

Risk Factors Comparison 2023-05-26 to 2022-05-20 Form: 10-K

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You should consider and read carefully all of the risks and uncertainties described below, as well as other information included in this Annual Report, including our consolidated financial statements and related notes. The risks described below are not the only ones facing us. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition, and results of operations. This Annual Report also contains forward- looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward- looking statements as a result of specific factors, including the risks and uncertainties described below. This risk factor summary contains a high- level summary of risks associated with our business. It does not contain all of the information that may be important to you, and you should read this risk factor summary together with the more detailed discussion of risks and uncertainties set forth following this summary. A summary of our risks includes, but is not limited to, the following: Industry and Economic Risks • risks relating to our relationships with the U. S. government; • changes in U. S. government spending and mission priorities, including due to uncertainty relating to funding of the U. S. government and **increasing a possible failure of Congressional efforts to approve such funding and to craft a long-term agreement on the debt ceiling** U. S. government's ability to incur indebtedness in excess of its current limits; • the effects of **disease outbreaks, COVID-19 and other** pandemics, or widespread health epidemics, including disruptions to our workforce and the impact on government spending and demand for our solutions; • our ability to compete effectively in the competitive bidding process and delays or losses of contract awards caused by competitors' protests of major contract awards received by us; • the loss of GSA schedules, or our position as prime contractor on GWACs; • variable purchasing patterns under GSA schedules, blanket purchase agreements, and IDIQ contracts; • changes in the mix of our contracts and our ability to accurately estimate or otherwise recover expenses, time, and resources for our contracts; • changes in estimates used in recognizing revenue; • our ability to realize the full value of and replenish our backlog, generate revenue under certain of our contracts, and the timing of our receipt of revenue under contracts included in backlog; • **risks related to inflation that could impact the cost of doing business and / or reduce customer buying power; • risks related to the deterioration of economic conditions or weakening in the credit or capital markets;** • internal system or service failures and security breaches, including, but not limited to, those resulting from external or internal **threats, including** cyber attacks on our network and internal systems; • risks related to the operation of financial management systems; • our ability to attract, train, or retain employees with the requisite skills and experience and ensure that employees obtain and maintain necessary security clearances and effectively manage our cost structure; • **risks related to inflation that could impact the cost of doing business and / or reduce customer buying power;** • the loss of members of senior management or failure to develop new leaders; • misconduct or other improper activities from our employees or subcontractors, including the improper **access, use,** or release of **our or our clients'** sensitive or classified information; • the impact of increased competition from other companies in our industry; • failure to maintain strong relationships with other contractors, or the failure of contractors with which we have entered into a sub- or prime- contractor relationship to meet their obligations to us or our clients; • risks related to changes to our operating structure, capabilities, or strategy intended to address client needs, grow our business, or respond to market developments; and • risks related to completed and future acquisitions, including our ability to realize the expected benefits from such acquisitions. Legal and Regulatory Risks • failure to comply with numerous laws and regulations, including FAR, the False Claims Act, the Defense Federal Acquisition Regulation Supplement ("**DFARS**"), and FAR Cost Accounting Standards and Cost Principles; • risks related to our international operations; • the adoption by the U. S. government of new laws, rules, and regulations, such as those relating to organizational conflicts of interest issues or limits; • the incurrence of additional tax liabilities, including as a result of changes in tax laws or management judgments involving complex tax matters; • continued efforts to change how the U. S. government reimburses compensation related costs and other expenses or otherwise limit such reimbursements and an increased risk of compensation being deemed unreasonable and unallowable or payments being withheld as a result of U. S. government audit, review, or investigation; • inherent uncertainties and potential adverse developments in legal or regulatory proceedings; • the impact of changes in accounting rules and regulations, or interpretations thereof, that may affect the way we recognize and report our financial results, including changes in accounting rules governing recognition of revenue; and • the impact of ESG- related risks and climate change generally on our and our clients' businesses and operations. Risks Related to Our Indebtedness • the impact of our substantial indebtedness and our ability to service and refinance such indebtedness; **and** • the restrictions and limitations in the agreements and instruments governing our indebtedness; **and** • ~~the impact of a substantial portion of our indebtedness being secured by substantially all of our assets.~~ Risks Related to Our Common Stock • the volatility of the market price of our Class A common stock; • the timing and amount of our dividends, if any; and • the impact of fulfilling our obligations incident to being a public company. We depend on contracts with U. S. government agencies for substantially all of our revenue. If our relationships with such agencies are harmed, our future revenue and operating profits would decline. The U. S. government is our primary client, with revenue from contracts and task orders, either as a prime or a subcontractor, with U. S. government agencies accounting for 97 % of our revenue for fiscal **2022-2023**. Our belief is that the successful future growth of our business will continue to depend primarily on our ability to be awarded work under U. S. government contracts, as we expect this will be the primary source of substantially all of our revenue in the foreseeable future. For this reason, any issue that compromises our relationship with the U. S. government generally or any U. S. government agency that we serve would cause our revenue to decline. Among the key factors in maintaining our relationship with U. S. government agencies is our

performance on contracts and task orders, the strength of our professional reputation, compliance with applicable laws and regulations, and the strength of our relationships with client personnel. In addition, the mishandling or the perception of mishandling of sensitive information, such as our failure to maintain the confidentiality of the existence of our business relationships with certain of our clients, including as a result of misconduct or other improper activities by our employees or subcontractors, or a failure to maintain adequate protection against security breaches, including those resulting from cyber attacks, could harm our relationship with U. S. government agencies. See “— Our employees or subcontractors may engage in misconduct or other improper activities, which could harm our ability to conduct business with the U. S. government.” Our relationship with the U. S. government could also be damaged as a result of an agency’s dissatisfaction with work performed by us, a subcontractor, or other third parties who provide services or products for a specific project for any reason, including due to perceived or actual deficiencies in the performance or quality of our work, and we may incur additional costs to address any such situation and the profitability of that work might be impaired. Further, negative publicity concerning government contractors in general, or us in particular, regardless of accuracy, may harm our reputation among federal agencies and federal government contractors. Due to the sensitive nature of our work and our confidentiality obligations to our customers, we may be unable or limited in our ability to respond to such negative publicity, which could also harm our reputation and business. To the extent our reputation or relationships with U. S. government agencies is impaired, our revenue and operating profits could materially decline. U. S. government spending levels and mission priorities could change in a manner that adversely affects our future revenue and limits our growth prospects. Our business depends upon continued U. S. government expenditures on defense, intelligence, and civil programs for which we provide support. These expenditures have not remained constant over time, have been reduced in certain periods, and have been affected by the U. S. government’s efforts to improve efficiency and reduce costs affecting U. S. government programs generally. Our business, prospects, financial condition, or operating results could be materially harmed by, among other causes, by the following: • budgetary constraints, including Congressionally mandated automatic spending cuts, affecting U. S. government spending generally, or specific agencies in particular, and changes in available funding; • a shift in the permissible federal debt limit; • a shift in expenditures away from agencies or programs that we support; • reduced U. S. government outsourcing of functions that we are currently contracted to provide, including as a result of increased insourcing by various U. S. government agencies due to changes in the definition of “inherently governmental” work, including proposals to limit contractor access to sensitive or classified information and work assignments; • changes or delays in U. S. government programs that we support or related requirements; • U. S. government shutdowns due to, among other reasons, a failure by elected officials to fund the government and other potential delays in the appropriations process; • U. S. government agencies awarding contracts on a technically acceptable / lowest cost basis in order to reduce expenditures; • delays in the payment of our invoices by government payment offices; • an inability by the U. S. government to fund its operations as a result of a failure to increase the U. S. government’s debt ceiling, the exhaustion of “extraordinary measures” to borrow additional funds without breaching the government’s debt ceiling, a credit downgrade of U. S. government obligations or for any other reason; and • changes in the political climate and general economic conditions, including political changes from successive presidential administrations, a slowdown of the economy or unstable economic conditions and responses to COVID- 19 or other conditions, such as emergency spending, that reduce funds available for other government priorities. In addition, any disruption in the functioning of U. S. government agencies, including as a result of U. S. government closures and shutdowns, terrorism, war, international conflicts (such as including the ongoing conflict between Russia and its invasion of Ukraine in 2022), natural disasters, public health crises (such as COVID- 19), destruction of U. S. government facilities, and other potential calamities could have a negative impact on our operations and cause us to lose revenue or incur additional costs due to, among other things, our inability to deploy our staff to client locations or facilities as a result of such disruptions. The U. S. government budget deficits, the national debt, and prevailing economic conditions, and actions taken to address them, could negatively affect U. S. government expenditures on defense, intelligence, and civil programs for which we provide support. The Department of Defense is one of our significant clients and cost cutting, including through consolidation and elimination of duplicative organizations and insourcing, has become a major initiative for the Department of Defense. A reduction in the amount of, or delays or cancellations of funding for, services that we are contracted to provide as a result of any of these related initiatives, legislation, or otherwise could have a material adverse effect on our business and results of operations. In addition, government agencies have reduced management support services spending in recent years. If federal awards for management support services continue to decline, our revenue and operating profits may materially decline and could have a material and adverse effect on our business and results of operations. Considerable uncertainty exists regarding how future budget and program decisions will unfold, including the spending priorities of the U. S. government. In 2023, the U. S. Congress will have to contend with the legal limit on U. S. debt commonly known as the debt ceiling. The current statutory limit was reached in January 2023, requiring “extraordinary measures” to continue normally financing U. S. government obligations while avoiding breaching the debt ceiling. However, it is expected the U. S. government will exhaust these measures by June 2023. If the debt ceiling is not raised, the U. S. government may not be able to fulfill its funding obligations and there could be significant disruption to all discretionary programs, which would have corresponding impacts on us and our industry. If government funding relating to our contracts with the U. S. government or Department of Defense becomes unavailable, or is reduced or delayed, or planned orders are reduced, our contract or subcontract under such programs may be terminated or adjusted by the U. S. government or the prime contractor, if applicable. Our operating results could also be adversely affected by spending caps or changes in the budgetary priorities of the U. S. government or Department of Defense, as well as delays in program starts or the award of contracts or task orders under contracts. These or other factors could cause our defense, intelligence, or civil clients to decrease the number of new contracts awarded generally and fail to award us new contracts, reduce their purchases under our existing contracts, exercise their right to terminate our contracts, or not exercise options to renew our contracts, any of which could cause

a material decline in our revenue. The effects of a **disease outbreak**, pandemic or widespread health epidemic **such as COVID-19** could have a material adverse effect on our business and results of operations. **The Disease outbreaks, pandemics or similar widespread health epidemics, such as the** COVID-19 pandemic, and ongoing attempts to contain and reduce **its** ~~their~~ spread ~~have may~~ adversely affected ~~--- affect~~ U. S. and global economies, including impacts to supply chains, customer demand, international trade, and capital markets. These effects ~~have may~~ adversely affected ~~--- affect~~ certain of our business operations; **and** may ~~further materially and~~ adversely affect our ~~business operations, and may materially and adversely affect our~~ financial condition, results of operations, cash flows, and equity. **We** ~~In light of the uncertain and evolving situation relating to COVID-19, we have taken precautionary measures intended to minimize the risk of~~ **disease outbreaks, pandemics or similar widespread health epidemics, such as** the ~~virus~~ **COVID-19 pandemic**, to our employees, our clients, and the communities in which we operate, **as well as remedial measures to address residual, lasting issues, including increased medical costs and a rise in mental health issues**, which could negatively impact our business. Consistent with public health guidance and Executive Order 14042 regarding COVID-19 vaccination for employees servicing federal contracts, we have implemented a Company policy requiring full COVID-19 vaccinations of all employees, except for employees who qualify for medical or religious exemptions. This policy could impair our ability to perform certain contractual services, to retain such contracts, and to win new business. See “—We may fail to attract, train, and retain skilled and qualified employees, which may impair our ability to generate revenue, effectively serve our clients, and execute our growth strategy.” In addition, some of our employees, clients, and subcontractors are located in foreign countries, which may be impacted differently from the United States **depending on**, and we continue to monitor the situation in each of the jurisdictions in which we operate and may adjust our current policies as more information and public health guidance become available. Although the Company has business continuity plans and other safeguards in place, there is no assurance that such plans and safeguards will be effective or that such measures will not adversely affect our operations or long-term plans. In addition, as local conditions and regulations **begin respond** to permit **the risks of disease outbreaks, pandemics or similar widespread health epidemics regarding with respect to** the return of employees to business generally, our workforce may not be able to return to work in person immediately, if at all, or may instead choose to pursue competing employment opportunities, including as a result of transportation, childcare, and ongoing health issues, which could negatively affect our business. In addition, COVID-19 **and such other disease outbreaks, pandemics or widespread health epidemics** may continue to disrupt the operations of our **clients**, suppliers, vendors, service providers, and subcontractors, including as a result of travel restrictions, business shutdowns, key material shortages, or lack of access to financial markets, all of which could negatively impact our business and results of operations. Any inability to develop alternative sources of supply on a cost-effective and timely basis could materially impair our ability to **provide manufacture and deliver** products, systems, and services to our clients. ~~We are also subject to federal and state laws and regulations enacted in response to the outbreak, such as the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), which contains a provision that allows U. S. government contractors to seek specified reimbursement for certain employees who are unable to perform their contract requirements at their designated work locations due to facility closures or restrictions as a result of COVID-19 and cannot perform such work remotely. The legislation enables but does not mandate reimbursement for such costs, and agency guidance has imposed certain restrictions. Further, the relief contemplated under the provision did not extend past September 30, 2021. Although we cannot currently predict the overall impact of COVID-19, the longer the duration of the pandemic, the more likely it is that it could have an adverse effect on our business, financial position, results of operations, billable expenses, and / or cash flows. We expect COVID-19 to continue to negatively impact our business and results of operations and are unable to predict how long or with what degree of severity that impact will continue. The duration and extent of COVID-19 impacts will depend on future developments outside of our control, including the availability of effective treatments, the effectiveness and adoption of available vaccines, and the evolutionary development of COVID-19 or related viruses, including the emergence and spread of new and more transmissible COVID-19 variants such as Delta and Omicron, which are highly uncertain and cannot be predicted.~~ We derive a majority of our revenue from contracts awarded through a competitive bidding process, and our revenue and profitability may be adversely affected if we are unable to compete effectively in the process or if there are delays caused by our competitors protesting major contract awards received by us. We derive a majority of our revenue from U. S. government contracts awarded through competitive bidding processes. We do not expect this to change for the foreseeable future. Our failure to compete effectively in this procurement environment would have a material adverse effect on our revenue and profitability. The competitive bidding process involves risk and significant costs to businesses operating in this environment, including: • the necessity to expend resources, make financial commitments (such as procuring leased premises), and bid on engagements in advance of the completion of their design, which may result in unforeseen difficulties in execution, cost overruns and, in the case of an unsuccessful competition, the loss of committed costs; • the substantial cost and managerial time and effort spent to prepare bids and proposals for contracts that may not be awarded to us; • the ability to accurately estimate the resources and costs that will be required to service any contract we are awarded; • the expense and delay that may arise if our competitors protest or challenge contract awards made to us pursuant to competitive bidding, and the risk that any such protest or challenge could result in the resubmission of bids on modified specifications, or in termination, reduction, or modification of the awarded contract; and • any opportunity cost of not bidding and winning other contracts we might have otherwise pursued. In circumstances where contracts are held by other companies and are scheduled to expire, we still may not be provided the opportunity to bid on those contracts if the U. S. government determines to extend the existing contract. If we are unable to win particular contracts that are awarded through the competitive bidding process, we may not be able to operate in the market for services that are provided under those contracts for the duration of those contracts to the extent that there is no additional demand for such services. An inability to consistently win new contract awards over any extended period would have a material adverse effect on our business and results of operations. We have seen our current competitive environment result in an increase in the number of bid protests from unsuccessful bidders on new

program awards. It can take many months for the relevant U. S. government agency to resolve protests by one or more of our competitors of contract awards we receive. Bid protests may result in significant expense to us, contract modification, or loss of an awarded contract as a result of the award being overturned. Even where we do not lose the awarded contract, the resulting delay in the startup and funding of the work under these contracts may cause our actual results to differ materially and adversely from those anticipated. A significant majority of our revenue is derived from task orders under indefinite delivery / indefinite quantity, or IDIQ, contract vehicles where we perform in either a prime or subcontractor position. We believe that one of the key elements of our success is our position as the holder of ~~3-2, 166-924~~ active task orders under IDIQ contract vehicles as of March 31, ~~2022-2023~~. IDIQ contracts provide for the issuance by the client of orders for services or products under the contract, and often contain multi- year terms and unfunded ceiling amounts, which allow but do not commit the U. S. government to purchase products and services from contractors. Our ability to generate revenue under each of these types of contracts depends upon our ability to be awarded task orders for specific services by the client. IDIQ contracts may be awarded to one contractor (single award) or several contractors (multiple award). Multiple contractors must compete under multiple award IDIQ contracts for task orders to provide particular services, and contractors earn revenue only to the extent that they successfully compete for these task orders. A failure to be awarded task orders under such contracts would have a material adverse effect on our results of operations and financial condition. In addition, our ability to maintain our existing business and win new business depends on our ability to maintain our prime and subcontractor positions on these contracts. The loss, without replacement, of certain of these contract vehicles could have a material adverse effect on our ability to win new business and our operating results. If the U. S. government elects to use a contract vehicle that we do not hold, we will not be able to compete for work under that contract vehicle as a prime contractor. Our earnings and profitability may vary based on the mix of our contracts and may be adversely affected by our failure to accurately estimate or otherwise recover the expenses, time, and resources for our contracts. We enter into three general types of U. S. government contracts for our services: cost- reimbursable, time- and- materials, and fixed- price. Each of these types of contracts, to varying degrees, involves the risk that we could underestimate our cost of fulfilling the contract, which may reduce the profit we earn or lead to a financial loss on the contract and adversely affect our operating results. Under cost- reimbursable contracts, we are reimbursed for allowable costs up to a ceiling and paid a fee, which may be fixed or performance- based. If our actual costs exceed the contract ceiling or are not allowable under the terms of the contract or applicable regulations, we may not be able to recover those costs. In particular, there is ongoing focus by the U. S. government on the extent to which government contractors, including us, are able to receive reimbursement for employee compensation, including the adoption of interim rules by federal agencies implementing a section of the Bipartisan Budget Act of 2013, as amended, that substantially decreased the level of allowable compensation cost for executive- level employees and further applied the newly reduced limitation to all employees. In addition, there is an increased risk of compensation being deemed unallowable or payments being withheld as a result of U. S. government audit, review, or investigation. Under time- and- materials contracts, we are reimbursed for labor at negotiated hourly billing rates and for certain allowable expenses. We assume financial risk on time- and- materials contracts because our costs of performance may exceed these negotiated hourly rates. Under fixed- price contracts, we perform specific tasks for a predetermined price. Compared to time- and- materials and cost- reimbursable contracts, fixed- price contracts generally offer higher margin opportunities because we receive the benefits of any cost savings, but involve greater financial risk because we bear the impact of any cost overruns. The U. S. government has generally indicated that it intends to increase its use of fixed price contract procurements. Because we assume the risk for cost overruns and contingent losses on fixed- price contracts, an increase in the percentage of fixed- price contracts in our contract mix would increase our risk of suffering losses. Additionally, our profits could be adversely affected if our costs under any ~~such of these contracts--~~ **contract** exceed the assumptions we used in bidding for the contract. For example, we may miscalculate the costs, resources, or time needed to complete projects or meet contractual milestones as a result of delays on a particular project, including delays in designs, engineering information, or materials provided by the customer or a third party, delays or difficulties in equipment and material delivery, schedule changes, and other factors, some of which are beyond our control. We ~~have recorded--~~ **record** provisions in our consolidated financial statements for losses on our contracts **when necessary**, as required under accounting principles generally accepted in the United States, or GAAP, but our contract loss provisions may not be adequate to cover all actual losses that we may incur in the future. Our professional reputation and relationships with U. S. government agencies are critical to our business, and any harm to our reputation or relationships could decrease the amount of business the U. S. government does with us, which could have a material adverse effect on our future revenue and growth prospects. We depend on our contracts with U. S. government agencies for substantially all of our revenue and if our reputation or relationships with these agencies were harmed, our future revenue and growth prospects would be materially and adversely affected. Our reputation and relationship with the U. S. government is a key factor in maintaining and growing revenue under contracts with the U. S. government. In addition, a significant portion of our business relates to designing, developing, and implementing advanced defense and technology systems and products, including cybersecurity products and services. Negative press reports regarding poor contract performance, employee misconduct, information security breaches, engagements in or perceived connections to politically or socially sensitive activities, or other aspects of our business, or regarding government contractors generally, could harm our reputation. In addition, to the extent our performance under a contract does not meet a U. S. government agency' s expectations, the client might seek to terminate the contract prior to its scheduled expiration date, provide a negative assessment of our performance to government- maintained contractor past- performance data repositories, fail to award us additional business under existing contracts or otherwise, and direct future business to our competitors. If our reputation or relationships with these agencies are negatively affected, or if we are suspended or debarred from contracting with government agencies for any reason, such actions would decrease the amount of business that the U. S. government does with us, which would have a material adverse effect on our future revenue and growth prospects. We use estimates in recognizing revenue and if we make changes to estimates used in recognizing revenue, our profitability may be

adversely affected. Revenue from our fixed- price contracts is primarily recognized using the percentage- of- completion method with progress toward completion of a particular contract based on actual costs incurred relative to total estimated costs to be incurred over the life of the contract. Revenue from our cost- reimbursable- plus- award- fee contracts are based on our estimation of award fees over the life of the contract. Estimating costs at completion and award fees on our long- term contracts is complex and involves significant judgment. Adjustments to original estimates are often required as work progresses, experience is gained, and additional information becomes known, even though the scope of the work required under the contract may not change. Any adjustment as a result of a change in estimate is recognized as events become known. In the event updated estimates indicate that we will experience a loss on the contract, we recognize the estimated loss at the time it is determined. Additional information may subsequently indicate that the loss is more or less than initially recognized, which requires further adjustments in our consolidated financial statements. Changes in the underlying assumptions, circumstances, or estimates could result in adjustments that could have a material adverse effect on our future results of operations. We may not realize the full value of our backlog, which may result in lower than expected revenue. Our backlog does not include contracts that have been awarded but are currently under protest and also does not include any task orders under IDIQ contracts, except to the extent that task orders have been awarded to us under those contracts. For additional disclosure regarding our backlog, please see "Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations — Factors and Trends Affecting Our Results of Operations — Sources of Revenue — Contract Backlog. " We historically have not realized all of the revenue included in our total backlog, and we may not realize all of the revenue included in our **current or future** total backlog ~~in the future~~. There is a higher degree of risk in this regard with respect to unfunded backlog and priced options. In addition, there can be no assurance that our backlog will result in actual revenue in any particular period. This is because the actual receipt, timing, and amount of revenue under contracts included in backlog are subject to various contingencies, including congressional appropriations, many of which are beyond our control. The actual receipt of revenue from contracts included in backlog may never occur or may be delayed because: a program schedule could change or the program could be canceled; a contract' s funding or scope could be reduced, modified, delayed, de- obligated, or terminated early, including as a result of a lack of appropriated funds or cost cutting initiatives and other efforts to reduce U. S. government spending and / or the automatic federal defense spending cuts required by sequestration; in the case of funded backlog, the period of performance for the contract has expired or the U. S. government has exercised its unilateral right to cancel multi- year contracts and related orders or terminate existing contracts for convenience or default; in the case of unfunded backlog, funding may not be available; or, in the case of priced options, our clients may not exercise their options. In addition, client staff headcount growth is the primary means by which we are able to recognize revenue growth. Any inability to hire additional appropriately qualified personnel or failure to timely and effectively deploy such additional personnel against funded backlog could negatively affect our ability to grow our revenue. We may also not recognize revenue on funded backlog due to, among other reasons, the tardy submissions of invoices by our subcontractors and the expiration of the relevant appropriated funding in accordance with a predetermined expiration date such as the end of the U. S. government' s fiscal year. The amount of our funded backlog is also subject to change, due to, among other factors: changes in congressional appropriations that reflect changes in U. S. government policies or priorities resulting from various military, political, economic, or international developments; changes in the use of U. S. government contracting vehicles, and the provisions therein used to procure our services; and adjustments to the scope of services under, or cancellation of contracts, by the U. S. government at any time. Furthermore, even if our backlog results in revenue, the contracts may not be profitable. Systems that we develop, integrate, maintain, or otherwise support could experience security breaches which may damage our reputation with our clients and hinder future contract win rates. We develop, integrate, maintain, or otherwise support systems and provide services that include managing and protecting information involved in intelligence, national security, and other sensitive or classified government functions. Our systems also store and process sensitive information for commercial clients, including personally identifiable, health and financial information. The cyber and security threats that our clients face have grown more frequent and sophisticated. A security breach **, including from insider threats,** in one of these systems could cause **the exfiltration of our or our clients' data or** serious harm to our business, damage our reputation, and prevent us from being eligible for further work on sensitive systems for U. S. government or commercial clients or hinder future contract win rates. Work for non- U. S. government and commercial clients involving the protection of information systems or that store clients' information could also be harmed due to associated security breaches. Damage to our reputation or limitations on our eligibility for additional work or any liability resulting from a security breach in one of the systems we develop, install, maintain, or otherwise support could have a material adverse effect on our results of operations. Certain services we provide and technologies we develop are designed to detect and monitor threats to our clients and may expose our staff to financial loss or physical or reputational harm. We help our clients detect, monitor and mitigate threats to their people, information, and facilities. These threats may originate from nation states, **terrorist terrorists** or criminal actors, activist hackers or others who seek to harm our clients. Successful attacks on our clients may cause reputational harm to us and our clients, as well as liability to our clients or third parties. In addition, if we are associated with our clients in this regard, our staff **, systems**, information, and facilities may be targeted by a similar group of threat actors and may be at risk for financial loss, or physical or reputational harm. Internal system or service failures, or those of our vendors, including as a result of cyber or other security threats, could disrupt our business and impair our ability to effectively provide our services to our clients, which could damage our reputation and have a material adverse effect on our business and results of operations. We create, implement, and maintain information technology and engineering systems and also use vendors to provide services that are often critical to our clients' operations, some of which involve sensitive information and may be conducted in war zones or other hazardous environments, or include information whose confidentiality is protected by law **or contract**. As a result, we are subject to systems or service failures, not only resulting from our own failures or the failures of third- party service providers, natural disasters, power shortages **, insider threats (including improper access, employee error, or malfeasance)**, or terrorist

attacks, but also from continuous exposure to constantly evolving cyber and other security threats, including computer viruses and malware, attacks by computer hackers, or physical break-ins. There has been an increase in the frequency and sophistication of the cyber and security threats we face, with attacks ranging from those common to businesses generally to those that are more advanced and persistent, which may target us because, as a cybersecurity services contractor, we hold classified, controlled unclassified, and other sensitive information. As a result, we and our vendors face a heightened risk of a security breach or disruption resulting from an attack by computer hackers, **persons with access to systems inside our organization**, foreign governments, and cyber terrorists. While we put in place policies, controls, and technologies to help detect and protect against such attacks, we cannot guarantee that future incidents will not occur. **If, and if an incident does occur occurs**, we may not be able to successfully mitigate the impact. We have been the target of these types of attacks in the past, and future attacks are likely to **occur continue**. The **2022 ongoing** geopolitical conflict between Russia and Ukraine **is, an and example of the** increased **tensions in Asia, increase the** potential threat of cybersecurity attacks. If successful, these types of attacks on our network or other systems or service failures could have a material adverse effect on our business and results of operations, due to, among other things, the loss of client or proprietary data, interruptions or delays in our clients' businesses, **and or** damage to our reputation. In addition, the failure or disruption of our systems, communications, vendors, or utilities could cause us to interrupt or suspend our operations, which could have a material adverse effect on our business and results of operations. In addition, if our employees ~~inadvertently~~ do not adhere **(whether inadvertently or intentionally)** to appropriate information security protocols, our protocols are inadequate, or our ~~employees intentionally avoid these protocols, our~~ or our clients' sensitive information **is may be released and / or compromised**, thereby causing significant negative impacts to our reputation and ~~exposing~~ **expose** us or our clients to liability. **We are not immune from the possibility of a malicious insider compromising our information systems and infrastructure, including but not limited to insiders exfiltrating the personal data of clients, stealing corporate trade secrets and key financial metrics, and illegally diverting funds. No series of measures can fully safeguard against every insider threat.** If our or our vendors' systems, services, or other applications have significant defects ~~or~~, errors, **or vulnerabilities**, are successfully attacked by cyber and other security threats, suffer delivery delays, or otherwise fail to meet our clients' expectations, we may: • lose revenue due to adverse client reaction; • be required to provide additional services to a client at no charge; • incur additional costs related to remediation, monitoring, and ~~increasing~~ **enhancing** our cybersecurity; • lose revenue due to the deployment of **employees internal staff** for remediation efforts instead of client assignments; • receive negative publicity, which could damage our reputation and adversely affect our ability to attract or retain clients **or talent**; • be unable to successfully market services that are reliant on the creation and ~~maintaining~~ **maintenance** of secure information technology systems to U. S. government, international, and commercial clients; • suffer claims by clients or impacted third parties for substantial damages, particularly as a result of any successful network or systems breach and exfiltration of client and / or third ~~-~~ party information; or • incur significant costs, including fines from government regulators, ~~related~~ to complying with applicable federal or state ~~law~~ **laws**, including laws pertaining to the security and protection of personal information. In addition to any costs resulting from contract performance or required corrective action, these failures may result in increased costs or loss of revenue if they result in clients postponing subsequently scheduled work or canceling or failing to renew contracts. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. Additionally, some cyber technologies and techniques that we utilize or develop may raise potential liabilities related to legal compliance, intellectual property, and civil liberties, including privacy concerns, which may not be fully insured or indemnified. We may not be able to obtain and maintain insurance coverage on reasonable terms or in sufficient amounts to cover one or more large claims, or the insurer may disclaim coverage as to some types of future claims. The successful assertion of any large claim against us could seriously harm our business. Even if not successful, these claims could result in significant legal and other costs, may be a distraction to our management, ~~and~~ may harm our client relationships, **and may adversely affect our ability to attract or retain talent**. In certain new business areas, we may not be able to obtain sufficient insurance and may decide not to accept or solicit business in these areas. Implementation of and compliance with various data privacy and cybersecurity laws, regulations and standards could require significant investment into ongoing compliance activities, trigger potential liability, and limit our ability to use personal data. Any failure by us, our vendors or other business partners to comply with international, **U. S.** federal, state or local laws and regulations regarding data privacy or cybersecurity could result in regulatory actions or lawsuits against us, legal liability, **injunctions**, fines, damages ~~and~~ **or** other costs. We may also incur substantial expenses in implementing and maintaining compliance with such laws and regulations, including those that ~~may~~ require certain types of data to be retained on servers within these jurisdictions. Our failure to comply with applicable laws and regulations may result in privacy claims or enforcement actions against us, including liabilities, fines and damage to our reputation, any of which may have a material adverse effect on our results of operations. For example, the **European Union's** General Data Protection Regulation, or "**GDPR**", ~~has created new~~ **and the United Kingdom's GDPR impose** compliance obligations ~~for on~~ companies that process personal data of people in the European Union **and United Kingdom, which respectively. Compliance with these laws require requires** investment into ongoing data protection activities and documentation requirements, and ~~create~~ **creates** the potential for ~~significantly increased~~ **fines and liabilities** for noncompliance. In addition, **California, Colorado, Connecticut, Iowa, Virginia, California, and Colorado-Utah** have enacted comprehensive state privacy laws that provide rights to residents of those respective states, **and other states are considering similar legislation**. The California Consumer Privacy Act, or "**CCPA**" (as amended by the California Privacy Rights ~~and Enforcement~~ Act, or "**CPR**"), the Virginia Consumer Data Protection Act, or "**VCDPA**", and the Colorado Privacy Act, or "**CPA**", provide for consumer rights for residents of those respective states and create corresponding compliance obligations and litigation risks. The impact from ~~these--~~ **the laws VCDPA and the CPA** to Booz Allen is currently low because most of our personal information is client ~~-~~ or employee ~~-~~ related and therefore not defined as consumer ~~-~~ related. **It is possible that However, the CCPA now covers personal information collected from California individuals in the**

context of recruitment and employment, as well as business- to- business arrangements, and therefore imposes additional compliance obligations on Booz Allen with respect to such personal information. The CCPA will require additional investment in compliance programs and potential modifications to business processes, and could result in fines, individual claims, and liabilities for certain compliance failures. As other states will follow this trend, and laws of this nature will ~~could~~ be deemed applicable to some aspects of our business, ~~which would~~. **This will** impose new compliance obligations and require additional investment into data protection activities. Any obligations that may be imposed on us under CCPA, CPRA, VCDPA, CPA or similar laws may increase our compliance costs and potential liability, particularly in the event of a data breach, and could have a material adverse effect on our business, including how we use personal information or our results of operations. The U. S. Congress ~~also~~ is considering federal privacy and cybersecurity legislation that would create requirements similar to or possibly exceeding CCPA, CPRA, VCDPA, and CPA on a 50- state basis. Any federal legislation may or may not preempt the CCPA, CPRA, VCDPA, and CPA or other state laws, creating the possibility of different compliance measures or enforcement risks nationally or on a per- state basis. Any obligations that may be imposed on us under the CCPA, CPRA, VCDPA, CPA or similar laws may be different from or in addition to those required by GDPR, which may cause additional expense for compliance across ~~various~~ jurisdictions. The GDPR and the laws of other U. S. states also impose obligations to maintain and implement an information security program that includes administrative, technical, physical, **or** organizational safeguards, as well as obligations to give notice to affected individuals and to certain regulators in the event of a data breach. We may be required to spend significant resources to comply with these information security and data breach legal requirements. A significant data breach (including various forms of external attack, such as ransomware, as well as data incidents resulting from internal actions or omissions) could ~~also~~ have negative consequences for our business and future prospects, including possible penalties, fines, damages, reduced customer demand, legal claims against and by clients, **personnel**, business partners or other persons claiming to be affected, harm to our systems and operations and harm to our reputation and brand. In addition, as a contractor supporting defense and national security clients, we are ~~also~~ subject to certain additional regulatory compliance requirements relating to data privacy and cybersecurity. Under the Defense Federal Acquisition Regulation Supplement and other federal regulations, our networks and IT systems are required to comply with the security and privacy controls in National Institute of Standards and Technology Special Publications, **or “ NIST SP ”**. To the extent that we do not comply with the applicable security and control requirements, unauthorized access or disclosure of sensitive information could ~~potentially~~ result in a contract termination, which could have a material adverse effect on our business and financial results and lead to reputational harm. We are also subject to the Department of Defense Cybersecurity Maturity Model Certification, or **“ CMMC ”**, requirements, which will require all contractors to receive specific third- party certifications relating to specified cybersecurity standards in order to be eligible for contract awards. Under **“ CMMC 1. 0 ”**, released in January 2020, there were 5 maturity levels, comprised of 171 requirements and 14 required processes. In March 2021, the Department of Defense initiated an interim review of CMMC’ s implementation, which led to a refinement of the overall program and implementation strategy. In November 2021, the Department of Defense announced **“ CMMC 2. 0 ”**, which included updated program structure and requirements. These refinements included a reduction in levels from 5 to 3, which includes the removal of CMMC- unique practices and reliance on the practices set forth in **NIST SP National Institute of Standards and Technology Special Publication 800- 171 (r2)**. The Department of Defense announced that CMMC 2. 0 will become a contract requirement once ~~rule rulemaking~~ **making** is completed and indicated that the ~~rule rulemaking~~ **making** process and timeline would take place within 9 to 24 months of November 2021. **We However, rule making is not yet complete and questions remain as to the precise timing of that rule and its effective date. Despite uncertainties regarding ultimate timing of the effective date and final details regarding the CMMC 2. 0 requirements, we** are in the process of preparing for certification against the CMMC program. ~~To~~, ~~but to~~ the extent we are unable to achieve certification in advance of applicable contract awards that specify the requirement, we will be unable to bid on such contract awards or on follow- on awards for existing work with the Department of Defense, depending on the level of standard as required for each solicitation, which could adversely impact our revenue and profitability. **The extended rule making timeline adds an additional degree of uncertainty as to when such a risk may occur.** In addition, our subcontractors, and in some cases our vendors, may also be required to adhere to the CMMC program requirements and potentially to achieve certification. Should our supply chain fail to meet compliance requirements or achieve certification, this may adversely affect our ability to receive award or execute on relevant government programs. In addition, any obligations that may be imposed on us under the CMMC may be different from or in addition to those otherwise required by applicable laws and regulations, which may cause additional expense for compliance. The operation of financial management systems may have an adverse effect on our business and results of operations. We, from time to time, modernize and upgrade our management systems. In particular, we launched new financial management systems in fiscal 2022 ~~that are~~ designed to modernize and enhance our financial systems infrastructure and cost accounting practices through minimizing manual processes, increasing automation, and providing enhanced business analytics. ~~Implementation and operation~~ **Operation** of the new systems required significant investment of human and financial resources. With the ~~implementation~~ **operation** of these new systems, we **have** incurred additional expenses and experienced certain one- time impacts to profitability related to the roll- out and operation of the ~~new~~ financial systems, ~~including costs related to training~~. In addition, any significant difficulties in the operation could have a material adverse effect on our ability to fulfill and invoice customer orders, apply cash receipts, place purchase orders with suppliers, and make cash disbursements, and could negatively impact data processing and electronic communications among business locations, which may have a material adverse effect on our business, consolidated financial condition, or results of operations. We also face the challenge of supporting our legacy systems and implementing necessary upgrades to those systems to support routine government and financial audits while **operating and after we implement** our new systems. **We may fail to attract, train, and retain skilled and qualified employees, which may impair our ability to generate revenue, effectively serve our clients, and execute our growth**

strategy. Our business depends in large part upon our ability to attract and retain sufficient numbers of highly qualified individuals who may have advanced degrees in areas such as information technology as well as appropriate security clearances. We compete for such qualified personnel with other U. S. government contractors, the U. S. government, and private industry, and such competition is intense. Personnel with the requisite skills, qualifications, or security clearance may be in short supply or generally unavailable. The government and industry have recognized that the current process for obtaining security clearances is time- consuming, sometimes taking years to complete, and can present a risk to customer mission. See "6" — We may fail to obtain and maintain necessary security clearances which may adversely affect our ability to perform on certain contracts. "5" Our ability to attract and retain skilled and qualified employees may also be impacted by our engagements in, or perceived connections to, politically or socially sensitive activities. In addition, our ability to recruit, hire, and internally deploy former employees of the U. S. government is subject to complex laws and regulations, which may serve as an impediment to our ability to attract such former employees, and failure to comply with these laws and regulations may expose us and our employees to civil or criminal penalties. Additionally, our ability to attract, hire, and retain skilled and qualified employees may be impacted by **disease outbreaks** COVID-19, including whether an employment opportunity requires work in person and related considerations. See " — The effects of a pandemic **pandemics** , or widespread health epidemic **epidemics** such as COVID-19 could have a material adverse effect on our business and results of operations." In particular, consistent with public health guidance and Executive Order 14042 regarding mandatory vaccinations, we have implemented a Company policy requiring full COVID-19 vaccinations of all employees, except for employees who qualify for medical or religious exemptions. Adverse labor and economic market conditions and intense competition for skilled personnel may inhibit our ability to recruit new employees, as well as **including any necessary actions in response to any disease outbreaks, pandemics, our or** **widespread** policy requiring full COVID-19 vaccinations of all employees, except for employees who qualify for medical or religious exemptions, consistent with public health guidance **epidemics**. If we are unable to recruit and retain a sufficient number of qualified employees, or cannot obtain their appropriate security clearances in a timely manner, or fail to deploy such employees, our ability to maintain and grow our business and to effectively serve our clients could be limited and our future revenue and results of operations could be materially and adversely affected. Furthermore, to the extent that we are unable to make necessary permanent hires to appropriately serve our clients, we could be required to engage larger numbers of contracted personnel, which could reduce our profit margins. If we are able to attract sufficient numbers of qualified new hires, training and retention costs may place significant demands on our resources. In addition, to the extent ~~that~~ we experience attrition in our employee ranks, we may realize only a limited or no return on such invested resources, and we would have to expend additional resources to hire and train replacement employees. The loss ~~of services~~ of key personnel could also impair our ability to perform required services under some of our contracts and to retain such contracts, as well as our ability to win new business. Many U. S. government programs require contractor employees and facilities to have security clearances. Depending on the level of required clearance, security clearances can be difficult and time- consuming to obtain. If we or our employees are unable to obtain or retain necessary security clearances in a timely manner, we may not be able to win new business, and our existing clients could terminate their contracts with us or decide not to renew them. To the extent we are not able to obtain and maintain facility security clearances or engage employees with the required security clearances for a particular contract, we may not be able to bid on or win new contracts, ~~or~~ effectively rebid on expiring contracts, **or retain as well as lose** existing contracts, which may adversely affect our operating results and inhibit the execution of our growth strategy. Our profitability could suffer if we are not able to timely and effectively utilize our employees or manage our cost structure. The cost of providing our services, including the degree to which our employees are utilized, affects our profitability. The degree to which we are able to utilize our employees in a timely manner or at all is affected by a number of factors, including: • our ability to transition employees from completed projects to new assignments and to hire, assimilate, and deploy new employees; • our ability to forecast demand for our services and to maintain and deploy headcount that is aligned with demand, including employees with the right mix of skills and experience to support our projects; • our employees' inability to obtain or retain necessary security clearances; • our ability to manage attrition; and • our need to devote time and resources to training, business development, and other non- chargeable activities. If our employees are under- utilized, our profit margin and profitability could suffer. Additionally, if our employees are over- utilized, it could have a material adverse effect on employee engagement and attrition, which would in turn have a material adverse impact on our business. Our profitability is also affected by the extent to which we are able to effectively manage our overall cost structure for operating expenses, such as wages and benefits, overhead and capital, and other investment- related expenditures. If we are unable to effectively manage our costs and ~~expense~~ **expenses** and achieve efficiencies, our competitiveness and profitability may be adversely affected. Global inflationary pressures have increased the prices of goods and services, which could raise the costs associated with providing our services, diminish our ability to compete for new contracts or task orders , and / or reduce customer buying power. For a variety of reasons, including geopolitical factors and the COVID- 19 pandemic, the global economy in which we operate is facing heightened inflationary pressure, impacting the cost of doing business (in both supply and labor markets). These inflationary pressures have been and could continue to be exacerbated by geopolitical turmoil and economic policy actions, and the duration of such pressures is uncertain. We generate revenue through various fixed price and multi- year government contracts, our primary customer being the U. S. government, which has traditionally been viewed as less affected by inflationary pressures. However, with inflation rising at historic levels, our approach to include modest annual price escalations in our bids for multi- year work may be insufficient to counter inflationary cost pressures, which may result in significant cost overruns on each contract. This could result in reduced profits, or even losses, as inflation increases, particularly for fixed priced contracts, and our longer- term multi- year contracts as contractual prices become less favorable to us over time. In the competitive environment in which we operate as a government contractor, the lack of pricing leverage and power to renegotiate long- term, multi- year contracts, coupled with reduced customer buying power as a result of inflation, could reduce our profits, disrupt our business, or otherwise materially adversely

affect our results of operations. **Deterioration of economic conditions or weakening in credit or capital markets may have a material adverse effect on our business, results of operations and financial condition. Volatile, negative, or uncertain economic conditions, an increase in the likelihood of a recession, or concerns about these or other similar risks may negatively impact our clients' ability and willingness to fund their projects. For example, declines in state and local tax revenues as well as other economic declines may result in lower state and local government spending. Our clients reducing, postponing or cancelling spending on projects in respect of which we provide services may reduce demand for our services quickly and with little warning, which could have a material adverse effect on our business, results of operations and financial condition. Moreover, instability in the credit or capital markets in the U. S., including as a result of failures of financial institutions and any related market-wide reduction in liquidity, or concerns or rumors about events of these kinds or similar risks, could affect the availability of credit, making it relatively difficult or expensive to obtain additional capital at competitive rates, on commercially reasonable terms or in sufficient amounts, or at all, thus making it more difficult or expensive for us to access funds or refinance our existing indebtedness, or obtain financing for acquisitions. Such instability could also cause counterparties, including vendors, suppliers and subcontractors, to be unable to perform their obligations, or to breach their obligations, to us under our contracts with them. In addition, instability in the credit or capital markets could negatively impact our clients' ability to fund their project and, therefore, utilize our services, which could have a material adverse effect on our business, results of operations and financial condition.** We may lose one or more members of our senior management team or fail to develop new leaders, which could cause the disruption of the management of our business. We believe that the future success of our business and our ability to operate profitably depends on the continued contributions of the members of our senior management and the continued development of new members of senior management. We rely on our senior management to generate business and execute programs successfully. In addition, the relationships and reputation that many members of our senior management team have established and maintain with our clients are important to our business and our ability to identify new business opportunities. The loss of any member of our senior management or our failure to continue to develop new members could impair our ability to identify and secure new contracts, to maintain good client relations, and to otherwise manage our business. We are exposed to the risk that employee or subcontractor fraud or other misconduct could occur. Misconduct by employees or subcontractors could include intentional or unintentional failures to comply with U. S. government procurement regulations, engaging in other unauthorized activities, or falsifying time records. Employee or subcontractor misconduct could also involve the improper use of our clients' sensitive or classified information, or the inadvertent or intentional disclosure of our or our clients' sensitive information in violation of our contractual, statutory, or regulatory obligations. It is not always possible to deter employee or subcontractor misconduct, and the precautions we take to prevent and detect this activity may not be effective in controlling unknown or unmanaged risks or losses, which could materially harm our business. As a result of such misconduct, our employees could lose their security clearance-clearances and we could face fines and civil or criminal penalties, loss of facility clearance accreditation, and suspension, proposed debarment or debarment from bidding for or performing under contracts with the U. S. government, as well as reputational harm, which would materially and adversely affect our results of operations and financial condition. We face intense competition from many competitors, which could cause us to lose business, lower prices and suffer employee departures. Our business operates in a highly competitive industry, and we generally compete with a wide variety of U. S. government contractors, including large defense contractors, diversified service providers, and small businesses. We also face competition from entrants into our markets including companies divested by large prime contractors in response to increasing scrutiny of organizational conflicts of interest issues. There is also a significant industry trend towards consolidation, which may result in the emergence of companies that are better able to compete against us. Some of these companies possess greater financial resources and larger technical staffs, and others have smaller and more specialized staffs. These competitors could, among other things: • make acquisitions of businesses, or establish teaming or other agreements among themselves or third parties, that allow them to offer more competitive and comprehensive solutions; • divert sales from us by winning very large-scale government contracts, a risk that is enhanced by the recent trend in government procurement practices to bundle services into larger contracts; • force us to charge lower prices in order to win or maintain contracts; • seek to hire our employees; or • adversely affect our relationships with current clients, including our ability to continue to win competitively awarded engagements where we are the incumbent. If we lose business to our competitors or are forced to lower our prices or suffer employee departures, our revenue and our operating profits could decline. In addition, we may face competition from our subcontractors who, from time to time, seek to obtain prime contractor status on contracts for which they currently serve as a subcontractor to us. If our current subcontractors are awarded prime contractor status on such contracts in the future, it could divert sales from us and could force us to charge lower prices, which could have a material adverse effect on our revenue and profitability. Our failure to maintain strong relationships with other contractors, or the failure of contractors with which we have entered into a sub- or prime- contractor relationship to meet their obligations to us or our clients, could have a material adverse effect on our business and results of operations. Maintaining strong relationships with other U. S. government contractors, who may also be our competitors, is important to our business and our failure to do so could have a material adverse effect on our business, prospects, financial condition, and operating results. To the extent that we fail to maintain good relations with our subcontractors or other prime contractors due to either perceived or actual performance failures or other conduct, they may refuse to hire us as a subcontractor in the future or to work with us as our subcontractor. In addition, other contractors may choose not to use us as a subcontractor or choose not to perform work for us as a subcontractor for any number of additional reasons, including because they choose to establish relationships with our competitors or because they choose to directly offer services that compete with our business. As a prime contractor, we often rely on other companies to perform some of the work under a contract, and we expect to continue to depend on relationships with other contractors for portions of our delivery of services and revenue in the foreseeable future. If our subcontractors fail to perform their contractual obligations, our operating

results and future growth prospects could be impaired. There is a risk that we may have disputes with our subcontractors arising from, among other things, the quality and timeliness of work performed by the subcontractor, client concerns about the subcontractor, our failure to extend existing task orders or issue new task orders under a subcontract, or our hiring of a subcontractor's personnel. In addition, if any of our subcontractors fail to deliver the agreed-upon supplies or perform the agreed-upon services on a timely basis, our ability to fulfill our obligations as a prime contractor may be jeopardized. Material losses could arise in future periods and subcontractor performance deficiencies could result in a client terminating a contract for default. A termination for default could expose us to liability and have an adverse effect on our ability to compete for future contracts and orders. As a subcontractor, we often lack control over fulfillment of a contract, and poor performance on the contract could tarnish our reputation, even when we perform as required, and could cause other contractors to choose not to hire us as a subcontractor in the future. If the U. S. government terminates or reduces other prime contractors' programs or does not award them new contracts, subcontracting opportunities available to us could decrease, which would have a material adverse effect on our financial condition and results of operations. In addition, as a subcontractor, we may be unable to collect payments owed to us by the prime contractor, even if we have performed our obligations under the contract, as a result of, among other things, the prime contractor's inability to fulfill the ~~contract~~ **contract**. Due to certain common provisions in subcontracts in certain countries, we could also experience delays in receiving payment if the prime contractor experiences payment delays, which could have an adverse effect on our financial condition and results of operations. A delay in the completion of the U. S. government's budget process, **including as a result of a failure to raise the debt ceiling**, could result in a reduction in our backlog and have a material adverse effect on our revenue and operating results. To the extent the U. S. Congress is unable to approve the annual federal budget **or raise the debt ceiling** on a timely basis, and enacts a continuing resolution, funding for new projects may not be available and funding on contracts we are already performing may be delayed. **If Congressional efforts to approve such funding fail, and Congress is unable to craft a long-term agreement on the U. S. government's ability to incur indebtedness in excess of its current limits, the U. S. government may not be able to fulfill its current funding obligations and there could be significant disruption to all discretionary programs, which would have corresponding impacts on us and our industry.** Any such delays would likely result in new business initiatives being delayed or canceled and a reduction in our backlog, and could have a material adverse effect on our revenue and operating results. In addition, a failure to complete the budget process and fund government operations pursuant to a continuing resolution may result in a U. S. government shutdown, which could result in us incurring substantial costs without reimbursement under our contracts ~~and the~~. **The** delay or cancellation of key programs or the delay of contract payments ~~and~~ may have a material adverse effect on our revenue and operating results. In addition, when supplemental appropriations are required to operate the U. S. government or fund specific programs and the passage of legislation needed to approve any supplemental appropriation bill is delayed, the overall funding environment for our business could be adversely affected. We face certain significant risk exposures and potential liabilities that may not be adequately covered by indemnity or insurance. A significant portion of our business relates to designing, developing, and implementing advanced defense and technology systems and products, including cybersecurity products and services. New technologies may be untested or unproven, and insurance may not be available. We maintain insurance policies that mitigate against risk and potential liabilities related to our operations, including data breaches. This insurance is maintained in amounts that we believe are reasonable. However, our insurance coverage may not be adequate to cover those claims or liabilities, and we may be forced to bear significant costs from an accident or incident. The amount of the insurance coverage we maintain or indemnification to which we may be contractually or otherwise entitled may not be adequate to cover all claims or liabilities. Accordingly, we may be forced to bear substantial costs resulting from risks and uncertainties of our business which would negatively impact our results of operations, financial condition, or liquidity. Failure to adequately protect, maintain, or enforce our rights in our intellectual property may adversely limit our competitive position. We rely upon a combination of nondisclosure agreements and other contractual arrangements, as well as **employment**, copyright, trademark, patent, and trade secret laws to protect our proprietary information. We also enter into proprietary information and intellectual property agreements with employees, which require them to disclose any inventions created **prior to and** during employment ~~;~~. **Inventions created during employment require inventors** to convey such rights to inventions to us, and to restrict any disclosure of proprietary information. Trade secrets are generally difficult to protect. Although our employees are subject to confidentiality obligations, this protection may be inadequate to deter or prevent misappropriation of our confidential information and / or the infringement of our **trade secrets, trademarks, patents**, and copyrights. Further, we may be unable to detect unauthorized use of our intellectual property or otherwise take appropriate steps to enforce our rights. Failure to adequately protect, maintain, or enforce our intellectual property rights may adversely limit our competitive position. Assertions by third parties of infringement, misappropriation or other violations by us of their intellectual property rights could result in significant costs and substantially harm our business and operating results. In recent years, there has been significant litigation involving intellectual property rights in technology industries. We may face from time to time, allegations that we or a supplier or customer have violated the rights of third parties, including patent, copyright, trademark, trade secret, and other intellectual property rights. If, with respect to any claim against us for violation of third-party intellectual property rights, we are unable to prevail in the litigation or retain or obtain sufficient rights or develop non-infringing intellectual property or otherwise alter our business practices on a timely or cost-efficient basis, our business and competitive position may be adversely affected. Any infringement, misappropriation, or related claims, whether or not meritorious, are time consuming, divert technical and management personnel, and are costly to resolve. As a result of any such dispute, we may have to develop non-infringing technology, pay damages, enter into royalty or licensing agreements, cease utilizing certain products or services, or take other actions to resolve the claims. These actions, if required, may be costly or unavailable on terms acceptable to us. Our focus on new growth areas for our business entails risks, including those associated with new relationships, clients, talent needs, capabilities, service offerings, and maintaining our collaborative culture and core values. We are focused on growing our

presence in our addressable markets by: expanding our relationships with existing clients, developing new clients by leveraging our core competencies, further developing our existing capabilities and service offerings, creating new capabilities and service offerings to address our clients' emerging needs, and undertaking business development efforts focused on identifying near- term developments and long- term trends that may pose significant challenges for our clients. These efforts entail inherent risks associated with innovation and competition from other participants in those areas, potential failure to help our clients respond to the challenges they face, our ability to comply with uncertain evolving legal standards applicable to certain of our service offerings, including those in the cybersecurity area, and, with respect to potential international growth, risks associated with operating in foreign jurisdictions, such as compliance with applicable foreign and U. S. laws and regulations that may impose different and, occasionally, conflicting or contradictory requirements, and the economic, legal, and political conditions in the foreign jurisdictions in which we operate, including the GDPR. See "—" Implementation of and compliance with various data privacy and cybersecurity laws, regulations and standards could require significant investment into ongoing compliance activities, trigger potential liability, and limit our ability to use personal data. "—" As we attempt to develop new relationships, clients, capabilities, and service offerings, these efforts could harm our results of operations due to, among other things, a diversion of our focus and resources and actual costs, opportunity costs of pursuing these opportunities in lieu of others and a failure to reach a profitable return on our investments in new technologies, capabilities, and businesses, including expenses on research and development investments, and these efforts could ultimately be unsuccessful. The needs of our customers change and evolve regularly and in particular due to complex and rapidly changing technologies. Our success depends upon our ability to identify emerging technological trends; develop technologically advanced, innovative, and cost- effective products and services; and market these products and services to our customers. Our success also depends on our continued access to suppliers of important technologies and components. The possibility exists that our competitors might develop new capabilities or service offerings that might cause our existing capabilities and service offerings to become obsolete. If we fail in our new capabilities development efforts or our capabilities or services fail to achieve market acceptance more rapidly than our competitors, our ability to procure new contracts could be negatively impacted, which would negatively impact our results of operations and financial condition. Our ability to grow our business by leveraging our operating model to efficiently and effectively deploy our people across our client base is also largely dependent on our ability to maintain our collaborative culture. To the extent that we are unable to maintain our culture for any reason, including our effort to focus on new growth areas or acquire new businesses with different corporate cultures, we may be unable to grow our business. Any such failure could have a material adverse effect on our business and results of operations. In addition, with the growth of our U. S. and international operations, we are now providing client services and undertaking business development efforts in numerous and disparate geographic locations both domestically and internationally. Our ability to effectively serve our clients is dependent upon our ability to successfully leverage our operating model across all of these and any future locations, maintain effective management controls over all of our locations to ensure, among other things, compliance with applicable laws, rules and regulations, and instill our core values in all of our personnel at each of these and any future locations. Any inability to ensure any of the foregoing could have a material adverse effect on our business and results of operations. Changes to our operating structure, capabilities, or strategy intended to address our clients' needs, respond to developments in our markets, and grow our business may not be successful. We routinely review our operating structure, capabilities and strategy to determine whether we are effectively meeting the needs of existing clients, effectively responding to developments in our markets and successfully building platforms intended to provide the foundation for to support the future growth of our business. The outcome of any such review is difficult to predict and the extent of changes to our business following such a review, if any, are dependent in part upon the nature and extent of the review. The implementation of changes to our operating structure, capabilities, strategy or any other aspect of our business following an internal review, may materially alter various aspects of our business or our business model as an entirety and there can be no assurance that any such changes will be successful or that they will not ultimately have a negative effect on our business and results of operations. Many of our contracts with the U. S. government are classified or subject to other security restrictions, which may limit investor insight into portions of our business. We derive a substantial portion of our revenue from contracts with the U. S. government that are classified or subject to security restrictions that preclude the dissemination of certain information. In addition, a significant number of our employees have security clearances which preclude them from providing information regarding certain of our clients and services provided to such clients to other of our employees without security clearances and investors. Because we are limited in our ability to provide information about these contracts and services, the various risks associated with these contracts or services or any dispute or claims relating to such contracts or services, you may not have important information concerning our business, which will limit your insight into a substantial portion of our business and therefore may be less able to fully evaluate the risks related to that portion of our business. If we cannot collect our receivables or if payment is delayed, our business may be adversely affected by our inability to generate cash flow, provide working capital, or continue our business operations. We depend on the timely collection of our receivables to generate cash flow, provide working capital, and continue our business operations. If the U. S. or any other government or any prime contractor for whom we are a subcontractor fails to pay or delays the payment of invoices for any reason, our business and financial condition may be materially and adversely affected. The U. S. or any other government may delay or fail to pay invoices for a number of reasons, including lack of appropriated funds, lack of an approved budget, lack of revised or final settled billing rates as a result of open audit years or as a result of audit findings by government regulatory agencies. Some prime contractors for whom we are a subcontractor have significantly fewer financial resources than we do, which may increase the risk that we may not be paid in full or that payment may be delayed. We may consummate acquisitions, investments, joint ventures and divestitures, which involve numerous risks and uncertainties. As part of our operating strategy, we continually monitor U. S. government spending and budgetary priorities to align our investments in new capabilities to drive organic growth, and also selectively pursue acquisitions, investments, partnerships, and joint ventures that broaden our domain

expertise and service offerings, and / or establish relationships with new customers. These transactions pose many risks, including: • we may not be able to identify suitable acquisition and investment candidates at prices we consider attractive; • **as a result of deterioration of economic conditions, acquisition and investment candidates may choose to delay entering into acquisition or investment transactions until overall company valuations recover**; • we may not be able to compete successfully for identified acquisition and investment candidates, complete acquisitions and investments on intended terms and timeline (including, without limitation, by failing to obtain required regulatory or other approvals in a timely manner, **or required financing on acceptable terms**), or accurately estimate the financial effect of acquisitions and investments on our business; • **as a result of increased scrutiny by antitrust authorities, we may announce an acquisition or investment transaction that is challenged by such authorities or is ultimately not completed due to a failure to obtain antitrust or other related regulatory approvals**; • future acquisitions and investments may require us to issue common stock or spend significant cash, resulting in dilution of ownership or additional debt leverage; • we may have difficulty retaining an acquired company's key employees or clients; • we may have difficulty integrating personnel from the acquired company with our people and our core values; • we may have difficulty integrating acquired businesses and investments, resulting in **diminished strategic value of a potential transaction and** unforeseen difficulties, such as incompatible accounting, information management, or other control systems, and greater expenses than expected; • acquisitions and investments may disrupt our business or distract our management from other responsibilities; • as a result of an acquisition or investment, we may incur additional debt and we may need to record write-downs from future impairments of intangible assets, each of which could reduce our future reported earnings; and • we may not be able to effectively influence the operations of our joint ventures or partnerships, or we may be exposed to certain liabilities if our partners do not fulfill their obligations. In connection with any acquisition or investment that we make, there may be liabilities that we fail to discover or that we inadequately assess, and we may fail to discover any failure of a target company to have fulfilled its contractual obligations to the U. S. government or other clients. Acquired entities and investments may not operate profitably or result in improved operating performance. Additionally, we may not realize anticipated synergies, business growth opportunities, cost savings, and other benefits, which could have a material adverse effect on our business and results of operations. In addition, we may divest businesses, including businesses that are no longer a part of our ongoing strategic plan. These divestitures similarly require significant investment of time and resources, may disrupt our business, distract management from other responsibilities and may result in losses on disposal or continued financial involvement in the divested business, including through indemnification, guarantees or other financial arrangements, which could adversely affect our financial results. In addition, we may be unable to complete strategic divestitures on satisfactory terms and conditions, including non-competition arrangements, **or** within expected time frames **or due to a failure of a prospective purchaser to obtain financing or a failure to obtain antitrust or other related regulatory approvals**. Goodwill represents a significant asset on our balance sheet, and changes in future business conditions could cause these investments to become impaired, requiring substantial write-downs that would reduce our operating income. As of March 31, **2022-2023**, the value of our goodwill was \$ 2. **0-3** billion. The amount of our recorded goodwill may substantially increase in the future as a result of any acquisitions that we make. We evaluate the recoverability of recorded goodwill amounts annually, or when evidence of potential impairment exists. Impairment analysis is based on several factors requiring judgment and the use of estimates, which are inherently uncertain and based on assumptions that may prove to be inaccurate. Additionally, material changes in our financial outlook, as well as events outside of our control, such as deteriorating market conditions for companies in our industry, may indicate a potential impairment. When there is an impairment, we are required to write down the recorded amount of goodwill, which is reflected as a charge against operating income. Such non-cash impairment charges could have a material adverse effect on our results of operations in the period in which they are recognized. We are required to comply with numerous laws and regulations, some of which are highly complex, and our failure to comply could result in fines or civil or criminal penalties or suspension or debarment by the U. S. government that could result in our inability to continue to work on or receive U. S. government contracts, which could materially and adversely affect our results of operations. As a U. S. government contractor, we must comply with laws and regulations relating to the formation, administration, and performance of U. S. government contracts, which affect how we do business with our clients. Such laws and regulations may potentially impose added costs on our business and our failure to comply with them may lead to civil or criminal penalties, termination of our U. S. government contracts, and / or suspension or debarment from contracting with federal agencies. Some significant laws and regulations that affect us include: • the FAR, and agency regulations supplemental to the FAR, which regulate the formation, administration, and performance of U. S. government contracts. For example, the FAR 52. 203- 13 requires contractors to establish a Code of Business Ethics and Conduct, implement a comprehensive internal control system, and report to the government when the contractor has credible evidence that a principal, employee, agent, or subcontractor, in connection with a government contract, has violated certain federal criminal laws, violated the civil False Claims Act, or has received a significant overpayment; • the False Claims Act, which imposes civil and criminal liability for violations, including substantial monetary penalties, for, among other things, presenting false or fraudulent claims for payments or approval; • the False Statements Act, which imposes civil and criminal liability for making false statements to the U. S. government; • the Truthful Cost or Pricing Data Statute (formerly known as the Truth in Negotiations Act), which requires certification and disclosure of cost and pricing data in connection with the negotiation of certain contracts, modifications, or task orders; • the Procurement Integrity Act, which regulates access to competitor bid and proposal information and certain internal government procurement sensitive information, and our ability to provide compensation to certain former government procurement officials; • laws and regulations restricting the ability of a contractor to provide gifts or gratuities to employees of the U. S. government; • post-government employment laws and regulations, which restrict the ability of a contractor to recruit and hire current employees of the U. S. government and deploy former employees of the U. S. government; • laws, regulations, and executive orders restricting the handling, use and dissemination of information classified for national security purposes or determined to be “

controlled unclassified information ” or “ for official use only ” and the export of certain products, services, and technical data, including requirements regarding any applicable licensing of our employees involved in such work; • laws, regulations, and executive orders regulating the handling, use, and dissemination of personally identifiable information in the course of performing a U. S. government contract; • international trade compliance laws, regulations and executive orders that prohibit business with certain sanctioned entities and require authorization for certain exports or imports in order to protect national security and global stability; • laws, regulations, and executive orders governing organizational conflicts of interest that may restrict our ability to compete for certain U. S. government contracts because of the work that we currently perform for the U. S. government or may require that we take measures such as firewalling off certain employees or restricting their future work activities due to the current work that they perform under a U. S. government contract; • laws, regulations and executive orders that impose requirements on us to ensure compliance with requirements and protect the government from risks related to our supply chain; • laws, regulations and mandatory contract provisions providing protections to employees or subcontractors seeking to report alleged fraud, waste, and abuse related to a government contract; • the Contractor Business Systems rule, which authorizes Department of Defense agencies to withhold a portion of our payments if we are determined to have a significant deficiency in our accounting, cost estimating, purchasing, earned value management, material management and accounting, and / or property management system; and • the FAR Cost Accounting Standards and Cost Principles, which impose accounting and allowability requirements that govern our right to reimbursement under certain cost- based U. S. government contracts and require consistency of accounting practices over time. In addition, the U. S. government adopts new laws, rules, and regulations from time to time that could have a material impact on our results of operations. Adverse developments in legal or regulatory proceedings on matters relating to, among other things, cost accounting practices and compliance, contract interpretations and **statute statutes** of limitations, could also result in materially adverse judgments, settlements, withheld payments, penalties, or other unfavorable outcomes. Our performance under our U. S. government contracts and our compliance with the terms of those contracts and applicable laws and regulations are subject to periodic audit, review, and investigation by various agencies of the U. S. government and the current environment has led to increased regulatory scrutiny and sanctions for non- compliance by such agencies generally. In addition, from time to time we report potential or actual violations of applicable laws and regulations to the relevant governmental authority. Any such report of a potential or actual violation of applicable laws or regulations could lead to an audit, review, or investigation by the relevant agencies of the U. S. government. If such an audit, review, or investigation uncovers a violation of a law or regulation, or improper or illegal activities relating to our U. S. government contracts, we may be subject to civil or criminal penalties or administrative sanctions, including the termination of contracts, forfeiture of profits, ~~the~~ triggering of price reduction clauses, withholding or suspension of payments, fines and suspension, or debarment from contracting with U. S. government agencies. Such penalties and sanctions are not uncommon in the industry and there is inherent uncertainty as to the outcome of any particular audit, review, or investigation. If we incur a material penalty or administrative sanction or otherwise suffer harm to our reputation, our profitability, cash position, and future prospects could be materially and adversely affected. Further, if the U. S. government were to initiate suspension or debarment proceedings against us or if we are indicted for or convicted of illegal activities relating to our U. S. government contracts following an audit, review, or investigation, we may lose our ability to be awarded contracts in the future or receive renewals of existing contracts for a period of time which could materially and adversely affect our results of operations or financial condition. We could also suffer harm to our reputation if allegations of impropriety were made against us, which would impair our ability to win awards of contracts in the future or receive renewals of existing contracts. See “**Item 1. Business — Regulation.**” Adverse judgments or settlements in legal disputes could result in materially adverse monetary damages or injunctive relief and damage our reputation. We are subject to, and may become a party to, a variety of litigation or other claims and suits that arise from time to time in the ordinary course of our business. For example, our performance under U. S. government contracts and compliance with the terms of those contracts and applicable laws and regulations are subject to continuous audit, review, and investigation by the U. S. government which may include such investigative techniques as subpoenas or civil investigative demands. As more fully described under “**Item 3. Legal Proceedings**”, the U. S. Department of Justice (the “**DOJ**”) is conducting a civil investigation of the Company, and the Company has also been in contact with other regulatory agencies and bodies, including the Securities and Exchange Commission, which notified the Company that it is conducting an investigation that the Company believes relates to matters that are also the subject of the DOJ' s investigation. The Company may receive additional regulatory or governmental inquiries related to the matters that are the subject of the DOJ' s investigation. The total cost associated with these matters will depend on many factors, including the duration of these matters and any related finding. Given the nature of our business, these audits, reviews, and investigations may focus, among other areas, on various aspects of procurement integrity, labor time reporting, sensitive and / or classified information access and control, executive compensation, and post government employment restrictions. In addition, from time to time, we are also involved in legal proceedings and investigations arising in the ordinary course of business, including those relating to employment matters (such as matters involving alleged violations of civil rights, wage and hour, and worker’ s compensation laws), relationships with clients and contractors, intellectual property disputes, and other business matters. Any such claims, proceedings or investigations may be time-consuming, costly, divert management resources, or otherwise have a material adverse effect on our result of operations. The results of litigation and other legal proceedings, including the other claims described under “**Item 3. Legal Proceedings,**” are inherently uncertain and adverse judgments or settlements in some or all of these legal disputes may result in materially adverse monetary damages or injunctive relief against us. Any claims or litigation, even if fully indemnified or insured, could damage our reputation and make it more difficult to compete effectively or obtain adequate insurance **coverage** in the future. The litigation and other legal proceedings described under “**Item 3. Legal Proceedings**” are subject to future developments and management’ s view of these matters may change in the future. We cannot predict the consequences of future geopolitical events, but they may adversely affect the markets in which we operate and our results of operations. Ongoing instability and

current conflicts in global markets, including in Eastern Europe, the Middle East and Asia, and the potential for other conflicts and future terrorist activities and other recent geopolitical events throughout the world, including **the ongoing conflict between Russia and its invasion of Ukraine, and increased tensions in Asia**, have created and may continue to create economic and political uncertainties and impacts that could have a material adverse effect on our business, operations and profitability. These types of matters cause uncertainty in financial markets and may significantly increase the political, economic and social instability in the geographic areas in which we operate. In addition, in connection with the current status of international relations with Russia, particularly in light of the conflict between Russia and Ukraine, the U. S. government has **imposed** ~~stated~~ ~~it is considering imposing~~ enhanced export controls on certain products and sanctions on certain industry sectors and parties in Russia. The governments of other jurisdictions in which we operate, such as the European Union and Canada, may also implement sanctions or other restrictive measures. These potential sanctions and export controls, as well as any responses from Russia, could adversely affect the Company and / or our supply chain, business partners, or customers. We are subject to risks associated with operating internationally. Our business operations are subject to a variety of risks associated with conducting business internationally, including:

- Changes in or interpretations of laws or policies that may adversely affect the performance of our services;
- Political instability in foreign countries and international security concerns, such as those relating to the geopolitical conflict, including **in the ongoing conflict between Russia and Ukraine and increased tensions in Asia**, and potential actions or retaliatory measures taken in respect thereof;
- Imposition of inconsistent or **contradictory conflicting** laws or regulations;
- Reliance on the U. S. or other governments to authorize us to export products, technology, and services to clients and other business partners;
- **Reliance on foreign countries for critical parts in order to meet our technical delivery requirements**;
- Conducting business in places where laws, business practices, and customs are unfamiliar or unknown;
- Failure to comply with U. S. government and foreign laws and regulations applicable to international business, employment, privacy, data protection, information security, or data transfer could have an adverse impact on our business with the U. S. government and could expose us to risks and costs of non-compliance with such laws and regulations, in addition to administrative, civil, or criminal penalties;
- U. S. and foreign government import and export control requirements and regulations, including International Traffic in Arms Regulations and the anti-boycott provisions of the U. S. Export Administration Act, technology transfer restrictions and other administrative, legislative, or regulatory actions that could materially interfere with our ability to offer our products or services in certain countries;
- Imposition of limitations on or increase of withholding and other taxes on payments by foreign subsidiaries or joint ventures;
- Changes in state and federal regulations in state money transmission regulations, anti-money laundering regulations, economic and trade sanctions administered by the U. S. Treasury Department's Office of Foreign Asset Control;
- Volatility resulting from the United Kingdom's withdrawal from the European Union in January 2020, particularly in countries where the Company has substantial activities; and
- Imposition of tariffs or embargoes, export controls, and other trade restrictions. In addition, we are subject to the U. S. Foreign Corrupt Practices Act, or the FCPA, and other laws that prohibit improper payments or offers of payments to foreign government officials and political parties by business entities for the purpose of obtaining or retaining business. We have operations and deal with governmental clients and regulators in countries known to create heightened corruption risk, including certain developing countries **in the Middle East and Southeast Asia**. Our activities in these countries create the risk of unauthorized payments or offers of payments by one of our employees or third parties that we work with that could implicate Booz Allen for violations of various laws including the FCPA and other anti-corruption laws, even though these parties are not always subject to our control. Our international operations also involve activities involving the transmittal of information, which may include personal data, **that which** may expose us to data privacy laws in the jurisdictions in which we operate. If our data protection practices become subject to new or different restrictions, and to the extent such practices are not compliant with the laws of the countries in which we process data, we could face increased compliance expenses and face penalties for violating such laws or be excluded from those markets altogether, in which case our operations could be adversely affected. We are also subject to import-export control regulations restricting the use and dissemination of information classified for national security purposes and the export of certain products, services, and technical data, including requirements regarding any applicable licensing of our employees involved in such work. If we were to fail to comply with the FCPA, other anti-corruption laws, applicable import-export control regulations, data privacy laws, or other applicable rules and regulations, we could be subject to substantial civil and criminal penalties, including fines for our ~~company~~ **Company** and incarceration for responsible employees and managers, suspension or debarment, and the possible loss of export or import privileges which could have a material adverse effect on our business and results of operations. Efforts by the U. S. government to revise its organizational conflict of interest rules could limit our ability to successfully compete for new contracts or task orders, which would adversely affect our results of operations. Efforts by the U. S. government to reform its procurement practices have focused **on**, among other areas, ~~on~~ the separation of certain types of work to facilitate objectivity and avoid or mitigate organizational conflicts of interest and the strengthening of regulations governing organizational conflicts of interest. Organizational conflicts of interest may arise from circumstances in which a contractor has:
- impaired objectivity during performance;
- unfair access to non-public information;
- or
- the ability to set the “ground rules” for another procurement for which the contractor competes. A focus on organizational conflicts of interest issues has resulted in legislation and a proposed regulation aimed at increasing organizational conflicts of interest requirements, including, among other things, separating sellers of products and providers of advisory services in major defense acquisition programs. The **passage of a new Federal law in December 2022 requires U. S. government has not taken action to amend the FAR council within eighteen months to address organizational provide and update definitions of each of the above types of** conflicts of interest issues regarding government **and provide illustrative examples of various relationships that** contractors **in Department could have that would give rise to potential conflicts of interest** Defense and other procurements since the withdrawal of an unsuccessful FAR amendment proposal in March 2021. **The passage of this legislation comes as this topic continues to garner increased scrutiny of such alleged conflicts among federal contractors.**

The resulting rule making process, as well as ~~Continuing~~ **continuing** reform initiatives in procurement practices may however result in future amendments to the FAR, increasing the restrictions in current organizational conflicts of interest regulations and rules. **Similarly, organizational conflicts of interest remain an active area of bid protest litigation, increasing the likelihood that competitors may leverage such arguments in an attempt to overturn agency award decisions.** To the extent that proposed and future organizational conflicts of interest laws, regulations, and rules ~~or interpretations thereof~~ limit our ability to successfully compete for new contracts or task orders with the U. S. government, either because of organizational conflicts of interest issues arising from our business, or because companies with which we are affiliated, or with which we otherwise conduct business, create organizational conflicts of interest issues for us, our results of operations could be materially and adversely affected. Changes in tax law or judgments by management related to complex tax matters could adversely impact our results of operations. We are subject to taxation in the U. S. and certain other foreign jurisdictions. Any future changes in applicable federal, state and local, or foreign tax laws and regulations or their interpretation or application, including those that could have a retroactive effect, could result in the Company incurring additional tax liabilities in the future. In particular, effective starting in fiscal 2023, the Tax Cuts and Jobs Act (~~the "2017 Tax Act"~~) requires the capitalization of research and development costs for tax purposes, which can then be amortized over five or fifteen years. **If we expect to amortize these costs over five years. While current effective date remains in place, the most significant impact of this provision** ~~Company's initial assessment, based on the law as currently enacted, is to that the Company could experience a material decrease in cash from operations in fiscal 2023, the but our net deferred tax assets could also increase by a similar~~ **year in which the provision took effect, the impact is expected to decline annually over the five-year amortization period to an immaterial amount in** ~~Management is currently evaluating the sixth year potential impact of the 2017 Tax Act on our operating cash flows.~~ The actual impact ~~on fiscal 2023 cash from operations and future fiscal years~~ will depend on **a number of factors, including** the amount of research and development costs ~~we incur~~ **incurred by the Company**, whether Congress modifies or repeals ~~this the~~ **provision requiring such capitalization, of the 2017 Tax Act** and on whether new guidance and interpretive rules are issued by the U. S. Treasury, among other factors. For additional information, see ~~"~~ **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations "**~~"~~. Additionally, we recognize liabilities for uncertainty in income taxes when it is more likely than not that a tax position will not be sustained on examination and settlement with various taxing authorities. We regularly assess the adequacy of our uncertain tax positions and other reserves, which requires a significant amount of judgment. Although we accrue for uncertain tax positions and other reserves, the results of regulatory audits and negotiations with taxing and customs authorities may be in excess of our accruals, resulting in the payment of additional taxes, duties, penalties and interest. As a result, any final determination of tax audits or related litigation may be materially different than our current provisional amounts, which could materially affect our tax obligations and effective tax rate. For example, during fiscal ~~2022-2023~~, we recorded additional uncertain tax positions of approximately \$ ~~15-472.5-4~~ million related to **the required capitalization of research and development expenditures, which became effective in fiscal 2023, based on a lack of guidance in the existing law, and** ~~research and development credits available that we have claimed, or will soon claim as in prior years~~. Any increase to the liability we established as of March 31, ~~2022-2023~~ for these uncertain tax positions as a result of audits by taxing authorities, changes in tax laws and regulations or otherwise relating to this, or any other, tax matter could have a material effect on our results of operations. For a description of our related accounting policies, refer to Note 2, **" Summary of Significant Accounting Policies, "** and Note 13, **" Income Taxes, "** to ~~the our accompanying~~ consolidated financial statements. Our U. S. government contracts may be terminated by the government at any time and may contain other provisions permitting the government to discontinue contract performance, and if lost contracts are not replaced, our operating results may differ materially and adversely from those anticipated. U. S. government contracts contain provisions and are subject to laws and regulations that provide government clients with rights and remedies not typically found in commercial contracts. These rights and remedies allow government clients, among other things, to: • terminate existing contracts, with short notice, for convenience as well as for default; • reduce orders under or otherwise modify contracts; • for contracts subject to the Truthful Cost or Pricing Data Statute, reduce the contract price or cost where it was increased because a contractor or subcontractor furnished cost or pricing data during negotiations that was not complete, accurate or current; • for some contracts, (i) demand a refund, make a forward price adjustment, or terminate a contract for default if a contractor provided inaccurate or incomplete data during the contract negotiation process and (ii) reduce the contract price under certain triggering circumstances, including the revision of price lists or other documents upon which the contract award was predicated; • terminate our facility security clearances and thereby prevent us from receiving classified contracts; • cancel multi- year contracts and related orders if funds for contract performance for any subsequent year become unavailable; • decline to exercise an option to renew a multi- year contract or issue task orders in connection with IDIQ contracts; • claim rights in solutions, systems, and technology produced by us, appropriate such work- product for their continued use without continuing to contract for our services and disclose such work- product to third parties, including other U. S. government agencies and our competitors, which could harm our competitive position; • prohibit future procurement awards with a particular agency due to a finding of organizational conflicts of interest based upon prior related work performed for the agency that would give a contractor an unfair advantage over competing contractors, or the existence of conflicting roles that might bias a contractor' s judgment; • subject the award of contracts to protest by competitors, which may require the contracting federal agency or department to suspend our performance pending the outcome of the protest and may also result in a requirement to resubmit offers for the contract or in the termination, reduction, or modification of the awarded contract; • suspend or debar us from doing business with the U. S. government; and • control or prohibit the export of our services. Recent and potential future budget cuts and recent efforts to decrease federal awards for management support services ~~may cause agencies with which we currently have contracts to terminate, reduce the number of task orders under or fail to renew such contracts. If a U. S. government client were to unexpectedly terminate, cancel, or decline to exercise an option to renew with respect to one or more~~

of our significant contracts, or suspend or debar us from doing business with the U. S. government, our revenue and operating results would be materially harmed. Our work with government clients exposes us to additional risks inherent in the government contracting environment, which could reduce our revenue, disrupt our business, or otherwise materially adversely affect our results of operations. U. S. government contractors (including their subcontractors and others with whom they do business) operate in a highly regulated environment and are routinely audited and reviewed by the U. S. government and its agencies, including the DCAA, DCMA, Department of Defense Inspector General, and others. These agencies review our performance on contracts, pricing practices, cost accounting practices, and compliance with applicable policies, laws, regulations, and standards, including applicable government cost accounting standards, as well as our contract costs, including allocated indirect costs. The DCAA audits and the DCMA reviews, among other areas, the adequacy of our internal control systems and policies, including our Defense Federal Acquisition Regulation Supplement ("DFARS") required business systems, which are comprised of our purchasing, property, estimating, earned value, accounting and material management and accounting systems. These internal control systems could focus on significant elements of costs, such as executive compensation. Determination of a significant internal control deficiency by a government agency could result in increased payment withholding that might adversely affect our cash flow. In particular, over time the DCMA has increased and may continue to increase the proportion of executive compensation that it deems unallowable and the size of the executive population whose compensation is disallowed, which will continue to materially and adversely affect our results of operations or financial condition including the requirement to carry an increased level of reserves. We recognize as revenue, net of reserves, executive compensation that we determine, based on management's estimates, to be allowable; management's estimates in this regard are based on a number of factors that may change over time, including executive compensation survey data, our and other government contractors' experiences with the DCAA audit practices in our industry, and relevant decisions of courts and boards of contract appeals. Any costs found to be unallowable under a contract will not be reimbursed, and any such costs already reimbursed must be refunded. Further, the amount of any such refund may exceed the provision of claimed indirect costs, which is based on management's estimates and assumptions that are inherently uncertain and may not cover actual losses. For example, DCAA audits may result in, and have historically resulted in, the Company's inability to retain certain claimed indirect costs, including executive and employee compensation, due to differing views of the allowability and reasonableness of such costs. As of March 31, 2022-2023, years subsequent to the Company's fiscal year 2011 remained subject to audit and final resolution. As of March 31, 2022-2023, the Company recognized a liability of \$ 290-326.47 million for estimated adjustments to claimed indirect costs based on its historical DCAA audit results, including the final resolution of such audits with the DCMA. Determining the provision for claimed indirect costs is complex and subject to management's estimate of adjustments to claimed indirect costs based on the number of years that remain open to audit and expected final resolution by U. S. government agencies. As a result, significant changes in estimates could have a material effect on the Company's results of operations. Furthermore, the disallowance of any costs previously charged could directly and negatively affect our current results of operations for the relevant prior fiscal periods, and we could be required to repay any such disallowed amounts. Each of these results could materially and adversely affect our results of operations or financial condition. Moreover, if any of the administrative processes and business systems, some of which are currently certified as effective, are found not to comply with government imposed requirements, we may be subjected to increased government scrutiny and approval that could delay or otherwise adversely affect our ability to compete for or perform contracts or to be paid timely. Unfavorable U. S. government audit, review, or investigation results could subject us to civil or criminal penalties or administrative sanctions, require us to retroactively and prospectively adjust previously agreed to billing or pricing rates for our work, and could harm our reputation and relationships with our clients and impair our ability to be awarded new contracts, which could affect our future sales and profitability by preventing us, by operation of law or in practice, from receiving new government contracts for some period of time. In addition, if our invoicing system were found to be inadequate following an audit by the DCAA, our ability to directly invoice U. S. government payment offices could be eliminated. As a result, we would be required to submit each invoice to the DCAA for approval prior to payment, which could materially increase our accounts receivable days sales outstanding and adversely affect our cash flow. In addition, proposed regulatory changes, if adopted, would require the Department of Defense's contracting officers to impose contractual withholdings- withholding at no less than certain minimum levels based on assessments of a contractor's business systems. If a government investigation uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeitures of profits, withholding of payments, suspension of payments, fines, and suspension or debarment from doing business with the U. S. government. We could also suffer serious reputational harm if allegations of impropriety were made against us. In addition, operation of our in fiscal 2022 we launched new financial management systems and have adopted certain changes to our cost accounting practices. This that we have adopted may negatively impact our profitability. In particular, the changes we adopted to our cost accounting practices required us to estimate changes in costs for certain contracts and make payments in connection with such estimates. The changes are subject to audit by the DCAA and negotiation with the DCMA, which could result in additional payments that may be material and not recoverable. To the extent we are unable to fully mitigate the costs associated with changes to our cost accounting practices as we implement the new systems, our business and financial results may be adversely affected. The U. S. government may revise its procurement, contract, or other practices in a manner adverse to us. The U. S. government may: • revise its procurement practices or adopt new contract laws, rules, and regulations, such as cost accounting standards, organizational conflicts of interest, and other rules governing inherently governmental functions at any time; • reduce, delay, or cancel procurement programs resulting from U. S. government efforts to improve procurement practices and efficiency; • limit the creation of new government- wide or agency- specific multiple award contracts; • face restrictions or pressure from government employees and their unions regarding the amount of services the U. S. government may obtain from private contractors; • award contracts on a technically acceptable / lowest cost basis in order to reduce expenditures, and we may not be the lowest cost

provider of services; • adopt new socio- economic requirements, including setting aside procurement opportunities to small, disadvantaged businesses; • change the basis upon which it reimburses our compensation and other expenses or otherwise ~~limit~~ **limits** such reimbursements; and • at its option, terminate or decline to renew our contracts. In addition, any new contracting methods could be costly or administratively difficult for us to implement and could adversely affect our future revenue and profit margin. In addition, changes to the procurement system could cause delays in the procurement decision- making process. Any such changes to the U. S. government’ s procurement practices or the adoption of new contracting rules or practices could impair our ability to obtain new or re- compete contracts and any such changes or increased associated costs could materially and adversely affect our results of operations. The U. S. government may prefer minority- owned, small and small disadvantaged businesses; therefore, we may have fewer opportunities to bid for. As a result of the Small Business Administration set- aside program, the U. S. government may decide to restrict certain procurements only to bidders that qualify as minority- owned, small, or small disadvantaged businesses. As a result, we would not be eligible to perform as a prime contractor on those programs and would be restricted to a maximum of 49 % of the work as a subcontractor on those programs. An increase in the amount of procurements under the Small Business Administration set- aside program may impact our ability to bid on new procurements as a prime contractor or restrict our ability to re- compete on incumbent work that is placed in the set- aside program. Increasing scrutiny and changing expectations from governmental organizations, clients and our employees with respect to our ESG related practices may impose additional costs on us or expose us to new or additional risks. There is increased scrutiny from governmental organizations, clients and employees on environmental, social and governance (“ ESG ”) issues such as diversity, equity and inclusion, workplace culture, community investment, environmental management, climate impact and information security. We have expended and may further expend resources to monitor, report **on** and adopt policies and practices that we believe will improve alignment with our evolving ESG **strategy and** goals, as well as ~~third- party imposed~~ ESG- related standards and expectations **of legal regimes and stakeholders such as clients, investors, stockholders, raters, employees, and business partners**. If our ESG practices, including our goals for diversity, **equity** and inclusion, environmental sustainability and information security, do not meet evolving rules and regulations or ~~investor stakeholder~~ **investor stakeholder** expectations and standards (or if we are viewed negatively based on positions we do or do not take or work we do or do not perform **or cannot publicly disclose** for certain clients and industries), then our reputation, our ability to attract or retain leading experts, employees and other professionals and our ability to attract new business and clients could be negatively impacted, as could our attractiveness as an investment, service provider, **employer**, or business partner. Similarly, our failure or perceived failure in our efforts to ~~fulfill~~ **execute our ESG strategy and achieve** our current or future ESG- related goals, targets and objectives, ~~or to satisfy various reporting standards within the timelines we announce~~ **expected by stakeholders**, or at all, could also result in similar negative impacts. Organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters, and unfavorable ratings of our ESG efforts may lead to negative investor sentiment, diversion of investment to other companies, ~~and difficulty in hiring skilled employees.~~ **complying or failing to comply with** existing or future **federal, state, local, and foreign** ESG legislation and regulations applicable to our business and operations, including related to greenhouse gas emissions, climate change, or other matters, ~~by federal state, local, and foreign regulatory bodies and agencies~~ could cause us to incur additional compliance and operational costs or actions ~~if we fail to comply. If our responses to these new or evolving legal and regulatory requirements or other sustainability concerns are unsuccessful or perceived as inadequate, we may also suffer damage to our reputation~~ **reputational harm**, which could adversely affect our business. We are exposed to certain physical and regulatory risks, and could incur additional costs, related to climate change and other natural disasters. Due to the global nature of our business, we are exposed to a variety of physical risks related to climate change, including rising temperatures, ~~and~~ **rising** sea levels, extreme heat, ~~and~~ **other extreme** weather events. Our worldwide operations and the operations of our customers could be subject to natural disasters (including those ~~from~~ **from** as a result of climate change) such as hurricanes, typhoons, tsunamis, floods, earthquakes, fires, water shortages and prolonged drought. Such events could disrupt our operations or those of our customers and suppliers, including ~~through~~ the inability of employees to work, destruction of facilities, loss of life, and adverse effects on supply chains, power, infrastructure, ~~and~~ the integrity of information technology systems, all of which could materially increase our costs and expenses, delay or decrease revenue from our customers, ~~and~~ disrupt our ability to maintain business continuity. We could incur significant costs to improve the climate- related resiliency of our infrastructure and otherwise prepare for, respond to, and mitigate the effects of climate change. Additionally, if insurance or other risk transfer mechanisms are unavailable or insufficient to recover all costs or if we experience a significant disruption to our business due to a natural disaster, our results of operations could be adversely affected. We may also face operational costs and transition risks due to decisions we make to conduct or change our activities in response to considerations relating to climate change, such as our goal to eventually reach net- zero greenhouse gas emissions. **In addition, complying or failing to comply with existing or future federal, state, local, and foreign legislation and regulations applicable to our business and operations related to greenhouse gas emissions and climate change could cause us to incur additional compliance and operational costs.** We have substantial indebtedness and may incur substantial additional indebtedness, which could adversely affect our financial health and our ability to obtain financing in the future as well as to react to changes in our business. As of March 31, ~~2022~~ **2023**, we had total indebtedness of approximately \$ 2. 8 billion and \$ ~~999-998. 0-7~~ million of availability under our revolving credit facility (the “ Revolving Credit Facility ”). We are able to, and may, incur additional indebtedness in the future, subject to the limitations contained in the agreements governing our indebtedness. Our substantial indebtedness could have important consequences to holders of our common stock, including: • making it more difficult for us to satisfy our obligations with respect to our ~~Secured~~ **Senior** Credit Facility, consisting of a \$ 1. ~~2-6~~ billion term loan facility (“ Term Loan A ”), a \$ ~~380 million term loan facility~~ (“ Term Loan B ” and, together with Term Loan A, the “ Term Loans ”), a \$-1. 0 billion Revolving Credit Facility, with a sublimit for letters of credit of \$ 200. ~~0~~ million, our \$ 700. ~~0~~ million in aggregate principal amount of 3. 875 % Senior

Notes due 2028 (the “ Senior Notes due 2028 ”), our \$ 500 million in aggregate principal amount of 4. 000 % Senior Notes due 2029 (the “ Senior Notes due 2029 ”, and together with the Senior Notes due 2028, the “ Senior Notes ”) and our other debt; ▪ limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements; ▪ requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes; ▪ increasing our vulnerability to general adverse economic and industry conditions; ▪ exposing us to the risk of increased interest rates as certain of our borrowings, including under the **Secured-Senior** Credit Facility, are at variable rates of interest; ▪ limiting our flexibility in planning for and reacting to changes in the industry in which we compete; ▪ placing us at a disadvantage compared to other, less leveraged competitors or competitors with comparable debt and more favorable terms and thereby affecting our ability to compete; and ▪ increasing our cost of borrowing. Although the **Secured-Senior** Credit Facility and the indentures governing the Senior Notes contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. In addition, the Revolving Credit Facility provides for commitments of \$ 1. 0 billion, which as of March 31, ~~2022~~ **2023**, had availability of \$ ~~999-998. 07~~ million. Additionally, the used portion as it pertains to open standby letters of credit and bank guarantees totaled \$ 1. ~~03~~ million. Furthermore, subject to specified conditions, without the consent of the then- existing lenders (but subject to the receipt of commitments), the indebtedness under the **Secured-Senior** Credit Facility may be increased by up to (i) the greater of (x) \$ 909 million and (y) 100 % of consolidated EBITDA of Booz Allen Hamilton, as of the end of the most recently ended four quarter period for which financial statements have been delivered pursuant to the Credit Agreement, plus (ii) the aggregate principal amount under which the pro forma consolidated net secured leverage ratio is equal to or less than 3. 50: 1. 00. If new debt is added to our current debt levels, the related risks that we and the guarantors now face would increase and we may not be able to meet all our debt obligations, including the repayment of the Senior Notes. We may not be able to generate sufficient cash to service our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful. Our ability to make scheduled payments on or refinance our debt obligations will depend on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to financial, business, legislative, regulatory and other factors beyond our control. We might not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. For information regarding the risks to our business that could impair our ability to satisfy our obligations under our indebtedness, see “ — Risks Related to Our Indebtedness. ” If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The agreements governing our indebtedness restrict our ability to dispose of assets and use the proceeds from those dispositions and also restrict our ability to raise debt to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. In addition, under the **Secured-Senior** Credit Facility, we are subject to mandatory prepayments of our Term Loans from a portion of our excess cash flows, which may be stepped down upon the achievement of specified first lien leverage ratios. To the extent that we are required to prepay any amounts under our Term Loans, we may have insufficient cash to make required principal and interest payments on other indebtedness. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial condition and results of operations and our ability to satisfy our obligations under our indebtedness. If we cannot make scheduled payments on our debt, we would be in default and the following events could occur: lenders under our **Secured-Senior** Credit Facility and holders of the Senior Notes could declare all outstanding principal and interest to be due and payable; **and** lenders under the Revolving Credit Facility could terminate their commitments to provide loans ; ~~and lenders could foreclose against the assets securing their loans~~. All of these events could force us into bankruptcy or liquidation and result in investors' losing some or all of the value of their investment. The terms of the agreements governing our indebtedness restrict our current and future operations, particularly our ability to respond to changes or to take certain actions, which could harm our long- term interests. The **Secured-Senior** Credit Facility and the indentures governing the Senior Notes contain covenants that, among other things, impose significant operating and financial restrictions on us and limit our ability to engage in actions that may be in our long- term best interest, including restrictions on our ability to: ◦ incur additional indebtedness, guarantee indebtedness , or issue disqualified stock or preferred stock; ◦ pay dividends on or make other distributions in respect of, or repurchase or redeem, our capital stock; ◦ prepay, redeem , or repurchase subordinated indebtedness; ◦ make loans and investments; ◦ sell or otherwise dispose of assets; ◦ incur liens securing indebtedness; ◦ enter into transactions with affiliates; ◦ enter into agreements restricting our subsidiaries' ability to pay dividends to us or the guarantors or make other intercompany transfers; ◦ consolidate, merge or sell all or substantially all of our or any guarantor' s assets; ◦ designate our subsidiaries as unrestricted subsidiaries; and ◦ enter into certain lines of business. These covenants are subject to a number of important exceptions and qualifications. In addition, the restrictive covenants in the **Secured-Senior** Credit Facility require us to maintain a consolidated net total leverage ratio ~~and a consolidated net interest coverage ratio~~ that will ~~each~~ be tested at the end of each fiscal quarter. Our ability to satisfy such financial ratio ~~tests~~ **test** may be affected by events beyond our control. A breach of the covenants under the agreements governing our indebtedness could result in an event of default under those agreements. Such a default may allow certain creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross- acceleration or cross- default provision applies. In addition, an

event of default under the Secured Senior Credit Facility would also permit the lenders under the Revolving Credit Facility to terminate all other commitments to extend further credit under that facility. Furthermore, if we were unable to repay the amounts due and payable under the Secured Credit Facility, those lenders could proceed against the collateral granted to them to secure that indebtedness. In the event the lenders accelerate the repayment of our borrowings, we may not have sufficient assets to repay that indebtedness. As a result of all of these restrictions, we may be: • limited in how we conduct our business; • unable to raise additional debt or equity financing to operate during general economic or business downturns; or • unable to compete effectively or to take advantage of new business opportunities. These restrictions might hinder our ability to grow in accordance with our strategy. Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly. Borrowings under the Secured Senior Credit Facility are at variable rates of interest and expose us to interest rate risk. While During 2022, interest rates increased significantly and are currently at historically low levels, if interest rates were may continue to rapidly increase or remain at higher than recent historical levels. With an increase in interest rates, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease. Based on Term Loans - Loan A outstanding as of March 31, 2022-2023 and assuming all revolving loans are fully drawn, and after considering interest rate swaps that fixed the interest rate on \$ 700-550.0 million of principal of our variable rate debt each quarter point change in interest rates would result in a \$ 4-5.8-2 million change in our projected annual interest expense on our indebtedness under the Secured Senior Credit Facility. We have entered into interest rate swaps and may in the future enter into additional interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce future interest rate volatility of our variable rate indebtedness. However, due to risks for hedging gains and losses and cash settlement costs, we may not elect to maintain such interest rate swaps, and any swaps may not fully mitigate our interest rate risk. In addition, a transition away from the London Interbank Offering Rate ("LIBOR") as a benchmark for establishing the applicable interest rate may affect the cost of servicing our debt under the Secured Credit Facility and the Revolving Credit Facility. As of March 31, 2022, we had \$ 2.8 billion outstanding under the Secured Credit Facility and \$ 999.0 million of availability under the Revolving Credit Facility, each of which incurs interest based on LIBOR. In addition, we had interest rate swaps with an aggregate notional amount of \$ 700.0 million which are based on one-month LIBOR. No modification has been made to our Credit Agreement or interest rate swaps relating to the applicable benchmarks, although such changes may be required or otherwise made in the future. On March 5, 2021, the ICE Benchmark Administration, which administers LIBOR, and the Financial Conduct Authority announced that all LIBOR settings will either cease to be provided by any administrator, or no longer be representative, immediately after December 31, 2021 for all non-U. S. dollar LIBOR settings and one-week and two-month U. S. dollar LIBOR settings, and immediately after June 30, 2023, for the remaining U. S. dollar LIBOR settings. The potential consequences from discontinuation, modification, or reform of LIBOR, implementation of alternative reference rates, and any interest rate transition process cannot be fully predicted and may have an adverse impact on values of LIBOR-linked securities and other financial obligations or extensions of credit and may involve among other things, increased volatility or illiquidity in markets for instruments that rely on LIBOR, reductions in effectiveness of related transactions such as hedges, increased borrowing costs, uncertainty under applicable documentation, or difficult and costly consent processes. Once LIBOR ceases to be published, it is uncertain whether it will continue to be viewed as an acceptable market benchmark, what rate or rates may become accepted alternatives to LIBOR or what the effect of any such changes in views or alternatives may be on the markets for LIBOR-indexed financial instruments. For example, if any alternative base rate or means of calculating interest with respect to our outstanding variable rate indebtedness leads to an increase in the interest rates charged, it could result in an increase in the cost of such indebtedness, impact our ability to refinance some or all of our existing indebtedness or otherwise have a material adverse impact on our business, financial condition and results of operations. A downgrade, suspension or withdrawal of the rating assigned by a rating agency to us or our indebtedness could make it more difficult for us to obtain additional debt financing in the future. Our We and our indebtedness has have been rated by nationally recognized rating agencies and may in the future be rated by additional rating agencies. We cannot assure you that any rating assigned to us or our indebtedness will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes in our business, so warrant. Any downgrade, suspension or withdrawal of a rating by a rating agency (or any anticipated downgrade, suspension or withdrawal) could make it more difficult or more expensive for us to obtain additional debt financing in the future. Booz Allen Holding is a holding company with no operations of its own, and it depends on its subsidiaries for cash to fund all of its operations and expenses, including to make future dividend payments, if any. The operations of Booz Allen Holding are conducted almost entirely through its subsidiaries and its ability to generate cash to meet its debt service obligations or to pay dividends is highly dependent on the earnings and the receipt of funds from its subsidiaries via dividends or intercompany loans. Further, the Secured Senior Credit Facility and indentures governing the Senior Notes significantly restrict the ability of our subsidiaries to pay dividends or otherwise transfer assets to us. In addition, Delaware law may impose requirements that may restrict our ability to pay dividends to holders of our common stock. Our financial results may vary significantly from period to period as a result of a number of factors, many of which are outside our control, which could cause the market price of our Class A Common Stock to fluctuate. Our financial results may vary significantly from period to period in the future as a result of many external factors that are outside of our control. Factors that may affect our financial results and that could cause the market price of our outstanding securities, including our Class A Common Stock, to fluctuate include those listed in this "Risk Factors" section and others such as: • any cause of reduction or delay in U. S. government funding; • fluctuations in revenue earned on existing contracts; • commencement, completion, or termination of contracts during a particular period; • a potential decline in our overall profit margins if our other direct costs and subcontract revenue grow at a faster rate than labor-related revenue; • strategic decisions

by us or our competitors, such as changes to business strategy, strategic investments, acquisitions, divestitures, spin offs, and joint ventures; • a change in our contract mix to less profitable contracts; • changes in policy or budgetary measures that adversely affect U. S. government contracts in general; • variable purchasing patterns under U. S. government GSA schedules, blanket purchase agreements, which are agreements that fulfill repetitive needs under GSA schedules, and IDIQ contracts; • changes in demand for our services and solutions; • fluctuations in the degree to which we are able to utilize our professionals; • seasonality associated with the U. S. government's fiscal year; • an inability to utilize existing or future tax benefits for any reason, including a change in law; • alterations to contract requirements; and • adverse judgments or settlements in legal disputes. We cannot assure you that we will pay special or regular dividends on our stock in the future. **The** Our board of directors (the "Board") has authorized and declared a regular quarterly dividend for each quarter in the last several years. The Board has also authorized and declared special cash dividends from time to time. The declaration of any future dividends and the establishment of the per share amount, record dates, and payment dates for any such future dividends are subject to the discretion of the Board taking into account future earnings, cash flows, financial requirements and other factors. There can be no assurance that the Board will declare any dividends in the future. To the extent that expectations by market participants regarding the potential payment, or amount, of any special or regular dividend prove to be incorrect, the price of our common stock may be materially and negatively affected and investors that bought shares of our common stock based on those expectations may suffer a loss on their investment. Further, to the extent that we declare a regular or special dividend at a time when market participants hold no such expectations or the amount of any such dividend exceeds current expectations, the price of our common stock may increase and investors that sold shares of our common stock prior to the record date for any such dividend may forego potential gains on their investment. Fulfilling our obligations incident to being a public company, including with respect to the requirements of and related rules under the Sarbanes Oxley Act of 2002, is expensive and time consuming and any delays or difficulty in satisfying these obligations could have a material adverse effect on our future results of operations and our stock price. As a public company, the Sarbanes- Oxley Act of 2002 and the related rules and regulations of the SEC, as well as the New York Stock Exchange rules, require us to implement various corporate governance practices and adhere to a variety of reporting requirements and complex accounting rules. Compliance with these public company obligations requires us to devote significant management time and place significant additional demands on our finance, accounting, and legal staff and on our management systems, including our financial, accounting, and information systems. Other expenses associated with being a public company include increased auditing, accounting, and legal fees and expenses, investor relations expenses, increased directors' fees and director and officer liability insurance costs, registrar and transfer agent fees, listing fees, as well as other expenses. In particular, the Sarbanes- Oxley Act of 2002 requires us to document and test the effectiveness of our internal control over financial reporting in accordance with an established internal control framework, and to report on our conclusions as to the effectiveness of our internal controls. It also requires an independent registered public accounting firm to test our internal control over financial reporting and report on the effectiveness of such controls. In addition, we are required under the Exchange Act to maintain disclosure controls and procedures and internal control over financial reporting. Because of inherent limitations in any internal control environment, there can be no assurance that all control issues and instances of fraud, errors or misstatements, if any, within our company **Company** have been or will be detected on a timely basis. Such deficiencies could result in the correction or restatement of financial statements of one or more periods. Any failure to maintain effective controls or implement new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. We also rely on third parties for certain calculations and other information that support our accounting and financial reporting, which includes reports from such organizations on their controls and systems that are used to generate this **data and** information. Any failure by such third parties to provide us with accurate or timely information or implement and maintain effective controls may cause us to fail to meet our reporting obligations as a publicly traded company. In addition, as we ~~implement new~~ **operate our** financial management systems, we could experience deficiencies in ~~its~~ **their** operation that could have an adverse effect on the effectiveness of our internal control over financial reporting. If we are unable to conclude that we have effective internal control over financial reporting, or if our independent registered public accounting firm is unable to provide us with an unqualified report regarding the effectiveness of our internal control over financial reporting, investors could lose confidence in the reliability of our consolidated financial statements, which could result in a decrease in the value of our common stock. Failure to comply with the Sarbanes- Oxley Act of 2002 could potentially subject us to sanctions or investigations by the SEC, the New York Stock Exchange, or other regulatory authorities. Provisions in our organizational documents and in the Delaware General Corporation Law may prevent takeover attempts that could be beneficial to our stockholders. Our amended and restated certificate of incorporation and amended and restated bylaws include a number of provisions that may have the effect of delaying, deterring, preventing, or rendering more difficult a change in control of Booz Allen Holding that our stockholders might consider in their best interests. These provisions include: • granting to the Board the sole power to set the number of directors and to fill any vacancy on the Board; • granting to the Board the ability to designate and issue one or more series of preferred stock without stockholder approval, the terms of which may be determined at the sole discretion of the Board; ~~• a prohibition on stockholders from calling special meetings of stockholders;~~ • the establishment of advance notice requirements for stockholder proposals and nominations for election to the Board at stockholder meetings; and • prohibiting our stockholders from acting by written consent. In addition, we are subject to the anti-takeover provisions of Section 203 of the Delaware General Corporation Law, which imposes additional requirements regarding mergers and other business combinations. These provisions may prevent our stockholders from receiving the benefit from any premium to the market price of our common stock offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if the provisions are viewed as discouraging takeover attempts in the future. Our amended and restated certificate of incorporation and amended and restated by-laws may also make it difficult for stockholders to replace or remove our management. These

provisions may facilitate management entrenchment that may delay, deter, render more difficult, or prevent a change in our control, which may not be in the best interests of our stockholders. The market for our Class A Common Stock may be adversely affected by the performance of other companies in the government services market. In addition to factors that may affect our financial results and operations, the price of our Class A Common Stock may be impacted by the financial performance and outlook of other companies in the government services market. While certain factors may affect all participants in the markets in which we operate, such as U. S. government spending conditions and changes in rules and regulations applicable to government contractors, the market for our Class A Common Stock may be adversely affected by financial results or negative events only affecting other market participants or financial results of such participants. While such events or results may not impact or be indicative of our current or future performance, the price of our securities may nonetheless be adversely affected as a result thereof. Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our current or former directors, officers, or stockholders. Our ~~fifth~~ **sixth** amended and restated certificate of incorporation requires that the Court of Chancery of the State of Delaware be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee of the Company to the Company or the Company's stockholders, (iii) any action asserting a claim against the Company arising pursuant to any provision of the Delaware General Corporation Law, the Company's ~~fifth~~ **sixth** amended and restated certificate of incorporation or the Company's bylaws, or (iv) any action asserting a claim against the Company governed by the internal affairs doctrine. Because the applicability of the exclusive forum provision is limited to the extent permitted by applicable law, we do not intend that the exclusive forum provision would apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction, and acknowledge that federal courts have concurrent jurisdiction over all suits brought to enforce any duty or liability created by the Securities Act. We note that there is uncertainty as to whether a court would enforce the provision and that investors cannot waive compliance with federal securities laws and the rules and regulations thereunder. Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our directors and officers.