

Risk Factors Comparison 2025-03-03 to 2024-03-13 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

The following are certain risk factors that could affect our business, financial condition, results of operations, and cash flows. The risks that are highlighted below are not the only risks that we face. Investors should carefully consider each of the following risks and all of the other information contained in this Annual Report on Form 10- K. Some of these risks relate principally to our Spin from Labcorp, while others relate principally to our business and the industry in which we operate or to the securities markets generally and ownership of our common stock. If any of the following risks actually occur, our business, financial condition, results of operations, or cash flows could be negatively affected. Risk Factor Summary Below is a summary of the principal factors that make an investment in our common stock speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below under the heading “ Risk Factors ” and should be carefully considered, together with other information in this Annual Report on Form 10- K and our other filings with the SEC, before making an investment decision regarding our common stock.

Risks Relating to Our Business

- Our business, financial condition, results of operations, or cash flows may be materially adversely affected if we do not generate a large number of net new business awards, or if net new business awards are delayed, terminated, reduced in scope, or fail to go to contract.
- If we are unable to contract with suitable investigators and recruit and enroll patients for clinical trials, our business might suffer.
- Our international operations could subject us to additional risks and expenses that could adversely impact our business or results of operations.
- Our customer or therapeutic area **concentration concentrations** may have a material adverse effect on our business, financial condition, results of operations or cash flows.
- Our customers may experience insufficient funding to complete their clinical trials.
- Our backlog might not be indicative of our future revenues, and we might not realize all of the anticipated future revenue reflected in our backlog.
- **We operate in a highly competitive industry.**
- An inability to attract and retain experienced and qualified personnel, including key management personnel and increased personnel costs, could adversely affect our business.
- We depend on third parties to provide services critical to our business.
- Our business is dependent upon access to data and an inability to access the necessary data from our data partners on commercially reasonable terms or at all could adversely affect our business.
- **If we are unable to achieve** ~~Our accounting, enterprise resource planning, and other management systems~~ **maintain effective internal controls, our business, financial condition, results of operations,** ~~and resources may not~~ **cash flows could be materially adversely affected** ~~adequately prepared to meet financial reporting and other requirements.~~
- Our effective income tax rate may fluctuate, which could adversely affect our operations.

Risks Relating to Regulatory and Compliance Matters

- Failure to comply with the regulations of pharmaceutical and medical device regulatory agencies could result in sanctions and / or remedies against us and have a material adverse effect on us.
- Changes in government regulation or in practices relating to the pharmaceutical, biotechnology, or medical device industries could decrease the need for certain services that we provide.
- Failure to comply with privacy and security laws and regulations could result in fines, penalties and damage to our reputation with customers and have a material adverse effect upon our business.
- Failure to comply with federal, state, and foreign laws and regulations could result in substantial penalties and our business, financial condition, results of operations, cash flows, and prospects could be adversely affected.

Risks Relating to Strategic Transactions

- A failure to identify and successfully close strategic transactions could have a material adverse effect on our business objectives and our revenues and profitability.
- ~~The pending divestiture of certain assets relating to our Enabling Services segment may not close on time or at all, and we may not achieve the full purchase price or benefits of the transaction.~~

Risks Relating to Technology and Cybersecurity

- Failure to maintain the security of customer- related information or compliance with security requirements could damage our reputation with customers, cause us to incur substantial additional costs and become subject to litigation and enforcement actions.
- Failure in our IT systems, including hardware and software failures, delays in the operation of computer and communications systems, and the failure to implement new systems or system enhancements may harm us.
- Security breaches and unauthorized access to our data or our customers’ data could harm our reputation and adversely affect our business.
- We use internally developed and licensed technology systems to manage various aspects of clinical trials, and failures of these systems, including errors in design, programming or validation, could adversely affect our business.
- Failure to keep pace with rapid technological changes, including in the development or use of artificial intelligence, could adversely affect our business.

Risks Relating to Legal Matters

- Failure to comply with the contractual requirements of our agreements with customers or third- party service providers could result in claims and / or remedies against us and have a material adverse effect on us and our reputation could be harmed.
- Contract research services create liability risk.
- **We face risks arising from the restructuring of our operations.**
- Failure to obtain, maintain and enforce intellectual property rights could adversely affect us.
- Changes in tax rates, laws or regulations or exposure to additional tax liabilities may adversely impact our financial results.
- We are subject to continuing contingent liabilities as a result of the Spin which could materially and adversely affect our business, financial condition, results of operations, and cash flows.
- Labcorp has indemnified us for certain liabilities, which may be insufficient to insure us against the full amount of such liabilities, or Labcorp’ s ability to satisfy its indemnification obligations could be impaired in the future.

Risks Relating to Financial Matters

- We bear financial risk for contracts that, including for reasons beyond our control, may be underpriced, subject to cost overruns, delayed or terminated or reduced in scope.
- Our revenues depend on the pharmaceutical, biotechnology, and medical device industries.
- Foreign currency fluctuations could have an adverse effect on our business.
- ~~Our~~ **Costs associated with our** debt and debt covenants may limit cash flow available to invest in our business.
- We may not be able to access the capital and credit markets on terms that are favorable or at all.

Risks Relating to General Matters

- We are

subject to a wide range of factors that impact global businesses like ours, including, among other things, macroeconomic trends, labor matters, adverse weather factors or other natural disasters, and damage or disruption to our facilities.

- Failure to establish and maintain effective internal control over financial reporting could materially and adversely affect us.

Risks Relating to Our Common Stock

- ~~As a public company, we will incur additional expenses.~~ Anti-takeover provisions in our charter documents and Delaware law could discourage, delay or prevent a change in control or impact the trading price of our common stock. If we do not generate a large number of net new business awards, or if net new business awards are delayed, terminated, reduced in scope, or fail to go to contract, our business, financial condition, results of operations, or cash flows may be materially adversely affected. Our business is dependent on our ability to generate net new business from new and existing customers and maintain existing customer contracts. Our inability to generate net new business on a timely basis and subsequently enter into contracts for such awards could have a material adverse effect on our business, financial condition, results of operations or cash flows. Our customer contracts may be delayed or terminated by our customers without significant notice periods. The time between when a project is awarded and when it goes to contract is typically several months, and prior to an award going to contract, our customer can cancel the award without notice. Once an award goes to contract, the majority of our customers can terminate the contract without cause with a notice period that generally ranges from 30 to 90 days. Our contracts may be delayed or terminated by our customers or reduced in scope for a variety of reasons beyond our control, including, but not limited to:
 - decisions to forego or terminate a particular trial ;
 - budgetary limits, **unanticipated trial costs** or changing priorities ;
 - actions by regulatory authorities ;
 - production problems resulting in shortages of the candidate drug being tested ;
 - failure of products being tested to satisfy safety requirements or efficacy criteria ;
 - unexpected or undesired clinical results for products ;
 - insufficient patient enrollment in a trial ;
 - **competition for patients and / or** insufficient principal investigator recruitment ;
 - the customer's decision to terminate or scale back the development or commercialization of a product or to end a particular project ;
 - shift of business to a competitor or internal resources ;
 - ~~perceptions in the marketplace or other general trends;~~ or
 - product withdrawal following market launch.Furthermore, many of our FSP and consulting services are tied to a customer's annual budgets or ad hoc service requests, which can lead to seasonal variability in revenue and less predictability in future revenues. In addition, many of these service contracts provide our customers with the opportunity to internalize the resources provided under the contract and terminate all or a portion of the services we provide under the contract. Our customers may also decide to shift their business to a competitor. Each of these factors ~~results in~~ **could lead to** less visibility to future revenues and may result in high volatility in future revenues. Contract terminations, delays and modifications are a regular part of our business. For example, our full-service projects have been, and may continue to be, negatively impacted by project delays, which impact near term revenue disproportionately. In addition, project delays, downsizings and cancellations, particularly with our FSP delivery models, have impacted our results in the past and might impact them in the future. The loss, reduction in scope or delay of a large project or of multiple projects could have a material adverse effect on our business, results of operations, and financial condition. In addition, we might not realize the full benefits of our backlog. In the event of termination, our contracts often provide for fees for winding down projects, which include both fees incurred and actual and non-cancellable expenditures and may include a fee to cover a percentage of the remaining professional fees on the project. These fees might not be sufficient for us to maintain our margins, and termination may result in lower resource utilization rates and therefore lower operating margins. In addition, cancellation of a contract or project for the reasons noted above may result in the unwillingness or inability of our customer to satisfy its existing obligations to us, such as payments of accounts receivable, which may in turn result in a material impact to our results of operations and cash flow. Historically, cancellations and delays have negatively impacted our operating results, and they might impact them in the future. In addition, we might not realize the full benefits of our backlog if our customers cancel, delay, or reduce their commitments to us, which may occur if, among other things, a customer decides to shift its business to a competitor or revoke our status as a preferred provider. Thus, the loss or delay of a large business award or the loss or delay of multiple awards could adversely affect our revenues and profitability. Additionally, a change in the timing of a net new business award could affect the period over which we recognize revenue and reduce our revenue in any one quarter. The recruitment of physicians, also referred to as investigators, and patients for clinical trials is essential to our business. Investigators are typically located at hospitals, clinics, or other sites and supervise the administration of the investigational drug or device to patients during the course of a clinical trial. Because the successful conduct of a clinical trial at a particular site is often dependent upon the integrity, experience, and capabilities of the investigators conducting the trial, recruiting qualified investigators is critical. Patients generally include people from the communities in which the clinical trials are conducted. Several of our competitors have purchased site networks or site management organizations as a strategy for priority access to a specific site, which could put us at a competitive disadvantage. Our Clinical Development business could be adversely affected if we are unable to contract with suitable and willing investigators or recruit and enroll patients for clinical trials on a consistent basis. The expanding global nature of clinical trials increases the risk associated with attracting suitable investigators and patients, especially if these trials are conducted in regions where our resources or experience may be more limited. For example, if we are unable to engage investigators to conduct clinical trials as planned or enroll sufficient patients in clinical trials, we might need to expend additional funds to obtain access to more investigators and patients than planned or else be compelled to delay or modify the clinical trial plans, which may result in additional costs to us or cancellation of the clinical trial by our customer. If realized, these risks may also inhibit our ability to attract new business, particularly in certain regions. ~~Our~~ **Due to a strategic footprint of primary office locations in five countries with field operations worldwide, our** international operations expose us to risks from potential failure to comply with foreign laws and regulations that differ from those under which we operate in the U. S. In addition, we may be adversely affected by other risks of expanded operations in foreign countries, including, but not limited to, compliance with export controls and trade regulations; changes in tax policies or other foreign laws; compliance with foreign labor and employee relations laws and regulations; restrictions on currency repatriation; judicial systems that less strictly enforce contractual rights; countries that do not have clear or well-established laws and

regulations concerning issues relating to drug development services; countries that provide less protection for intellectual property rights; procedures and actions affecting approval, production, pricing, reimbursement and marketing of products and services; changes in international taxes or tariffs; and geopolitical tensions and acts of war. Further, international operations could subject us to additional expenses that we may not fully anticipate, including those related to enhanced time and resources necessary to comply with foreign laws and regulations, difficulty in collecting accounts receivable and longer collection periods, and difficulties and costs of staffing and managing foreign operations. In some countries, our success will depend in part on our ability to form relationships with local partners. Our inability to identify appropriate partners or reach mutually satisfactory arrangements could adversely affect ~~the our~~ business and operations. ~~Our embedded~~ **Embedded** and functional outsourcing services **associated with our FSP delivery models** could subject us to employment liability, which may cause adverse effects on our business. With our embedded and functional outsourcing services, we sometimes place employees at the physical workplaces of our customers. The risks of this activity include claims of errors and omissions, misuse or misappropriation of client proprietary information, theft of client property, and torts or other claims under employment liability, co-employment liability, or joint employment liability, as well as claims of misclassification or noncompliance with various employment and staffing laws and regulations. We have policies and guidelines in place to reduce our exposure to such risks, but if we fail to follow these policies and guidelines we may suffer reputational damage, loss of customer relationships and business, monetary damages, fines, and other governmental actions. **We experience termination, cancellation and non-renewal of contracts by our customers in the ordinary course of business, and the number and dollar value of cancellations can vary significantly from year to year.** If any large customer **materially** decreases or terminates its relationship with us **and we fail to add new customers or expand services to other existing customers to replace lost revenue**, our business, financial condition, results of operations or cash flows could be materially adversely affected. For the year ended December 31, ~~2023-2024~~, our top ten customers based on revenue accounted for approximately ~~47-53~~ % of our consolidated revenue and our top ten customers based on backlog accounted for approximately ~~53-51~~ % of our total backlog. For the year ended December 31, ~~2023-2024~~, ~~one-two~~ **customer customers** accounted for approximately **14.3 % and 10.6-5** % of revenue. It is possible that an even greater portion of our revenues will be attributable to a smaller number of customers in the future, including as a result of our entering into strategic provider relationships with customers. Also, consolidation in our potential customer base results in increased competition for important market segments and fewer available customer accounts. Additionally, conducting multiple clinical trials and providing other development or post-approval services for different customers in a single therapeutic class involving drugs with the same or similar chemical action may adversely affect our business if some or all of the trials or services are canceled because of new scientific information or regulatory judgments that affect the drugs as a class. Further, concentration in a particular therapeutic class could cause trials we are conducting for our customers to compete with one another for limited resources (e. g., patients, academic interest, funding), which could impact the successful completion or timely execution of these studies, and therefore our business. Clinical trials can cost hundreds of millions of dollars. A contraction in available funding sources for life science companies can make it harder for our customers to fund the costs of clinical trials. There is a risk that we may initiate clinical trials for our customers, and then customers become unwilling or unable to fund our services or the completion of the clinical trial as a whole. In such a situation, it may be necessary for us to complete or wind down the clinical trial at our own expense due to regulatory or ethical obligations. In these circumstances, we may incur substantial costs and expend resources without compensation from our customer due to their lack of funds, bankruptcy or other negative financial circumstances. Our backlog consists of anticipated revenue awarded from contract and pre-contract commitments that are supported by written communications. Once work begins on a project, revenue is recognized over the duration of the project, provided the award has gone to contract. Projects may be canceled or delayed by the customer or delayed by regulatory authorities for reasons beyond our control. To the extent projects are delayed, the timing of our revenue could be adversely affected. In addition, if a customer terminates a contract, we typically would be entitled to receive payment for all services performed up to the termination date and subsequent customer ~~-~~ authorized services related to terminating the canceled project. Typically, however, we have no contractual right to the full amount of the future revenue reflected in our backlog in the event of a contract termination or subsequent changes in scope that reduce the value of the contract. The duration of the projects included in our backlog, and the related revenue recognition, typically range from a few months to several years. Our backlog might not be indicative of our future revenues, and we might not realize all the anticipated future revenue reflected in that backlog. A number of factors may affect the backlog, including: • the size, complexity, and duration of projects or strategic relationships ; • the cancellation or delay of projects ; • the failure of one or more business awards to go to contract ; and • changes in the scope of work during the course of projects. The rate at which our backlog converts to revenue may vary over time. The revenue recognition on larger, more global projects could be slower than on smaller, more regional projects for a variety of reasons, including, but not limited to, an extended period of ~~negotiation between~~ **coordination from** the time the project is awarded ~~to us~~ and the actual execution of the contract, as well as an increased timeframe for obtaining the necessary regulatory approvals. Our backlog as of December 31, ~~2023-2024~~ was \$ 7. ~~4-7~~ billion. Although an increase in backlog will generally result in an increase in revenues over time, an increase in backlog at a particular point in time does not necessarily correspond directly to an increase in revenues during any particular period, or at all. The extent to which contracts in backlog will result in revenue depends on many factors, including, but not limited to, delivery against project schedules, scope changes, contract terminations and the nature, duration, and complexity of the contracts, and can vary significantly over time. Increased competition, including price competition, could have a material adverse effect on our revenues and profitability. We operate in a highly competitive industry. Competitors in the CRO industry range from hundreds of smaller CROs to a limited number of large CROs with global capabilities. Our main competition consists of these small and large CROs, as well as in-house departments of pharmaceutical, biotechnology and medical device companies and, to a lesser extent, select universities and teaching hospitals. Our services have from time to time experienced periods of increased price competition that had an adverse effect on our revenues and profitability.

There is competition among CROs for both customers and potential acquisition candidates. Additionally, few barriers to entering the CRO industry further increases possible new competition. These competitive pressures may affect the attractiveness or profitability of our services and could adversely affect our financial results. An inability to attract and retain experienced and qualified personnel, including key management personnel, and increased personnel costs, could adversely affect our business. The loss of key management personnel or the inability to attract and retain experienced and qualified employees and increased costs related to such personnel and employees could adversely affect the business. There is significant competition for qualified personnel in the CRO industry. In the future, if competition for the services of these professionals increases and, correspondingly, the cost of these professionals increases, we may not be able to continue to attract and retain individuals in our markets. Changes in key management, or the ability to attract and retain qualified personnel, as a result of increased competition for talent, wage growth, or other market factors (including costs) could lead to strategic and operational challenges and uncertainties, distractions of management from other key initiatives, and inefficiencies and increased costs, any of which could adversely affect our business, financial condition, results of operations, and cash flows. We depend on third parties to provide services critical to our business and depend on them to comply with applicable laws and regulations. We depend on third parties to provide services critical to our business, including, but not limited to, investigators and clinical trial sites, IT services, laboratory services, third-party transportation and travel providers, freight forwarders and customs brokers, drug depots and distribution centers, suppliers or contract manufacturers of drugs for patients participating in clinical trials, and providers of licensing agreements, maintenance contracts, or other services. In addition, we also rely on third-party CROs and other contract clinical personnel for clinical services either in regions where we have limited resources, or in cases where demand cannot be met by our internal staff. In some circumstances, our customers require that we ~~oversee~~ ~~take on~~ responsibility for the performance of these third parties as part of our overall service delivery. The failure of any of these third parties to adequately provide us timely critical support services in accordance with applicable laws and regulations and the terms of our agreements with them could have a material adverse effect on our business, results of operations and reputation. If we are unable to effectively manage our growth, our business could be adversely affected. To manage our growth, we must continue to attract and retain top personnel and invest in our operating systems. ~~We believe that maintaining~~ ~~and enhancing~~ ~~both personnel and our systems at reasonable cost~~ ~~are instrumental to~~ ~~our continued ability to~~ ~~achieve~~ ~~growth and success.~~ ~~We may not be able to enhance our current technology or obtain new technology that will enable our systems to keep pace with industry developments and the sophisticated needs of our customers. The nature and pace of our growth introduces risks associated with quality control and customer dissatisfaction due to delays in performance or other problems. In addition, non-U.S. operations involve the additional risks of assimilating differences in non-U.S. business practices, hiring and retaining personnel and overcoming language barriers. Failure to manage our growth effectively could adversely affect our business. Our relationships with existing or potential customers who are in competition with each other may adversely impact the extent to which those customers use our services. The biopharmaceutical industry is highly competitive, and we regularly provide services to customers that are developing competing drugs. Given the adverse competitive interests, customers may discourage us from providing services to a competing customer or potential customer or limit the scope to which competitors can use our services. The loss of, or reduction in, services that we can provide to existing or potential customers may have a material adverse effect on our business, operations, or financial condition. Access to data is foundational to any CRO, and through our unique relationship with Labcorp, as set forth in~~ ~~we have access to large datasets relevant to clinical trials under a patient and site data agreement (~~ ~~the “Patient and Site Data Agreement”)~~ ~~, we have access to large datasets relevant to clinical trials.~~ ~~This~~ ~~However, the Patient and Site Data Agreement~~ ~~is set~~ ~~, which has an initial two-~~ ~~to-~~ ~~year term, may be terminated in certain situations and ultimately will expire~~ ~~as of June 30, 2025, if not renewed.~~ ~~In addition, we source data from a number of third parties to support our services.~~ An inability to purchase or access the necessary data (from Labcorp pursuant to the Patient and Site Data Agreement or from other third parties) now, or in the future, on commercially reasonable terms or at all, could have a material adverse effect on our business, financial condition and results of operations. ~~Our~~ ~~accounting~~ ~~As a public company, we are required~~ ~~enterprise resource planning, and other management systems and resources may not be adequately prepared to meet~~ ~~maintain internal controls over~~ ~~financial reporting and other requirements. If we are unable to achieve and maintain effective~~ ~~report any material weaknesses in such~~ ~~internal controls.~~ ~~In addition, our business beginning with this Annual Report on Form 10-K, our independent registered public accounting firm is required to express an opinion as to the effectiveness of our internal controls over~~ ~~financial condition, results of operations, and cash flows could be materially adversely affected. We believe that our reporting and control systems are appropriate for a public company. However, we have only been directly subject to the reporting and other requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) since July 1, 2023. As a result, we are now directly subject to reporting and other obligations under the Exchange Act, including the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”). These reporting and other obligations place significant demands on our management and administrative and operational resources, including our accounting and IT resources.~~ ~~We were previously~~ ~~To comply with these requirements, we are dependent on Labcorp’s systems to provide financial reporting and other financial and accounting information for periods prior to the Spin~~ ~~and through the~~ ~~end of the relevant transition agreements~~ ~~period ending December 31, 2024.~~ We are in the process of ~~To fully separate ourselves from our Former Parent, we have~~ (i) ~~replaced / upgraded~~ ~~replacing or otherwise upgrading~~ our systems, including our IT and enterprise resource planning systems, (ii) ~~implementing~~ ~~implemented~~ additional financial, IT, and management controls, (iii) ~~implementing~~ ~~implemented new~~ reporting systems and procedures, and (iv) ~~hiring~~ ~~hired~~ additional management, IT, accounting, finance, legal, human resources, and other administrative staff and third-party service providers. ~~Transitioning away from our reliance on Labcorp could cost more or take longer than anticipated, especially if we are not able to complete the transition prior to the end of the term of the transition agreements. While we are advancing our efforts to exit from the transition agreements prior to their expiration, the transition process involves coordination~~

between us, third parties and Labcorp, which may be subject to delays or other challenges of working collaboratively in a technology environment, including system accessibility and security. If we are unable to do so in a timely and effective fashion, our ability to comply with our financial reporting requirements and other rules that apply to reporting companies under the Exchange Act could be impaired. Any failure to achieve and maintain effective internal controls, could have a material adverse effect on our business, financial condition, results of operations, and cash flows **could be materially adversely affected. As reported in our Form 10- Q for the quarter ended March 31, 2024, as filed with the SEC on May 24, 2024, management identified material weaknesses in our internal controls over financial reporting that existed because the company did not have sufficient resources which in turn led to an inability to effectively perform certain control activities and fulfill our internal control and accounting responsibilities. Management has devoted substantial resources to the implementation of remediation efforts, as described most recently in the Company's Quarterly Report on Form 10- Q for the quarter ended September 30, 2024. During the fourth quarter of 2024, the Company successfully completed the testing and evaluation necessary to conclude that, as of December 31, 2024, the previously identified material weaknesses have been remediated.** Our rebranding involves substantial cost, and our brand, products or solutions awareness may build slowly. It may not be favorably received by our customers. **Building awareness of** sites, suppliers, employees, candidates or our brand **is an ongoing initiative as** investors. Prior July 1, 2023, we **continue to** conducted -- **conduct** our business under the Labcorp and its associated brands, including Labcorp Drug Development and Covance. We now conduct our business under a new name -- Fortrea -- and certain associated brands, also with **the potential for** new names and systems. **Building awareness** **Maintaining and continually enhancing the value** of our new brands is critical to the success of our business. **Brand value is based in large part on customer perceptions. Success in promoting and enhancing** brand is **value depends** in process and will be an ongoing initiative **large part on our ability to provide high- quality products**. We may not improve upon the brand recognition associated with Labcorp and its historical or associated brands with customers, sites, suppliers, employees and candidates. **If In addition, the rebranding will involve financial investment and require the dedication of significant time and effort by management and other personnel. We cannot predict the impact of this rebranding on our business. However, if we fail to establish, maintain and / or enhance brand recognition associated with the " Fortrea " name, it may affect our relationships** **relationships** with investigator sites or customers, which may adversely affect our ability to generate revenues and could impede our business **in a highly competitive industry**. **Damage to our** **Additionally, the costs and brand the dedication, reputation or loss** of time **customer confidence in our** and **brand** effort associated with the rebranding may **or products could result in decreased demand for our products and have a** negatively -- **negative** impact **on our business, results of operations** **our** or **profitability** **financial condition**. We might not be able to engage in certain transactions and equity issuances until July 1, 2025. Our ability to engage in certain transactions could be limited or restricted as a result of the Spin under the terms of the tax matters agreement entered into with Labcorp and in order to preserve, for U. S. federal income tax purposes, the qualification of the Spin and certain related transactions under Sections 355 and 368 (a) (1) (D) of the Internal Revenue Code (the " Code "). Even if these transactions otherwise qualify for tax- free treatment to Labcorp's stockholders under Section 355 of the Code, they may result in corporate- level taxable gain to Labcorp if there is a 50 % or greater change in ownership, by vote or value, of shares of our stock, Labcorp's stock or the stock of a successor of either occurring as part of a plan or series of related transactions that includes the Spin. Any acquisitions or issuances of our stock or Labcorp's stock within two years of the Spin are generally presumed to be part of such a plan, although it may be possible to rebut that presumption. Under the tax matters agreement that we entered into with Labcorp, we are required to comply with the representations and undertakings made in the Internal Revenue Service (" IRS ") ruling that Labcorp received in connection with the Spin and in materials submitted to the IRS in connection therewith and to the tax advisors in connection with the opinions Labcorp received regarding the intended tax treatment of the Spin and certain related transactions. The tax matters agreement also restricts our ability to take or fail to take any action if such action or failure to act could adversely affect the intended tax treatment. In particular, except in specific circumstances, until July 1, 2025, we are restricted from, among other things, (i) entering into any transaction pursuant to which all or a portion of our equity would be acquired, whether by merger or otherwise, and (ii) ceasing to actively conduct certain businesses or activities. These restrictions limit our ability to pursue certain transactions that we may believe to be in the best interests of our stockholders or that might increase the value of our businesses. **Epidemics, Pandemics** **epidemics , or widespread public health crisis**, such as COVID- 19, and associated economic repercussions have adversely impacted our business and results of operations, and may do so in the future. Pandemics, including the COVID- 19 pandemic, and associated economic repercussions have significantly impacted -- **our business** and **our operations. Other epidemics, pandemics, or widespread public health crises** may impact -- **our business** and **our operations in the future**. The possibility of **epidemics or pandemics**, including the spread of **COVID-19** variants, could continue to adversely impact our business and results of operations in a number of ways, including, but not limited to: • delays or difficulties in commencing new and operating ongoing clinical trials, including intermittent challenges accessing investigative sites, delays in enrolling patients, delays in obtaining approvals from regulatory authorities, and difficulty obtaining necessary pharmaceutical and other products and supplies; • restrictions on the ability of our field teams to visit healthcare providers and difficulty securing appropriate personal protective equipment and testing and other tools required for client- facing engagements and visits to sites / healthcare providers; • diversion of healthcare resources away from the conduct of clinical trials, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials, as well as the reduction of our customers' operating budgets; • interruption of key clinical trial activities, such as clinical trial site data monitoring, due to social distancing requirements, quarantine and isolation protocols or interruption of clinical trial subject visits and study procedures, which may impact the collection and integrity of study data and ability to measure clinical trial endpoints; • business disruptions at our customers; • limitations on our employee resources, including because of quarantine and isolation protocols, sickness of employees or their families or the desire of employees to avoid contact with large groups of people; • continued disruptions to

our supply chain; • diversion of management resources to focus on mitigating the impacts of pandemics; • increased cybersecurity risks due to the number of employees that are working remotely in regions impacted by stay-at-home orders, increased levels of remote access creating additional opportunities for cybercriminals to exploit vulnerabilities and employees that may be more susceptible to phishing and social engineering attempts; • increased cyber-attacks, such as phishing attacks by threat actors using the attention placed on a pandemic as a method for targeting our personnel; and • strained technological resources due to the number of remote users. These and other impacts of a pandemic could also have the effect of heightening many of the other factors described in these “Risk Factors” and other parts of this Annual Report on Form 10-K. The ultimate impact depends on the severity and duration of a pandemic, including the emergence and spread of COVID-19 variants, the continued availability and effectiveness of vaccines and treatments, and actions taken by governmental authorities and other third parties in response to the pandemic, each of which is uncertain, rapidly changing and difficult to predict. Any of these disruptions could adversely impact our business and results of operations. Our effective income tax rate may fluctuate, which may adversely affect our operations, earnings and earnings per share. Enactment of, or changes in the interpretation of, tax legislation or income tax rates globally could materially impact our financial statements. Our effective tax rate and deferred income taxes could be impacted by changes in tax legislation globally. **The Recent changes in the U. S. include the Inflation Reduction Act of 2022 (the “IRA”), enacted August 16, 2022, which, among other items, imposes a 15 % alternative minimum tax on corporations with three- year average annual adjusted financial statement income exceeding \$ 1 billion and introduces or extends a number of tax credits to promote clean energy development. We continue to monitor the effects of the IRA and other regulatory developments on our financial condition, operating results, and income tax rate. We have not cumulatively accrued \$ 3. 6 million for income taxes on a portion of the undistributed earnings of most our non- U. S. subsidiaries that, because those earnings are not considered permanently intended to be indefinitely reinvested in the operations of those subsidiaries. Certain tax legislation within-- with those foreign jurisdictions could potentially have a material income impact on our income tax expense. Our future effective tax rates could be impacted by changes in the mix of earnings in countries with differing statutory tax rates, changes in the assessment regarding the realization of the valuation of deferred tax assets, or changes in tax laws and regulations or their interpretation. In October 2021, the Organization for Economic Co- operation and Development (the "OECD") announced the OECD / G20 Inclusive Framework on Base Erosion and Profit Shifting (the "Framework"), which agreed to a two- pillar solution to address tax challenges arising from digitalization of the economy. In December 2021, the OECD released Pillar Two Model Rules defining the global minimum tax rules, which contemplate a minimum tax rate of 15 %. An additional “ top- up ” tax would be incurred in instances where the 15 % minimum tax rate is not achieved.** To date, various jurisdictions have enacted, or are in the process of enacting, legislation on these rules, and the OECD continues to release additional guidance. While it is uncertain whether the U. S. will enact legislation to adopt the minimum tax directive, certain countries in which we operate have adopted legislation, and other countries are in the process of introducing legislation to implement the minimum tax directive. Further, the OECD issued administrative guidance providing transition and safe harbor rules that could delay the impact of the minimum tax directive. We will continue to monitor the implementation of the Framework by the countries in which we operate. We currently do not expect **have calculated and accrued an additional top- up tax under the Pillar Two Framework in certain jurisdictions where the to have a material impact on our effective tax rate fell below the minimum threshold of 15 %. This amount was not significant to the 2024 income tax provision or for the Company our consolidated results of operation, financial position, and cash flows.** Failure to comply with the regulations of pharmaceutical and medical device regulatory agencies, such as the FDA, the MHRA in the U. K., the EMA in the European Union, the NMPA in China, and the PMDA in Japan, could result in sanctions and / or remedies against us and have a material adverse effect on us. The operation of our clinical trials must conform to GCP, as applicable, as well as all other applicable standards and regulations. If we do not comply, we could potentially be subject to civil, criminal or administrative sanctions and / or remedies, including suspension of our ability to conduct clinical studies, and to import or export to or from certain countries, which could have a material adverse effect upon us. Additionally, certain of our services and activities must conform to cGMP. Failure to maintain compliance with GCP or cGMP regulations and other applicable requirements of various regulatory agencies could result in warning or untitled letters, fines, unanticipated compliance expenditures, suspension of manufacturing, and civil, criminal or administrative sanctions and / or remedies against us, including suspension of our operations, which could have a material adverse effect upon us. Failure to comply with national, state, local or international environmental, health and safety laws and regulations, could result in fines and penalties and loss of licensure, and have a material adverse effect upon our business. We are subject to laws and regulations relating to the protection of the environment and human health and safety, including laws and regulations relating to the handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials, as well as regulations relating to the safety and health of employees. Failure to comply with these laws and regulations could subject us to denial of the right to conduct business, fines, criminal penalties and / or other enforcement actions that could have a material adverse effect on our business. In addition, compliance with future legislation could impose additional requirements on us that may be costly. We assist pharmaceutical, biotechnology and medical device companies in navigating the regulatory approval process. Changes in regulations such as a relaxation in regulatory requirements or the introduction of simplified approval procedures, or an increase in regulatory requirements that we have difficulty satisfying or that make our services less competitive, could eliminate or substantially reduce the demand for our services. Also, if government efforts to contain drug and medical product and device costs impact profits from such items, or if health insurers were to change their practices with respect to reimbursement for those items, some of our customers may spend less, or reduce their growth in spending on R & D. In the U. S., for example, the Inflation Reduction Act includes provisions authorizing government negotiated pricing for certain drugs and other price restrictions that may have the effect of reducing pharmaceutical and biotechnology manufacturer revenue and investments in the development of new drugs. In addition, implementation of healthcare reform legislation that adds costs could limit the profits that can be made from the development of

new drugs and medical products and devices. This could adversely affect R & D expenditures by such companies, which could in turn decrease the business opportunities available to us both in the U. S. and other countries. New laws or regulations may create a risk of liability, increase our costs or limit our service offerings. **At this time, it is unclear exactly how the new U. S. presidential administration will impact the healthcare reform measures of the previous Biden Administration or whether the new Trump Administration could impose other reform efforts, including what, if any, impact such changes could have on our business. The Trump Administration has recently relied on executive orders in lieu of federal legislation to implement regulatory policy and objectives. We may be unable to anticipate changes in regulatory regimes of the U. S. federal government administration and, therefore, be unable to make timely operational or other changes, assuming we are in a position to effectively respond to any such change, which may not be the case, or to ensure compliance with federal regulations or orders. Executive orders or regulatory priorities issued or rescinded by the U. S. federal government administration may require additional capital expenditures or additional costs and may cause a delay or the abandonment of projects which could adversely affect our results of operations or financial condition.** If we do not comply with existing or new laws and regulations related to protecting the privacy and security of personal or health information, we could be subject to monetary fines, civil penalties or criminal sanctions. In the U. S., we may obtain health information from third parties (e. g., healthcare providers who sponsor trials) that are subject to privacy and security requirements under the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations, collectively referred to as “HIPAA”. Although we are not directly subject to HIPAA, we could be subject to criminal penalties if we knowingly obtain, use, or disclose individually identifiable health information maintained by a HIPAA covered entity in a manner that is not authorized or permitted by HIPAA. HIPAA generally requires that healthcare providers and other covered entities obtain written authorizations from patients prior to disclosing protected health information of the patient (unless an exception to the authorization requirement applies). If authorization is required and the patient fails to execute an authorization or the authorization fails to contain all required provisions, then we may not be allowed access to and use of the patient’s information and our research support efforts could be impaired or delayed. Furthermore, use and disclosure of protected health information that is provided to us pursuant to a valid patient authorization is subject to the limits set forth in the authorization. Moreover, patients about whom we or our partners obtain information, as well as third parties who share this information with us, may have contractual rights that limit our ability to use and disclose the information. In addition, HIPAA does not replace federal, state, international or other laws to which we may be subject that may grant individuals even greater privacy protections. Federal and state laws that protect the privacy and security of patient information may be subject to enforcement and interpretations by various governmental authorities and courts, resulting in complex compliance issues. For example, we could incur damages under state laws, including pursuant to an action brought by a private party for the wrongful use or disclosure of health information or other personal information. **We also are subject to** **In the past few years, numerous U. S. states — including California, Virginia, Colorado, Connecticut, Delaware, Indiana, Iowa, Kentucky, Maryland, Minnesota, Montana, Nebraska, New Hampshire, New Jersey, Oregon, Rhode Island, Tennessee and Texas — have enacted or proposed comprehensive privacy laws, reflecting a trend toward more stringent privacy legislation in the U. S. For example,** the California Consumer Privacy Act (“~~CCPA~~”), which became effective as of January 2020, ~~and~~ creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. While the majority of provision went into effect on January 1, 2023, the enforcement of the California Privacy Rights Act (~~CPRA~~), began as of July 1, 2023, in California. The CPRA imposes additional data protection obligations on covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It also creates a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. As such, additional compliance investment and potential business process changes may still be required. ~~Similar laws have passed in Delaware, Indiana, Iowa, Montana, Oregon and Tennessee, and have been proposed in other states and at the federal level, reflecting a trend toward more stringent privacy legislation in the U. S.~~ The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. In the event that we are subject to or affected by the CCPA, the CPRA, or other domestic **comprehensive** privacy and data protection laws, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition. We may also be required to comply with the data privacy and security laws of other countries in which we operate or with which we transfer and receive data. For example, in the European Economic Area, we are subject to the EU General Data Protection Regulation, and in the U. K., we are subject to the U. K. data protection regime consisting primarily of the GDPR and the U. K. Data Protection Act 2018, **respectively**, which include a range of compliance obligations for subject companies and imposes penalties for noncompliance of up to the greater of € 20 million or 4 % of worldwide revenue. We have established processes and frameworks to manage compliance with the GDPR. Potential fines and penalties in the event of a violation of the GDPR could have a material adverse effect on our business and operations. In addition, similar data protection regulations addressing access, use, disclosure and transfer of personal data have been enacted or updated in regions where we do business, including in Asia, Latin America, and Europe. We expect to make changes to our business practices and to incur additional costs associated with compliance with these evolving and complex regulations. In addition to data protection laws and regulations, government agencies are considering (or are adopting) other laws, regulations and guidelines that impact the processing of personal information. For example, the evolving landscape surrounding the use of AI and online advertising may lead to additional compliance costs and could increase our overall risk. **Our employees and personnel may use generative AI technologies to perform their work, and the disclosure and use of personal data in generative AI technologies is subject to various privacy laws and other privacy obligations.**

Governments have passed and are likely to pass additional laws regulating generative AI. Our use of this technology could result in additional compliance costs, regulatory investigations and actions, and lawsuits. If we are unable to use generative AI, it could make our business less efficient and result in competitive disadvantages. Failure to comply with federal, state, and foreign laws and regulations, including healthcare fraud and abuse laws, anti-corruption laws and regulations, trade sanction laws and regulations, and privacy and security laws and regulations, could result in substantial penalties and our business, financial condition, results of operations, cash flows, and prospects could be adversely affected. Even though we do not and will not order healthcare services or bill directly to Medicare, Medicaid, or other third-party payers, certain federal, state, and foreign healthcare laws and regulations pertaining to healthcare fraud and abuse, including anti-kickback and anti-inducement laws related to the furnishing of healthcare items and services, are and will be applicable to our business. Such laws also include “~~sunshine~~ **Sunshine Act**” legislation in various jurisdictions that require us to track and report on payments and other transfers of value to certain healthcare professionals, providers and institutions. Because of the breadth of these laws and the narrowness of available statutory and regulatory exceptions, it is possible that some of our business activities could be subject to challenge under one or more of such laws. If we or our operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including civil and criminal penalties, damages, fines, imprisonment of employees or others acting on our behalf, and the curtailment or restructuring of our operations, any of which could materially adversely affect our ability to operate our business, our financial results, and our reputation. International operations may increase our exposure to liabilities under the anti-corruption laws. Anti-corruption laws in the countries where we conduct business, including the U. S. Foreign Corrupt Practices Act (~~), or the “~~FCPA”), U. K. Bribery Act 2010 (~~), or the “~~Bribery Act”), and similar laws in other jurisdictions, prohibit companies and their intermediaries from engaging in bribery including improperly offering, promising, paying or authorizing the giving of anything of value to individuals or entities for the purpose of corruptly obtaining or retaining business. We operate in some parts of the world where corruption may be common and where anti-corruption laws may conflict to some degree with local customs and practices. We maintain an anti-corruption program including policies, procedures, training and safeguards in the engagement and management of third parties acting on our behalf. Moreover, we continue to evolve business processes, as regulations and business opportunities require, so that compliance risks are appropriately measured, mitigated, and effectively managed in alignment with appropriate risk tolerances. Despite these safeguards, we cannot guarantee protection from corrupt acts committed by employees or third parties associated with us. Violations or allegations of violations of anti-corruption laws could have a significant adverse effect on our business or results of operations. A failure to identify and successfully close and integrate strategic acquisition targets or close other strategic transactions could have a material adverse effect on our business objectives and our revenues and profitability. Part of our strategy involves deploying capital to investments that enhance our business, which includes pursuing strategic acquisitions to strengthen our scientific capabilities and enhance therapeutic expertise, enhance global drug development capabilities, and increase presence in key geographic areas, or to enter into and consummate other strategic transactions, such as joint ventures, collaborations or divestitures. However, we may not be able to identify acquisition targets **or other strategic arrangements** that are attractive to us or that will have a meaningful impact on our operating results or to conduct other strategic transactions on terms that are acceptable to Fortrea, or at all. Furthermore, the successful closing and integration of a strategic acquisition entails numerous risks, including, among others: • failure to obtain regulatory clearance, including due to antitrust concerns; • loss of key customers or employees; • difficulty in consolidating redundant facilities and infrastructure and in standardizing information and other systems; • unidentified regulatory problems; • failure to maintain the quality of services that such companies have historically provided; • unanticipated costs and other liabilities; • potential liabilities related to litigation including the acquired companies; • potential periodic impairment of goodwill and intangible assets acquired; • coordination of geographically separated facilities and workforces; and • the potential disruption of the ongoing business and diversion of management's resources. Current or future acquisitions **or other strategic transactions**, if any, or any related integration efforts may not be successful, and we cannot provide assurance that our business will not be adversely affected by any future ~~acquisitions~~ **strategic transactions**, including with respect to revenues and profitability. Similarly, any potential gains from ~~other~~ strategic transactions, such as cost savings or other operational efficiencies may also not be realized. Even if we are able to successfully integrate the operations of businesses that we may acquire in the future, we may not be able to realize the benefits that we expect from such acquisitions. We are subject to a number of risks associated with the sale of certain assets relating to our Enabling Services segment, and these risks could adversely impact our operations, financial condition and business. On March 9, 2024, we, together with our wholly-owned subsidiary, Fortrea Inc. (“ Seller ”), entered into an Asset Purchase Agreement (the “ Purchase Agreement ”) with Endeavor Buyer, LLC (“ Buyer ”), an affiliate of Arsenal Capital Partners, with respect to the sale of certain assets relating to **a segment of our business we referred to as** our Enabling Services segment, including the sale of equity interests of Fortrea Patient Access Inc. and its subsidiaries and Endpoint Clinical, Inc. and its subsidiaries. **The transaction closed during the second quarter of 2024.** We are subject to a number of risks associated with this transaction, including risks associated with: • the ~~failure to satisfy, on a timely basis or at all, the closing conditions set forth in the Purchase Agreement;~~ • the separation of these ~~the~~ **Enabling Service** businesses from the businesses we ~~retained~~ **are retaining** and the operation of our retained business without these ~~the~~ **Enabling Service** businesses and transitioned employees; • ~~the need to commit substantial resources to or wind down these businesses if the transaction isn't completed;~~ • issues, delays or complications in agreeing upon and completing required transition activities to allow the divested businesses to operate under Buyer after the closing, including incurring unanticipated costs or delays to complete such activities, which could delay or prevent payment of the transition payment called for under the Purchase Agreement; • unfavorable reaction to the sale by customers, competitors, and employees; • potential disruption to and uncertainty in our business and our relationships with our customers; • ~~difficulties in hiring, retaining and motivating key personnel during this process or as a result of uncertainties generated by this process or any developments or~~

actions relating to it; • the diversion of our management's attention away from the operation of the business we are retaining; • the incurrence of significant transaction costs in connection with the transaction, regardless of whether it is completed; • the need to provide transition services in connection with the transaction, which may result in the diversion of resources and focus from our retained businesses and exiting from the transition service agreements with Former Parent; and • our failure to realize the full purchase price anticipated under the Purchase Agreement. As a result of these risks, we may be unable to realize the anticipated benefits of the transaction, including the total amount of cash and operational objectives we expect to realize. Our failure to realize the anticipated benefits of the transaction could adversely impact our operations, financial condition and business. We send, receive and store certain personal and financial information about our customers, suppliers, investigators and employees. Our processes for the protection of this information include the utilization of third- party service providers and vendors as well as secure data transmission and storage. A compromise in our processes or systems, or those processes and systems provided to us by third- party service providers and vendors, could adversely affect our reputation with our customers and others, as well as our results of operations, financial condition and liquidity. Such a compromise could also result in litigation against us and the imposition of fines and penalties. Our operations and success depend on the efficient and uninterrupted operation of our IT systems. Despite measures we have taken to ensure the availability of our IT systems, the potential threat of physical or electronic break- ins, computer viruses or similar disruptions still exists. In addition, we **have established and are continuing to deploy standalone financial, IT and other systems in connection with our exit from the Transition Services Agreement with our Former Parent, which is nearly complete, and** may experience system failures or interruptions **from part of this process, as part well as in connection with transitioning systems and data in connection with the divestiture of the Enabling Services segment or in** integrating ~~the any~~ IT systems ~~of if we complete~~ any recent future acquisitions. Sustained system failures or interruption of our systems in one or more of our operations could disrupt our ability to perform operations. A failure of the network or data- gathering procedures could impede the processing of data, delivery of services and day- to- day management of the business or could result in the corruption or loss of data. While certain operations have appropriate disaster recovery plans in place, there currently are not redundant facilities everywhere in the world to provide IT capacity in the event of a system failure. Despite any precautions we may take, damage from fire, floods, hurricanes, geopolitical events, governmental action, power loss, telecommunications failures, computer viruses, break- ins, cybersecurity breaches and similar events at our various computer facilities could result in interruptions in the flow of data to the servers and from the servers to customers. In addition, any failure by the computer environment to provide required data communications capacity could result in interruptions in service. In the event of a delay in the delivery of data, we could be required to transfer data collection operations to an alternative provider of server- hosting services. Such a transfer could result in delays in the ability to deliver products and services to customers. Additionally, significant delays in the planned delivery of system **deployments,** enhancements or improvements, and inadequate performance of the systems once they are completed could damage our reputation. Failure of our IT systems could adversely affect our business, profitability and financial condition. Security breaches and unauthorized access to our or our customers' data could harm our reputation and adversely affect our business. ~~We~~ **Our information systems are integral to the efficient operation of our business and handle sensitive customer and clinical data, as well as employee records and key financial and operational results and statistics. It is critical that the data processed by these systems remains secure. To that end, we have information security procedures and other safeguards in place which we update in response to threat information from public and private sector sources and public announcements of attempted or successful breaches at other companies. While, like most companies, we** have experienced and expect to continue experiencing attempts by threat actors to attack our environment ~~—We, and we~~ have also been informed of and expect to continue to experience similar attempts to attack and penetrate the systems of third- party suppliers and vendors to whom we have provided data , ~~—While~~ these attempts have not **yet** resulted in any material ~~breaches~~ **losses of data or materially affected our business results. Nonetheless,** such attempts, if successful, could result in the misappropriation or compromise of personal information or proprietary or confidential information stored within our systems or within the systems of third parties, create system disruptions or cause shutdowns. Outside parties may also attempt to fraudulently induce our staff to take actions, including the release of confidential or sensitive information or to make fraudulent payments through illegal electronic spamming, phishing, spear phishing, or other tactics. ~~We have information security procedures~~ **It is difficult to fully protect against the possibility of power loss, telecommunications failures, cyber- attacks, ransomware and other safeguards cyber incidents in every potential circumstance** place, which we update in response to threat ~~— that may arise~~ information from public and private sector sources and public announcements of attempted or successful breaches at other companies. However, because **Because** the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate all of these techniques or to implement adequate preventive measures. In addition, as cyber threats continue to evolve, we may be required to expend additional resources to continue to enhance our information security measures or to investigate and remediate any information security vulnerabilities. Our remediation efforts may not be successful and could result in interruptions, delays or cessation of service. This could also impact the cost and availability of cyber insurance to us , **or such cyber insurance may not sufficiently cover all types of losses or claims that may arise**. Breaches of our or third parties' security measures and the unauthorized dissemination of personal, proprietary or confidential information about us or our customers or other third parties could expose customers' private information. Such breaches could expose customers to the risk of financial harm or identity theft or expose us or other third parties to a risk of loss or misuse of this information, result in litigation and potential liability for us, damage our brand and reputation or otherwise harm our business. Any of these disruptions or breaches of security could have a material adverse effect on our business, regulatory compliance, financial condition and results of operations . **We use internally developed and licensed technology systems to manage various aspects of clinical trials and failures of these systems, including errors in design, programming or validation, could**

adversely affect our business. We develop, maintain and license software as a service and application solutions alongside licensed technology systems to implement and manage various aspects of clinical trials. These systems are used in clinical trial randomization, investigational product supply management, DCT execution and other clinical trial functions. These systems often involve integrations with third party systems. Incorrect design, programming or validation of these systems could lead to substantial data integrity or patient safety issues potentially resulting in the invalidation of the clinical trial and / or claims against us and could otherwise adversely affect our financial results. Failure to keep pace with rapid technological changes could make our services less competitive or obsolete. The biopharmaceutical industry generally, and the drug development services industry more specifically, is subject to increasingly rapid technological changes. Our customers, competitors and other businesses might acquire or develop technologies or services that are more effective or commercially attractive than our current or future technologies or services or that render our technologies or services less competitive or potentially obsolete. If competitors acquire or introduce superior technologies or services and we cannot procure or develop these technologies or services or enhance ours in a timely manner to remain competitive, our competitive position, and in turn our business, results of operations, financial condition and / or cash flows may be materially adversely affected. Issues in the development and / or use of AI may result in reputational harm, liability or adversely affect our business, financial condition or results of operations. AI is an emerging technology that is **fundamentally impacting and** expected to **fundamentally further** impact the **support of** clinical research **industry**. ~~We have made investments in various~~ **In 2024, we continued to develop and deploy AI initiatives and will continue machine learning (“ ML ”) technologies that are intended to drive speed, agility, quality and enhanced patient safety in clinical research, and we are exploring ways** to incorporate AI into our offerings when appropriate and beneficial. This AI may be developed by ~~us the Company~~ or others. We expect these elements of our business to ~~grow~~ **increase over time**. AI presents risks and challenges that could affect its adoption, and therefore our business. AI algorithms may be flawed. Datasets may be insufficient or contain biased information. Content generated by AI systems may be offensive, illegal, or otherwise harmful. Ineffective or inadequate AI development or deployment practices by ~~us the Company~~ or others could result in incidents that impair the acceptance of AI solutions or cause harm to individuals or society. These deficiencies and other failures of AI systems could subject us to competitive harm, regulatory action, legal liability, and brand or reputational harm. Some AI scenarios present ethical issues or may have broad impacts on society. ~~New~~ **We have developed policies governing the use of AI to help protect against such harm, but such policies may not be adequate to address all of the foregoing risks. Additionally, new** laws regulating AI may reduce the ability to use AI within our business or reduce the value of our investments in technology. If we enable or offer AI solutions that have unintended consequences or are controversial because of their impact on human rights, privacy, employment, or other social issues, we may experience brand or reputational harm that could adversely affect our business, financial condition or results or operations. Our contracts with our pharmaceutical and medical device customers span a wide range of clinical trial services and solutions. These services are complex and often involve the integration of third parties. Our customer contracts contain numerous requirements and obligate us to perform our services in accordance with applicable laws and regulations, standard operating procedures, and key performance indicators in certain situations. Our agreements with third party service providers establish responsibilities for performance as their customer, including payment, confidentiality, and intellectual property provisions. If we or our third- party service providers fail to perform according to these requirements, as applicable, it could harm our reputation, cause the termination of existing contracts, and impair our ability to win or secure future contracts. Customers or third- party service providers may also bring claims for damages or seek other remedies as a result of our noncompliance. Due to the overall cost of clinical trials, our noncompliance with contractual obligations could result in substantial monetary claims. In addition, our failure to perform, or failure of our third party- service providers to perform, could raise concerns among customers about the quality of services provided and our ability to deliver services, which could harm our reputation and impact our ability to acquire new business or result in termination of existing contracts. Any of these actions could have a material adverse effect on our business, regulatory compliance, financial condition and results of operations, and future prospects. Contract research services in the drug development industry create liability risks. In contracting to work on drug development trials and studies, we face a range of potential liabilities, including: • Errors or omissions that create harm to clinical trial participants during a trial or to consumers of a drug after the trial is completed and regulatory approval of the drug has been granted; • General risks associated with clinical pharmacology facilities and mobile clinical services, including negative consequences from specimen collection and processing, the administration of drugs to clinical trial participants, or the professional malpractice of clinical pharmacology physicians, clinical pharmacology staff or mobile clinical services staff; and • Errors and omissions during a trial or study that may undermine the usefulness of a trial or study, or data from the trial or study or that may delay the entry of a drug to the market. We contract with investigators to conduct, and in our clinical research units we directly conduct, the clinical trials to test new drugs on clinical trial participants. These tests can create a risk of liability for personal injury or death to clinical trial participants resulting from negative reactions to the drugs administered or from professional malpractice by third party investigators or our staff conducting the clinical trials. We also contract with third parties to perform certain other services related to clinical trials and their inability to adequately perform the services in compliance with applicable laws and regulations or the terms of our agreements with them may create additional risk of liability. We assume representative roles, including, but not limited to, European Union Legal Representative for Clinical Trials, U. K. Legal Representative for Clinical Trials, local clinical trial sponsor, and Qualified Person for Pharmacovigilance, in connection with the clinical trials we manage and these roles may create direct risks relating to patient claims, customer claims, or regulatory authority action. While we endeavor to include in our contracts provisions entitling us to be indemnified and entitling us to a limitation of liability, these provisions are not always successfully obtained and, even if obtained, do not uniformly protect us against liability arising from certain of our own actions. We may be sued in the future by individuals alleging personal injury due to their participation in clinical trials and seeking damages from us under a variety of legal theories. Although we maintain the types and amounts of insurance we view as customary in the industries and countries in

which we operate, if we are required to pay damages or incur defense costs in connection with any personal injury claim that is outside the scope of indemnification agreements we have with our clients or if our liability exceeds the amount of any applicable indemnification limits or available insurance coverage, our financial condition, results of operations and reputation could be materially and adversely affected. We maintain professional liability insurance. In the future, we may not be able to get adequate insurance for these types of risks at reasonable rates, and the coverage provided by such insurance may not be adequate for all claims made and such claims may be contested by applicable insurance carriers. We could be materially and adversely affected if we were required to pay damages or bear the costs of defending any claim that is not covered by a contractual indemnification provision, or in the event that a party which must indemnify us does not fulfill its indemnification obligations, or in the event that we are not successful in limiting our liability or in the event that the damages and costs exceed our insurance coverage or are excluded from coverage. We may also be required to agree to contract provisions with clinical trial sites or its customers related to the conduct of clinical trials, and we could be materially and adversely affected if we were required to indemnify a site or customer against claims pursuant to such contract terms. There can be no assurance that we will be able to maintain sufficient insurance coverage on acceptable terms. Adverse results in material litigation matters could have a material adverse effect upon our business. We may become subject in the ordinary course of business to material legal actions related to, among other things, commercial and contract disputes, data and privacy issues, professional liability, employee- related matters, and intellectual property disputes. Legal actions could result in substantial monetary damages as well as damage to our reputation with customers, which could have a material adverse effect upon our business.

From time to time, we have adopted restructuring plans to improve our operating efficiency through various means such as reduction of overcapacity, elimination of non-billable support roles or other realignment of resources. Restructuring presents significant potential risks of events occurring that could adversely affect us, including: • actual or perceived disruption of service or reduction in service standards to clients; • the failure to preserve important relationships and to resolve conflicts that may arise; • loss of sales as we reduce or eliminate staffing on non- core services; • diversion of management attention from ongoing business activities; and • the failure to maintain employee morale and retain key employees. Further, any such restructuring would result in charges that, if material, could have a material adverse effect on our financial condition and our results of operations. In addition, we may incur certain unforeseen costs once any restructuring activities are implemented. Further, if we determine to effect any other restructuring, we can give no assurance that any projected cost reductions resulting from such restructuring activities will be achieved within the expected timeframe, or at all. Because of these and other factors, we cannot predict whether we will realize the purpose and anticipated benefits of these measures and, if we do not, our business and results of operations may be adversely affected. Additionally, there may be delays in implementing the restructuring activities or a failure to achieve the anticipated levels of cost savings and efficiencies as a result of the restructuring activities, each of which could materially and adversely impact our business and results of operations. Further restructuring or reorganization activities may also be required in the future beyond what has been implemented, which could further enhance the risks associated with these activities.

The failure to successfully obtain, maintain and enforce intellectual property rights and defend against challenges to our intellectual property rights could adversely affect us. Many of our services, products and processes rely on intellectual property, including patents, copyrights, trademarks and trade secrets. In some cases, that intellectual property is owned by another party and licensed to us, sometimes exclusively. The value of our intellectual property relies in part on our ability to maintain our proprietary rights to such intellectual property. If we are unable to obtain or maintain the proprietary rights to our intellectual property, if we are unable to prevent attempted infringement against our intellectual property, or if we are unable to defend against claims that we are infringing on another party' s intellectual property, we could be adversely affected. These adverse effects could include us having to abandon, alter and / or delay the deployment of products, services or processes that rely on such intellectual property; having to procure and pay for licenses from the holders of intellectual property rights that we seek to use; and having to pay damages, fines, court costs, and attorney' s fees in connection with intellectual property litigation. Changes in our tax rates, the adoption of new U. S. or international tax legislation, or exposure to additional tax liabilities may adversely impact our financial results. We are subject to taxes in the U. S. and foreign jurisdictions. Our provision for income taxes is based on a jurisdictional mix of earnings, statutory tax rates and enacted tax rules, including transfer pricing. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. As a result, our future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. These changes may adversely impact our effective tax rate and harm our financial position and results of operations. We are subject to examination by the IRS and other domestic and foreign tax authorities and government bodies. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our income tax and other tax reserves. If our reserves are not sufficient to cover these contingencies, such inadequacy could materially adversely affect our business, prospects, financial condition, operating results, and cash flows. Additionally, the Organization for Economic Cooperation and Development has issued certain guidelines regarding base erosion and profit shifting. As these guidelines continue to be formally adopted by separate taxing jurisdictions, they may have an impact on our tax rate and the way in which we operate. We are subject to continuing contingent liabilities as a result of the Spin, including potential indemnification liabilities to Labcorp, and these liabilities could materially and adversely affect our business, financial condition, results of operations, and cash flows. As a result of the Spin, there are several significant areas where the liabilities of Labcorp became our obligations. Our separation and distribution agreement with Labcorp provides for indemnification obligations designed to make us financially responsible for substantially all liabilities that may exist relating to our business, whether incurred prior to or after the Spin, and whether known or unknown at the time of the Spin, as well as those obligations of Labcorp assumed by us pursuant to the separation and distribution agreement. As we are required to indemnify Labcorp under the circumstances set forth in the separation and distribution agreement, or meaningful unknown liabilities

surface, we may be subject to substantial liabilities. In addition, provisions of law may impose certain of Labcorp's liabilities on us. For example, under the Code and the related rules and regulations, each corporation that was a member of the Labcorp consolidated U. S. federal income tax group during a taxable period or portion of a taxable period ending on or before the effective date of the Spin is severally liable for the U. S. federal income tax liability of the Labcorp consolidated U. S. federal income tax group for that taxable period. Consequently, if Labcorp is unable to pay the consolidated U. S. federal income tax liability for a pre- Spin period, we could be required to pay the amount of such tax, which could be substantial and in excess of the amount allocated to us under the tax matters agreement. Similar rules may apply for state, local, and non- U. S. tax purposes. Other provisions of law establish similar liability for other matters, including U. S. federal laws governing tax-qualified pension plans, as well as other contingent liabilities. Labcorp has indemnified us for certain liabilities. However, there can be no assurance that the indemnity will be sufficient to insure us against the full amount of such liabilities, or that Labcorp's ability to satisfy its indemnification obligations will not be impaired in the future. Pursuant to the separation and distribution agreement, Labcorp agreed to indemnify us for certain liabilities. However, third parties could seek to hold us responsible for any of the liabilities that Labcorp has agreed to retain, and there can be no assurance that the indemnity from Labcorp will be sufficient to protect us against the full amount of such liabilities, or that Labcorp will be able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from Labcorp any amounts for which we are held liable, we may be temporarily required to bear these losses ourselves. If Labcorp is unable to satisfy its indemnification obligations, the underlying liabilities could have a material adverse effect on our business, financial condition, results of operations, and cash flows. In addition, Labcorp's insurers may deny coverage to us for liabilities associated with occurrences prior to the Spin. Even if we ultimately succeed in recovering from such insurance providers, we may be required to temporarily bear such loss of coverage. We bear financial risk for contracts that, including for reasons beyond our control, may be underpriced, subject to cost overruns, delayed, or terminated or reduced in scope. We have many contracts that provide for services on a fixed- price or fee- for- service with a cap basis and they may be terminated or reduced in scope either immediately or upon notice. Cancellations may occur for a variety of reasons, including: • failure of products to satisfy safety requirements; • unexpected or undesired results of the products; • insufficient clinical trial subject enrollment; • insufficient investigator recruitment; • a customer's decision to terminate the development of a product or to end a particular study; and • our failure to perform our duties properly under the contract. We bear the financial risk if these contracts are underpriced or if contract costs exceed estimates. Such underpricing or significant cost overruns could have an adverse effect on our business, results of operations, financial condition and cash flows. Although our contracts often entitle us to receive the costs of winding down the terminated projects, as well as all fees earned up to the time of termination, the loss, reduction in scope or delay of a large contract or the loss, delay or conclusion of multiple contracts could materially adversely affect us. ~~A significant increase in our days sales outstanding could have an adverse effect on our business, including our cash flow, by increasing our bad debt or decreasing our cash flow. A significant increase in our days sales outstanding level from delays in billing or collection could have an adverse effect on our business, including potentially increasing our bad debt rate and decreasing our cash flows.~~ Our revenues depend on the pharmaceutical, biotechnology and medical device industries. Our revenues depend greatly on the expenditures made by the pharmaceutical, biotechnology and medical device industries in R & D. In some instances, these companies are reliant on their ability to raise capital in order to fund their R & D projects. These companies are also reliant on reimbursement for their products from government programs and commercial payers. Accordingly, economic factors and industry trends affecting our customers in these industries may also affect us. If these companies were to reduce the number of R & D projects they conduct or outsource, whether through the inability to raise capital, reductions in reimbursement from governmental programs or commercial payers, industry trends, economic conditions or otherwise, we could be materially adversely affected. Foreign currency fluctuations could have an adverse effect on our business and our planned use of financial instruments to limit our exposure to currency fluctuations could expose us to risks and financial losses that may adversely affect our financial condition, liquidity and results of operations. We have business and operations outside the U. S. , and derive a significant portion of our revenues from international operations. Since our consolidated and combined financial statements are denominated in U. S. dollars, fluctuations in exchange rates from period to period will have an impact on reported results. In addition, we may incur costs in one currency related to our services or products for which we are paid in a different currency. To reduce our exposure to currency exchange fluctuations, we may from time to time enter into , for these or other purposes, financial swaps, or hedging arrangements, with various financial counterparties. In addition to any risks related to the counterparties, there can be no assurances that our hedging activity will be effective in insulating us from the risks associated with the underlying transactions, that we would not have been better off without entering into these hedges, or that we will not have to pay additional amounts upon settlement. As a result, factors associated with international operations, including changes in foreign currency exchange rates and our hedging activities, could significantly affect our results of operations, financial condition and cash flows. Our quarterly operating results may vary. ~~Our operating results may vary significantly from quarter to quarter and are influenced by a variety of factors, such as: • changes in the general global economy; • exchange rate fluctuations; • the commencement, completion, delay or cancellation of large projects or contracts or groups of projects; • the progress of ongoing projects; • timing of contract amendments for changes in scope that could affect the value of a contract and potentially impact the amount of net new business and revenue from quarter to quarter; • the timing of and charges associated with completed acquisitions or other events; and • changes in the utilization mix of our services. We believe that operating results for any particular quarter are not necessarily a meaningful indication of future results. While fluctuations in our quarterly operating results could negatively or positively affect the market price of our common stock, these fluctuations may not be related to our future overall operating performance.~~ Our debt and debt covenant requirements may limit cash flow available to invest in the ongoing needs of our business. We have an aggregate principal amount of indebtedness of approximately \$ 1, 624- 142. 70 million, which consists of borrowings under senior secured term loan facilities and senior secured notes. We also have borrowing capacity in the form of a

\$ 450.0 million senior secured revolving credit facility, from which we have borrowed and repaid \$ 164,826.05 million during the year ended December 31, 2023-2024, and an accounts receivable purchase securitization program, or ARPP, from which \$ 17,300.5 million of receivables were sold with for net proceeds of \$ 17,297.39 million during the year ended December 31, 2023-2024. Under this program, Fortrea Inc. conveys receivable balances to a wholly-owned, bankruptcy-remote special purpose entity (“SPE”), who in turn may sell receivables to a third-party financial institution in exchange for cash. The Company entered into this three-year, ARPP establishes a receivables purchase facility that provides for up to approximately \$ 80,300.0 million program in funding based on May 6, 2024 the availability of certain eligible receivables and the satisfaction of certain conditions. Our level of debt could have important consequences. For example, it could: • require us to dedicate a substantial portion of our cash flow from operations to the payment of debt service, reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions, and other general corporate purposes; • increase our vulnerability to adverse economic or industry conditions; • limit our ability to access debt markets and obtain additional financing in the future to enable us to react to changes in our business; or • place us at a competitive disadvantage compared to businesses in our industry that have less debt. As a result of the debt we have incurred, it may be difficult for the Company to incur additional debt should the business require it. This will increase the riskiness of our business and of an investment in our common stock. Any failure to meet required payments on our debt, or failure to comply with any covenants in the instruments governing our debt, could result in an event of default under the terms of those instruments and a downgrade to our credit ratings. A downgrade in our credit ratings could increase our borrowing costs for incremental debt. In the event of a default, the holders of our debt could elect to declare all the amounts outstanding under such instruments to be due and payable. Any default under the agreements governing our debt and the remedies sought by the holders of such debt could render us unable to pay principal and interest on our debt. We may not be able to access the capital and credit markets on terms that are favorable to us, or at all. The capital and credit markets may experience extreme volatility or disruptions that may lead to uncertainty and liquidity issues for both borrowers and investors. As noted above, we have incurred indebtedness as of December 31, 2023-2024, in an aggregate principal amount of approximately \$ 1,624,142.70 million, which consists of borrowings under senior secured term loan facilities and senior secured notes. We also have available \$ 348,450.40 million under a senior secured revolving credit facility as of the year ended December 31, 2023-2024. In the event of adverse capital and credit market conditions, we may be unable to obtain capital market financing on favorable terms, or at all, and changes in credit ratings issued by nationally recognized credit-rating agencies could adversely affect our ability to obtain capital market financing and the cost of such financing. Any of these risks could have a material adverse effect on our business, results of operations, financial condition and cash flows. **As a result of our failure to timely file a periodic report with the SEC in 2024, we are not eligible to use a Form S-3 registration statement. Our eligibility to use a Form S-3 registration statement may not be restored until June 1, 2025, and then only if we have not had any other filing delinquency that would preclude Form S-3 eligibility and satisfy all other requirements for Form S-3 eligibility. During any period when we are not eligible to use Form S-3, our capital raising ability may be impaired. Under these circumstances, we will be required to use a registration statement on Form S-1 to register securities with the SEC, which could hinder our ability to act quickly in raising capital to take advantage of market conditions and may increase our cost of raising capital. Further, the expenses associated with raising capital using Form S-1 are generally greater than those associated with using Form S-3.** We depend on a variety of U. S. and international financial institutions to provide us with banking services. The default or failure of one or more of the financial institutions that we rely on may adversely affect our business and financial condition. We maintain the majority of our cash and cash equivalents in accounts with major U. S. and international financial institutions, and our deposits at certain of these institutions exceed insured limits. Market conditions can impact the viability of these institutions. In the event of failure of any of the financial institutions where we maintain our cash and cash equivalents, there can be no assurance that we would be able to access uninsured funds in a timely manner or at all. Additionally, bank payment processes could become unavailable which could temporarily impact our ability to conduct business with suppliers and pay our employees on a timely basis. Any inability to access or delay in accessing these funds could adversely affect our business and financial condition. Our historical combined financial information is not necessarily indicative of our future financial condition, results of operations, or cash flows nor does it reflect what our financial condition, results of operations, or cash flows would have been as an independent public company during the periods presented. The historical combined financial information we have included in this annual report does not necessarily reflect what our financial condition, results of operations, or cash flows would have been as an independent public company during the periods presented and is not necessarily indicative of our future financial condition, future results of operations, or future cash flows. This is primarily a result of the following factors: • our historical combined financial results reflect allocations of expenses for services historically provided by Labcorp, and may not fully reflect the increased costs associated with being an independent public company, including significant changes to our cost structure, management, financing arrangements, and business operations as a result of our Spin from Labcorp; • our working capital and capital expenditure requirements historically have been satisfied as part of Labcorp’s corporate-wide capital access, capital allocation, and cash management programs; our debt structure and cost of debt and other capital may be significantly different from that reflected in our historical combined financial statements; and • the historical combined financial information may not fully reflect the effects of certain liabilities that have been incurred or assumed by us and may not fully reflect the effects of the assets that have been transferred to, and liabilities that have been assumed by Labcorp. General or macro-economic factors in the U. S. and globally may have a material adverse effect upon us, and a significant deterioration in the economy could negatively impact our services, cash collections, profitability and the availability and cost of credit. Our operations are dependent upon ongoing demand for our services by pharmaceutical, biotechnology and medical device companies and others. A significant downturn in the economy could negatively impact the demand for our services, as well as the ability of customers to pay for services rendered. In addition, uncertainty in the credit markets could

reduce the availability of credit and impact our ability to meet our financing needs in the future. Any ~~further~~ deterioration in the macro- economic economy or financial services industry could lead to losses or defaults by our partners or vendors, which in turn, could have a material adverse effect on our current and / or projected business operations and results of operations and financial condition. For example, a partner may fail to make payments when due, default under their agreements with us, become insolvent or declare bankruptcy, or a vendor may determine that it will no longer deal with us as a customer. In addition, a partner or vendor could be adversely affected by any of the liquidity or other risks that are described above as factors that could result in material adverse impacts on us, including but not limited to delayed access or loss of access to uninsured deposits or loss of the ability to draw on existing credit facilities involving a troubled or failed financial institution. Any partner or vendor bankruptcy or insolvency, or the failure of any partner to make payments when due, or any breach or default by a partner or vendor, or the loss of any significant vendor relationships, could result in material losses to us and may have a material adverse impact on our business. Unfavorable labor environments, work stoppages, works council negotiations, or failure to comply with labor or employment laws could adversely affect our operations and have a material adverse effect on our business. We are subject to employment and labor laws and unionization activity in the U. S. Similar employment and labor obligations exist across other countries in which we conduct business, including appropriate engagement with unions, works councils, and other employee representative bodies. Disputes with regard to the terms of labor agreements or obligations for consultation, potential inability to negotiate acceptable contracts with these unions, unionization activity, or a failure to comply with labor or employment laws could result in, among other things, labor unrest, strikes, work stoppages, slowdowns by the affected workers, fines and penalties. If any of these events were to occur, or other employees were to become unionized, we could experience a significant disruption of our operations or higher ongoing labor costs, either of which could have a material adverse effect on our business. Additionally, future labor agreements, or renegotiation of labor agreements or provisions of labor agreements, or changes in labor or employment laws, could compromise our service reliability and significantly increase our costs, which could have a material adverse effect on our business. Also, we may incur substantial additional costs and become subject to litigation and enforcement actions if we fail to comply with legal requirements affecting our workforce and labor practices, including laws and regulations related to wage and hour practices, Office of Federal Contract Compliance Programs compliance, and unlawful workplace harassment and discrimination. Failure to establish and maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes- Oxley Act could materially and adversely affect us. As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes- Oxley Act, and the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010 and are required to prepare our financial statements according to the rules and regulations required by the SEC. In addition, the Exchange Act requires that we file annual, quarterly, and current reports. Our failure to prepare and disclose this information in a timely manner or to otherwise comply with applicable law could subject us to penalties under federal securities laws, expose us to lawsuits, and restrict our ability to access financing. In addition, the Sarbanes- Oxley Act requires that, among other things, we establish and maintain effective internal controls and procedures for financial reporting and disclosure purposes. Beginning with ~~this our second required~~ Annual Report on Form 10- K, ~~which will be filed in 2025, we intend to comply with~~ the applicable sections of Section 404 of the Sarbanes- Oxley Act ~~, which will~~ require annual management assessments of the effectiveness of our internal control over financial reporting and a report by our independent registered public accounting firm on the effectiveness of internal control over financial reporting. Internal control over financial reporting is complex and may be revised over time to adapt to changes in our business, or changes in applicable accounting rules. We cannot provide assurance that our internal control over financial reporting will be effective in the future or that a material weakness will not be discovered with respect to a prior period for which we had previously believed that internal controls were effective ~~. If, and in the past (as discussed in Item 9A to this Annual Report on Form 10- K), we are not able to maintain~~ **have identified material weaknesses in or our document effective internal controls, which have since been remediated. We cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to avoid potential future material weaknesses and the existence of future material weaknesses in our** internal control over financial reporting ~~, our independent registered public accounting firm will not be able to certify as to the effectiveness of our internal control over financial reporting. Matters affecting our internal controls may cause us to be unable to report our financial information on a timely basis, or may cause us to restate previously issued financial information, and thereby subject us to adverse regulatory consequences, including sanctions or investigations by the SEC, or violations of applicable stock exchange listing rules. There could~~ **have** also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements is also likely to suffer if we or our independent registered public accounting firm reports a material weakness in our internal control over financial reporting. This could have a material and adverse effect on **our business** us by, for- **or** example, leading to a decline in our **reputation** share price and impairing our ability to raise additional capital. Operations may be disrupted and adversely impacted by the effects of adverse weather, other natural disasters, geopolitical events, public health crises, and other events outside of our control. Natural disasters, such as adverse weather, fires, floods and earthquakes; power shortages and outages; geopolitical events, such as terrorism, war, political instability, political unrest, including the current conflicts in Ukraine and the Middle East or other conflicts; criminal activities; public health crises; and other disruptions or events outside of our control or the escalation or expansion of any of the same, could delay or disrupt our ability to conduct clinical trials or other business, endanger our personnel, **damage our facilities** or cause other project delays or loss of clinical trial materials or results. Long- term disruptions in the infrastructure and operations caused by such events (particularly involving locations in which we have operations ~~), which could would harm our operating results. Damage or disruption to our facilities could adversely affect our business. Many of our facilities could be difficult to replace in a short period of time). Any event that causes a disruption of the operation of these facilities might impact our ability to provide services to customers and, therefore,~~ could have a material adverse effect on our financial condition, results of operations, and cash flows. Our increasing focus on

environmental, social, governance, and other sustainability matters could increase our costs, and inaction could harm our reputation and adversely impact our financial results. There has been increasing public focus by investors, customers, environmental and social activists, the media and governmental and nongovernmental organizations on a variety of environmental, social, governance, and other sustainability matters. As an organization, we understand the importance of our role in lessening our environmental footprint and supporting positive societal impact. In light of the importance of this to our culture, as well as internal and external stakeholders, if we are not effective in addressing environmental, social, governance, and other sustainability matters affecting our business, or setting and meeting relevant sustainability goals, our reputation and financial results may suffer. We may experience increased costs in order to execute upon our sustainability goals and measure achievement of those goals, which could have an adverse impact on our business and financial condition. In addition, this emphasis on environmental, social, governance, and other sustainability matters has resulted and may result in the adoption of new laws and regulations, including new reporting requirements. Compliance with future legislation could impose additional requirements on us that may be costly. If we fail to comply with new and existing laws, regulations, or reporting requirements, our reputation and business could be adversely impacted. Risks Relating to Ownership of Our Common Stock

~~We have limited history operating as an independent public company. We will incur additional expenses to create or supplement the corporate infrastructure necessary to operate as an independent public company and we have and will experience increased ongoing costs in connection with being an independent public company. Our business has historically used Labeorp's corporate infrastructure and services to support our business functions. A portion of the expenses related to establishing and maintaining this infrastructure has been charged to us on a cost-allocation basis in connection with the Spin. Except for certain services under the transition services agreement, since the distribution date we no longer have access to Labeorp's infrastructure or services and we have had to and are continuing to establish or supplement our own. We may experience increased pricing in our supplier relationships for similar services due to lower volume requirements because we are separate from Labeorp. The operational, financial, information system, and logistical separation from Labeorp is complex and involves numerous systems and jurisdictions. Following the Spin, Labeorp continues to provide some services to us on a transitional basis pursuant to a transition services agreement. We have expended and will need to expend significant efforts and costs to (i) replace or otherwise upgrade our systems, including our IT and enterprise resource planning systems, (ii) implement additional financial, IT, and management controls, (iii) implement reporting systems and procedures, (iv) hire additional management, IT, accounting, finance, legal, human resources, and other administrative staff and third-party service providers, (v) establish employee benefit programs, (vi) support our board of directors and corporate governance programs, (vii) carry out audit, tax and legal functions, and (viii) establish banking and credit facility arrangements. Any interruption in these services could have a material adverse effect on our business, financial condition, results of operations, and cash flows. In addition, at the end of this transition period, to the extent we are unable to perform particular functions ourselves, we will need to hire third parties to perform these functions on our behalf. The market price and trading volume of our common stock may be volatile and investors may not be able to resell~~ **lose all or part of** their shares of **investments in** Fortrea common stock. **We cannot predict the prices at which shares** or above the initial market price of our common stock **may trade** following the spin. The market price of Fortrea common stock could fluctuate significantly due to a number of factors, many of which are beyond our control, including: • **fluctuations in our quarterly or annual earnings results or those of other companies in our industry**; • **the financial projections we may provide to the public, any changes in those projections, or our failure to meet those projections**; • failures of our results of operations to meet the estimates of securities analysts or the expectations of our stockholders, or changes by securities analysts in their estimates of our future earnings; • announcements by us or our customers, suppliers, or competitors; • changes in laws or regulations which adversely affect our industry or us; • general economic, industry, and stock market conditions; • future sales of our common stock by our stockholders; • future issuances of our common stock by us; • our ability or willingness to pay dividends in the future; and • the other factors described in these "Risk Factors" and other parts of this Annual Report on Form 10-K. Anti-takeover provisions in our charter documents and Delaware law could discourage, delay, or prevent a change in control over us and may affect the trading price of our common stock. Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws include a number of provisions that may discourage, delay, or prevent a change in our management or control over us that stockholders may consider favorable. For example, our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws: • authorize the issuance of "blank check" preferred stock that could be issued by our board of directors to thwart a takeover attempt; • until the annual meeting of stockholders to be held in 2028, provide for the division of our board of directors into three classes serving staggered three-year terms, with one class being elected each year, which may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us because it generally makes it more difficult for stockholders to replace a majority of our board of directors; • not permit cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates; • provide that vacancies on our board of directors, including newly-created directorships, may be filled only by a majority vote of directors then in office; • prohibit stockholders from nominating director candidates for inclusion in proxy material; • prohibit stockholders from calling special meetings of stockholders; • prohibit stockholder action by written consent, thereby requiring all actions to be taken at a meeting of the stockholders; • establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and • until the annual meeting of stockholders to be held in 2028, require the approval of holders of at least seventy-five percent (75%) of the outstanding shares of our common stock, voting together as a single class, to amend certain provisions of our Amended and Restated Bylaws and certain provisions of our Amended and Restated Certificate of Incorporation. 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 Bylaws 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. Investors' percentage of ownership of us may be diluted in the future. An investor's percentage ownership of Fortrea common stock may be diluted because of **future** equity issuances for acquisitions, capital market transactions or otherwise, including any equity awards that we will grant to our directors, officers and employees. Our employees have stock-based awards that correspond to shares of Fortrea common stock. Such awards will have a dilutive effect on our earnings per share, which could adversely affect the market price of Fortrea common stock. From time to time, we will issue additional stock-based awards to our employees under our employee benefits plans. We ~~have~~ ~~may determine to not~~ **paid any dividends on our common stock and we do not have any current plans to** pay dividends ~~on our common stock and~~, consequently, investors' ability to achieve a return on an investment in Fortrea common stock will depend on appreciation in the price of our common stock. We do not currently ~~expect to declare or~~ pay dividends on our common stock ~~for~~ **and we do not plan to pay any dividends in** the foreseeable future. In the absence of a dividend, the success of an investment in shares of our common stock ~~would depend~~ **depends** upon any future appreciation in their value. There is no guarantee that shares of our common stock will appreciate in value. Securities or industry analysts may not publish favorable research about our business, ~~and~~ our stock price and trading volume could decline. The trading market for our common stock ~~will depend~~ **depends** in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of these securities analysts downgrades our stock or publishes unfavorable research about our business, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our common stock could decrease, which could cause our common stock price or trading volume to decline. **44 Actions of activist stockholders could impact the pursuit of our business strategies, cause us to incur substantial costs, divert our management's attention and resources, and adversely affect our business, results of operations, liquidity, financial condition, and the trading price of our common stock. While we value constructive input from investors and regularly engage in dialogue with our stockholders, and we welcome their views and opinions regarding strategy and performance, we may be subject to actions or proposals from activist stockholders that may not align with our business strategies or the interests of our other stockholders, and our board and our management are committed to acting in the best interests of all of our stockholders. Accordingly, there is no assurance that the actions taken by our Board of Directors and our management in seeking to maintain constructive engagement with certain stockholders will be successful in preventing the occurrence of stockholder activist campaigns. We have been subject to stockholder activism and may be subject to such activism in the future, which could result in substantial costs and divert management's and our board's attention and resources from our business. For example, we entered into a Cooperation Agreement, dated February 21, 2025 (the "Cooperation Agreement"), with Starboard Value LP ("Starboard"), an activist investor, and certain of its affiliates, regarding certain changes to the composition of our board, including the appointment of an independent director, Erin Russell, and an option for Starboard to appoint an additional Starboard employee to our board, subject to the terms and conditions set out in the Cooperation Agreement. Responding to actions by activist stockholders, such as potential nominations of candidates for election to our board of directors or other special requests may disrupt our business and divert the attention of management and employees. In addition, any perceived uncertainties as to our future direction resulting from such a situation could result in the loss of potential business opportunities, be exploited by our competitors, cause concern to our current or potential customers and make it more difficult to attract and retain qualified personnel and business partners, any of which could negatively impact our business. Stockholder activism could result in substantial costs. In addition, actions of activist stockholders may cause significant fluctuations in our stock price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals of our business.**