

Risk Factors Comparison 2024-10-15 to 2023-10-12 Form: 10-K

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In addition to the other information in this report and our other filings with the SEC, you should carefully consider the risks described below, which could materially and adversely affect our business operations, financial condition and results of operations. These risks are not the only risks that we face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial. Risk Factor Summary The following summary is intended to enhance the readability and accessibility of our risk factor disclosures. We encourage you to carefully review the full risk factors discussed below in their entirety for additional information. Some of the factors that could materially and adversely affect our business, financial condition or results of operations include: Risks Relating to Our Business • Changes in economic conditions could adversely affect consumer buying practices. • Reductions in third- party reimbursement levels, from private or governmental agency plans, and potential changes in industry pricing benchmarks for prescription drugs could materially and adversely affect our results of operations. • A shift in pharmacy mix toward lower margin plans, products and programs could adversely affect our results of operations. • We derive a significant portion of our sales in the U. S. Retail Pharmacy segment from prescription drug sales reimbursed by a limited number of pharmacy benefit management companies. • We could be adversely affected by a decrease in the introduction of new brand name and generic prescription drugs as well as increases in the cost to procure prescription drugs. • Consolidation and strategic alliances in the healthcare industry could **result in pricing pressures and** adversely affect our business operations, competitive positioning, financial condition and results of operations. • The U. S. Healthcare segment faces various risks related to the provision of healthcare services that could result in a material adverse effect on our business operations, results of operations and financial condition. • The U. S. Healthcare segment may face risks related to payor contracts, including if existing payors modify or discontinue their contracts with us or there are changes in the payor mix of patients or reimbursement methodologies, which could have a negative impact on our business, financial condition and results of operations. • Our business results depend on our ability to successfully manage ongoing organizational change and business transformation and achieve cost savings and operating efficiency initiatives. • The industries in which we operate are highly competitive and constantly evolving and changes in market dynamics could adversely impact us. • If we do not continuously develop and maintain a relevant omni- channel experience for our customers, our businesses, **reputation** and results of operations could be adversely impacted. • If the merchandise and services that we offer fail to meet customer needs, our sales may be adversely affected. • Our substantial international business operations subject us to a number of operating, economic, political, regulatory, **cybersecurity** and other international business risks. • Our business is subject to ~~evolving global~~ **existing and increasing interest in** ESG regulatory requirements - **related values from current** and ~~expectations~~ **future employees, customers and stockholders**. We may be unable to ~~achieve~~ **meet expectations or meet** our ESG goals. • **Our business is subject to evolving ESG and climate- related regulatory requirements. We may be unable to meet standards**. Risks Relating to Our Operations • Disruption in our global supply chain could negatively impact our ~~businesses~~ **ability to provide products and services to our customers and could impact financial performance**. • We outsource certain business processes to third- party vendors that subject us to risks, including disruptions in business and increased costs. • We use a single wholesaler of branded and generic pharmaceutical drugs as our primary source of such products. • Changes to management, including turnover of our top executives, could have an adverse effect on our business. • We may be unable to keep existing store locations or open new locations in desirable places on favorable terms, which could materially and adversely affect our results of operations. • Our failure to attract and retain qualified team members, increases in wage and benefit costs, changes in laws and other labor issues could materially adversely affect our financial performance. **WBA Fiscal 2024 Form 10- K13** • Our business and operations are subject to risks related to climate change, **such as the impact of extreme weather on the continuity of our global operations**. ~~WBA Fiscal 2023 Form 10- K13~~ **Risks** Relating to Our Business Strategy • We may not be successful in executing elements of our business strategy, which may have a material adverse impact on our business and financial results. • Our growth strategy is partially dependent upon our ability to identify and successfully complete **and integrate** acquisitions, joint ventures and other strategic partnerships and alliances. • The anticipated strategic and financial benefits of our relationship with Cencora may not be realized. • From time to time, we may choose to divest certain assets or businesses as we execute our strategy and our ability to engage in such transactions will be subject to market conditions beyond our control which will affect our ability to transact on terms favorable to us or at all. • From time to time, we make investments in companies over which we do not have sole control and some of these companies may operate in sectors that differ from our current operations and have different risks **that we may be unable to anticipate or navigate**. Cybersecurity, Data Privacy and Information Security Risks • A significant disruption in our information technology and computer systems or those of businesses we rely on could harm us. • Privacy and data protection laws increase our compliance burden and any failure to comply could harm us. • We and businesses we interact with experience cybersecurity incidents and might experience significant computer system compromises or data breaches. • We are subject to payment- related and other financial services risks that could increase our operating costs, expose us to fraud or theft, subject us to potential liability and potentially disrupt our business operations. Financial and Accounting Risks • We have significant outstanding debt; our debt and associated payment obligations could significantly increase in the future if we incur additional debt and do not retire existing debt. • As a holding company, we are dependent on funding from our operating subsidiaries to pay dividends and other distributions. • **We have a substantial amount of goodwill and other intangible assets that have become impaired and could, in the future, become further impaired, resulting in material non- cash charges to our results of operations**.

Our quarterly results may fluctuate significantly based on seasonality and other factors. ~~• We have a substantial amount of goodwill and other intangible assets which could, in the future, become impaired and result in material non-cash charges to our results of operations.~~ • We are exposed to risks associated with foreign currency exchange rate fluctuations. • We could be adversely impacted by changes in assumptions used in calculating pension assets and liabilities. Risks from Changes in Public Policy and Other Legal and Regulatory Risks • Changes in the healthcare industry and regulatory environments may adversely affect our businesses. • We are exposed to risks related to litigation and other legal proceedings. • A significant change in, or noncompliance with, governmental regulations and other legal requirements could have a material adverse effect on our reputation and profitability. • We could be adversely affected by violations of anti-bribery, anti-corruption and / or international trade laws. • We could be adversely affected by product liability, product recall, personal injury or other health and safety issues. • We could be subject to adverse changes in tax laws, regulations and interpretations or challenges to our tax positions. Risks Related to Our Structure and Organization • Certain stockholders may have significant voting influence over matters requiring stockholder approval. • Conflicts of interest, or the appearance of conflicts of interest, may arise because certain of our directors and officers are also owners or directors of companies we may have dealings with. • Our certificate of incorporation and bylaws, Delaware law or our agreements with certain stockholders may impede the ability of our stockholders to make changes to our Board or impede a takeover. ~~• We cannot guarantee that our stock repurchase program will be fully implemented or that it will enhance long-term stockholder value.~~ WBA Fiscal 2023-2024 Form 10- K14 Our performance has been, and may continue to be, adversely impacted by changes in global, national, regional or local economic conditions and consumer confidence. These conditions can also adversely affect our key vendors and customers. External factors that affect consumer confidence and over which we exercise no influence include unemployment rates, **rising interest rates**, inflation, levels of personal disposable income, levels of taxes and interest and global, national, regional or local economic conditions, health epidemics or pandemics (such as COVID- 19), as well as looting, vandalism, acts of war or terrorism. Changes in economic conditions and consumer confidence could adversely affect consumer preferences, purchasing power and spending patterns, which could lead to a decrease in overall consumer spending as well as in prescription drug and health services utilization and which could be exacerbated by the increasing prevalence of high- deductible health insurance plans and related plan design changes. In addition to general levels of inflation that we have experienced, we are also subject to risk of specific inflationary pressures on product prices ~~due to, for example, the continuing impacts of COVID-19~~, related global supply chain disruptions, and the uncertain economic and geopolitical environment. We are experiencing and may continue to experience increases in the price of input costs, such as transportation and energy costs. We might also suffer from supply disruptions from supplier exits as higher costs may become unaffordable for certain suppliers. In addition, central banks may continue to increase interest rates or conduct other monetary policies to counter inflation, which could negatively affect our borrowing costs and those of our customers and suppliers, as well as exchange rates and other macroeconomic factors. If inflation continues to increase, we may not be able to adjust prices sufficiently to offset the effect without negatively impacting consumer demand or our **overall gross margin**. **For example, inflation has impacted consumer demand in our U. S. Retail Pharmacy segment and has led to lower margins.** In addition, **it inflation** may increase costs and cause changes in provider behavior in our U. S. Healthcare segment as hospitals and other providers attempt to maintain revenue levels in an effort to adjust to their own economic challenges. If we are unable to increase the prices of our products and services to our customers to offset inflationary cost trends, or if we are unable to achieve cost savings to offset such cost increases, we could fail to meet our cost expectations, and our profits and operating results could be adversely affected. Our ability to price our products competitively to timely reflect higher input costs is critical to maintain and grow our sales. Furthermore, reduced or flat consumer spending may drive us and our competitors to offer additional products at promotional prices. Increased cost volatility trends may also impact the business and financial situation of our customer or suppliers, which could in turn affect the demand or supply, respectively, by such parties. Future inflationary and deflationary trends are beyond our control, and we may not be able to sufficiently mitigate any impact on our business and financial situation. All of these factors could materially and adversely impact our business operations, financial condition and results of operations. The substantial majority of the prescriptions we fill are reimbursed by third- party payors, including private and governmental agency payors. The continued efforts of health maintenance organizations, managed care organizations, PBMs, governmental agencies, and other third- party payors to reduce prescription drug costs and pharmacy reimbursement rates, as well as litigation and other legal proceedings relating to how drugs are priced, may adversely impact our results of operations. **We continuously attempt to manage reimbursement rates with PBMs through contract negotiation, but the outcomes of this negotiation may vary in the level of success achieved**. In the U. S., plan changes with rate adjustments often occur in January and our reimbursement arrangements may provide for rate adjustments at prescribed intervals during their term. In addition, the timing and amount of periodic contractual reconciliations payments can vary significantly and **have done so previously and** may not follow a predictable path. Further, in an environment where some PBMs clients utilize narrow or restricted pharmacy provider networks, some of these entities may offer pricing terms that we may not be willing to accept or otherwise restrict our participation in their networks of pharmacy providers. In addition, many payors in the U. S. are increasingly considering new metrics as the basis for reimbursement rates. **Recent changes in National Average Drug Acquisition Cost (“ NADAC ”) pricing have driven increased volatility in an already dynamic pricing environment**. It is possible that the pharmaceutical industry or regulators may evaluate and / or develop an alternative pricing reference to replace average wholesale price, which is the pricing reference used for many of our contracts. In addition, many state Medicaid fee- for- service programs have established pharmacy network payments on the basis of actual acquisition cost, which could have an impact on reimbursement practices in other commercial and governmental arrangements. Future changes to the pricing benchmarks used to establish pharmaceutical pricing, including changes in the basis for calculating reimbursement by third- party payors, could adversely affect us. WBA Fiscal 2023-2024 Form 10- K15 Our U. S. Retail Pharmacy segment seeks to grow prescription volume while operating in a marketplace with continuous reimbursement pressure. A shift in the mix

of pharmacy prescription volume towards programs offering lower reimbursement rates **could have adversely affected, and may** adversely affect, our results of operations **by reducing our gross profit**. For example, our U. S. Retail Pharmacy segment has experienced a shift in pharmacy mix towards 90- day at retail in recent years, and specialty pharmacy represents a significant and growing proportion of prescription drug spending in the U. S. and a larger proportion of our revenues. Our 90- day at retail offering for patients with chronic prescription needs typically is at a lower margin than comparable 30- day prescriptions, and specialty pharmacy sales are generally also lower margin. Our U. S. Retail Pharmacy segment also has experienced a shift in pharmacy mix towards Medicare Part D prescriptions in recent years, and that trend may continue. Preferred Medicare Part D networks have increased in number in recent years; however, we do not participate in all such networks. We have accepted market competitive reimbursement rates in order to secure preferred relationships with Medicare Part D plans serving senior patients with significant pharmacy needs. We also have worked to develop and expand our relationships with commercial third-party payors to enable new and / or improved market access via participation in the pharmacy provider networks they offer. If we are not able to generate additional prescription volume and other business from patients participating in these programs that is sufficient to offset the impact of lower reimbursement, or if the degree or terms of our participation in such preferred networks declines from current levels in future years, our results of operations could be materially and adversely affected. We derive a significant portion of our sales in the U. S. Retail Pharmacy segment from prescription drug sales reimbursed through prescription drug plans administered by a limited number of PBMs. PBMs typically administer multiple prescription drug plans that expire at various times and provide for varying reimbursement rates, and often limit coverage to specific drug products on an approved list, known as a formulary, which might not include all of the approved drugs for a particular indication. Changes in pricing and other terms of our contracts with PBMs can significantly impact our results of operations. ~~There can be~~ **We may not be able to** ~~no assurance that we will~~ continue to participate in any particular PBMs pharmacy provider network in any particular future time period or on terms reasonably acceptable to us. If our participation in the pharmacy provider network for a prescription drug plan administered by one or more of the large PBMs is restricted or terminated, we expect that our sales would be adversely affected, at least in the short- term, **and potentially in the long- term**. If we are unable to replace any such lost sales, either through an increase in other sales or through a resumption of participation in those plans, our operating results could be materially and adversely affected. If we exit a pharmacy provider network and later resume participation, ~~there can be~~ **we may not be able to** ~~no assurance that we will~~ achieve any particular level of business on any particular pace, ~~or~~ **and it is possible** that ~~not~~ all clients of the PBMs will choose to include us again in the pharmacy network for their plans, initially or at all. In addition, in such circumstances we may incur increased marketing and other costs in connection with initiatives to regain former patients and attract new patients covered by such plans. The profitability of our pharmacy businesses depends upon the utilization of prescription drugs. Utilization trends are affected by, among other factors, the introduction of new and successful prescription drugs as well as lower- priced generic alternatives to existing brand name drugs. Inflation in the price of drugs also can adversely affect utilization, particularly given the increased prevalence of high- deductible health insurance plans and related plan design changes. New brand name drugs can result in increased drug utilization and associated sales, while the introduction of lower priced generic alternatives typically results in relatively lower sales, ~~but~~ **that are somewhat offset by** relatively higher gross profit margins. Accordingly, a decrease in the number or magnitude of significant new brand name drugs or generics successfully introduced, delays in their introduction, or a decrease in the utilization of previously introduced prescription drugs, could materially and adversely affect our results of operations. In addition, if we experience an increase in the amounts we pay to procure pharmaceutical drugs, including generic drugs, our gross profit margins would be adversely affected to the extent we are not able to offset such cost increases. Any failure to fully offset any such increased prices and costs or to modify our activities to mitigate the impact could have a material adverse effect on our results of operations. Also, ~~any future~~ changes in drug prices **have been, and in the future** could be, significantly different than our expectations. WBA Fiscal **2023-2024** Form 10- K16 Many organizations in the healthcare industry, including PBMs, have consolidated in recent years to create larger healthcare enterprises with greater bargaining power, which has resulted in greater pricing pressures. If this consolidation trend continues, it could give the resulting enterprises even greater bargaining power, which may lead to further pressure on the prices for our products and services. If these pressures result in reductions in our prices, our businesses would become less profitable unless we are able to achieve corresponding reductions in costs or develop profitable new revenue streams. In addition, if laws or regulations are promulgated that limit the number of PBMs available to a particular business or geography, competition in those businesses and geographies could be amplified and could adversely affect our financial condition and results of operations. The U. S. Healthcare segment could experience losses or liabilities, including medical liability claims related to the delivery of healthcare services, such as medical malpractice by staff at our affiliates' ¹ facilities, or by healthcare practitioners who are employed by us, have contractual relationships with us, or serve as providers to our managed care networks, including as a result of a failure to adhere to applicable clinical, quality and / or patient safety standards, causing us to incur significant expenses and requiring us to pay significant damages if not covered by insurance. We do not control the providers and other healthcare professionals in our U. S. Healthcare segment with respect to the practice of medicine and the provision of healthcare services, and the risk of liability, including through unexpected medical outcomes, is inherent to the healthcare industry. These businesses have in the past been subject to medical liability claims in the ordinary course of business. If patients, clients or partners assert liability claims against us, any ensuing litigation, regardless of outcome, could result in a substantial cost to us, divert management' s attention from operations, decrease market acceptance of our services and care delivery model and may significantly harm our business or reputation. **Successful** ~~Although we carry insurance covering~~ ~~medical malpractice claims,~~ ~~including professional liability insurance, in amounts we believe are appropriate in light of the risks attendant to our business,~~ ~~successful medical~~ liability claims could result in substantial damage awards that exceed the limits of our insurance coverage. Professional liability insurance is expensive and insurance premiums may increase significantly in the future, particularly as we expand our services. As a result, adequate professional liability insurance may not be available to our providers or to us in the

future at acceptable costs or at all. Any claims made against us or our acquired businesses that are not fully covered by insurance could be costly to defend against, result in substantial damage awards against us and divert the attention of our management and our providers from our operations, which could harm our business. Additional risks posed by the U. S. Healthcare segment include, but are not limited to, the following:

- Ability to recruit, retain and grow our network of credentialed, high- quality physicians, physician assistants and nurse practitioners to provide clinical services in highly competitive markets, **such as senior- focused care, for talent** ;
- Dependence on a concentrated number of key health plan customers **and ability to attract Medicare- eligible patients** ;
- Quality of the information received about plan members of such health plans for whom we will seek to provide in- home evaluations and other services, and the regulatory restrictions and requirements associated with directly contacting plan members;
- Ability to perform and ensure the quality of health risk assessments;
- ~~Regulatory and business risks associated with participation in certain government healthcare programs;~~
- Health reform initiatives and changes in the rules governing government healthcare programs, including rules related to the use of in-home health risk assessments;
- ~~Ability to attract new Medicare- eligible patients and credentialed, high- quality physicians and other providers for senior- focused primary care in a highly competitive market for such patients and providers~~ ;
- Satisfying the enrollment requirements under government healthcare programs for physicians and other providers in a timely manner;
- Dependence on revenue from Medicare or Medicare Advantage plans, which subjects our businesses to reductions in Medicare reimbursement rates or changes in the rules governing the Medicare program. **For example, certain recent changes in Medicare reimbursement models have negatively impacted our U. S. Healthcare segment** ;
- Submission of inaccurate, incomplete or erroneous data, including risk adjustment data, to health plans and government payors could result in inaccuracies in the revenue our businesses record or receipt of overpayments, which may subject our businesses to repayment obligations and penalties; ~~WBA Fiscal 2023 Form 10- K17~~
- Geographic concentration of our primary centers; and
- Laws regulating the corporate practice of medicine and the associated agreements entered into with physician practice groups restricting the manner in which we are able to direct the operations and otherwise exercise control of our physician practice groups. **WBA Fiscal 2024 Form 10- K17**

Any of the aforementioned risks associated with our healthcare businesses, if they materialize, could adversely affect our business, financial condition and results of operations, including our ability to timely and effectively integrate our healthcare businesses in our operations and the timing and extent of realization of synergies and other benefits that we expected in connection with these investments. Our experience in managing the additional risks associated with our healthcare businesses is more limited than our experience in managing the risks associated with our historical businesses, and there is no assurance that we will be able to effectively manage or mitigate such risks. Further, the additional risks faced by our healthcare business within the U. S. Healthcare segment may be compounded, or heightened by, many of the other risks described in this **Annual Report Form 10- K**, including the risks associated with global macroeconomic uncertainty mentioned above. Continuation of our contracts with existing payors is critical to our future business, revenue growth and results of operations. Factors that may affect our ability to maintain existing contracts include, ~~but are not limited to,~~ the following:

- the number of patients that are attributed to our providers;
- our providers' quality performance and metrics;
- the cost of care we deliver to patients;
- medical claims expense associated with third- party healthcare services;
- performance and functionality of our services;
- the availability, price, performance and functionality of competing services;
- our ability to develop and provide complementary services to existing patients;
- the stability, performance and security of our technology infrastructure and services;
- changes in healthcare laws, regulations or trends;
- any governmental investigations or inquiries into or challenges to our relationships with health network partners; and
- the business environment of our payors.

The businesses within the U. S. Healthcare segment have also entered and intend to continue to enter into value- based contracts with payors, pursuant to which they contract with payors to receive a fee for professional services based on the number of patients assigned or attributed to U. S. Healthcare segment providers and assume the financial responsibility for the healthcare expenses of such patients. The amounts we receive from our healthcare businesses for services provided to patients are determined by a number of factors, including the payor mix of our patients and the reimbursement methodologies and rates utilized by our patients' plans. These contracts may also include arrangements that contemplate sharing certain of the savings generated with respect to U. S. Healthcare segment' s patients' costs of care back with the payor. Under a fee- for- service arrangement, we collect fees directly from the payor as services are provided. Reimbursement rates are generally higher for value- based arrangements than they are under traditional fee- for- service arrangements, and value- based arrangements provide us with an opportunity to capture additional surplus we create by investing in population health services to better manage a particular patient' s care, which **we would expect**, in turn, **should to** reduce the total cost of care. To the extent that patients require more care than is anticipated or the cost of care increases, aggregate compensation amounts may be insufficient to cover the costs associated with treatment. If medical costs and expenses exceed estimates, except in very limited circumstances, our healthcare businesses will not be able to increase the fee received under these risk agreements during their then- current terms and could suffer losses with respect to such agreements, which may adversely impact the growth, profitability and liquidity of our U. S. Healthcare segment. ~~WBA Fiscal 2023~~ **2024** Form 10- K18

In addition, our revenue streams for our healthcare businesses depend on reimbursements by third- party payors, as well as payments by individuals, which could lead to delays and uncertainties in the reimbursement process. We may from time to time experience delays in receiving the associated reimbursement and, with respect to value- based arrangements, ultimate payment of any shared savings, bonuses, withholds and similar payments is received only after the close of the relevant measurement period, which may be a calendar year, and then only after the payor has reconciled cost of care, fee- for- service reimbursement paid, if any, reported quality data, and patient attribution resulting in significant delays between the provision of services and ultimate payment. In addition, payors may disallow, in whole or in part, requests for reimbursement based on determinations that the patient is not eligible for coverage, certain amounts are not reimbursable under plan coverage or were for services provided that were not medically necessary, not adequately documented or after submitting additional supporting documentation requested by the payor. Retroactive adjustments may change amounts realized and recognized as revenue from payors. We **are**

periodically may also be subject to audits by such payors, including governmental audits of our Medicare claims, and may be from time- to- time are required to repay these payors if a finding is made that we were incorrectly reimbursed. Payors are also increasingly focused on controlling healthcare costs, and such efforts, including any revisions to reimbursement policies, which may further complicate and delay our reimbursement of claims. Delays and uncertainties in the reimbursement process may adversely affect our accounts receivable, increase the overall costs of collection and cause us to incur additional borrowing costs. Additionally, our accounts receivable may be concentrated among a limited number of payors. Our Board of Directors approved the a plans- plan to **implement the Footprint Optimization Program described in Management's discussion and analysis of financial condition and results of operations in Part II, Item 7 of this Form 10- K as part of an initiative to reduce costs and increase operating efficiencies. In addition, our Board previously approved** the Transformational Cost Management Program described in "Management's discussion and analysis of financial condition and results of operations "in Part II, Item 7 **of this Form 10- K, which was substantially concluded at the end of fiscal 2024,** as part of an initiative to reduce costs and increase operating efficiencies. ~~We may~~ **There can be no not assurance that we will** realize, in full or in part, the anticipated benefits of these programs **and these programs have resulted, and may result, in significant cumulative pre-tax charges**. Our financial goals assume a level of productivity improvement, including those reflected in **the Footprint Optimization Program,** the Transformational Cost Management Program and other business optimization initiatives. If we are unable to implement the programs or deliver these expected productivity improvements, while continuing to invest in business growth, or if the volume and nature of change overwhelms available resources, our business operations, financial condition and results of operations could be materially and adversely impacted. The level of competition in the retail pharmacy, healthcare services and pharmaceutical wholesale industries is high. Changes in market dynamics or actions of competitors or manufacturers, including industry consolidation and the emergence of new competitors and strategic alliances, could materially and adversely impact us. Disruptive innovation, or the perception of potentially disruptive innovation, by existing or new competitors could alter the competitive landscape in the future and require us to accurately identify and assess such changes and if required make timely and effective changes to our strategies and business model to compete effectively. All of our businesses face intense competition from multiple existing and new businesses, some of which are aggressively expanding in markets we serve. We continue to develop our offerings to respond to market dynamics; however, if our customers are not receptive to these changes, if we are unable to expand successful programs in a timely manner, or **if** we otherwise do not effectively respond to changes in market dynamics, our businesses and financial performance could be materially and adversely affected. Specialty pharmacy represents a significant and growing proportion of prescription drug spending in the U. S., a significant portion of which is dispensed outside of traditional retail pharmacies. Because our specialty pharmacy business focuses on complex and high- cost medications, many of which are made available by manufacturers to a limited number of pharmacies (so- called limited distribution drugs), that serve a relatively limited universe of patients, the future growth of this business depends to a significant extent upon expanding our ability to access key drugs and successfully penetrate key treatment categories. Accordingly, it is important that we and our affiliates compete effectively in this evolving and highly competitive market, or our business operations, financial condition and results of operations could be materially and adversely affected. ~~To better serve this evolving market, the Company wholly owns and operates AllianceRx Walgreens. Certain clients of AllianceRx Walgreens were and are not obligated to contract through AllianceRx Walgreens, and have in the past, and may in the future, enter into specialty pharmacy and other agreements without involving AllianceRx Walgreens. Certain clients have chosen not to renew their contracts through AllianceRx Walgreens which impacts gross sales. If AllianceRx Walgreens is not able to compete effectively in this evolving and highly competitive market and successfully adapt to changing market conditions, our business operations, financial condition and results of operations could be materially and adversely affected.~~ ~~WBA Fiscal 2023~~ **2024** Form 10- K19 The portion of total consumer expenditures with retailers occurring online and through mobile applications has continued to increase and has accelerated significantly in the recent years following COVID- 19. The pace of this increase could further accelerate in the future. Our business has evolved from an in- store experience to interaction with customers across numerous channels, including in- store, online, mobile and social media, among others. Omni- channel and differentiated retail models are rapidly evolving , and we must keep pace with changing customer expectations and new developments by our competitors. We must compete by offering a consistent and convenient shopping experience for our customers regardless of the ultimate sales channel and by investing in, providing and maintaining digital tools for our customers. If we are unable to improve or develop relevant customer- facing technology in a timely manner that keeps pace with technological developments and dynamic customer expectations, our ability to compete and our results of operations could be materially and adversely affected. In addition, if our online activities or our other customer- facing technology systems do not function as designed, we may experience a loss of customer confidence, data security breaches, lost sales, or be exposed to fraudulent purchases, any of which could materially and adversely affect our business operations, reputation and results of operations. The success of our retail pharmacy businesses depends on our ability to offer a superior shopping experience, engaging customer service and a quality assortment of available merchandise that differentiates us from other retailers, including enhanced health and beauty product offerings. We must identify, obtain supplies of, and offer to our customers attractive, innovative and high- quality merchandise on a continuous basis. ~~It~~ **We periodically reevaluate our merchandising strategy in order to offer a refreshed assortment of products. After such reevaluation, we may revise our strategy; for example, recent initiatives include increasing selectiveness with national brands and expanding our owned brands in select categories. Even with planned adjustments to our merchandising approach, it** is difficult to predict consistently and successfully the products and services our customers will demand **. It is also difficult to respond to value- seeking consumer behavior, which in turn has led and may in the future lead to decreased margins**. If we misjudge the demand for products and services we sell or our customers' purchasing habits, we may be faced with sales declines, excess product inventories and missed opportunities for products and services we chose not to offer, which could materially and adversely impact our results of operations. Our substantial international business

operations are subject to a number of risks, including, without limitation, compliance with a wide variety of foreign laws and regulations; potential difficulties in managing foreign operations, mitigating credit risks in foreign markets, enforcing agreements and collecting receivables through foreign legal systems; varying regional and geopolitical business conditions and demands; tax and trade policies, tariffs and other government regulations affecting trade between the U. S. and **China, and other countries**; fluctuations in currency exchange rates; **operating in jurisdictions which are subject to the General Data Protection Regulation (like the U. K. and Germany) and other data privacy regulations, which differ from U. S. data privacy policies, making it difficult to maintain uniform and efficient data privacy practices; the risks associated with cross-border data transfers which we conduct daily due to the international segment of our business;** the impact of recessions and economic slowdowns in economies outside the U. S.; impact of war (such as the conflict in Ukraine **or the conflict in the Middle East**) **and foreign conflict, such as the Red Sea crisis,** and the instability of foreign economies, governments and currencies and unexpected regulatory, economic or political changes in foreign markets. These factors can also adversely affect our **delivery routes,** payors, vendors and customers in international markets, which in turn can negatively impact our businesses. ~~One~~ ~~We cannot assure you that one~~ or more of these factors ~~may will not~~ have a material adverse effect on our business operations, results of operation and financial condition. **WBA Fiscal 2024 Form 10- K20** We recognize the ~~rising~~ importance of ESG matters among our team members, customers, and certain shareholders and are committed to upholding a culture dedicated to corporate responsibility. We have ~~established~~ certain goals that allow us to better communicate and align to our ESG strategy. However, these goals are subject to risks and uncertainties, which are outside of our control and might prohibit us from meeting ~~the~~ **such** goals. Further, there is a risk that team members, customers, or certain shareholders might not be satisfied with our goals or strategy and efforts to meet the goals. **In addition, we may face criticism as a result of “ anti- ESG ” sentiment among certain stakeholders, including governmental authorities, regulators, stockholders and customers.** Some of the risks that we are subject to include, but are not limited to: our ability to execute our operational strategy within the timeframe or costs projected; the availability or cost of renewable energy, materials, goods, and / or services required, and evolving regulations or requirements that change or limit our ability to set standards or gather information from our supplier partners or third party contractors. Failure to meet our goals could negatively impact public perception of our company with interested stakeholders **which would have an adverse effect on our reputation** . ESG matters are also increasingly important to current and potential employees. In order to retain and attract talent we know that it is critical that we clearly communicate our ESG strategy, and a delay or inability to meet our goals on time could impact our reputation as a desirable place to work , **which would have an adverse effect on our human capital** . With increased interest from certain ~~shareholders~~ **stockholders** , an inability to meet our goals could also have a negative impact on our stock price. These impacts could make it more difficult for us to operate efficiently and effectively and could have a negative effect on our business, operating results and financial conditions. ~~WBA Fiscal 2023 Form 10- K20~~ We are subject to evolving ESG rules and regulations, including the SEC’ s ~~recently proposed~~ **adopted** climate-related reporting requirements, **if such reporting requirements survive pending judicial review, and similar proposals finalized regulations established** by other international regulatory bodies , **such as the Corporate Sustainability Reporting Directive (“ CSRD ”) in the European Union** . These changing rules and regulations are likely to result in, increased compliance costs driven by developing and acting on initiatives for proposed or adopted ESG rules and regulations, and collecting, measuring and reporting ESG- related information . **We use natural gas, diesel fuel, gasoline and electricity in our operations, all of which could face increased regulation as a result of climate change or other environmental concerns. Regulations limiting greenhouse gas emissions and energy inputs may also increase in coming years, which may increase our costs associated with compliance and merchandise. These events and their impacts could otherwise disrupt and adversely affect our operations and could materially adversely affect our financial performance** . The products we sell are sourced from a wide variety of domestic and international vendors, and any future disruption in our supply chain or inability to find qualified vendors and access products that meet requisite quality and safety standards in a timely and efficient manner could adversely impact our businesses. The loss or disruption of such supply arrangements for any reason, including ~~from COVID-19 or other~~ health epidemics or pandemics, labor disputes, loss or impairment of key manufacturing sites, inability to procure sufficient raw materials, quality control issues, ethical sourcing issues, a supplier’ s financial distress, natural disasters, looting, vandalism or acts of war (such as the conflict in Ukraine **or the conflict in the Middle East**) **and foreign conflict (such as the Red Sea crisis),** or terrorism, trade sanctions or other external factors over which we have no control, could interrupt product supply and, if not effectively managed and remedied, have a material adverse impact on our business operations, financial condition and results of operations. We outsource certain business and administrative functions and rely on third parties to perform certain services on our behalf. We rely on these third parties to meet our quality and performance requirements and to timely perform as expected. If our continuing relationship with certain third- party providers is interrupted, or if such third- party providers experience disruptions or do not perform as anticipated, or we experience problems with any transition, we may experience operational difficulties, reputational harm, and increased costs that could materially and adversely affect our business operations and results of operations. **WBA Fiscal 2024 Form 10- K21** The Company and Cencora are parties to various agreements and arrangements, including a pharmaceutical distribution agreement between the Company and Cencora pursuant to which we source branded and generic pharmaceutical products from Cencora in the U. S. and an agreement which provides Cencora the ability to access generic pharmaceutical products through our global sourcing enterprise. ~~As These agreements were amended in June 2021 in connection with the Alliance Healthcare Sale. Pursuant to those amendments,~~ the U. S. distribution agreement was extended through 2029 and the parties committed to pursue additional opportunities in sourcing and distribution. The parties also agreed that Alliance Healthcare UK will remain the distribution partner of Boots until 2031. As of the date of this report, Cencora distributes substantially all of our branded and generic pharmaceutical products. Consequently, our business may be adversely affected by any operational, financial or regulatory difficulties that Cencora experiences, including those resulting from ~~COVID-19~~ supply chain disruptions or global

macroeconomic uncertainty. For example, if Cencora's operations are seriously disrupted for any reason, whether due to a natural disaster, pandemic, labor disruption, regulatory action, **an acquisition or related strategic transaction**, computer or operational systems or otherwise, it could adversely affect our business and our results of operations. Our distribution agreement with Cencora is subject to early termination in certain circumstances and, upon the expiration or termination of the agreement, ~~there can be no assurance that~~ we or Cencora ~~will~~ **may not** be willing **or able** to renew the agreement or enter into a new agreement, on terms favorable to us or at all. If such expiration or termination occurred, we ~~believe~~ **expect** that alternative sources of supply for most generic and brand-name pharmaceuticals ~~are readily~~ **would be** available and that we could obtain ~~and qualify~~ alternative sources, which may include self-distribution in some cases, for substantially all of the prescription drugs we sell on an acceptable basis, ~~such that the impact of any such expiration or termination would be temporary~~. However, ~~there can be no assurance~~ we ~~would~~ **may not** be able to engage alternative supply sources or implement self-distribution processes on a timely basis or on terms favorable to us, or effectively manage these transitions, any of which could adversely affect our business operations, financial condition and results of operations. ~~WBA Fiscal 2023 Form 10-K21~~ Our success depends, to a large degree on the integration of our new Chief Executive Officer **and new members of our senior management team**. The ability of the ~~new~~ Chief Executive Officer **and other new members of our senior management team** to quickly ~~further~~ adapt to and **better** understand our business, operations, and strategic plans will be critical to the Company and our management's ability to make informed decisions about our near term strategic direction and operations. Leadership transitions can be inherently difficult to manage, **particularly when there is more than one transition occurring within the senior management team within a fiscal year**, and an inadequate transition may cause disruption to our business due to, among other things, diverting management's attention away from the Company's financial and operational goals or causing a deterioration in morale. In addition, ~~while our Board strives~~ **we may be unable** to mitigate the risk through a robust management succession planning process, ~~if~~ **and we may be unable to attract and retain qualified candidates in a timely manner. If** we are unable to ~~attract and retain~~ **other qualified candidates to become our new Global Chief Financial Officer in a timely manner, as well as retain our** key senior executives, our ability to meet our financial and operational goals and strategic plans may be adversely impacted, as well as our financial performance. The loss of any member of our senior management could materially adversely affect our ability to execute our business plan and strategy, and we may not be able to find an adequate replacement on a timely basis, or at all. Further, future executives may view the business differently than current members of management, and over time **have in the past and may in the future** make changes to our strategic focus, operations, business plans or financial guidance and outlook, with corresponding changes in how we report our results of operations. We can make no assurances that we would be able to properly manage any shift in focus or that any changes to our business would ultimately prove successful. Any of these factors could negatively affect our strategy and execution, and our business, financial condition or results of operations may be adversely affected. We compete with other retailers and businesses for suitable locations for our stores. Local land use and zoning regulations, environmental regulations and other regulatory requirements may impact our ability to find suitable locations and influence the cost of constructing, renovating and operating our stores. In addition, real estate, zoning, construction and other delays may adversely affect store openings and renovations and increase our costs. Further, changing local demographics at existing store locations may adversely affect revenue and profitability levels at those stores. The terms of leases at existing store locations may adversely affect us if the renewal terms of, or requested modifications to, those leases are unacceptable to us, and we are forced to close or relocate stores. If we are unable to maintain our existing store locations or open new locations in desirable places and on favorable terms, our results of operations could be materially and adversely affected. ~~WBA Fiscal 2023-2024~~ Form 10-K22 Our ability to continue to conduct and expand our operations depends on our ability to attract and retain qualified team members globally. Our ability to meet our labor needs, including our ability to find qualified personnel to fill positions that become vacant at our existing stores, distribution centers and corporate offices, while controlling our associate wage and related labor costs, is generally subject to numerous external factors, including the availability of a sufficient number of qualified persons in the work force of the markets in which we operate, unemployment levels within those markets, prevailing wage rates, changing demographics, health and other insurance costs and adoption of new or revised employment and labor laws and regulations. Additionally, our ability to successfully execute organizational changes, including our enterprise strategy and management transitions within the Company's senior leadership, and to effectively motivate and retain team members are critical to our business success. We compete for talent with other retail and non-retail businesses, including, for example, health and wellness businesses, and invest significant resources in training and motivating our team members. Increased competition among potential employers at all levels, including senior management and executive levels, could result in increased team member costs or make it more difficult to recruit and retain team members. For example, we have experienced difficulties attracting and retaining qualified pharmacists which has reduced the quality of service we provide to our customers in our U. S. Retail Pharmacy segment and our financial performance has been adversely affected as a result. In addition, if our costs of labor or related costs increase for other reasons or if new, revised, or novel interpretations of existing labor laws, rules or regulations or healthcare laws are adopted or implemented that further increase our labor costs, our financial performance could be materially adversely affected. The long-term effects of global climate change present both physical risks (such as extreme weather conditions or rising sea levels) and transition risks (such as regulatory or technology changes), ~~which~~. **These risks** are expected to be widespread and unpredictable. **Over time** ~~These these~~ changes **may could** ~~over time~~ affect, for example, the availability and cost of products, commodities and energy (including utilities), which in turn may impact our ability to procure goods or services required for the operation of our business at the quantities and levels we require. **This includes utilities we use, like natural gas, diesel fuel, gasoline and electricity in our operations, resources which are particularly vulnerable to climate change effects**. In addition, many of our operations and facilities around the world are in locations that may be impacted by the physical risks of climate change, and we face the risk of losses incurred as a result of physical damage to stores, distribution or fulfillment centers, loss or spoilage of inventory and business interruption

caused by such events. Current or future insurance arrangements may not provide protection for costs that may arise from such events, particularly if such events are catastrophic in nature or occur in combination. We ~~also use natural gas, diesel fuel, gasoline and electricity in our operations, all of which could face increased regulation as a result of climate change or other environmental concerns. Regulations limiting greenhouse gas emissions and energy inputs may also increase in coming years, which may increase our costs associated with compliance and merchandise. These events and their impacts could otherwise disrupt and adversely affect our operations and could materially adversely affect our financial performance.~~ We engage in strategic initiatives to, among other reasons, maximize long-term shareholder value, expand on our consumer-centric approach, strengthen our partnerships with local healthcare providers and improve health outcomes. These strategic initiatives may not result in improvements in future financial performance. We ~~may not~~ cannot provide any assurance that we will be able to successfully execute these strategic initiatives, or ~~that these initiatives may will not~~ result in additional unanticipated costs ~~or changes in strategy~~. The failure to realize the benefits of any strategic initiatives or successfully structure our business to meet market conditions could have a material adverse effect on our business, financial condition, cash flows, or results of operations. WBA Fiscal 2023-2024 Form 10-K23 Our growth strategy is partially dependent upon our ability to identify and successfully complete and integrate acquisitions, joint ventures and other strategic partnerships and alliances. A significant element of our growth strategy is to identify, pursue and successfully complete and integrate acquisitions, joint ventures and other strategic partnerships and alliances that either expand or complement our existing operations. For example, in fiscal 2023 and 2022, the Company ~~directly and indirectly~~ acquired controlling equity interests in VillageMD, ~~WP CityMD TopCo (“ Summit ”), Shields and CareCentrix.~~ Acquisitions and integration of large, diverse and independent businesses is complex, costly and time-consuming. Acquisitions and other strategic transactions involve numerous risks and challenges, including but not limited to difficulties in successfully integrating the operations and personnel, navigating the necessary regulatory approval requirements, distraction of management from overseeing, and disruption of, our existing operations, difficulties in entering markets or lines of business in which we have no or limited direct prior experience, the ~~need to infuse additional capital into acquired businesses, joint ventures and other investments, the~~ possible loss of key employees and difficulties in retaining relationships with existing or new customers and suppliers, and difficulties in achieving the synergies we anticipated. Any failure to select suitable opportunities at fair prices, conduct appropriate due diligence, acquire and successfully integrate the acquired ~~company business~~, including particularly when acquired businesses operate in new geographic markets or areas of business, could materially and adversely impact our growth strategies, financial condition and results of operations. Our ability to integrate and retain qualified and experienced employees from acquired businesses at all levels, including in executive and other key strategic positions, is essential for us to meet our growth strategy and successfully complete ~~acquisition~~ acquisitions, joint ventures and other strategic partnerships and alliances. These transactions may also cause us to significantly increase our interest expense, leverage and debt service requirements if we incur additional debt to pay for an acquisition or investment ~~or, issue common stock that would dilute our current stockholders’ percentage ownership~~ ~~if we issue common stock to pay for an acquisition or investment or subsequent capital infusion~~, or incur asset write-offs and restructuring costs and other related expenses that could have a material adverse impact on our operating results. Acquisitions, joint ventures and ~~strategic~~ investments also involve numerous other risks, including potential exposure to assumed litigation and unknown environmental and other liabilities, as well as undetected internal control, regulatory or other issues, or additional costs not anticipated at the time the transaction was completed. ~~For example, our acquisition of a majority stake in VillageMD has resulted in additional capital infusions and substantial ongoing and future cash requirements that were not necessarily expected at the time of the transaction.~~ In addition, the full benefits of the transactions may not be realized, including, among others, the synergies, cost savings or revenue growth that are expected. These benefits may not be achieved within the anticipated time frame or at all. The failure to meet the challenges involved in integrating the businesses and to realize the anticipated benefits of the transactions could result in a material adverse impact on our business and results of operations. As of August 31, 2023-2024, we beneficially owned approximately ~~15.10.92~~ % of the outstanding Cencora common stock and had designated one nominee for election to Cencora’s board of directors. ~~All Cencora common stock owned by the Company is pledged under variable prepaid forward (“ VPF ”) derivative contracts.~~ The Company accounts for its investment in Cencora using the equity method of accounting, subject to a two-month reporting lag, with the net earnings attributable to the investment classified within the operating income of the Company’s U. S. Retail Pharmacy segment. The financial performance of Cencora, ~~including any charges which may arise relating to its ongoing opioid litigation matters~~, will impact the Company’s results of operations. Additionally, a substantial and sustained decline in the price of Cencora’s common stock could trigger an impairment evaluation of our investment. ~~The VPF derivative contracts limit the Company’s economic exposure to decreases and increases in the price of Cencora common stock.~~ Further, our ability to transact in Cencora securities is subject to certain restrictions set forth in our agreements with Cencora and arising under applicable laws and regulations, which in some circumstances could adversely impact our ability to transact in Cencora securities in amounts and at the times desired. These considerations may materially and adversely affect the Company’s financial condition and results of operations. We have, from time to time, divested certain assets or businesses in order to redeploy capital into our core strategies. The success of such transactions in the future will be subject to market conditions, availability of financing and other circumstances beyond our control. ~~We have recently divested of a portion of our interests in Cencora and BrightSpring Health Services, and completed the sale of the Farmacias Ahumada business in Chile and may choose to divest more of our investment interests in the future.~~ WBA Fiscal 2024 Form 10-K24 In addition, as previously announced on June 27, 2024, we initiated a strategic and operational review towards simplifying and focusing our U. S. Healthcare portfolio, including the assessment of our investment in VillageMD. We are currently evaluating a variety of options with respect to VillageMD in light of ongoing investments in VillageMD’s businesses and VillageMD’s substantial ongoing and expected future cash requirements. These options could include a sale of all or part of the VillageMD businesses, possible

restructuring options and other strategic opportunities. In the second quarter of fiscal 2024, we recorded \$ 12. 4 billion of non- cash impairment charges related to VillageMD goodwill. Further impairments may occur and may have a material impact on our financial condition and results of operations. We will continue to monitor the fair values of the VillageMD reporting unit and related intangible assets and the impacts of any strategic transaction to determine if there is any further impairment in future periods. In the future, we may ~~intend to relaunch~~ **launch** a process for the sale of ~~certain other~~ businesses or contemplate other opportunities to monetize our interest in these businesses ~~. In addition, we have recently divested of a portion of our interests in Cencora and fully divested our interests in Option Care Health, Inc. and may choose to divest more of our investment interests in the future.~~ However, our ability to divest these or any of our other assets, will be subject to global financial markets and market instability which may severely impact the ability to divest, divestiture terms, financing availability and other considerations for potential buyers. ~~WBA Fiscal 2023 Form 10- K24~~ From time to time, we make debt or equity investments in companies that we may not control or over which we may not have sole control. Some of the businesses in which we have made non- controlling investments operate in markets or industries that are different from our primary lines of business and / or operate in different geographic markets than we do. Investments in these businesses, among other risks, subject us to the operating and financial risks of the businesses we invest in and to the risk that we do not have sole control over the operations of these businesses. We rely on the internal controls and financial reporting controls of these entities and their failure to maintain effectiveness or comply with applicable standards may materially and adversely affect us. Ineffective internal controls could cause investors to lose confidence in our reported financial information that could negatively impact the trading price of our securities and our access to capital. Investments in entities over which we do not have sole control, including joint ventures and strategic partnerships and alliances, present additional risks such as having differing objectives from our partners or the entities in which we are invested, becoming involved in disputes, or competing with those persons. In addition, any difficulties in assimilating business into our system of financial controls could cause us to fail to meet our financial reporting obligations. We rely extensively on our computer systems to manage our ordering, pricing, point- of- sale, pharmacy fulfillment, inventory replenishment, customer loyalty programs, finance and other processes. Our systems are subject to damage or interruption from power outages, facility damage, computer and telecommunications failures, computer viruses, security breaches including credit card or personally identifiable information breaches, vandalism, theft, natural disasters, catastrophic events, human error and potential cyber threats, including malicious codes, worms, phishing attacks, denial of service attacks, ransomware and other sophisticated cyber- attacks, and our disaster recovery planning cannot account for all eventualities. If any of our systems are damaged, fail to function properly or otherwise become unavailable, we may incur substantial costs to repair or replace them for which insurance coverage may not be wholly sufficient, and may experience loss or corruption of critical data and interruptions or disruptions and delays in our ability to perform critical functions, which could materially and adversely affect our businesses **, reputation** and results of operations. **WBA Fiscal 2024 Form 10- K25** In addition, we are currently making, and expect to continue to make, substantial investments in our information technology systems and infrastructure, some of which are significant. Implementing new systems carries significant potential risks, including failure to operate as designed, potential loss or corruption of data or information, changes in security processes, cost overruns, implementation delays, disruption of operations, and the potential inability to meet business and reporting requirements **. There are also substantial risks associated with our continued integration of artificial intelligence and machine learning within our technology systems.** We rely on strategic partners and other service providers to help us with certain significant information technology projects and services. Information technology projects or services frequently are long- term in nature and may take longer to complete and cost more than we expect and may not deliver the benefits we project once they are complete. Any system implementation and transition difficulty may result in operational challenges, reputational harm, and increased costs that could materially and adversely affect our business operations and results of operations. We also could be adversely affected by any significant disruption in the systems of third parties we interact with, including strategic and business partners, key payors and vendors. ~~WBA Fiscal 2023 Form 10- K25~~ The regulatory environment surrounding data security and privacy is increasingly demanding, with the frequent imposition of new and changing requirements across businesses and geographic areas. We are required to comply with increasingly complex and changing data security and privacy regulations **and related reporting requirements** in the jurisdictions in which we operate that regulate the collection, use and transfer of personal data, including the transfer of personal data between or among countries. In the U. S., for example, HIPAA imposes extensive privacy and security requirements governing the transmission, use and disclosure of health information by covered entities in the healthcare industry, including healthcare providers such as pharmacies. In addition, the California Consumer Privacy Act, which went into effect on January 1, 2020, imposes stringent requirements on the use and treatment of “ personal information ” of California residents, and other jurisdictions have enacted, or are proposing similar laws related to the protection of personal data. Outside the U. S., for example, the European Union’ s General Data Protection Regulation, which became effective in May 2018, greatly increased the jurisdictional reach of European Union data protection laws and added a broad array of requirements for handling personal data, including the public disclosure of significant data breaches, and provides for greater penalties for noncompliance. Other countries have enacted or are considering enacting data localization laws that require certain data to stay within their borders. Compliance with changes in privacy and information security laws and standards may result in significant expense due to increased investment in technology and the development of new operational processes. Failure to comply with these laws may subject us to potential regulatory enforcement activity, fines, private litigation including class actions, and other costs. We also have contractual obligations that might be breached if we fail to comply. A significant privacy breach or failure to comply with privacy and information security laws could have a materially adverse impact on our reputation, business operations, financial position and results of operations. The protection of customer, employee and Company data is critical to our businesses. Cybersecurity and other information technology security risks, such as a significant breach or theft of customer, employee, or company data, could create significant workflow disruption, attract media

attention, **adversely impact the experience of our customers**, damage our customer relationships, reputation and brand, and result in lost sales, fines or lawsuits. Throughout our operations, we receive, retain and transmit certain personal information that our customers and others provide to purchase products or services, fill prescriptions, enroll in promotional programs, participate in our customer loyalty programs and banking and credit programs, register on our websites, or otherwise communicate and interact with us. In addition, aspects of our operations depend upon the secure transmission of confidential information over public networks. We also depend on and interact with the information technology networks and systems of third- parties for many aspects of our business operations, including payors, strategic partners and cloud service providers. These third parties may have access to information we maintain about our company, operations, customers, employees and vendors, or operating systems that are critical to or can significantly impact our business operations. Like other global companies, we and businesses we interact with have experienced and expect to continue to experience threats to data and systems, including from vandalism or theft of physical systems or media and from perpetrators of random or targeted malicious cyber- attacks, computer viruses, worms, phishing attacks, bot attacks or other destructive or disruptive software and attempts to misappropriate customer information, including credit card information, and cause system failures and disruptions. **WBA Fiscal 2024 Form 10- K26**

Compromises of our data security systems or of those of businesses with which we interact that result in confidential information being accessed, obtained, damaged or used by unauthorized or improper persons, have in the past and could in the future adversely impact us. Any such compromise could harm our reputation and expose us to regulatory actions, customer attrition, remediation expenses, and claims from customers, financial institutions, payment card associations and other persons, any of which could materially and adversely affect our reputation, business operations, financial condition and results of operations. In addition, ~~security~~ **cybersecurity** incidents may require that we expend substantial additional resources related to the security of information systems and disrupt our businesses. The risks associated with data security and cybersecurity incidents have increased ~~during~~ **since** COVID- 19 given the increased reliance on remote work arrangements. ~~WBA Fiscal 2023 Form 10- K26~~

We accept payments using a variety of methods, including cash, checks, credit and debit cards, gift cards and mobile payment technologies such as Apple Pay™, and we may offer new payment options over time. Acceptance of these payment options subjects us to rules, regulations, contractual obligations and compliance requirements, including payment network rules and operating guidelines, data security standards and certification requirements, and rules governing electronic funds transfers. These requirements and related interpretations may change over time, which has made and could continue to make compliance more difficult or costly. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which could increase over time and raise our operating costs. We rely on third parties to provide payment processing services, including the processing of credit cards, debit cards, and other forms of electronic payment. If these companies become unable to provide these services to us, or if their systems are compromised, it could disrupt our business. The payment methods that we offer also subject us to potential fraud and theft by persons who seek to obtain unauthorized access to or exploit any weaknesses that may exist in the payment systems. If we fail to comply with applicable rules or requirements, or if data is compromised due to a breach or misuse of data relating to our payment systems, we may be liable for costs incurred by payment card issuing banks and other third parties or subject to fines and higher transaction fees, or our ability to accept or facilitate certain types of payments could be impaired. In addition, our reputation could suffer, and our customers could lose confidence in certain payment types, which could result in higher costs and / or reduced sales and materially and adversely affect our results of operations. Additionally, we offer branded credit cards, money (wire) transfer services and sell prepaid debit, credit and gift cards. These products and services require us to comply with global anti- money laundering laws and regulations. Failure to comply with these laws and regulations could result in fines, sanctions, penalties and damage to our reputation. We have **significant** outstanding debt and other financial obligations. As of August 31, ~~2023~~ **2024**, we had approximately \$ ~~9.1~~ **5** billion of outstanding indebtedness, including short- term debt. Our debt level and related debt service obligations **has had, and could continue to** have, negative consequences, including: • requiring us to dedicate significant cash flow from operations to amounts payable on our debt, which would reduce the funds we have available for other purposes; • making it more difficult or expensive for us to obtain any necessary future financing; • reducing our flexibility in planning for or reacting to changes in our industry and market conditions and making us more vulnerable in the event of a downturn in our business operations; • exposing us to interest rate risk given that a portion of our debt obligations and undrawn revolving credit facilities is at variable interest rates; • a potential downgrade of our credit ratings; and • our ability to pursue certain operational and strategic opportunities. **For example, in part as a result of dedicating significant cash flow to amounts payable on our debt, our Board suspended our stock repurchase program in July 2020 and it may never resume or may not resume on a particular timeline. If resumed, the repurchase program may be suspended or terminated at any time and, even if fully implemented, may not enhance long- term stockholder value.** We may incur or assume significantly more debt in the future, including in connection with acquisitions, strategic investments or joint ventures. If we add new debt and do not retire existing debt, the risks described above could increase. **WBA Fiscal 2024 Form 10- K27** Incurrence of additional debt by us and changes in our operating performance **has, and could also continue to,** adversely affect our credit ratings. Any actual or anticipated downgrade of our credit ratings, including any announcement that our ratings are under review for a downgrade or have been assigned a negative outlook, **has and** could adversely affect our cost of funds, liquidity, financial covenants, competitive position and access to capital markets and increase the cost of existing facilities, which could materially and adversely affect our business operations, financial condition, and results of operations. We also could be adversely impacted by any failure to renew or replace, on terms acceptable to us or at all, existing funding arrangements when they expire, and any failure to satisfy applicable covenants. ~~WBA Fiscal 2023 Form 10- K27~~ Our long- term debt obligations include covenants that may adversely affect our ability, and the ability of certain of our subsidiaries, to incur secured indebtedness or engage in certain types of transactions. In addition, our existing credit agreements require us to maintain as of the last day of each fiscal quarter a ratio of consolidated debt to total capitalization not to exceed a certain level. Our ability to comply with these restrictions and covenants may be affected by events

beyond our control. If we breach any of these restrictions or covenants and do not obtain a waiver from the lenders, then, subject to applicable cure periods, our outstanding indebtedness could be declared immediately due and payable. This could have a material adverse effect on our business operations and financial condition. We are a holding company with no business operations of our own. Our assets primarily consist of direct and indirect ownership interests in, and our business is conducted through, subsidiaries which are separate legal entities. As a result, we are dependent on funding from our subsidiaries, including Walgreens and international subsidiaries, to pay dividends and meet our obligations. Our subsidiaries may be restricted in their ability to pay cash dividends or to make other distributions to us, which may limit the payment of cash dividends or other distributions to the holders of our common stock. Payments to us by our subsidiaries are also contingent upon our subsidiaries' earnings and business considerations. Future dividends to us will be determined based on earnings, capital requirements, financial condition, and other debt obligations, fines and / or adverse rulings by courts or arbitrators in legal or regulatory matters, changes in federal, state or foreign income tax law, adverse global macroeconomic conditions, and changes to our business model. The Company currently intends to continue to pay quarterly dividends to our stockholders, subject to capital availability. However, its ability to pay dividends will depend on our ability to generate sufficient cash flows from operations in the future. Future dividends will be determined based on earnings, capital requirements, financial condition, credit facilities and other debt obligations, fines and / or adverse rulings by courts or arbitrators in legal or regulatory matters, changes in federal, state or foreign income tax law, adverse global macroeconomic conditions, changes to the Company's business model and other factors considered relevant by the Company's Board of Directors. Our Board may, at its discretion, decrease or entirely discontinue our quarterly dividend payment at any time. **In the second quarter of fiscal 2024, as part of an evaluation of strategic and operational options, including those related to capital allocation, the Company announced a 48 percent reduction in its quarterly dividend payment.** Any further reduction in the amount of dividends we pay to stockholders could negatively impact our reputation and investor confidence in us and may have an adverse effect on the trading price of our common stock. **Accordingly, we believe that quarter- to- quarter comparisons of our operating results are not necessarily meaningful and investors should not place undue reliance on the results of any particular quarter as an indication of our future performance.** **WBA Fiscal 2023 Form 10- K28** As of August 31, ~~2024~~ **2023**, we had \$ ~~15.28~~ **5.2** billion of goodwill and \$ ~~13.06~~ billion of other intangible assets on our Consolidated Balance Sheets. We evaluate this goodwill and other indefinite- lived intangible assets for impairment annually during the fourth quarter, or more frequently ~~when and~~ if an event occurs or circumstances change that could more likely than not reduce the fair value of a reporting unit or indefinite- lived intangible asset below its carrying value. As part of this impairment analysis, we determine fair value for each reporting unit using both the income and market approaches. Estimated fair values ~~have and~~ could change if, for example, there are changes in the business climate, changes in the competitive environment, adverse legal or regulatory actions or developments, changes in capital structure, cost of debt and equity, capital expenditure levels, operating cash flows, or market capitalization. **There can be** ~~In the second quarter of fiscal 2024, we recorded \$ 12.4 billion of non-~~ **no - cash assurance that impairments will not occur, and any** impairment charges related to VillageMD goodwill. ~~In the fourth quarter of fiscal 2024, we recorded \$ 332 million of non- cash impairment charges related to CareCentrix goodwill. Further impairments may occur and~~ may have a material impact on our financial condition and results of operations. ~~We will continue~~ Our operating results have historically varied on a quarterly basis, ~~including increased variability during COVID- 19,~~ and may continue to fluctuate significantly in the future. For instance, our businesses are seasonal in nature, with the second fiscal quarter (December, January and February), which falls during the holiday season, typically generating a higher proportion of retail sales and earnings than other fiscal quarters. In addition, both prescription and non- prescription drug sales are affected by the timing and severity of the cough, cold and flu season, which can vary considerably from year to year. Other factors that may affect our quarterly operating results, some of which are beyond the control of management, include, but are not limited to; the impact and duration of ~~COVID- 19~~ **and other** pandemics; the timing of the introduction of new generic and brand name prescription drugs; inflation, including with respect to generic drug procurement costs; ~~the timing and severity of the cough, cold and flu season;~~ changes or rates of change in payor reimbursement rates and terms; the timing and amount of periodic contractual reconciliation payments; fluctuations in inventory, **costs of** energy, transportation, labor, healthcare ~~and among~~ other costs; significant acquisitions, dispositions, joint ventures and other strategic initiatives; asset impairment charges, including the performance of and impairment charges related to our equity method investments; the relative magnitude of our LIFO provision in any particular quarter; foreign currency fluctuations; market conditions, widespread looting or vandalism; and many of the other risk factors discussed herein. **Accordingly, we believe that quarter-..... financial condition and results of operations.** We operate ~~or and~~ have equity method investments in several countries across the globe which expose us to currency exchange rate fluctuations and related risks, including transaction currency exposures relating to the import and export of goods in currencies other than a businesses' functional currencies as well as currency translation exposures relating to profits and net assets denominated in currencies other than the U. S. dollar. We present our financial statements in U. S. dollars and have a significant proportion of net assets and income in non- U. S. dollar currencies, primarily the British pound sterling, as well as a range of other foreign currencies. Our results of operations and capital ratios can therefore be sensitive to movements in foreign exchange rates. Due to the constantly changing currency exposures to which we are subject and the volatility of currency exchange rates, we cannot predict the effect of exchange rate fluctuations upon our future results of operations. In addition, fluctuations in currencies relative to the U. S. dollar may make it more difficult to perform period- to- period comparisons of our reported results of operations. A depreciation of non- U. S. dollar currencies relative to the U. S. dollar could have a significant adverse impact on our results of operations. We may from time to time, in some instances, enter into foreign currency contracts or other derivative instruments intended to hedge a portion of our foreign currency fluctuation risks, which subjects us to additional risks, such as the risk that counterparties may fail to honor their obligations to us, that could materially and adversely affect us. Additionally, we may (and currently do) use foreign currency debt to hedge some of our foreign currency fluctuation risks. The periodic use of such

hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. ~~We cannot assure you that fluctuations~~ **Fluctuations** in foreign currency exchange rates ~~may will not~~ materially affect our consolidated financial results. We operate certain defined benefit pension plans in the UK, which were closed to new entrants in 2010, as well as smaller plans in other jurisdictions. The valuation of the pension plans' assets and liabilities depends in part on assumptions, which are primarily based on the financial markets as well as longevity and employee retention rates. This valuation is particularly sensitive to material changes in the value of **insurance contracts** equity, bond and other investments held by the pension plans, changes in the corporate bond yields which are used in the measurement of the liabilities, changes in market expectations for long- term price inflation and other macroeconomic factors, and new evidence on projected longevity rates. **The Funding requirements and the** statement of earnings relating to these pension plans ~~are is~~ also influenced by these factors. ~~Adverse changes in the assumptions used to calculate the value of pension assets and liabilities, including lower than expected pension fund investment returns and / or increased life expectancy of plan participants, or regulatory change could require us to increase the funding of its defined benefit pension plans or incur higher expenses, which would adversely impact our results of operations and financial position.~~ **WBA Fiscal 2023-2024** Form 10- K29 Political, economic and regulatory influences are subjecting the healthcare industry to significant changes that could adversely affect our results of operations. In recent years, the healthcare industry has undergone significant changes in an effort to reduce costs and government spending. These changes include an increased reliance on managed care; cuts in certain Medicare and Medicaid funding in the U. S. and the funding of governmental payors in foreign jurisdictions; consolidation of competitors, suppliers and other market participants; and the development of large, sophisticated purchasing groups. In addition, on August 16, 2022, President Biden signed into law the IRA, which, among other things, includes policies that are designed to have a direct impact on drug prices and reduce drug spending by the federal government. For example, the IRA requires drug manufacturers to pay rebates to Medicare if they increase prices faster than inflation for drugs used by Medicare beneficiaries. The mechanics of the rebate calculation would mimic those of the Medicaid rebate, but the expansion of inflation- based rebates may further complicate pricing strategies, particularly as to the launch of our new products. The IRA could have the effect of reducing the prices we can charge and reimbursement we receive for our products, thereby reducing our profitability. **Additionally, any changes to reimbursement policies in China, for example, adjustments in reimbursement rates or coverage, could also have a material impact on the profitability of our investment in the region, thereby reducing the value of our investment.** We expect the healthcare industry to continue to change significantly in the future. Some of these potential changes, such as a reduction in governmental funding for certain healthcare services or adverse changes in legislation or regulations governing prescription drug pricing, healthcare services or mandated benefits, may cause customers to reduce the amount of our products and services they purchase or the price they are willing to pay for our products and services. We expect continued governmental and private payor pressure to reduce pharmaceutical pricing, and these pressures could be further exacerbated if payor deficits or shortfalls increase. Changes in pharmaceutical manufacturers' pricing or distribution policies and practices as well as applicable government regulations, including, for example, in connection with the federal 340B drug pricing program, could also significantly reduce our profitability. We operate in a highly regulated and litigious environment. We are involved in legal proceedings, including litigation, arbitration and other claims, and investigations, inspections, audits, claims, inquiries and similar actions by pharmacy, healthcare, tax and other governmental authorities, including those contained in Note ~~11-10~~. Commitments and contingencies, to the Consolidated Financial Statements included in Part II, Item 8 for further information ~~. For example, in January 2019, Walgreen Co., on behalf of itself, its subsidiaries and certain identified affiliates, resolved matters regarding certain dispensing practices by entering into, among other things, a Corporate Integrity Agreement with the Office of Inspector General of the United States Department of Health and Human Services. The Corporate Integrity Agreement has a five- year term and provides that Walgreen Co. shall, among other things, continue the compliance program it created to address compliance with federal healthcare program requirements, provide annual certifications of compliance and provide training and education for certain covered employees. Failure to meet the Corporate Integrity Agreement obligations could have material adverse consequences for us, including reputational harm and monetary penalties for each instance of non- compliance. In addition, in the event of a breach or deliberate violation of the Corporate Integrity Agreement, we could be excluded from participation in federal healthcare programs, or subjected to other significant penalties, which could seriously harm our results of operations, liquidity and financial results .~~ Legal proceedings, in general, and securities, derivative action and class action and multi- district litigation, in particular, can be expensive and disruptive. Some of these suits may purport or may be determined to be class actions and / or involve parties seeking large and / or indeterminate amounts, including punitive or exemplary damages, and may remain unresolved for several years. For example, we have been a defendant in numerous litigation proceedings relating to opioid matters, including federal multidistrict litigation that consolidated numerous cases filed against an array of defendants by various plaintiffs such as counties, cities, hospitals, Indian tribes, and others, as well as numerous lawsuits brought in state courts. As previously disclosed, we have reached settlement agreements in some proceedings, including for example ~~the~~ **Multistate Opioid Settlement Frameworks Agreement** (the "**Settlement Frameworks Multistate Agreement** "). The Company has now resolved its litigation with all states, territories, tribes and 99. ~~5-7~~ % of litigating subdivisions within participating states and political subdivisions included in the **Settlement Frameworks Multistate Agreement** or in separate agreements. The Company remains a defendant in multiple actions in federal courts alleging claims generally concerning the impacts of widespread opioid abuse, which have been commenced by various plaintiffs. Additionally, the Company has received from the Department of Justice and the Attorney Generals of numerous states subpoenas, civil investigative demands and / or other requests concerning opioid matters. The Company has incurred and expects to continue to incur significant expense in order to resolve those and other opioids- related matters, including through settlement agreements. From time to time, the Company is also involved in legal proceedings as a plaintiff involving antitrust, tax, contract, intellectual property and other matters. See Note ~~11-10~~. Commitments and contingencies, to the Consolidated

Financial Statements included in Part II, Item 8 for further information. ~~WBA Fiscal 2023 Form 10-K30~~ The Company's financial results may also be adversely affected by the litigation and other legal proceedings of companies in which it has an equity method investment. For example, Cencora is involved in litigation and legal proceedings, including those relating to opioid matters. Any unfavorable outcome or settlement related to these proceedings could have a material adverse effect on the Company's financial results. **WBA Fiscal 2024 Form 10-K30** Like other companies in the retail pharmacy, healthcare services and pharmaceutical wholesale industries, the Company is subject to extensive regulation by national, state and local government agencies in the U. S. and other countries in which it operates. There continues to be a heightened level of review and / or audit by regulatory authorities of, and increased litigation regarding business, compliance and reporting practices of the Company and other industry participants. As a result, the Company regularly is the subject of government actions of the types described above. In addition, under the qui tam or "whistleblower" provisions of the federal and various state false claims acts, persons may bring lawsuits alleging that a violation of the federal anti-kickback statute or similar laws has resulted in the submission of "false" claims to federal and / or state healthcare programs, including Medicare and Medicaid. After a private party has filed a qui tam action, the government must investigate the private party's claim and determine whether to intervene in and take control over the litigation. These actions may remain under seal while the government makes this determination. We cannot predict with certainty the outcomes of ~~these~~ **active and future** legal proceedings and other contingencies, and the costs incurred in litigation can be substantial, regardless of the outcome. Substantial unanticipated verdicts, **awards**, fines and rulings ~~do~~ **sometimes have occurred and may occur in the future**. As a result, we could from time to time incur judgments, enter into settlements or revise our expectations regarding the outcome of certain matters, and such developments could harm our reputation and have a material adverse effect on our results of operations in the period in which the amounts are accrued and / or our cash flows in the period in which the amounts are paid. In addition, as a result of governmental investigations or proceedings, the Company may be subject to damages, civil or criminal fines or penalties, or other sanctions, including the possible suspension or loss of licensure and / or suspension or exclusion from participation in government programs. The outcome of some of these legal proceedings and other contingencies could require us to take, or refrain from taking, actions which could negatively affect our operations. Additionally, defending against these lawsuits and proceedings may involve significant expense and diversion of management's attention and resources, **and have caused, and may again cause, reputational harm**. We operate in complex, highly regulated environments around the world and could be materially and adversely affected by changes to applicable legal requirements including the related interpretations and enforcement practices, new legal requirements and / or any failure to comply with applicable regulations. Our retail pharmacy and health and wellness services businesses are subject to numerous country, state and local regulations including licensing, billing practices, utilization and other requirements for pharmacies and reimbursement arrangements. The regulations to which we are subject include, but are not limited to: country and state registration and regulation of pharmacies and drug discount card programs; dispensing and sale of controlled substances and products containing pseudoephedrine; applicable governmental payor regulations including Medicare and Medicaid; data privacy and security laws and regulations including HIPAA; the ACA or any successor thereto; laws and regulations relating to the protection of the environment and health and safety matters, each of which continues to evolve, including those governing exposure to, and the management and disposal of, hazardous substances; regulations regarding food and drug safety including those of the U. S. Food and Drug Administration ("FDA") and Drug Enforcement Administration ("DEA"), trade regulations including those of the U. S. Federal Trade Commission, and consumer protection and safety regulations including those of the Consumer Product Safety Commission, as well as state regulatory authorities, governing the availability, sale, advertisement and promotion of products we sell as well as our loyalty and drug discount card programs; anti-kickback laws; false claims laws; laws against the corporate practice of medicine; and foreign, national and state laws governing healthcare fraud and abuse and the practice of the profession of pharmacy. For example, in the U. S., the DEA, FDA and various other regulatory authorities regulate the distribution and dispensing of pharmaceuticals and controlled substances. We are required to hold valid DEA and state-level licenses, meet various security and operating standards and comply with the federal and various state controlled substance acts and related regulations governing the sale, dispensing, disposal, holding and distribution of controlled substances. The DEA, FDA and state regulatory authorities have broad enforcement powers, including the ability to seize or recall products and impose significant criminal, civil and administrative sanctions for violations of these laws and regulations. ~~In addition, On August 16, 2022, President Biden signed into law the IRA, which, among other things, includes policies that are designed to have a direct impact on drug prices and reduce drug spending by the federal government, which shall take effect in 2023.~~ We are also governed by foreign, national and state laws of general applicability, including laws regulating matters of working conditions, health and safety and equal employment opportunity and other labor and employment matters as well as employee benefit, competition and antitrust matters. ~~In addition, we could have significant exposure if we are found to have infringed another party's intellectual property rights.~~ **WBA Fiscal 2023 Form 10-K31** Some of our businesses are also subject to federal and state laws and regulations that may impact our relationships with healthcare providers and customers, including laws on self-referrals, beneficiary inducements, false claims, fee-splitting, telemedicine, corporate practice of medicine, dispensing, packaging, fulfillment, and distribution of controlled substances, other pharmaceutical products and medical devices, medical malpractice, consumer protection, product liability, narrow networks, provider tiering programs, provider contracts, overpayments, reimbursement of out-of-network claims, and licensure. **WBA Fiscal 2024 Form 10-K31** Changes in laws, regulations and policies and the related interpretations and enforcement practices may alter the landscape in which we do business and may significantly affect our cost of doing business. The impact of new laws, regulations and policies and the related interpretations and enforcement practices generally cannot be predicted, and changes in applicable laws, regulations and policies and the related interpretations and enforcement practices may require extensive system and operational changes, be difficult to implement, increase our operating costs and require significant capital expenditures. Untimely compliance or noncompliance with applicable laws and regulations could result in the imposition

of civil and criminal penalties that could adversely affect the continued operation of our businesses, including: suspension of payments from government programs; loss of required government certifications; loss of authorizations to participate in or exclusion from government programs, including the Medicare and Medicaid programs in the U. S. and the National Health Service in the UK; loss of licenses; and significant fines or monetary penalties. Any failure to comply with applicable regulatory requirements in the U. S. or in any of the countries in which we operate could result in significant legal and financial exposure, damage to our reputation and brand, and have a material adverse effect on our business operations, financial condition and results of operations. We are subject to laws concerning our business operations and marketing activities in foreign countries where we conduct business. For example, we are subject to the U. S. Foreign Corrupt Practices Act (the “FCPA”), U. S. export control, anti- money laundering and economic and trade sanction laws, and similar anti- corruption and international trade laws in certain foreign countries, such as the UK Bribery Act, any violation of which could create substantial liability for us and also harm our reputation. Violations of these laws and regulations or any other anti- bribery, anti- corruption or international trade laws may subject us to penalties, sanctions, including civil and criminal fines, disgorgement of profits, and suspension or debarment of our ability to contract with governmental agencies or receive export licenses. From time to time, we may face audits or investigations by one or more domestic or foreign governmental agencies relating to our international business activities, compliance with which could be costly and time- consuming, and could divert our management and key personnel from our business operations. **Further, investigations by regulatory agencies have been increasing and, therefore, it may become increasingly costly and time consuming to maintain proper internal controls in the highly regulated industries we operate.** An adverse outcome under any such investigation or audit could damage our reputation and subject us to fines or other penalties, which could materially and adversely affect our business operations, financial condition, and results of operations. We could be adversely impacted by the supply of defective or expired products, including the infiltration of counterfeit products into the supply chain, errors in re- labeling of products, product tampering, product recall and contamination or product mishandling issues. Through our pharmacies and specialist packaging sites, including through services provided by third- party healthcare providers, we are also exposed to risks relating to the products and services we offer. Errors in the dispensing and packaging of pharmaceuticals, including related counseling, and in the provision of other healthcare services could lead to serious injury or death. Product liability or personal injury claims may be asserted against us and mandatory or voluntary product recalls may apply to us with respect to any of the retail products or pharmaceuticals we sell or services we provide, particularly with regard to our private branded products that are not available from other retailers. For example, from time to time, the FDA issues statements alerting patients that products in our supply chain may contain impurities or harmful substances, and claims relating to the sale or distribution of such products may be asserted against us or arise from these statements. Our healthcare clinics also increase our exposure to professional liability claims related to medical care. We could suffer significant reputational damage and financial liability if we, or any affiliated entities or third- party healthcare providers that we do business with, experience any of the foregoing health and safety issues or incidents, which could have a material adverse effect on our business operations, financial condition and results of operations, **as well as our reputation.**

~~WBA Fiscal 2023 Form 10- K32~~ As a large corporation with operations in the U. S. and numerous other jurisdictions, from time to time, changes in tax laws or regulations may be proposed or enacted that could adversely affect our overall tax liability. There can be no assurance that changes in tax laws or regulations, both within the U. S. and the other jurisdictions in which we operate, such as the proposed 15 % global minimum tax under the Organisation for Economic Co- operation and Development (“OECD”) Pillar Two, Global Anti- Base Erosion Rules, will not materially and adversely affect our effective tax rate, tax payments, financial condition and results of operations. ~~WBA As of August 31, 2023, among the jurisdictions where the Company operates, only the UK has enacted legislation adopting the Pillar Two Rules, effective in fiscal 2025-2024.~~ **Fiscal 2025-2024 - Form 10- K32** Tax laws and regulations are complex and subject to varying interpretations, and we are subject to regular review and audit by both domestic and foreign tax authorities. Any adverse outcome of such a review or audit could have a negative impact on our effective tax rate, tax payments, financial condition and results of operations. In addition, the determination of our income tax provision and other tax liabilities requires significant judgment, and there are many transactions and calculations where the ultimate tax determination is uncertain. **There have been instances where the IRS has not agreed with our determination of our income tax provision and other tax liabilities which resulted in an ongoing investigation.** The ultimate tax determination may differ from the amounts recorded in our financial statements and may materially affect our results of operations in the period or periods for which such determination is made. **Additionally, the Company’s assessment of deferred tax assets requires significant judgment to determine whether a deferred tax asset is recoverable, and additional negative evidence available over time could result, and has resulted, in us recognizing valuation allowances against our deferred tax assets, adversely affecting our financial condition. For example, in fiscal 2024, as a result of recent cumulative losses in the U. S., the Company recognized an additional \$ 2. 3 billion of valuation allowance against certain U. S. and state deferred tax assets primarily related to opioid settlements reached in fiscal 2023. There is no certainty that sufficient positive evidence will become available to reverse any such valuation allowances in the future.** Any significant failure to comply with applicable tax laws and regulations in all relevant jurisdictions could give rise to substantial penalties and liabilities. Any changes in enacted tax laws, rules or regulatory or judicial interpretations; or any change in the pronouncements relating to accounting for income taxes could materially and adversely impact our effective tax rate, tax payments, financial condition and results of operations. As of August 31, **2024**, Stefano Pessina, our Executive Chairman (together with his affiliates, the “SP Investors”), had sole or shared voting power, directly or indirectly, over an aggregate of approximately 17 % of our outstanding common stock. The SP Investors have agreed to, for so long as they have the right to designate a nominee for election to the Board, to vote all of their shares of common stock in accordance with the Board’s recommendation on matters submitted to a vote of the Company’s stockholders (including with respect to the election of directors). The SP Investors’ significant interest in our common stock potentially could determine the outcome of matters

submitted to a vote by our stockholders. The influence of the SP Investors could result in the Company taking actions that other stockholders do not support or failing to take actions that other stockholders support. In addition, issuances or sales of our common stock (or the exercise of related registration rights), including sales of shares by our directors and officers or key investors, including the SP Investors and certain other former Alliance Boots stockholders, are subject to restrictions in the case of shares held by persons deemed to be our affiliates and to certain obligations pursuant to the Company Shareholders Agreement (as defined herein). As a result, the market price of our common stock could be adversely affected. Conflicts of interest, or the appearance of conflicts of interest, could arise between our interests and the interests of the other entities and business activities in which our directors or officers are involved. For example, potential conflicts of interest could arise if a dispute were to arise between the Company and other parties to the shareholders agreement, **dated as of August 2, 2012** (the “Company Shareholders Agreement,”) with certain SP Investors. Mr. Pessina, our Executive Chairman, indirectly controls Alliance Santé Participations S. A. (“ASP”), a privately-held company which is a party to the Company Shareholders Agreement, and he and his spouse Ornella Barra, our Chief Operating Officer, International serve as directors of ASP. There are other arrangements between affiliates of Mr. Pessina and the Company, with required disclosures included in the Company’s annual proxy statement, including with respect to Alliance Healthcare Italia SpA, which is an entity indirectly owned and controlled by Mr. Pessina (and in which, until April 2022, the Company held an indirect 9 % interest), which operates Boots branded stores in Italy. Conflicts of interest, or the appearance of conflicts of interest, or similar issues could arise in connection with these or other transactions in the future. While our contractual arrangements place restrictions on the parties’ conduct in certain situations, and related party transactions are subject to independent review and approval in accordance with our related party transactions approval procedures and applicable law, the potential for a conflict of interest exists and such persons may have conflicts of interest, or the appearance of conflicts of interest, with respect to matters involving or affecting both companies. WBA Fiscal **2023-2024** Form 10- K33 Certain provisions of our certificate of incorporation and bylaws, as well as provisions of the Delaware General Corporation Law (the “DGCL”), could make it difficult for stockholders to change the composition of the Board or discourage, delay, or prevent a merger, consolidation, or acquisitions that stockholders may otherwise consider favorable. These provisions include the authorization of the issuance of “blank check” preferred stock that could be issued by the Board, limitations on the ability of stockholders to call special meetings, and advance notice requirements for nomination for election to the Board or for proposing matters that can be acted upon by stockholders at stockholder meetings. We are also subject to the provisions of Section 203 of the DGCL, which prohibits us, except under specified circumstances, from engaging in any mergers, significant sales of stock or assets, or business combinations with any stockholder or group of stockholders who own 15 % or more of our common stock. Under the Company Shareholders Agreement, the SP Investors are entitled to designate one nominee to the Board (currently Stefano Pessina) for so long as the SP Investors continue to meet certain beneficial ownership thresholds and subject to certain other conditions. Pursuant to the Company Shareholders Agreement, the SP Investors have agreed that, for so long as they have the right to designate a nominee to the Board, they will vote all of their shares of common stock in accordance with the Board’s recommendation on matters submitted to a vote of our stockholders (including with respect to the election of directors). While these provisions do not make us immune from takeovers or changes in the composition of the Board, and are intended to protect our stockholders from, among other things, coercive or otherwise unfair tactics, these provisions could have the effect of making it difficult for stockholders to change the composition of the Board or discouraging, delaying, or preventing a merger, consolidation, or acquisitions that stockholders may otherwise consider favorable. ~~In June 2018, our Board of Directors approved a new stock repurchase program authorizing the repurchase of up to \$ 10 billion of our common stock. The repurchase program does not have an expiration date and we are not obligated to repurchase a specified number or dollar value of shares, on any particular timetable or at all. There can be no assurance that we will repurchase stock at favorable prices. Activity under this program was suspended in July 2020 and there can be no assurance whether or when activity will resume. If resumed, the repurchase program may be suspended or terminated at any time and, even if fully implemented, may not enhance long-term stockholder value.~~