Risk Factors Comparison 2025-02-11 to 2024-02-13 Form: 10-K

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Investing in our common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below, together with the other information included in this report. The occurrence of any of the following risks may materially and adversely affect our business, financial condition, results of operations and future prospects. In these circumstances, the market price of our common stock could decline. Other events that we do not currently anticipate or that we currently deem immaterial may also affect our business, prospects, financial condition and results of operations. Risk Factor Summary The following summarizes the most material risks that make an investment in our common stock risky. Business and Economic Risks • The potential loss, delay or non- renewal of our contracts, or the non- payment by our customers for services that we have performed, could adversely affect our results.- 11- • Our backlog may not convert to net revenue at our historical conversion rates. • Our operating results have historically fluctuated between fiscal quarters and years and may continue to fluctuate in the future, which may adversely affect the market price of our stock. • Our operating margins could decrease due to increased pricing pressure or other pressures, if we are unable to either achieve efficiencies in our operating expenses or grow revenues at a rate faster than expenses. • Our customer or therapeutic area concentration may have a material adverse effect on our business, financial condition, results of operations or cash flows. • We bear financial risk if we underprice our fixed- fee contracts or overrun cost estimates, and our financial results can also be adversely affected by failure to receive approval for change orders or delays in documenting change orders. • Our business and operations may be impacted in the future by epidemics, pandemics or widespread public health crisis. • If we are unable to successfully execute our growth strategies or manage our growth effectively, our results of operations or financial condition could be adversely affected. • If we are unable to recruit suitable investigators and enroll patients for our customers' clinical trials, our clinical development business may suffer. • The failure of third parties to provide us critical support services could materially adversely affect our business, financial condition, results of operations, cash flows or reputation. • Current or potential future investments by the Company in our customers' businesses or products could have a negative impact on our financial results. • Continued evolution and use of machine learning and generative artificial intelligence (" AI"), including risks arising from insufficient human oversight of AI or a lack of controls and procedures monitoring the use of AI in day- to- day operations as well as from potential future competitive disadvantages related to a lack of investment in AI tools, could have a negative impact on our financial results. Technical and Cybersecurity Risks • Our business depends on the continued effectiveness and availability of our information systems, including the information systems we use to provide our services to our customers, such as ClinTrak, and failures of these systems may materially limit our operations. • If the security of confidential information used in connection with our services is breached or otherwise subject to unauthorized access, our reputation and business may be materially harmed. International Risks • Our business is subject to international economic, political and other risks that could negatively affect our results of operations and financial condition. • Due to the global nature of our business, we may be exposed to liabilities under the Foreign Corrupt Practices Act and various other anti- corruption laws, and any allegation or determination that we violated these laws could have a material adverse effect on our business. Industry Risks • Outsourcing trends in the biopharmaceutical industry and changes in aggregate expenditures and R & D budgets could adversely affect our operating results and growth rate. • We may be affected by healthcare reform and potential additional regulatory reforms, which may adversely impact the biopharmaceutical industry or otherwise reduce the need for our services or negatively impact our profitability. • Consolidation in the biopharmaceutical industry could lead to a reduction in our revenues. • The biopharmaceutical industry has a history of patent and other intellectual property litigation, and we might be involved in costly intellectual property lawsuits. • If we do not keep pace with rapid technological changes, **including AI,** our services may become less competitive or obsolete. • Circumstances beyond our control could cause the CRO industry to suffer reputational or other harm that could result in an industry- wide reduction in demand for CRO services, which could harm our business. Other Legal, Regulatory, Insurance and Tax Risks • If we fail to perform our services in accordance with contractual requirements, government regulations and ethical considerations, we could be subject to significant costs or liability and our reputation could be adversely affected.- 12- • Some of our services involve direct interaction with clinical trial patients and operation of a Phase I clinical facility, which could create potential liability that may adversely affect our results of operations and financial condition. • Our clinical development services could subject us to potential liability that may adversely affect our results of operations and financial condition. • Our operations involve the use and disposal of hazardous substances and waste which can give rise to liability that could adversely impact our financial condition. • We act as legal representative and / or data representative for some clients. • Our insurance may not cover all of our indemnification obligations and other liabilities associated with our operations. • Our effective income tax rate may fluctuate, which may adversely affect our operations, earnings and earnings per share. • If we fail to comply with federal, state and foreign healthcare laws, including fraud and abuse laws, we could face substantial penalties and our business, results of operations, financial condition and prospects could be adversely affected. • Laws and regulations regarding the protection of personal data could result in increased risks of liability or increased cost to us or could limit our service offerings. • Our business could be harmed from the loss or suspension of a license or imposition of a fine or penalties under, or future changes in, or interpretations of, the law or regulations of the Clinical Laboratory Improvement Act of 1967, and the Clinical Laboratory Improvement Amendments of 1988 (CLIA), or those of other national, state or local agencies in the U. S. and other countries where we operate laboratories. • Environmental, Social and Governance initiatives could increase our costs, and inaction could harm our reputation and adversely impact our financial results. Structural and Organizational Risks • Our Chief Executive Officer and founder controls a

substantial amount of our outstanding common stock and his interests may be different from or conflict with those of our other shareholders. • We are party to transactions with related persons that may increase the risk of allegations of conflicts of interest, and such allegations may impair our ability to realize the benefits we expect from these transactions. General Risks • If we lose the services of key personnel or are unable to recruit experienced personnel, our business could be adversely affected. • Our operations might be affected by the occurrence of a natural disaster or other catastrophic event. We experience termination, cancellation and non- renewals 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. The time between when a clinical trial is awarded and when it goes to contract is typically several months, and prior to a new business award going to contract, our customers can cancel the award without notice. Moreover, once an award goes to contract, most of our customers for clinical trial services can terminate our contracts without cause upon 30 days' notice. Our customers may delay, terminate or reduce the scope of our contracts for a variety of reasons beyond our control, including, but not limited to: • decisions to forego or terminate a particular clinical trial; • lack of available financing, budgetary limits or changing priorities; • actions by regulatory authorities; • changes in law; • production problems resulting in shortages of the drug being tested; • failure of the drug being tested to satisfy safety requirements or efficacy criteria; • unexpected or undesired clinical results; • insufficient investigator recruitment or patient enrollment in a trial;- 13- • decisions to downsize product development portfolios due to general economic conditions, market conditions or otherwise; • dissatisfaction with our performance, including the quality of data provided and our ability to meet agreed upon schedules; • shift of business to another CRO or internal resources; • product withdrawal following market launch; or • shut down of our customers' manufacturing facilities. As a result, contract terminations, delays and modifications are a regular part of our business. In the event of termination, our contracts often provide for payment to us of fees for services provided up to the point of termination and for close- out activities for winding down the clinical trial, and reimbursement of all non- cancellable expenses. These payments may not be sufficient for us to maintain our profit margins or recover our costs, and termination or non- renewal may result in lower resource utilization rates, including with respect to personnel who we are not able to place on another customer engagement. Historically, cancellations and delays have negatively impacted our operating results. Clinical trials can be costly and for the year ended December 31, ~~2023~~ **2024** , ~~78~~ **79** % and ~~18~~ **17** % of our net revenue was derived from small biopharmaceutical companies and mid- sized biopharmaceutical companies, respectively, which may have limited access to capital. In addition, we provide services to our customers before they pay us for some of our services. There is a risk that we may initiate a clinical trial for a customer, and the customer subsequently becomes unwilling or unable to fund the completion of the trial. In such a situation, notwithstanding the customer' s ability or willingness to pay for or otherwise facilitate the completion of the trial, we may be legally or ethically bound to complete or wind down the trial at our own expense. Because the contracts included in our backlog are generally terminable without cause, we do not believe that our backlog as of any date is necessarily a meaningful predictor of future results. In addition, we may not realize the full benefits of our backlog of contractually committed services if our customers cancel, delay or reduce their commitments under our contracts with them. Thus, the loss or delay of a large contract or the loss or delay of multiple contracts could adversely affect our net revenue and profitability. In addition, the terminability of our contracts puts increased pressure on our quality control efforts, since not only can our contracts be terminated by customers as a result of poor performance, but any such termination may also affect our ability to obtain future contracts from the customer involved and others. Backlog represents anticipated future net revenue from net new business awards that have commenced, but have not been completed. Reported backlog will fluctuate based on new business awards, changes in scope to existing contracts, cancellations, revenue recognition on existing contracts and foreign exchange adjustments from non- U. S. dollar denominated backlog. Once work begins on a project, net revenue is recognized over the duration of the project. Projects may be terminated 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 net revenue could be adversely affected. Moreover, in the event that a customer cancels a contract, we often would be entitled to receive payment for services provided up to the point of cancellation and for close- out activities for winding down the clinical trial, and reimbursement of all non- cancellable expenses. Typically, however, we have no contractual right to the full amount of the future net revenue reflected in our backlog in the event of a permitted contract cancellation or subsequent changes in scope that reduce the value of the contract. The duration of the projects included in our backlog, and the related net revenue recognition, generally range from a few months to several years. Our backlog may not be indicative of our future net revenue, and we may not realize all of the anticipated future net revenue reflected in our backlog. A number of factors may affect the realization of our net revenue from backlog, including: • the size, complexity and duration of the projects; • the cancellation or delay of projects; and • changes in the scope of work during the course of a project. Fluctuations in our reported backlog levels also result from the fact that we may receive a small number of relatively large projects in any given reporting period that may be included in our backlog. Because of these large projects, our backlog in that reporting period may reach levels that may not be sustained in subsequent reporting periods. Additionally, although an increase in backlog will generally result in an increase in net revenue over time, an increase in backlog at a particular point in time does not necessarily correspond directly to an increase in net revenue during any particular period, or at all. The extent to which contracts in backlog will result in net revenue depends on many factors, including, but not limited to,- 14- delivery against project schedules, scope changes, contract terminations and the nature, duration and complexity of the contracts, and can vary significantly over time. As we increasingly compete for and enter into large contracts that are more global in nature, there can be no assurance about the rate at which our backlog will convert into net revenue. A decrease in this conversion rate would mean that the rate of net revenue recognized on contracts may be slower than what we have experienced in the past, which could impact our net revenue and results of operations on a quarterly and annual basis. The revenue recognition on larger, more global projects could be slower than on smaller, less global projects for a variety of reasons, including, but not limited to, an extended period of negotiation between 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.

Additionally, delayed projects will remain in backlog and will not generate revenue at the rate originally expected. Thus, the relationship of backlog to realized revenues is indirect and may vary significantly over time. Our operating results have fluctuated in previous quarters and years and may continue to vary significantly from quarter to quarter and year to year and are influenced by a variety of factors, such as: • 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 awards and net revenue from quarter to quarter; • commencement, completion, execution, postponement or termination of large contracts; • contract terms for the billing and recognition of revenue milestones; • progress of ongoing contracts and retention of customers; • timing of and charges associated with completion of acquisitions and other events; • changes in the mix of services delivered, both in terms of geography and type of services; • customer disputes or other issues that may impact the revenue we are able to recognize or the collectability of our related accounts receivable; • exchange rate fluctuations; • adoption of Accounting Standards Updates released by the Financial Accounting Standards Board; and • timing and ability to hire in advance of future projects Our operating results for any particular quarter or year are not necessarily a meaningful indicator of future results and fluctuations in our quarterly or yearly operating results could negatively affect the market price and liquidity of shares of our common stock. Historically, we have been able to generate the operating margins that we do because of our disciplined, full- service operating model. However, we operate in a highly competitive environment, and, if we experience increased levels of competitive pricing pressure, or pricing pressure from the continued rise of inflation, our operating margins may decrease. In addition, we may adapt our operating model to achieve greater levels of growth or in response to investor demands. Such changes could result in lower operating margins. Although we did not have any customer that represented 10 % or more of our net revenue during the year ended December 31, ~~2023~~ **2024** , we derive approximately ~~29~~ **28** . ~~5~~ **9** % of our net revenue from our top ten customers. If any large customer decreases or terminates its relationship with us, our business, financial condition, results of operations or cash flows could be materially adversely affected. Also, consolidation in our actual or potential customer base results in increased competition for important market segments and fewer available customer accounts. Additionally, conducting multiple clinical trials for different sponsors in a single therapeutic class, involving similar drugs, biologics or medical devices, may adversely affect our business if some or all of the trials are terminated because of new scientific information or regulatory decisions that affect the products as a class. Moreover, even if these trials are not terminated, they may compete with each other, thereby limiting our potential revenue going forward.- 15- The majority of our Phase I – IV contracts are fixed- fee contracts. We bear the financial risk if we initially underprice our contracts or otherwise overrun our cost estimates. In addition, contracts with our customers are subject to change orders, which we commonly experience and which occur when the scope of work we perform needs to be modified from that originally contemplated by our contract with the customer. Modifications can occur, for example, when there is a change in a key trial assumption or parameter, a significant change in timing or a change in staffing needs. Furthermore, we may be unable to successfully negotiate changes in scope or change orders on a timely basis or at all, which could require us to incur cost outlays ahead of the receipt of any additional revenue. In addition, under US GAAP, we cannot recognize additional revenue anticipated from change orders until appropriate documentation is received by us from the customer authorizing the change. However, if we incur additional expense in anticipation of receipt of that documentation, we must recognize the expense as incurred. Such underpricing, significant cost overruns or delay in documentation of change orders could have a material adverse effect on our business, results of operations, financial condition or cash flows. Epidemics, pandemics or widespread public health crisis may have an adverse effect on our business, operations and financial results. These may adversely affect, our business, in a variety of ways, including, without limitation: the implementation of travel restrictions from U. S. and foreign governments; the shutdown of businesses in countries in which we operate; delays or challenges in patient enrollment and new clinical trial start- up; challenges in clinical site initiation due to difficulties in recruiting clinical site investigators and clinical site staff shortages; and the interruption of key clinical trial activities such as clinical trial site monitoring. These adverse effects could impact study participants and clinical sites and limits our ability to efficiently provide clinical trial services. We are able to work with our customers to develop solutions to limit disruption to clinical trials while following required regulatory guidelines and maintaining quality to ensure the health and well- being of study participants, including alternative assessment methods such as virtual monitoring visits. Despite our efforts to manage the impacts of COVID- 19 or other future outbreaks, including epidemics, pandemics or widespread public health crisis to the Company, the ultimate impacts of these outbreaks also depend on factors beyond our knowledge or control, including the duration and severity of any such outbreak as well as third- party actions taken to contain their spread and mitigate their related public health effects. In the case of COVID- 19, the emergence of variants may continue to occur across regions and countries where we operate, resulting in further adverse effects on our business, operations and financial results. Our key growth strategies include: continued investment in organic growth, continued maintenance of margins, increasing capture of the high- growth clinical development market, deepening existing and developing new relationships with our core customer segment and attracting, developing and retaining talent. Though we will strive to meet these goals, we may not have or adequately build the competencies necessary to achieve our objectives. In addition, we may not receive market acceptance for our services and we may face increased competition. If we are unable to successfully continue our organic growth, continue to maintain our margins, increase our capture of the clinical development market, deepen existing and develop new relationships with our core customer segment, or attract, develop and retain talent, our future business, reputation, results of operations and financial condition could be adversely affected. 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, foreign operations involve the additional risks of assimilating differences in foreign business practices, hiring and retaining qualified personnel and overcoming language barriers. Failure to manage growth effectively could have a material adverse effect on our business. The recruitment of 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, biologic or device to patients during the course of a clinical trial.

Patients typically include people from the communities in which the clinical trials are conducted. Our clinical development business could be adversely affected if we are unable to attract suitable and willing investigators or patients for clinical trials on a consistent basis. For example, if we are unable to engage investigators to conduct clinical trials as planned or enroll sufficient patients in clinical trials, we may need to expend additional funds to obtain access to resources or else be compelled to delay or modify the clinical trial plans. These- 16- considerations might result in additional costs to us or otherwise adversely impact the progress of a clinical trial, our being unable to successfully achieve our projected development timelines, or potentially even lead to the termination of ongoing clinical trials or development of a product. We depend on third parties for support services vital to our business. Such support services include, but are not limited to, laboratory services, third- party transportation and travel providers, technology 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. The failure of any of these third parties to adequately provide us critical support services could have a material adverse effect on our business, financial condition, results of operations, cash flows or reputation. We have in the past and may in the future enter into arrangements with our customers or other drug, biologic or medical device companies in which we take on financial risk by making strategic investments in our customers or other drug companies, providing flexible payment terms or fee financing to customers or other companies, entering into other risk sharing arrangements on trial execution, or making direct equity investments in companies. Our financial results would be adversely affected if the amount realized from any such financial arrangement was less than the value of our services or initial investment under the contract related to such arrangement. The development, adoption, and use for generative AI technologies are still in their early stages and ineffective or inadequate AI development or deployment practices by the Company or third- party developers or vendors could result in unintended consequences. Developing, testing, and deploying resource- intensive AI systems may require additional investment and increase our costs. In addition, any latency, disruption, or failure in systems or infrastructure leveraging AI could result in delays or errors in our offerings. Due to the global nature of our business and our reliance on information systems to provide our services, we intend to increase our use of web- enabled and other integrated information systems in delivering our services. We already provide access to such an information system, ClinTrak, to certain of our customers in connection with the services we provide to them. As the breadth and complexity of our information systems continue to grow, we will increasingly be exposed to the risks inherent in the development, integration and ongoing operation of evolving information systems, including: • disruption, impairment or failure of data centers, telecommunications facilities or other key infrastructure platforms; • intrusions and security breaches of, cyberattacks on and other failures or malfunctions in our critical application systems or their associated hardware; and • excessive costs, excessive delays or other deficiencies in systems development and deployment. The materialization of any of these risks may impede the processing of data, the delivery of databases and services and the day- to-day management of our business and could result in the corruption, loss or unauthorized disclosure of proprietary, confidential or other data. While we have disaster recovery plans in place, they might not adequately protect us in the event of a system failure. Despite any precautions we take, damage from fire, floods, hurricanes, power loss, telecommunications- 17- failures, computer viruses, information system intrusions or security breaches and similar events at our facilities or at those of our third party provider that backs up our data centers could result in interruptions in the flow of data to our servers and from our servers to our customers. Corruption or loss of data may result in the need to repeat a trial at no cost to the customer, but at significant cost to us, or result in the termination of a contract or damage to our reputation. Moreover, regulatory authorities may impose requirements on the use of electronic records and signatures for regulatory purposes. For example, FDA' s regulations at 21 CFR Part 11 establish the criteria pursuant to which the FDA will consider electronic records and signatures to be trustworthy, reliable, and generally equivalent to paper records and handwritten signatures. Any failures to comply with those regulatory requirements could impact our customers' ability to rely on the data contained in those electronic records in our systems or result in the FDA' s rejection of the data. Additionally, in order for our information systems to continue to be effective going forward, we periodically need to upgrade our technology systems and increase our capacity to keep pace with technological developments and our growth as a company. Significant delays in system enhancements or inadequate performance of new or upgraded systems once completed could damage our reputation and harm our business. Our operations also may suffer if we are unable to effectively manage the implementation of and adapt to new technology systems. We have entered into agreements with certain vendors to provide systems development and integration services that develop or license to us the IT platform for programs to optimize our business processes. If such vendors fail to perform as required or if there are substantial delays in developing, implementing and updating the IT platform, our customer delivery may be impaired, and we may have to make substantial further investments, internally or with third parties, to achieve our objectives. Additionally, our progress may be limited by parties with existing or claimed patents who seek to prevent us from using preferred technology or seek license payments from us. Any such shortcoming may require us to make substantial further investments in our IT platform, which could adversely affect our financial results. Unauthorized disclosure of sensitive or confidential data, whether through system failure, intrusions or breaches or employee negligence, fraud or misappropriation, could damage our reputation and cause us to lose customers. Similarly, unauthorized access to or through our information systems or those we develop for our customers, whether by our employees or third parties, including a cyberattack by computer programmers and hackers who may develop and deploy viruses, worms or other malicious software programs, could result in negative publicity, significant remediation costs, legal liability and damage to our reputation and could have a material adverse effect on our results of operations. In addition, our liability insurance might not be sufficient in type or amount to adequately cover us against claims related to security breaches, cyberattacks and other related breaches. Our services require us to collect, store, use, and transmit significant amounts of confidential information, including personally identifiable information, and other critical data. We employ a range of

information technology solutions, controls, procedures, and processes designed to protect the confidentiality, integrity, and availability of our critical assets, including our data and information technology systems. While we engage in a number of measures aimed to protect against security breaches and to minimize problems if a data breach were to occur, our information technology systems and infrastructure may be vulnerable to damage, compromise, disruption, and shutdown due to attacks, intrusions or breaches by hackers or due to other circumstances, such as error or malfeasance by employees or third party service providers or technology malfunction. Like many other companies, we experience attempts to gain unauthorized access to our systems and information on a regular basis, and a number of our employees work remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. The occurrence of any of these events, as well as a failure to promptly remedy these events should they occur, could compromise our systems, and the information stored in our systems could be accessed, publicly disclosed, lost, stolen, or damaged. Any such circumstance could adversely affect our ability to attract and maintain customers, cause us to suffer negative publicity, and subject us to legal claims and liabilities or regulatory penalties. In addition, unauthorized parties might alter information in our databases, which would adversely affect both the reliability of that information and our ability to market and perform our services. Techniques used to obtain unauthorized access or to sabotage systems change frequently, are constantly evolving and generally are difficult to recognize and react to effectively. We may be unable to anticipate these techniques or to implement adequate preventive or reactive measures. We have limited cyber-insurance coverage that may not cover all possible events, and this insurance is subject to deductibles and coverage limitations and exclusions. Several recent, highly publicized data security breaches at other companies have heightened consumer awareness of this issue and may embolden individuals or groups to target our systems or those of our strategic partners or enterprise customers.- 18- We have significant operations in foreign countries, including, but not limited to, countries in Europe, Asia, South America, Africa and Australia that may require complex arrangements to deliver services on global contracts for our customers. As a result, we are subject to heightened risks inherent in conducting business internationally, including the following: • conducting a single trial across multiple countries is complex, and issues in one country, such as a failure to comply with local regulations or restrictions, may affect the progress of the trial in the other countries, for example, by limiting the amount of data necessary for a trial to proceed, resulting in delays or potential cancellation of contracts, which in turn may result in loss of revenue; • the United States or other countries could enact legislation or impose regulations or other restrictions, including unfavorable labor regulations or tax policies, which could have an adverse effect on our ability to conduct business in or expatriate profits from those countries; • tax rates in certain foreign countries may exceed those in the United States and foreign earnings may be subject to withholding requirements or the imposition of tariffs, exchange controls or other restrictions, including restrictions on repatriation; • certain foreign countries are expanding or may expand their regulatory framework with respect to patient informed consent, protection and compensation in clinical trials, and privacy, which could delay or inhibit our ability to conduct trials in such jurisdictions or which could materially increase the risks associated with performing trials in such jurisdictions; • certain foreign countries are expanding or may expand their banking regulations that govern international currency transactions, particularly cross- border transfers, which may inhibit our ability to transfer funds into or within a jurisdiction, impeding our ability to pay our principal investigators, vendors and employees, thereby impacting our ability to conduct trials in such jurisdictions; • the regulatory or judicial authorities of foreign countries may not enforce legal rights and recognize business procedures in a manner to which we are accustomed or would reasonably expect; • we may have difficulty complying with a variety of laws and regulations in foreign countries, some of which may conflict with laws in the United States; • potential violations of existing or newly adopted local laws or anti- bribery laws, such as the United States Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act of 2010, may cause a material adverse effect on our business, financial condition, results of operations, cash flows or reputation; • changes in political and economic conditions, including **but not limited to** inflation **, trade and tariffs** , may lead to changes in the business environment in which we operate, as well as changes in foreign currency exchange rates; • foreign governments may enact currency exchange controls that may limit the ability to fund our operations or significantly increase the cost of maintaining operations; • customers in foreign jurisdictions may have longer payment cycles, and it may be more difficult to collect receivables in foreign jurisdictions; and • natural disasters, pandemics or international conflict, including terrorist acts, could interrupt our services, endanger our personnel or cause project delays or loss of trial materials or results. • Geopolitical issues in Europe, the Middle East and Asia may impact foreign countries in which we may need to enroll patients in our clinical trials, could cause such clinical trials to be delayed or suspended and could impact operations. These risks and uncertainties could negatively impact our ability to, among other things, perform large, global projects for our customers. Furthermore, our ability to deal with these issues could be affected by applicable U. S. laws and the need to protect our assets. In addition, we may be more susceptible to these risks as we enter and continue to target growth in emerging countries and regions, including Asia, Eastern Europe and Latin America, which may be subject to a relatively higher risk of political instability, economic volatility, crime, corruption and social and ethnic unrest, all of which are exacerbated in many cases by a lack of an independent and experienced judiciary and uncertainties in how local law is applied and enforced. The materialization of any such risks could have an adverse impact on our financial condition, results of operations, cash flows and reputation.- 19- We are required to comply with the FCPA, UK Bribery Act of 2010 and other U. S. and foreign anti- corruption laws, which prohibit companies from engaging in bribery including corruptly or improperly offering, promising, or providing money or anything else of value to foreign officials and certain other recipients. In addition, the FCPA imposes certain books, records and accounting control obligations on public companies and other issuers. We operate in parts of the world in which corruption can be common and compliance with anti- bribery laws may conflict with local customs and practices. Our global operations face the risk of unauthorized payments or offers being made by employees, consultants, sales agents and other business partners outside of our control or without our authorization. It is our policy to implement safeguards (including mandatory training) to prohibit these practices by our employees and business partners with respect to our operations. However, irrespective of these safeguards, or as a result of monitoring compliance with such

safeguards, it is possible that we or certain other parties may discover or receive information at some point that certain employees, consultants, sales agents, or other business partners may have engaged in corrupt conduct for which we might be held responsible. Violations of the FCPA or other foreign anti- corruption laws may result in restatements of, or irregularities in, our financial statements as well as severe criminal or civil sanctions, and we may be subject to other liabilities, which could negatively affect our business, operating results and financial condition. In some cases, companies that violate the FCPA may be debarred by the U. S. government and / or lose their U. S. export privileges. Changes in anti- corruption laws or enforcement priorities could also result in increased compliance requirements and related costs which could adversely affect our business, financial condition and results of operations. In addition, the U. S. or other governments may seek to hold us liable for FCPA violations or violations of other anti- corruption laws committed by companies in which we invest or that we acquired or will acquire. Our revenues depend on the level of R & D expenditures, size of the drug development pipelines and outsourcing trends of the biopharmaceutical industry, including the amount of such R & D expenditures that is outsourced and subject to competitive bidding among CROs. Accordingly, economic factors and industry trends that affect biopharmaceutical companies affect our business. For example, if biopharmaceutical companies become less able to access capital in the future, they may commit less capital to our services going forward. Also, biopharmaceutical companies continue to seek long- term strategic collaborations with global CROs with favorable pricing terms. Many of our competitors seek out these collaborations, while we generally do not. If our competitors can successfully enter into these collaborations, it may reduce the share of the biopharmaceutical outsourcing business that we might otherwise be positioned to capture. In addition, if the biopharmaceutical industry reduces its outsourcing of clinical trials or such outsourcing fails to grow at projected or expected rates, or at all, our business, financial condition, results of operations and cash flows could be materially and adversely affected. We may also be negatively impacted by consolidation and other factors in the biopharmaceutical industry, which may slow decision making by our customers, result in the delay or cancellation of existing projects, cause reductions in overall R & D expenditures or lead to increased pricing pressures. Further, in the event that one of our customers combines with a company that is using the services of one of our competitors, the combined company could decide to use the services of that competitor or another provider. All of these events could adversely affect our business, financial condition, cash flows or results of operations. Numerous government bodies are considering or have adopted various healthcare reforms and may undertake, or are in the process of undertaking, efforts to control growing healthcare costs through legislation, regulation and voluntary agreements with healthcare providers and biopharmaceutical companies, including many of our customers. By way of example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively, the Affordable Care Act, was signed into law, which, among other things, expanded, over time, health insurance coverage, imposed health industry cost containment measures, enhanced remedies against healthcare fraud and abuse, added new transparency requirements for healthcare and health insurance industries, imposed new taxes and fees on pharmaceutical and medical device manufacturers, added new requirements for certain applicable drug and device manufacturers to disclose payments to physicians, including principal investigators, and imposed additional health policy- 20- reforms, any of which may significantly impact the biopharmaceutical industry. We are uncertain as to the full effects of these reforms on our business and are unable to predict what legislative proposals, if any, will be adopted in the future. If regulatory cost containment efforts limit the profitability of new drugs, our customers may reduce their R & D expenditures, which could reduce the business they outsource to us. Similarly, if regulatory requirements for product testing are relaxed or harmonized across jurisdictions, or simplified drug approval procedures are adopted, the demand for our services could decrease. Government bodies may also adopt healthcare legislation or regulations that are more burdensome than existing regulations. For example, product safety concerns and recommendations by the Drug Safety Oversight Board could change the regulatory environment for drug products, and new or heightened regulatory requirements may increase our expenses or limit our ability to offer some of our services. Additionally, new or heightened regulatory requirements may have a negative impact on the ability of our customers to conduct industry sponsored clinical trials, which could reduce the need for our services. These developments and the lack of clarity regarding future healthcare policies and regulations have created significant uncertainty that could adversely affect our business, financial condition, cash flows or results of operations. The biopharmaceutical and CRO industries are currently undergoing a period of increased merger activity. Several large biopharmaceutical companies have recently completed mergers and acquisitions that will consolidate the outsourcing trends and R & D expenditures into fewer companies, and many larger and medium sized biopharmaceutical companies have been acquiring smaller biopharmaceutical companies. As a result of this and future consolidations, our customer diversity may decrease and our business may be adversely affected. The biopharmaceutical industry has a history of intellectual property litigation, and these lawsuits will likely continue in the future. Accordingly, even without wrongdoing on our part, we may face patent infringement suits by companies that have patents for similar business processes or other suits alleging infringement of their intellectual property rights. Legal proceedings relating to intellectual property could be expensive, take significant time and divert management' s attention from other business concerns, regardless of the outcome of the litigation. If we do not prevail in an infringement lawsuit brought against us, we might have to pay substantial damages, and we could be required to stop the infringing activity or obtain a license to use technology on unfavorable terms. Further, our customers could be similarly exposed to intellectual property suits and the resulting economic and operational strain defending such claims could negatively impact such customers' ability to fund or continue ongoing clinical trials on which we are working. The biopharmaceutical industry generally, and drug development and clinical research more specifically, are subject to rapid technological changes. Our current competitors or other businesses might develop technologies or services that are more effective or commercially attractive than, or render obsolete, our current or future technologies and services. If our competitors introduce superior technologies or services and if we cannot make enhancements to remain competitive, our competitive position would be harmed. If we are unable to compete successfully, we may lose customers or be unable to attract new customers, which could lead to a decrease in our revenue and have a material adverse

effect on our financial condition. Demand for our services may be affected by perceptions of our customers regarding the CRO industry as a whole. For example, other CROs could engage in conduct that could render our customers less willing to do business with us or any CRO. Likewise, a widely reported injury to clinical trial participants could result in negative perceptions of clinical trial activity, thereby adversely impacting our industry. One or more CROs could engage in or fail to detect malfeasance, such as inadequately monitoring sites, producing inaccurate databases or analysis, falsifying patient records, and performing incomplete lab work, or take other actions that would reduce the confidence of our customers in the CRO industry. As a **- 21-** result, the willingness of biopharmaceutical companies to outsource R & D services to CROs could diminish and our business could thus be harmed materially by events outside our control. ~~- 21-~~ We contract with biopharmaceutical companies to perform a wide range of services to assist them in bringing new drugs to market. Our services include monitoring clinical trials, data and laboratory analysis, electronic data capture, patient recruitment and other related services. Such services are complex and subject to contractual requirements, government regulations, and ethical considerations. For example, we are subject to regulation by the FDA, and comparable foreign regulatory authorities relating to our activities in conducting pre- clinical studies and clinical trials. Before clinical trials begin in the United States, a drug is tested in pre- clinical trials that must comply with Good Laboratory Practice and other requirements. An applicant must file an IND, which must become effective before human clinical testing may begin. Further, an independent IRB, for each medical center proposing to participate in the clinical trial must review and approve the protocol for the clinical trial. Once initiated, clinical trials must be conducted pursuant to and in accordance with the applicable IND conditions, the requirements of the relevant IRBs, the Federal Food, Drug, and Cosmetic Act and its implementing regulations, including GCP, and other requirements. We are also subject to regulation by the Drug Enforcement Administration, or DEA, which regulates the distribution, recordkeeping, handling, security, and disposal of controlled substances. If we fail to perform our services in accordance with these requirements, regulatory authorities may take action against us or our customers. Such actions may include injunctions or failure of such regulatory authority to grant marketing approval of our customers' products, imposition of clinical holds or delays, suspension or withdrawal of approvals, rejection of data collected in our clinical trials, license revocation, product seizures or recalls, operational restrictions, civil or criminal penalties or prosecutions, damages or fines. Customers may also bring claims against us for breach of our contractual obligations, and patients in the clinical trials and patients taking drugs approved on the basis of those trials may bring personal injury claims against us. Any such action could have a material adverse effect on our business, financial condition, results of operations, cash flows or reputation. Such consequences could arise if, among other things, the following occur: Improper performance of our services. The performance of clinical development services is complex and time- consuming. For example, we may make mistakes in conducting a clinical trial that could negatively impact or obviate the usefulness of results of the trial or cause the results of the trial to be reported improperly. If the trial results are compromised, we could be subject to significant costs or liability, which could have an adverse impact on our ability to perform our services and our reputation would be harmed. As examples: • non- compliance generally could result in the termination of ongoing clinical trials or the disqualification of data for submission to regulatory authorities; • non- compliance could compromise data from a particular trial, such as failure to verify that adequate informed consent was obtained from patients, which could require us to repeat the trial under the terms of our contract at no further cost to our customer, but at a potentially substantial cost to us; and • breach of a contractual term could result in liability for damages or termination of the contract. The services we provide in connection with large clinical trials can cost up to tens of millions of dollars, and while we endeavor to contractually limit our exposure to such risks, improper performance of our services could have a material adverse effect on our financial condition, damage our reputation and result in the cancellation of current contracts by the affected customer or other current customers or failure to obtain future contracts from the affected customer or other current or potential customers. Investigation of customers. From time to time, one or more of our customers are investigated by regulatory authorities or enforcement agencies with respect to regulatory compliance of their clinical trials, programs or the marketing and sale of their drugs. In these situations, we have often provided services to our customers with respect to the clinical trials, programs or activities being investigated, and we are called upon to respond to requests for information by the authorities and agencies. There is a risk that either our customers or regulatory authorities could claim that we performed our services improperly or that we are responsible for clinical trial or program compliance. If our customers or regulatory authorities make such claims against us, we could be subject to significant costs in defending our activities and potential damages, fines or penalties. In addition, negative publicity regarding regulatory compliance of our customers' clinical trials, programs or products could have an adverse effect on our business and reputation. **- 22-** Insufficient customer funding to complete a clinical trial. As noted above, clinical trials can cost up to tens of millions of dollars. There is a risk that we may initiate a clinical trial for a customer, and then the customer becomes unwilling or unable to fund the completion of the trial. In such a situation, notwithstanding the customer' s ability or willingness to pay ~~- 22-~~ for or otherwise facilitate the completion of the trial, we may be ethically bound to complete or wind down the trial at our own expense. Interactive voice / web response service malfunction. We develop and maintain our own, and also use third- parties to run, interactive voice / web response systems. These systems automatically manage the randomization of patients in a given clinical trial to different treatment arms and regulate the supply of investigational drugs. An error in the design, programming or validation of these systems could lead to inappropriate assignment or dosing of patients which could give rise to patient safety issues, invalidation of the trial or liability claims against us. Furthermore, negative publicity associated with such a malfunction could have an adverse effect on our business and reputation. Additionally, errors in randomization may require us to repeat the trial at no further cost to our customer, but at a substantial cost to us. In addition to the above U. S. laws and regulations, we must comply with the laws of all countries where we do business, including laws governing clinical trials in the jurisdiction where the trials are performed. Failure to comply with applicable requirements could subject us to regulatory risk, liability and potential costs associated with redoing the trials, which could damage our reputation and adversely affect our operating results. We operate a facility where Phase I clinical trials are conducted, which ordinarily involve testing an investigational drug,

biologic or medical device on a limited number of individuals to evaluate its safety, determine a safe dosage range and identify side effects. Failure to operate such a facility and clinical trials in accordance with FDA, DEA and other applicable regulations could result in disruptions to our operations. Additionally, we face risks associated with adverse events resulting from the administration of such drugs, biologics and medical devices and the professional malpractice of medical care providers. We also directly employ nurses and other trained employees who assist in implementing the testing involved in our clinical trials, such as drawing blood from subjects. Any professional malpractice or negligence by such investigators, nurses or other employees could potentially result in liability to us in the event of personal injury to or death of a subject in clinical trials. This liability, particularly if it were to exceed the limits of any indemnification agreements and insurance coverage we may have, may adversely affect our financial condition, results of operations and reputation. Our business involves the testing of new drugs, biologics and medical devices on patients in clinical trials. Our involvement in the clinical trial and development process creates a risk of liability for personal injury to or death of patients, particularly for those with life- threatening illnesses, resulting from adverse reactions to the products administered during testing or after regulatory approval. For example, 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. 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 customers, if any indemnification agreement is not performed in accordance with its terms or if our liability exceeds the amount of any applicable indemnification limits or available insurance coverage, our business, financial condition, results of operations, cash flows or reputation could be materially and adversely affected. We might also not be able to obtain adequate insurance or indemnification for these types of risks at reasonable rates in the future. We also contract with institutions and physicians to serve as investigators in conducting clinical trials if the investigators or study staff commit errors or make omissions during a clinical trial that result in harm to trial patients, or patients suffer harm with a delayed onset after a clinical trial is completed and the product has obtained regulatory approval, claims for personal injury or products liability damages may result. Additionally, if the investigators engage in fraudulent or negligent behavior, trial data may be compromised, which may require us to repeat the clinical trial or subject us to liability or regulatory action. We do not believe we are legally responsible for the medical care rendered by such third party investigators, and we would vigorously defend any claims brought against us. However, it is possible we could be found liable for claims with respect to the actions of third party investigators and the institutions at which clinical trials may be conducted.- 23- We conduct activities that have involved, and may continue to involve, the controlled use of hazardous materials and the creation of hazardous substances, including medical waste and other highly regulated substances. As a result, our operations pose the risk of accidental contamination or injury caused by the release of these materials and / or the creation of hazardous substances, including medical waste and other highly regulated substances. In the event of such an accident, we could be held liable for damages and cleanup costs which, to the extent not covered by existing insurance or indemnification, could harm our business. In addition, other adverse effects could result from such liability, including reputational damage resulting in the loss of additional business from certain customers. We act as the legal representative and / or the data representative for certain clients in certain jurisdictions. As we believe that acting as legal representative and / or data representative of clients exposes us to a higher risk of liability, this service is provided subject to our policy and requires certain preconditions to be met. The preconditions relate to obtaining specific insurance commitments and indemnities from the client to cover the nature of the exposure. However, there is no guarantee that the specific insurance will be available and provide cover or that a client will fulfil its obligations in relation to their indemnity. We maintain insurance designed to provide coverage for ordinary risks associated with our operations and our ordinary indemnification obligations, which we believe to be customary for our industry. The coverage provided by such insurance may not be adequate for all claims we may make or may be contested by our insurance carriers. If our insurance is not adequate or available to pay liabilities associated with our operations, or if we are unable to purchase adequate insurance at reasonable rates in the future, our business, financial condition, results of operations or cash flows may be materially adversely impacted. Our effective income tax rate is influenced by our projected profitability in the various taxing jurisdictions in which we operate. The global nature of our business increases our tax risks. In addition, for various reasons, revenue authorities in many of the jurisdictions in which we operate are known to have become more active in their tax collection activities. Changes in the distribution of profits and losses among taxing jurisdictions may have a significant impact on our effective income tax rate, which in turn could have an adverse effect on our net income and earnings per share. The application of tax laws in various taxing jurisdictions, including the United States, is subject to interpretation, and tax authorities in various jurisdictions may have diverging and sometimes conflicting interpretations of the application of tax laws. Changes in tax laws or tax rulings, in the United States or other tax jurisdictions in which we operate, could materially impact our effective tax rate. Factors that may affect our effective income tax rate include, but are not limited to: • the requirement to exclude from our quarterly worldwide effective income tax calculations losses in jurisdictions where no income tax benefit can be recognized; • actual and projected full year pre- tax income, including differences between actual and anticipated income before taxes in various jurisdictions; • changes in tax laws, or in the interpretation or application of tax laws, in various taxing jurisdictions; • audits or other challenges by taxing authorities; • changes to intercompany transfer pricing policies or changes in laws within foreign tax jurisdictions • the establishment of valuation allowances against a portion or all of certain deferred income tax assets if we determined that it is more likely than not that future income tax benefits will not be realized; and • changes in the relative mix and size of clinical trials and staffing levels in various tax jurisdictions. These changes may cause fluctuations in our effective income tax rate that could adversely affect our results of operations and cause fluctuations in our earnings and earnings per share.- 24- Even though we do not order healthcare services or bill directly to Medicare, Medicaid or other third party payors, certain federal and state healthcare laws and regulations pertaining to fraud and abuse are applicable to our business. We could be subject to healthcare fraud and abuse laws of both the federal government and the states in which we conduct our business. 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 and the curtailment or restructuring of our operations, any of which could materially adversely affect our ability to operate our business and our financial results. The confidentiality, collection, use and disclosure of personal data, including clinical trial patient- specific information, are subject to governmental regulation generally in the country in which the personal data was collected or used. For example, U. S. federal regulations under the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 and their implementing regulations, including the Privacy and Security Rules, or collectively, HIPAA, generally require individuals' written authorization, in addition to any required informed consent, before protected health information may be used for research and such regulations specify standards for de- identifications and for limited data sets. We may also be subject to applicable state privacy and security laws and regulations in states in which we operate. Two of our subsidiaries, Medpace Clinical Pharmacology, LLC and C- MARC, LLC, are covered entities under HIPAA. Further, because of amendments to the HIPAA Privacy and Security Rules that were promulgated on January 25, 2013, known as the Omnibus Final Rule, service providers to covered entities under HIPAA, known as business associates, are now directly subject to HIPAA. There are some instances where we may be a HIPAA " business associate " of a " covered entity, " meaning that we may be directly liable for any breaches of protected health information and other HIPAA violations. We are also liable contractually under any business associate agreements we have signed with covered entities. If we are determined to be a business associate, we would be subject to HIPAA' s enforcement scheme, which, as amended, can result in up to $ 1. 5 million in annual civil penalties for each HIPAA violation. A single breach incident can result in multiple violations of the HIPAA standards, meaning that penalties could be in excess of $ 1. 5 million. In addition, the Federal Civil Penalties Inflation Adjustment Improvement Act of 2015 required all federal agencies to adjust their civil monetary penalties to inflation, no later than August 1, 2016. As a result, the minimum annual penalties for each HIPPA violation which occurs later than February 17, 2009 is now $ 1. 7 million. HIPAA also authorizes state attorneys general to file suit on behalf of their residents for violations. Courts are able to award damages, costs and attorneys' fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to file suit against us in civil court for violations of HIPAA, its standards have been used as the basis for duty of care cases in state civil suits such as those for negligence or recklessness in the misuse or breach of protected health information. In addition, HIPAA mandates that the Secretary of the U. S. Department of Health and Human Services conduct periodic compliance audits of HIPAA covered entities and their business associates for compliance with the HIPAA privacy and security standards, and Phase two of these audits, focusing on business associates has begun. In the EU, personal data includes any information that relates to an identified or identifiable natural person with health information carrying additional obligations, which may include obtaining the explicit consent from the individual for collection, use or disclosure of the information. In addition, we are subject to EU rules with respect to export of such data out of the EU. Such data export rules are constantly changing. The United States, the EU and its member states, and other countries where we have operations, such as China and Singapore, continue to issue new privacy and data protection rules and regulations that relate to personal data and health information. Failure to comply with certain certification / registration and annual re- certification / registration provisions associated with these data protection and privacy regulations and rules in various jurisdictions, or to resolve any serious privacy or security complaints, could subject us to regulatory sanctions, criminal prosecution or civil liability. Federal, state and foreign governments may propose or have adopted additional legislation governing the collection, possession, use or dissemination of personal data, such as personal health information, and personal financial data as well as security breach notification rules for loss or theft of or unauthorized access to such data. Additional legislation or regulation of this type might, among other things, require us to implement new security measures and processes or bring within the legislation or regulation de- identified health or other personal data, each of- 25- which may require substantial expenditures or limit our ability to offer some of our services. Additionally, if we violate applicable laws, regulations or duties relating to the use, privacy or security of personal data, we could be subject to civil liability or criminal prosecution, be forced to alter our business practices and suffer reputational harm. We also are subject to the requirements of the EU' s General Data Protection Regulation, or GDPR, because we are processing data in the EU and data of EU residents outside of the EU. The GDPR shortens the deadline for data breach notifications, imposes additional obligations when we process personal data on behalf of our customers, including in relation to security measures, and increases administrative burdens on companies processing personal data, including employee and business partner data. If we do not comply with our obligations under the GDPR we could be exposed to significant fines of up to 20 million EUR or up to 4 % of the total worldwide annual turnover of the preceding financial year, whichever is higher. The commercial laboratory testing industry is subject to extensive U. S. regulation, and many of these statutes and regulations have not been interpreted by the courts. CLIA extends federal oversight to virtually all clinical laboratories operating in the U. S. by requiring that they be certified by the federal government or by a federally approved accreditation agency. The sanction for failure to comply with CLIA requirements may be suspension, revocation or limitation of a laboratory' s CLIA certificate, which is necessary to conduct business, as well as significant fines and / or criminal penalties. In addition, we are subject to regulation under state law. State laws may require that laboratories and / or laboratory personnel meet certain qualifications, specify certain quality controls or require maintenance of certain records. We also operate laboratories outside of the U. S. and are subject to laws governing our laboratory operations in the other countries where we operate. Applicable statutes and regulations could be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that would adversely affect our business. Potential sanctions for violation of these statutes and regulations include significant fines and the suspension or loss of various licenses, certificates and authorizations, which could have a material adverse effect on our business. In addition, compliance with future legislation could impose additional requirements on us, which may be costly. There has been increasing public focus by

investors, customers, environmental activists, the media, and governmental and nongovernmental organizations on a variety of environmental, social, governance and other sustainability matters. In light of the importance of this to internal and external stakeholders, if we are not effective in addressing environmental, social, governance and other sustainability matters affecting our business 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 ~~. For example, the SEC has published proposed rules that would require companies to provide significantly expanded climate- related disclosures in their periodic reporting and has announced plans for additional rulemakings on environmental and social topics, such as human capital management~~ . Such rules may require us to incur significant additional costs to comply, including the implementation of significant additional internal controls processes and procedures regarding matters that have not been subject to such controls in the past, and impose increased oversight obligations on our management and Board. If we fail to comply with new laws, regulations, or reporting requirements, our reputation and business could be adversely impacted. In addition, compliance with new laws, regulations, and reporting requirements may ~~increase our costs and~~ result in disclosures of potentially sensitive information. Changes in climate patterns or unusual weather at some of our locations can lead to increased energy usage and costs, or otherwise adversely impact our facilities and operations and disrupt our ability to conduct clinical trials in the normal course. ~~- 26 -~~ As of December 31, ~~2023~~ **2024** , August J. Troendle, our Chief Executive Officer and founder, through his direct ownership of ~~806~~ **654** , ~~643~~ **656** shares of our common stock and his beneficial ownership of ~~5~~ **4** , ~~589~~ **733** , ~~947~~ **019** shares of our common stock held by Medpace Investors LLC (“ Medpace Investors ”), controls approximately ~~20~~ **17** . ~~8~~ **6** % of the outstanding shares of our common **- 26-** stock. Upon a distribution of our common stock held by Medpace Investors, our Chief Executive Officer would receive approximately 85. ~~6~~ **7** % of such distributed shares. Accordingly, August J. Troendle is able to exert a significant degree of influence or actual control over our management and affairs and corporate actions requiring shareholder approval, irrespective of how our other shareholders may vote, including: • the election and removal of directors and the size of our board of directors, or the Board; • any amendment of our articles of incorporation or bylaws; or • the approval of mergers and other significant corporate transactions, including a sale of substantially all of our assets. Moreover, August J. Troendle’ s share ownership may also adversely affect the trading price for our common stock to the extent investors perceive disadvantages in owning shares of a company with a significant shareholder. Due to the relationships among us and certain related persons, the agreements or other transactions we have entered into with them are considered related person transactions. Our agreements or transactions with related persons may not be on terms as favorable to us as they would have been if they had been negotiated among unrelated persons. For additional information on related person transactions involving us, see the “ Certain Relationships ” section in our Proxy Statement for our ~~2024~~ **2025** Annual Meeting of Stockholders. While our Related Person Transaction Policy and Procedures requires our Audit Committee’ s consideration of all relevant facts and circumstances, including a determination of whether the transaction has terms comparable to those that could be obtained in an arm’ s length transaction, the potential for a conflict of interest exists and such related persons may have conflicts of interest, or the appearance of conflicts of interest, with respect to matters involving or affecting us and the related person. Moreover, we are subject to the risk that our stockholders may challenge any such related person transactions and the agreements entered into as part of them. If such a challenge were to be successful, we might not realize the benefits expected from the transactions being challenged. Moreover, any such challenge could result in substantial costs and a diversion of our management’ s attention, could have a material adverse effect on our reputation, business and growth and could adversely affect our ability to realize the benefits expected from the transactions, whether or not the allegations have merit or are substantiated. Our success substantially depends on the collective performance, contributions and expertise of our senior management team, including August J. Troendle, our Chief Executive Officer and founder, and other key personnel including qualified management, professional, scientific and technical operating staff. There is significant competition for qualified personnel in the biopharmaceutical services industry, particularly for those with higher educational degrees, such as a medical or nursing degree, a Ph. D., or an equivalent degree, and our industry generally tends to experience relatively high levels of employee turnover. If any of our key employees were to join a competitor or to form a competing company, some of our customers might choose to use the services of that competitor or new company instead of our own. Furthermore, customers or other companies seeking to develop in- house capabilities may hire some of our senior management or other key employees. The departure of any key contributor, the payment of increased compensation to attract and retain qualified personnel or our inability to continue to identify, attract and retain qualified personnel or replace any departed personnel in a timely fashion may impact our ability to grow our business and compete effectively in our industry and may negatively affect our business, financial condition, results of operations, cash flows or reputation. ~~- 27 -~~ We depend on our customers, investigators, laboratories and other facilities for the continued operation of our business. Although we have contingency plans in place for natural disasters or other catastrophic events, these events, including terrorist attacks, pandemic flu, hurricanes, floods and ice and snow storms, could nevertheless disrupt our operations and IT systems or those of our customers, investigators and collaboration partners, which could also affect us. Even though we carry business interruption insurance policies and typically have provisions in our contracts that protect us in certain events, we might suffer losses as a result of business interruptions that exceed the coverage available under our insurance policies or for which we do not have coverage. Any natural disaster or catastrophic event affecting us or our customers, **- 27-** investigators or collaboration partners could have a significant negative impact on our operations and financial performance.