the 2022 Form 10-K.

Results of Operations

Consolidated Results of Operations

The following table represents our condensed results of operations for the periods indicated (dollars in thousands):

	Three Months Ended		Six Months Ended	
	July 1, 2023	**July 2, 2022**	**July 1, 2023**	**July 2, 2022**
Gross revenues	$ 222,638	$ 202,732	$ 406,955	$ 392,885
Direct costs	112,338	103,492	200,657	199,819
Gross profit	110,300	99,240	206,298	193,066
Operating expenses	89,862	76,640	176,875	157,913
Income from operations	20,438	22,600	29,423	35,153
Interest expense	(3,648)	(887)	(5,229)	(1,801)
Income tax expense	(1,377)	(4,445)	(2,834)	(7,442)
Net income	$ 15,413	$ 17,268	$ 21,360	$ 25,910

Three Months Ended July 1, 2023 Compared to the Three Months Ended July 2, 2022

Gross Revenues

Our consolidated gross revenues increased by $19,906, or 9.8%, for the three months ended July 1, 2023 compared to the three months ended July 2, 2022. The increase in gross revenues was primarily due to incremental gross revenues from acquisitions of $31,633 completed since the second quarter of 2022 and organic increases in our geospatial solutions business of $1,835. These increases were partially offset by decreases in our real estate transactional services of $8,271 driven by market reactions to increases in interest rates, decreases in our LNG business of $3,048 driven by project cycles, and decreases in our construction quality assurance practices of $2,641.

Gross Profit

As a percentage of gross revenues, our gross profit margin was 49.5% and 49.0% for the three months ended July 1, 2023 and July 2, 2022, respectively. The increase in gross profit margin was primarily due to a change in the mix of work performed. As a percentage of gross revenues, sub-consultant services and other direct costs decreased 2.1% and 0.5%, respectively. These decreases were partially offset by an increase in direct salaries and wages as a percentage of gross revenues of 2.1%. The decrease in sub-consultant expenses and other direct costs as a percentage of gross revenues was primarily driven by the mix of business in our real estate transactional services and our LNG business.

Operating expenses

Our operating expenses increased $13,222, or 17.3%, for the three months ended July 1, 2023 compared to the three months ended July 2, 2022. The increase in operating expenses primarily resulted from increased payroll costs of $11,666 and amortization expenses of $3,244. The increase in payroll costs was primarily driven by an increase in employees as compared to the prior year period primarily driven by our 2022 and 2023 acquisitions. The increase in amortization expense was driven by acquisitions. These increases were partially offset by a decrease in general and administrative expenses of $2,943. The decrease in general and administrative expenses was primarily due to earn-out fair value adjustments of $6,655 that decreased the contingent consideration liability related to acquisitions, partially offset by increases in information technology costs of $1,184 and professional fees of $1,590.

Interest Expense

Our interest expense increased $2,761 for the three months ended July 1, 2023 compared to the three months ended July 2, 2022. The increase in interest expense primarily resulted from a higher weighted average interest rate and an increase in our Senior Credit Facility indebtedness.

Income taxes

Our effective income tax rate was 8.2% and 20.5% for the three months ended July 1, 2023 and July 2, 2022, respectively. The decrease in the effective income tax rate was primarily the result of excess tax benefits from stock-based payments of $2,750 during the three months ended July 1, 2023 as compared to $1,103 during the three months ended July 2, 2022. The decrease in our tax expense resulting on stock-based payments during the three months ended July 1, 2023 was a result of the increase in our stock price as it relates to the value of stock vested during the period.

Net income

Our net income decreased $1,855, or 10.7%, for three months ended July 1, 2023 compared to three months ended July 2, 2022. The decrease was primarily a result of increases in payroll costs of $11,666, amortization expenses of $3,244, and interest expense of $2,761, partially offset by an increase in gross profit of $11,060, a decrease in general and administrative expenses of $2,943, and a lower effective income tax rate.

Six Months Ended July 1, 2023 Compared to the Six Months Ended July 2, 2022

Gross Revenues

Our consolidated gross revenues increased by $14,070, or 3.6%, for the six months ended July 1, 2023 compared to the six months ended July 2, 2022. The increase in gross revenues was primarily due to incremental gross revenues from acquisitions of $40,948 completed since the second quarter of 2022 and organic increases in our geospatial solutions business of $6,353. These increases were partially offset by decreases in our real estate transactional services of $17,902 driven by market reactions to increases in interest rates, decreases in our LNG business of $9,288 driven by project cycles, and decreases in our construction quality assurance practices of $4,813.

Gross Profit

As a percentage of gross revenues, our gross profit margin was 50.7% and 49.1% for the six months ended July 1, 2023 and July 2, 2022, respectively. As a percentage of gross revenues, sub-consultant services and other direct costs decreased 2.6% and 1.0%, respectively. These decreases were partially offset by an increase in direct salaries and wages as a percentage of gross revenues of 2.0%. The decrease in sub-consultant expenses and other direct costs as a percentage of gross revenues was primarily driven by the mix of business in our real estate transactional services and our LNG business.

Operating expenses

Our operating expenses increased $18,962, or 12.0%, for the six months ended July 1, 2023 compared to the six months ended July 2, 2022. The increase in operating expenses primarily resulted from increased payroll costs of $14,572 and amortization expenses of $4,015. The increase in payroll costs was primarily driven by an increase in employees as compared to the prior year period primarily driven by our 2022 and 2023 acquisitions and an increase in stock-based compensation. The increase in amortization expense was driven by acquisitions. These increases were partially offset by a decrease in general and administrative expenses of $1,409. The decrease in general and administrative expenses was primarily due to earn-out fair value adjustments of $7,514 that decreased the contingent consideration liability related to acquisitions, partially offset by increases in information technology costs of $2,170 and professional fees of $2,412.

Interest Expense

Our interest expense increased $3,428 for the six months ended July 1, 2023 compared to the six months ended July 2, 2022. The increase in interest expense primarily resulted from a higher weighted average interest rate and an increase in our Senior Credit Facility indebtedness.

Income taxes

Our effective income tax rate was 11.7% and 22.3% for the six months ended July 1, 2023 and July 2, 2022, respectively. The decrease in the effective income tax rate was primarily the result of excess tax benefits from stock-based payments of $2,987 during the six months ended July 1, 2023 as compared to $1,193 during the six months ended July 2, 2022. The decrease in our tax expense on stock-based payments during the six months ended July 1, 2023 was a result of the increase in our stock price as it relates to the value of stock vested during the period.

Net income

Our net income decreased $4,550, or 17.6%, for six months ended July 1, 2023 compared to six months ended July 2, 2022. The decrease was primarily a result of increases in payroll costs of $14,572, amortization expenses of $4,015, and interest expense of $3,428, partially offset by an increase in gross profit of $13,232, decreases in general and administrative expenses of $1,409, and a lower effective income tax rate.

Segment Results of Operations

The following tables set forth summarized financial information concerning our reportable segments (dollars in thousands):

	Three Months Ended		Six Months Ended	
	July 1, 2023	**July 2, 2022**	**July 1, 2023**	**July 2, 2022**
Gross revenues				
INF	$ 96,728	$ 102,639	$ 184,938	$ 202,600
BTS	54,032	61,331	106,878	121,785
GEO	71,878	38,762	115,139	68,500
Total gross revenues	$ 222,638	$ 202,732	$ 406,955	$ 392,885
Segment income before taxes				
INF	$ 16,745	$ 19,206	$ 33,726	$ 35,457
BTS	$ 8,113	$ 12,622	$ 16,531	$ 25,435
GEO	$ 14,814	$ 11,034	$ 21,835	$ 16,138

For additional information regarding our reportable segments, see Note 15, *Reportable Segments*, of the Notes to the Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q.

Three Months Ended July 1, 2023 Compared to Three Months Ended July 2, 2022

INF Segment

Our gross revenues from INF decreased $5,911, or 5.8%, during the three months ended July 1, 2023 compared to the three months ended July 2, 2022. The decrease was primarily due to decreases in our LNG business of $3,048 driven by project cycles and decreases in our construction quality assurance practices of $2,641.

Segment income before taxes from INF decreased $2,461, or 12.8%, during the three months ended July 1, 2023 compared to the three months ended July 2, 2022. The decrease was primarily due to decreased gross revenues.

BTS Segment

Our gross revenues from BTS decreased $7,299, or 11.9%, during the three months ended July 1, 2023 compared to the three months ended July 2, 2022. The decrease in gross revenues was primarily due to decreases in our real estate transactional services of $8,271 driven by market reactions to increases in interest rates.

Segment income before taxes from BTS decreased $4,509, or 35.7% during the three months ended July 1, 2023 compared to the three months ended July 2, 2022. The decrease was primarily due to decreased gross revenues.

GEO Segment

Our gross revenues from GEO increased $33,116, or 85.4%, during the three months ended July 1, 2023 compared to the three months ended July 2, 2022. The increase was primarily due to incremental revenue of $31,281 from acquisitions completed since the second quarter of 2022 and organic increases in our geospatial solution services of $1,835.

Segment income before taxes from GEO increased $3,780, or 34.3%, during the three months ended July 1, 2023 compared to the three months ended July 2, 2022. The increase was primarily due to increased gross revenues.

Six Months Ended July 1, 2023 Compared to Six Months Ended July 2, 2022

INF Segment

Our gross revenues from INF decreased $17,662, or 8.7%, during the six months ended July 1, 2023 compared to the three months ended July 2, 2022. The decrease was primarily due to decreases in our LNG business of $9,288 driven by project cycles, decreases in our construction quality assurance practices of $4,813, and decreases in our infrastructure services of $2,312.

Segment income before taxes from INF decreased $1,731, or 4.9%, during the six months ended July 1, 2023 compared to the six months ended July 2, 2022. The decrease was primarily due to decreased gross revenues.

BTS Segment

Our gross revenues from BTS decreased $14,907, or 12.2%, during the six months ended July 1, 2023 compared to the six months ended July 2, 2022. The decrease was primarily due to decreases in our real estate transactional services of $17,902 driven by market reactions to increases in interest rates. These decreases were partially offset by increases in our energy and technology services of $2,743 and increases in our international engineering and consulting services of $2,041.

Segment income before taxes from BTS decreased $8,904, or 35.0% during the six months ended July 1, 2023 compared to the six months ended July 2, 2022. The decrease was primarily due to decreased gross revenues.

GEO Segment

Our gross revenues from GEO increased $46,639, or 68.1%, during the six months ended July 1, 2023 compared to the six months ended July 2, 2022. The increase was primarily due to incremental revenue of $40,286 from acquisitions completed since the second quarter of 2022 and organic increases in our geospatial solution services of $6,353.

Segment income before taxes from GEO increased $5,697, or 35.3%, during the six months ended July 1, 2023 compared to the six months ended July 2, 2022. The increase was primarily due to increased gross revenues.

Liquidity and Capital Resources

Our principal sources of liquidity are our cash and cash equivalents balances, cash flows from operations, borrowing capacity under our Senior Credit Facility, and access to financial markets. Our principal uses of cash are operating expenses, working capital requirements, capital expenditures, repayment of debt, and acquisition expenditures. We believe our sources of liquidity, including cash flows from operations, existing cash and cash equivalents and borrowing capacity under our Senior Credit Facility will be sufficient to meet our projected cash requirements for at least the next twelve months. We will monitor our capital requirements thereafter to ensure our needs are in line with available capital resources and believe that there are no significant cash requirements currently known to us and affecting our business that cannot be met from our reasonably expected future operating cash flows, including upon the maturity of the Senior Credit Facility in 2026.

Operating activities

Net cash provided by operating activities was $25,502 for the six months ended July 1, 2023, compared to $54,258 during the six months ended July 2, 2022. The decrease was a result of decreases in net income and increases in working capital. The changes in our working capital that contributed to decreased cash flows from operations were primarily a result of decreases in accounts payable of $3,815 and increases in billed receivables of $4,270, unbilled receivables of $6,041, and prepaid expenses and other assets of $4,180. The increases in billed and unbilled receivables was primarily due to timing of project billing cycles, and the increase in prepaid expenses and other assets resulted from a $5,371 increase in prepaid income taxes, partially offset by a $2,189 decrease in prepaid insurance. The decrease in accounts payable primarily related to timing of payments.

Investing activities

During the six months ended July 1, 2023 and July 2, 2022, net cash used in investing activities totaled $196,186 and $15,001, respectively. The increase in cash used in investing activities was primarily a result of increased cash paid for acquisitions of $181,572.

Financing activities

Net cash flows provided by financing activities totaled $161,076 during the six months ended July 1, 2023 compared to net cash flows used in financing activities of $42,815 during the six months ended July 2, 2022. The increase in cash provided by financing activities was primarily a result of borrowings on our Senior Credit Facility of $180,000 during the six months ended July 1, 2023 and a decrease in principal payments on our Senior Credit Facility of $22,000 during the six months ended July 1, 2023.

Financing

Senior Credit Facility

On August 13, 2021 (the "Closing Date"), we amended and restated our Credit Agreement (the "Second A&R Credit Agreement"), originally dated December 7, 2016 and as amended to the Closing Date, with Bank of America, N.A. ("Bank of America"), as administrative agent, swingline lender and letter of credit issuer, the other lenders party thereto, and certain of our subsidiaries as guarantors. Pursuant to the Second A&R Credit Agreement, the previously drawn term commitments of $150,000 and revolving commitments totaling $215,000 in the aggregate were converted into revolving commitments totaling $400,000 in the aggregate. These revolving commitments are available through August 13, 2026 (the "Maturity Date") and an aggregate amount of approximately $138,750 was drawn under the Second A&R Credit Amendment on the Closing Date to repay previously existing borrowings under the term and revolving facilities prior to such amendment and restatement. Borrowings under the Second A&R Credit Agreement are secured by a first priority lien on substantially all of our assets. The Second A&R Credit Agreement also includes an accordion feature permitting us to request an increase in the revolving facility under the Second A&R Credit Agreement by an additional amount of up to $200,000 in the aggregate. As of July 1, 2023 and December 31, 2022, the outstanding balance on the Second A&R Credit Agreement was $200,750 and $33,750, respectively.

Our Second A&R Credit Agreement provides for the replacement of LIBOR (London Interbank Offered Rate), which prior to April 1, 2023, was transitioned to SOFR (Secured Overnight Funding Rate), subject to the completion of the relevant existing interest period ("LIBOR Transition"). Borrowings under the Second A&R Credit Agreement bear interest at variable rates which are, at our option, tied to a Eurocurrency rate equal to LIBOR or, from and after the LIBOR Transition, either Term SOFR or Daily Simple SOFR, plus in each case an applicable margin, or a base rate denominated in U.S. dollars. Interest rates remain subject to change based on our consolidated leverage ratio. As of July 1, 2023 our interest rate was 6.5%.

The Second A&R Credit Agreement contains financial covenants that require us to maintain a consolidated net leverage ratio (the ratio of our pro forma consolidated net funded indebtedness to our pro forma consolidated EBITDA for the most recently completed measurement period) of no greater than 4.00 to 1.00.

These financial covenants also require us to maintain a consolidated fixed charge coverage ratio of no less than 1.10 to 1.00 as of the end of any measurement period. As of July 1, 2023, we were in compliance with the financial covenants.

The Second A&R Credit Agreement contains covenants that may have the effect of limiting our ability to, among other things, merge with or acquire other entities, enter into a transaction resulting in a Change in Control, create certain new liens, incur certain additional indebtedness, engage in certain transactions with affiliates, or engage in new lines of business, or sell a substantial part of their assets. The Second A&R Credit Agreement also contains customary events of default, including (but not limited to) a default in the payment of principal or, following an applicable grace period, interest, breaches of our covenants or warranties under the Second A&R Credit Agreement, payment default or acceleration of certain indebtedness, certain events of bankruptcy, insolvency or liquidation, certain judgments or uninsured losses, changes in control, and certain liabilities related to ERISA based plans.

The Second A&R Credit Agreement limits the payment of cash dividends (together with certain other payments that would constitute a "Restricted Payment" within the meaning of the Second A&R Credit Agreement and generally including dividends, stock repurchases, and certain other payments in respect to warrants, options, and other rights to acquire equity securities), unless the Consolidated Leverage Ratio would be less than 3.25 to 1.00 and available liquidity (defined as unrestricted, domestically held cash plus revolver availability) would be at least $30,000, in each case after giving effect to such payment.

Total debt issuance costs incurred and capitalized in connection with the issuance of the Second A&R Credit Agreement were $3,702. Total amortization of debt issuance costs was $171 and $365 during the three and six months ended July 1, 2023, respectively, and $185 and $370 during the three and six months ended July 2, 2022, respectively.

Other Obligations

We have aggregate obligations related to acquisitions of $8,632, $6,335, $3,756, and $3,875 due in the remainder of fiscal 2023, 2024, 2025, and 2026, respectively. As of July 1, 2023, our weighted average interest rate on other outstanding obligations was 3.1%.

Recently Issued Accounting Pronouncements

None.

Cautionary Statement about Forward-Looking Statements

Our disclosure and analysis in this Quarterly Report on Form 10-Q, contain “forward-looking” statements within the meaning of Section 27A of the Securities Act Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Private Securities Litigation Reform Act of 1995. From time to time, we also provide forward-looking statements in other materials we release to the public, as well as oral forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding our “expectations,” “hopes,” “beliefs,” “intentions,” or “strategies” regarding the future. In addition, any statements that refer to projections, forecasts, or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. We have tried, wherever possible, to identify such statements by using words such as “anticipate,” “believe,” “expect,” “intend,” “estimate,” “predict,” “project,” “may,” “might,” “should,” “would,” “will,” “likely,” “will likely result,” “continue,” “could,” “future,” “plan,” “possible,” “potential,” “target,” “forecast,” “goal,” “observe,” “seek,” “strategy” and other words and terms of similar meaning, but the absence of these words does not mean that a statement is not forward looking. The forward-looking statements in this Quarterly Report on Form 10-Q reflect the Company’s current views with respect to future events and financial performance.

Forward-looking statements are not historical factors and should not be read as a guarantee or assurance of future performance or results, and will not necessarily be accurate indications of the times at, or by, or if such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made or management’s good faith beliefs, expectations and assumptions as of that time with respect to future events. Because forward-looking statements relate to the future, they are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to:

- our ability to retain the continued service of our key professionals and to identify, hire and retain additional qualified professionals,
- changes in demand from the local and state government and private clients that we serve,
- any material outbreak or material escalation of international hostilities, including developments in the conflict involving Russia and the Ukraine and the economic consequences of related events such as the imposition of economic sanctions and resulting market volatility,
- changes in general domestic and international economic conditions such as inflation rates, interest rates, tax rates, higher labor and healthcare costs, recessions, and changing government policies, laws and regulations,
- the U.S. government and other governmental and quasi-governmental budgetary and funding approval process,
- the ongoing effects of the global COVID-19 pandemic,
- our ability to successfully execute our mergers and acquisitions strategy, including the integration of new companies into our business,
- the possibility that our contracts may be terminated by our clients,
- our ability to win new contracts and renew existing contracts,
- competitive pressures and trends in our industry and our ability to successfully compete with our competitors,
- our dependence on a limited number of clients,
- our ability to complete projects timely, in accordance with our customers' expectations, or profitability,
- our ability to successfully manage our growth strategy,
- our ability to raise capital in the future,
- the credit and collection risks associated with our clients,
- our ability to comply with procurement laws and regulations,
- weather conditions and seasonal revenue fluctuations may adversely impact our financial results,
- the enactment of legislation that could limit the ability of local, state and federal agencies to contract for our privatized services,
- our ability to complete our backlog of uncompleted projects as currently projected,
- the risk of employee misconduct or our failure to comply with laws and regulations,
- our ability to control, and operational issues pertaining to, business activities that we conduct with business partners and other third parties,
- our need to comply with a number of restrictive covenants and similar provisions in our senior credit facility that generally limit our ability to (among other things) incur additional indebtedness, create liens, make acquisitions, pay dividends and undergo certain changes in control, which could affect our ability to finance future operations, acquisitions or capital needs,
- significant influence by our principal stockholder and the existence of certain anti-takeover measures in our governing documents, and
- other factors identified throughout this Quarterly Report on Form 10-Q, including those discussed under the headings "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Business."

The forward-looking statements contained in this report are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties, or assumptions, many of which are beyond our control, which may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, those factors described in Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2022. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities laws. You are advised, however, to consult any further disclosures we make on related subjects in our Form 10-Q, 8-K and 10-K reports filed with the SEC. Our Annual Report on Form 10-K filing for the fiscal year ended December 31, 2022 listed various important factors that could cause actual results to differ materially from expected and historic results. We note these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995, as amended. Readers can find them in "Item 1A. Risk Factors" of that filing and under the same heading of this filing. You may obtain a copy of our Annual Report on Form 10-K through our website, www.nv5.com. Information contained on our website is not incorporated into this report. In addition to visiting our website, you may read and copy any document we file with the SEC at www.sec.gov.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are exposed to certain market risks from transactions that are entered into during the normal course of business. We have not entered into derivative financial instruments for trading purposes. We have no significant market risk exposure to interest rate changes related to the promissory notes related to acquisitions since these contain fixed interest rates. Our only debt subject to interest rate risk is the Senior Credit Facility which rates are variable, at our option, tied to a Eurocurrency rate equal to LIBOR (London Interbank Offered Rate) or, from and after the LIBOR Transition, either Term SOFR or Daily Simple SOFR, plus in each case an applicable rate or a base rate denominated in U.S. dollars. Interest rates are subject to change based on our Consolidated Senior Leverage Ratio (as defined in the Credit Agreement). As of July 1, 2023, there was $200,750 outstanding on the Senior Credit Facility. A one percentage point change in the assumed interest rate of the Senior Credit Facility would change our annual interest expense by approximately $2,008 annually.

ITEM 4. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, the Company carried out an evaluation, under the supervision and with the participation of its management, including the Company's Chief Executive Officer and its Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as such term is defined in rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, the Company's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and forms, and (ii) accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, in a manner that allows timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes to the Company's internal control over financial reporting as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) that occurred during the quarter ended July 1, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, we are subject to various legal proceedings that arise in the normal course of our business activities. As of the date of this Quarterly Report on Form 10-Q, we are not a party to any litigation the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect on our results of operations or financial position.

ITEM 1A. RISK FACTORS.

There have been no material changes to any of the principal risks that we believe are material to our business, results of operations and financial condition, from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Recent Sales of Unregistered Securities

On June 13, 2023, the Company issued 30,100 restricted stock awards (the "RS Grants") under the Company's 2023 Equity Incentive Plan (the "Incentive Plan") to certain executive officers of the Company. The RS Grants will vest in 2026, subject to earlier vesting and forfeiture on terms and conditions set forth in the applicable award agreement. The issuance of the RS Grants under the Incentive Plan was exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder.

Issuer Purchase of Equity Securities

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Number	Description
10.1*	Form of Restricted Stock Agreement†
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to § 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to § 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
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

† Indicates a management contract or compensatory plan, contract, or arrangement.

* Filed herewith.

** Furnished herewith. This certification is being furnished solely to accompany this report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filings of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

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

NV5 GLOBAL, INC.

	/s/ Edward Codispoti
Date: August 10, 2023	Edward Codispoti Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 10.1

NV5 GLOBAL, INC.
RESTRICTED STOCK AGREEMENT

NV5 Global, Inc. (the ***"Company"***) has granted to the Participant named in the *Notice of Grant of Restricted Stock* (the ***"Grant Notice"***) to which this Restricted Stock Agreement (the ***"Agreement"***) is attached an Award consisting of Shares subject to the terms and conditions set forth in the Grant Notice and this Agreement. The Award has been granted pursuant to and shall in all respects be subject to the terms and conditions of the NV5 Global, Inc. 2023 Equity Incentive Plan (the "Plan"), the provisions of which are incorporated herein by reference. By signing the Grant Notice, the Participant: (a) acknowledges receipt of and represents that the Participant has read and is familiar with the Grant Notice, this Agreement, the Plan and a prospectus for the Plan prepared in connection with the registration with the Securities and Exchange Commission of the shares issuable pursuant to the Award (the "Plan Prospectus"), (b) accepts the Award subject to all of the terms and conditions of the Grant Notice, this Agreement and the Plan and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Grant Notice, this Agreement or the Plan.

1. DEFINITIONS AND CONSTRUCTION.

1.1 **Definitions**. Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Grant Notice or the Plan.

1.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

2. ADMINISTRATION.

All questions of interpretation concerning the Grant Notice, this Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the Award shall be determined by the Committee. All such determinations by the Committee shall be final, binding and conclusive upon all persons having an interest in the Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or the Award or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Award. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation or election.

3. THE AWARD.

3.1 **Grant and Issuance of Shares.** On the Date of Grant, the Participant shall acquire and the Company shall issue, subject to the provisions of this Agreement, a number of Shares equal to the Total Number of Shares. As a condition to the issuance of the Shares, the Participant shall execute and deliver the Grant Notice to the Company, and, if required by the Company, an Assignment Separate from Certificate duly endorsed (with date and number of shares blank) in the form provided by the Company.

3.2 **No Monetary Payment Required.** The Participant is not required to make any monetary payment (other than to satisfy applicable tax withholding, if any, with respect to the issuance or vesting of the Shares) as a condition to receiving the Shares, the consideration for which shall be past services actually rendered or future services to be rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the Shares issued pursuant to the Award.

3.3 **Beneficial Ownership of Shares; Certificate Registration.** The Participant hereby authorizes the Company, in its sole discretion, to deposit the Shares with the Company's transfer agent, including any successor transfer agent, to be held in book entry form during the term of the Escrow pursuant to Section 6. Furthermore, the Participant hereby authorizes the Company, in its sole discretion, to deposit, following the term of such Escrow, for the benefit of the Participant with any broker with which the Participant has an account relationship of which the Company has notice any or all Shares which are no longer subject to such Escrow. Except as provided by the foregoing, a certificate for the Shares shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

3.4 **Issuance of Shares in Compliance with Law.** The issuance of the Shares shall be subject to compliance with all applicable requirements of federal, state or foreign law with respect to such securities. No Shares shall be issued hereunder if their issuance would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any Shares shall relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority shall not have been obtained. As a condition to the issuance of the Shares, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

4. VESTING OF SHARES.

Shares acquired pursuant to this Agreement shall become Vested Shares as provided in the Grant Notice. For purposes of determining the number of Vested Shares following an Ownership Change Event, credited Service shall include all Service with any corporation which is a Participating Company at the time the Service is rendered, whether or not such corporation is a Participating Company both before and after the Ownership Change Event.

5. COMPANY REACQUISITION RIGHT.

5.1 **Grant of Company Reacquisition Right.** Except to the extent otherwise provided by the Superseding Agreement, if any, in the event that (a) the Participant's Service terminates for any reason or no reason, with or without cause, or (b) the Participant, the Participant's legal representative, or other holder of the Shares, attempts to sell, exchange, transfer, pledge, or otherwise dispose of (other than pursuant to an Ownership Change Event), including, without limitation, any transfer to a nominee or agent of the Participant, any Shares which are not Vested Shares (***"Unvested Shares"***), the Participant shall forfeit and the Company shall automatically reacquire the Unvested Shares, and the Participant shall not be entitled to any payment therefor (the ***"Company Reacquisition Right"***).

5.2 **Ownership Change Event, Non-Cash Dividends, Distributions and Adjustments.** Upon the occurrence of an Ownership Change Event, a dividend or distribution to the stockholders of the Company paid in shares of Stock or other property, or any other adjustment upon a change in the capital structure of the Company as described in Section 9, any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy) to which the Participant is entitled by reason of the Participant's ownership of Unvested Shares shall be immediately subject to the Company Reacquisition Right and included in the terms "Shares," "Stock" and "Unvested Shares" for all purposes of the Company Reacquisition Right with the same force and effect as the Unvested Shares immediately prior to the Ownership Change Event, dividend, distribution or adjustment, as the case may be. For purposes of determining the number of Vested Shares following an Ownership Change Event, dividend, distribution or adjustment, credited Service shall include all Service with any corporation which is a Participating Company at the time the Service is rendered, whether or not such corporation is a Participating Company both before and after any such event.

5.3 **Obligation to Repay Certain Cash Dividends and Distributions.** The Participant shall, at the discretion of the Company, be obligated to promptly repay to the Company upon termination of the Participant's Service any dividends and other distributions paid to the Participant in cash with respect to Unvested Shares reacquired by the Company pursuant to the Company Reacquisition Right.

6. ESCROW.

6.1 **Appointment of Agent.** To ensure that Shares subject to the Company Reacquisition Right will be available for reacquisition, the Participant and the Company hereby appoint the Secretary of the Company, or any other person designated by the Company, as their agent and as attorney-in-fact for the Participant (the ***"Agent"***) to hold any and all Unvested Shares and to sell, assign and transfer to the Company any such Unvested Shares reacquired by the Company pursuant to the Company Reacquisition Right. The Participant understands that appointment of the Agent is a material inducement to make this Agreement and that such appointment is coupled with an interest and is irrevocable. The Agent shall not be personally liable for any act the Agent may do or omit to do hereunder as escrow agent, agent for the Company, or attorney in fact for the Participant while acting in good faith and in the exercise of the Agent's own good judgment, and any act done or omitted by the Agent pursuant to the advice of the Agent's own attorneys shall be conclusive evidence of such good faith. The Agent may rely upon any letter, notice or other document executed by any signature purporting to be genuine and may resign at any time.

6.2 **Establishment of Escrow.** The Participant authorizes the Company to deposit the Unvested Shares with the Company's transfer agent to be held in book entry form, as provided in Section 3.3, and the Participant agrees to deliver to and deposit with the Agent each certificate, if any, evidencing the Shares and, if required by the Company, an Assignment Separate from Certificate with respect to such book entry shares and each such certificate duly endorsed (with date and number of Shares blank) in the form attached to this Agreement, to be held by the Agent under the terms and conditions of this Section 6 (the *"**Escrow**"*). Upon the occurrence of an Ownership Change Event, a dividend or distribution to the stockholders of the Company paid in shares of Stock or other property (other than regular, periodic dividends paid on Stock pursuant to the Company's dividend policy) or any other adjustment upon a change in the capital structure of the Company, as described in Section 9, any and all new, substituted or additional securities or other property to which the Participant is entitled by reason of his or her ownership of the Shares that remain, following such Ownership Change Event, dividend, distribution or change described in Section 9, subject to the Company Reacquisition Right shall be immediately subject to the Escrow to the same extent as the Shares immediately before such event. The Company shall bear the expenses of the Escrow.

6.3 **Delivery of Shares to Participant.** The Escrow shall continue with respect to any Shares for so long as such Shares remain subject to the Company Reacquisition Right. Upon termination of the Company Reacquisition Right with respect to Shares, the Company shall so notify the Agent and direct the Agent to deliver such number of Shares to the Participant. As soon as practicable after receipt of such notice, the Agent shall cause the Shares specified by such notice to be delivered to the Participant, and the Escrow shall terminate with respect to such Shares.

7. TAX MATTERS.

7.1 **Tax Withholding.**

(a) ***In General.*** At the time the Grant Notice is executed, or at any time thereafter as requested by a Participating Company, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant, and otherwise agrees to make adequate provision for, any sums required to satisfy the federal, state, local and foreign tax (including any social insurance) withholding obligations of the Participating Company, if any, which arise in connection with the Award, including, without limitation, obligations arising upon (a) the transfer of Shares to the Participant, (b) the lapsing of any restriction with respect to any Shares, (c) the filing of an election to recognize tax liability, or (d) the transfer by the Participant of any Shares. The Company shall have no obligation to deliver the Shares or to release any Shares from the Escrow established pursuant to Section 6 until the tax withholding obligations of the Participating Company have been satisfied by the Participant.

(b) ***Assignment of Sale Proceeds*. ** Subject to compliance with applicable law and the Company's Trading Compliance Policy, if permitted by the Company, the Participant may satisfy the Participating Company's tax withholding obligations in accordance with procedures established by the Company providing for delivery by the Participant to the Company or a broker approved by the Company of properly executed instructions, in a form approved by the Company, providing for the assignment to the Company of the proceeds of a sale with respect to some or all of the shares becoming Vested Shares on a Vesting Date as provided in the Grant Notice.

(c) ***Withholding in Shares.*** The Company shall have the right, but not the obligation, to require the Participant to satisfy all or any portion of a Participating Company's tax withholding obligations by withholding a number of whole, Vested Shares otherwise deliverable to the Participant or by the Participant's tender to the Company of a number of whole, Vested Shares or vested shares acquired otherwise than pursuant to the Award having, in any such case, a fair market value, as determined by the Company as of the date on which the tax withholding obligations arise, not in excess of the amount of such tax withholding obligations determined by the applicable minimum statutory withholding rates.

8. EFFECT OF CHANGE IN CONTROL.

In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the *"**Acquiror**"*), may, without the consent of the Participant, assume or continue in full force and effect the Company's rights and obligations under the Award or substitute for the Award a substantially equivalent award for the Acquiror's stock. For purposes of this Section, the Award shall be deemed assumed if, following the Change in Control, the Award confers the right to receive, subject to the terms and conditions of the Plan and this Agreement, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Stock on the effective date of the Change in Control was entitled. Notwithstanding the foregoing, Shares acquired pursuant to the Award prior to the Change in Control and any consideration received pursuant to the Change in Control with respect to such shares shall continue to be subject to all applicable provisions of this Agreement except as otherwise provided herein.

9. ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE.

Subject to any required action by the stockholders of the Company, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number and kind of shares of stock or other property subject to the Award, in order to prevent dilution or enlargement of the Participant's rights under the Award. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." Any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy, subject to Section 5.3) to which Participant is entitled by reason of ownership of shares acquired pursuant to this Award will be immediately subject to the provisions of this Award on the same basis as all shares originally acquired hereunder. Any fractional share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number. Such adjustments shall be determined by the Committee, and its determination shall be final, binding and conclusive.

10. RIGHTS AS A STOCKHOLDER, DIRECTOR, EMPLOYEE OR CONSULTANT.

The Participant shall have no rights as a stockholder with respect to any Shares subject to the Award until the date of the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date the Shares are issued, except as provided in Section 9. Subject to the provisions of this Agreement, the Participant shall exercise all rights and privileges of a stockholder of the Company with respect to Shares deposited in the Escrow pursuant to Section 6, including the right to vote such Shares and to receive all dividends and other distributions paid with respect to such Shares, subject to Section 5.3. If the Participant is an Employee, the Participant understands and acknowledges that, except as otherwise provided in a separate, written employment agreement between a Participating Company and the Participant, the Participant's employment is "at will" and is for no specified term. Nothing in this Agreement shall confer upon the Participant any right to continue in the Service of a Participating Company or interfere in any way with any right of the Participating Company Group to terminate the Participant's Service at any time.

11. LEGENDS.

The Company may at any time place legends referencing the Company Reacquisition Right and any applicable federal, state or foreign securities law restrictions on all certificates representing the Shares. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing the Shares in the possession of the Participant in order to carry out the provisions of this Section. Unless otherwise specified by the Company, legends placed on such certificates may include, but shall not be limited to, the following:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS SET FORTH IN AN AGREEMENT BETWEEN THIS CORPORATION AND THE REGISTERED HOLDER, OR HIS PREDECESSOR IN INTEREST, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THIS CORPORATION."

12. TRANSFERS IN VIOLATION OF AGREEMENT.

No Shares may be sold, exchanged, transferred, assigned, pledged, hypothecated or otherwise disposed of, including by operation of law, in any manner which violates any of the provisions of this Agreement and, except pursuant to an Ownership Change Event, until the date on which such shares become Vested Shares, and any such attempted disposition shall be void. The Company shall not be required (a) to transfer on its books any Shares which will have been transferred in violation of any of the provisions set forth in this Agreement or (b) to treat as owner of such Shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such Shares will have been so transferred. In order to enforce its rights under this Section, the Company shall be authorized to give a stop transfer instruction with respect to the Shares to the Company's transfer agent.

13. MISCELLANEOUS PROVISIONS.

13.1 **Termination or Amendment.** The Committee may terminate or amend the Plan or this Agreement at any time; provided, however, that no such termination or amendment may have a materially adverse effect on the Participant's rights under this Agreement without the consent of the Participant unless such termination or amendment is necessary to comply with applicable law or government regulation. No amendment or addition to this Agreement shall be effective unless in writing.

13.2 **Nontransferability of the Award.** The right to acquire Shares pursuant to the Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

13.3 **Further Instruments.** The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

13.4 **Binding Effect.** This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

13.5 **Delivery of Documents and Notices.** Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by a Participating Company, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the address of such party set forth in the Grant Notice or at such other address as such party may designate in writing from time to time to the other party.

(a) ***Description of Electronic Delivery.*** The Plan documents, which may include but do not necessarily include: the Plan, the Grant Notice, this Agreement, and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, if permitted by the Company, the parties may deliver electronically any notices called for in connection with the Escrow and the Participant may deliver electronically the Grant Notice to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

(b) ***Consent to Electronic Delivery.*** The Participant acknowledges that the Participant has read Section 13.5(a) of this Agreement and consents to the electronic delivery of the Plan documents and, if permitted by the Company, the delivery of the Grant Notice and notices in connection with the Escrow, as described in Section 13.5(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 13.5(a) or may change the electronic mail address to which such documents are to be delivered (if Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 13.5(a).

13.6 **Integrated Agreement.** The Grant Notice, this Agreement and the Plan, together with the Superseding Agreement, if any, shall constitute the entire understanding and agreement of the Participant and the Participating Company Group with respect to the subject matter contained herein or therein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Participating Company Group with respect to such subject matter. To the extent contemplated herein or therein, the provisions of the Grant Notice, this Agreement and the Plan shall survive any settlement of the Award and shall remain in full force and effect.

13.7 **Applicable Law.** This Agreement shall be governed by the laws of the State of Delaware as such laws are applied to agreements between Delaware residents entered into and to be performed entirely within the State of Delaware.

13.8 **Counterparts.** The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Exhibit 31.1

CERTIFICATION

I, Dickerson Wright, certify that*:*

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended July 1, 2023 of NV5 Global, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2023

/s/ Dickerson Wright

Dickerson Wright
Chairman & Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Edward Codispoti, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended July 1, 2023 of NV5 Global, Inc.;

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

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

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

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2023

/s/ Edward Codispoti

Edward Codispoti
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of NV5 Global, Inc. (the "Company") on Form 10-Q for the quarter ended July 1, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Dickerson Wright, Chief Executive Officer of the Company, and Edward Codispoti, Chief Financial Officer of the Company, each certify, to the best of his knowledge, pursuant to Rule 13a-14(b) or 15d-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: August 10, 2023

/s/ Dickerson Wright
Dickerson Wright
Chairman & Chief Executive Officer

Date: August 10, 2023

/s/ Edward Codispoti
Edward Codispoti
Chief Financial Officer

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent the Company specifically incorporates it by reference.

A signed original of this written statement required by Rule 13a-14(b) or 15d-14(b) of the Exchange Act and Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.