

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

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

For the Fiscal Year Ended December 31, 2024
Commission file number: 000-22490

OR

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

For the transition period from _____ to _____
Commission File No. 000-22490

FORWARD AIR CORPORATION
(Exact name of Registrant as specified in its charter)

Tennessee
(State or other jurisdiction of incorporation or organization)

62-1120025
(I.R.S. Employer Identification No.)

1915 Snapps Ferry Road
(Address of principal executive offices)

Building N

Greeneville

TN

37745
(Zip Code)

(423) 636-7000
Registrant's telephone number, including area code

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

Title of Each Class
Common Stock, \$0.01 par value

Trading Symbol(s)
FWRD

Name of Each Exchange on Which Registered
The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting Company Emerging Growth Company

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the Registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the Registrant's executive officers during the relevant recovery period pursuant to §240.10D.1(b).

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

The aggregate market value of the voting stock held by non-affiliates of the Registrant was approximately \$ 527,386,885 as of June 30, 2024.

The number of shares outstanding of the Registrant's common stock (as of March 17, 2025): 30,402,883.

Documents Incorporated By Reference

Portions of the proxy statement for the 2025 Annual Meeting of Shareholders are incorporated by reference into Part III of this report.

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Part I

Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (this "Form 10-K") contains "forward-looking statements," as defined in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements are statements other than historical information or statements of current condition and relate to future events or our future financial performance. Some forward-looking statements may be identified by use of such terms as "believes," "anticipates," "intends," "plans," "estimates," "projects" or "expects."

In this Annual Report on Form 10-K, forward-looking statements include, but are not limited to, any statements regarding future performance; any statements regarding the availability of cash; any statements regarding any projections of earnings, revenues, payment of dividends, other financial items or related accounting treatment, or cost reduction measures; any statements of plans, strategies, and objectives of management for future operations, including the result of any strategic review; any statements regarding future insurance, claims and litigation and any associated estimates or projections operations, including our strategy to expand and invest in service offerings and terminal footprint; any statements regarding our commitment to accelerate expansion, both domestically and internationally; any statements regarding our ability to pay competitive market rates in order to maintain and retain relationships with our leased capacity providers; any statements regarding our commitment to aligning compensation with performance in order to drive shareholder value; any statements regarding the outcome and impact that litigation may have on our business; any statements regarding freight market conditions and our expectations of freight volumes; any statements regarding the impact of regulations, economic sanctions or legislation on our business; any statements regarding an increase in the cost of new equipment; any statements concerning proposed or intended, new services, developments or integration measures; any statements regarding our technology and information systems, including the effectiveness of each; any statements regarding competition, including our specific advantages, the capabilities of our segments, including the integration of services and our geographic location; any statement regarding our properties and facilities, as well as the belief that the facilities are sufficient for our needs; any statements regarding the effectiveness of the steps taken to remediate any material weaknesses in our internal control over financial reporting and the timing of remediation; any statements regarding intended expansion through acquisition or greenfield startups; any statements regarding our sustainability initiatives, including any partnerships that we enter into in connection with our goals; any statement regarding certain tax and accounting matters, including the impact on our financial statements; any statements regarding our ability to achieve the intended benefits of the acquisition of Omni Newco LLC (the "Omni Acquisition"), including cost and revenue synergies; any statements regarding any payments that we will be required to make to Omni Holders; any statements regarding our substantial indebtedness, including our ability to service our debt; any statements regarding our ongoing commitment to cybersecurity; any statement regarding the impact and implementation of disclosure control systems; and any statements of belief and any statements of assumptions underlying any of the foregoing.

These forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions, including those described in "Risk Factors" below. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Annual Report on Form 10-K may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Important factors that may materially affect the forward-looking statements include the risk factors summarized below.

The factors identified below are believed to be important factors, but not necessarily all of the important factors, that could cause actual results to differ materially from those expressed in any forward-looking statement made by us. Other factors not discussed herein could also have a material adverse effect on us. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. These forward-looking statements speak only as of the date of this Annual Report on Form 10-K. We assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future, except as required by applicable law.

The following is a list of factors, among others, that could cause actual results to differ materially from those contemplated by the forward-looking statements: economic factors that reduce freight volumes, including recessions, inflation and downturns in customer business cycles, any changes to our management team and other key personnel, including turnover, which could impact our business, the result of any strategic review that the Board may undertake and the impact that may have on our business, our ability to manage our growth and ability to grow, in part, through acquisitions, our ability to achieve the expected strategic, financial and other benefits of the Omni Acquisition, including the realization of expected synergies and the achievement of deleveraging targets, within the expected time-frames or at all, our ability to secure terminal facilities in desirable locations at reasonable rates, more limited liquidity than expected which limits our ability to make key investments, the creditworthiness of our customers and their ability to pay for services rendered, our inability to maintain our historical growth rate because of a decreased volume of freight or decreased average revenue per pound of freight moving through our network, the availability and compensation of qualified Leased Capacity Providers and freight handlers as well as contracted, third-party motor carriers needed to serve our customers' transportation needs, our inability to manage our information systems and inability of our information systems to handle an increased volume of freight moving through our network, the occurrence of cybersecurity risks and events, market acceptance of our service offerings, claims for property damage, personal injuries or workers' compensation, enforcement of and changes in governmental regulations, environmental, tax, insurance and accounting matters, the handling of hazardous materials, changes in fuel prices, loss of a major customer, increasing competition and pricing pressure, seasonal trends, the occurrence of certain weather events, restrictions in our charter and bylaws, the cost of new equipment and the impact and efficacy of our disclosure controls and procedures. As a result of the foregoing, no assurance can be given as to future financial condition, cash flows or results of operations. Except as required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Summary of Risk Factors

The following is a summary of the principal risks described below in “Item 1A. Risk Factors” in this Annual Report on Form 10-K. We believe that the risks described in the “Risk Factors” section are material to investors, but other factors not presently known to us or that we currently believe are immaterial may also adversely affect us. The following summary should not be considered an exhaustive summary of the material risks facing us, and it should be read in conjunction with the “Risk Factors” section and the other information contained in this Annual Report on Form 10-K.

Risks Relating to Our Business and Operations

- Overall economic conditions that reduce freight volumes could adversely affect our operating results and growth.
- Inflation may increase our operating expenses and lower profitability.
- Volatility in fuel prices, shortages of fuel or the ineffectiveness of our fuel surcharge program could have a material adverse effect on our results of operations and profitability.
- The Omni Acquisition may not achieve its intended benefits, and certain difficulties, costs or expenses may outweigh such intended benefits.
- We will incur significant transaction, merger-related and integration costs in connection with the Omni Acquisition.
- If we have difficulty attracting and retaining Leased Capacity Providers, other third-party transportation capacity providers, or freight handlers, our profitability and results of operations could be adversely affected.
- Higher prices by Leased Capacity Providers and other third-party transportation capacity providers could adversely impact our margins and operating results.
- Because a portion of our costs are fixed, any factors that result in a decrease in the volume or revenue per pound of freight shipped through our networks will adversely affect our results of operations.
- Changes to our senior management team and other key personnel, including turnover of our top executives, could have an adverse effect on our business, operating results and financial condition.
- We cannot assure that our evaluation of strategic alternatives will result in any particular outcome, and the perceived uncertainties related to the Company could adversely affect our business and our stockholders.
- Our profitability could be negatively impacted if our pricing structure proves to be inaccurate or off-market.
- We derive a significant portion of our revenue from a few major customers, the loss of one or more of which could have a material adverse effect on our business.
- Our business is subject to seasonal trends.
- Our results of operations may be affected by harsh weather conditions, disasters and pandemics.
- Labor shortages and increased turnover or increases in employee and employee-related costs could adversely affect our ability to attract and retain qualified employees.
- We have recorded impairment charges in current and past periods and may record additional impairment charges in future periods.
- We operate in highly competitive and fragmented segments of our industry, and our business will suffer if we are unable to adequately address downward pricing pressures and other factors that affect our business.
- Difficulty in forecasting timing or volumes of customer shipments could adversely impact our margins and operating results and lead to difficulties in predicting liquidity.
- Our international operations subject us to operational and financial risks.
- Our business and operations could be negatively affected by securities litigation or shareholder activism, which could impact the trading price and volatility of our common stock.
- Our increased direct sales efforts through our Omni sales force to direct shippers and beneficial cargo owners could be viewed as a competitive threat by our current domestic forwarder customers.
- Reductions in the available supply or increases in the cost of new equipment may adversely impact our profitability and cash flows.
- Because our Intermodal business depends heavily on freight transiting seaports and railheads, our operating results and financial condition are likely to be adversely affected by any reduction or deterioration in service.
- We may have difficulty effectively managing our growth, which could adversely affect our business.
- We may not make future acquisitions or, if we do, we may not realize the anticipated benefits of future acquisitions and integration of these acquisitions may disrupt our business and occupy management.

Risks Relating to Omni Acquisition

- Our Up-C structure places significant limitations on our cash flow because our principal asset is our interest in Opco, and, accordingly, we depend on distributions from Opco to pay our taxes and expenses, including payments under the Tax Receivable Agreement.
- We may not be able to retain customers or suppliers, or customers or suppliers may seek to modify contractual obligations with us, which could have an adverse effect on our business and operations. Third parties may terminate or alter existing contracts or relationships with us.
- Prior to the Omni Acquisition, Omni was privately-held, and the transition to being a part of a public company, along with our combined ability to management our expanded business, may require significant resources and management attention.
- We identified a material weakness in our internal control over financial reporting, which may adversely affect our business and stock price.
- Omni Holders are a significant holder of our common stock following completion of the Omni Acquisition.
- We will be required to pay Omni Holders for certain tax savings we may realize, and we expect that the payments we will be required to make may be substantial.

Risks Relating to our Indebtedness

- Our substantial indebtedness, could adversely affect our financial health and our ability to execute our business strategy.
- The instruments governing our indebtedness impose certain restrictions on our business.
- If we do not comply with the terms of our debt instruments, they could be terminated and amounts thereunder could become due and payable.
- Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.

Risks Relating to Information Technology and Systems

- If we fail to maintain our information technology systems, or if we fail to successfully implement new technology or enhancements, we may be at a competitive disadvantage and experience a decrease in revenues.
- Our business is subject to cybersecurity risks.
- Issues related to the intellectual property rights on which our business depends, whether related to our failure to enforce our own rights or infringement claims brought by others, could have a material adverse effect on our business, financial condition and results of operations.

Risks Relating Regulatory Environment

- A determination by regulators that our Leased Capacity Providers or third-party motor carriers are employees rather than independent contractors could expose us to various liabilities and additional ongoing expenses.
- Claims for property damage, personal injuries or workers' compensation could significantly reduce our earnings.
- We face risks related to self-insurance and third-party insurance that can be volatile to our earnings.
- Our failure to comply with various applicable federal and state employment and labor laws and regulations could have a material, adverse impact on our business, financial condition and results of operations.
- We operate in a regulated industry, and increased costs of compliance with, or liability for violation of, existing or future regulations and enforcement could have a material adverse effect on our business.
- The FMCSA's CSA and SMS initiatives could adversely impact our ability to hire qualified drivers or contract with qualified Leased Capacity Providers or third-party motor carriers, meet our growth projections and maintain our customer relationships, each of which could adversely impact our results of operations.
- We are subject to various environmental laws and regulations; and costs of compliance with, or liabilities for violations of, existing or future laws and regulations could significantly increase our costs of doing business.
- Risks and requirements related to transacting business in foreign countries may result in increased liabilities, including penalties and fines as well as reputational harm.
- We may be subject to governmental export and import controls that could impair its ability to compete in international markets and subject it to liability if it violates such controls.
- If our employees were to unionize, our operating costs would likely increase.
- Our charter and bylaws and provisions of Tennessee law could discourage or prevent a takeover.

Part I

Item 1. Business

Overview

Forward Air Corporation (“Forward”, the “Company”, “we”, “our”, or “us”) is a leading asset-light provider of transportation services. We provide less-than-truckload (“LTL”), truckload and intermodal drayage services and freight brokerage and supply chain services across North and South America, Europe and Asia. Globally, we provide customized asset-light, high-touch logistics and supply chain management solutions with deep customer relationships in high-growth end markets. We offer premium services that typically require precision execution, such as expedited transit, delivery during tight time windows and special handling. We utilize an asset-light strategy to minimize our investments in equipment and facilities and to reduce our capital expenditures. Forward was formed as a corporation under the laws of the State of Tennessee on October 23, 1981. Our common stock is listed on the Nasdaq Global Select Market under the symbol “FWRD”.

Omni Acquisition

As described in “Item 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations – Omni Acquisition”, on January 25, 2024 (the “Closing Date”), we completed the acquisition of Omni Newco LLC (“Omni”) pursuant to the Agreement and Plan of Merger, dated as of August 10, 2023 (the “Merger Agreement”, and as amended by Amendment No. 1, dated as of January 22, 2024, the “Amended Merger Agreement”) (the “Omni Acquisition”). The Omni acquisition and the related debt are discussed in detail within Note 3, *Acquisitions* to our Consolidated Financial Statements included in this Annual Report on Form 10-K.

Services Provided

Our services are classified into three reportable segments: Expedited Freight, Omni Logistics, and Intermodal. For financial information relating to each of our business segments, see Note 12, *Segment Reporting* to our Consolidated Financial Statements included in this Form 10-K.

Expedited Freight. We operate a comprehensive national network that provides expedited regional, inter-regional and national LTL services. Expedited Freight offers customers local pick-up and delivery and other services including truckload, shipment consolidation and deconsolidation, warehousing, customs brokerage and other handling services. During the year ended December 31, 2024, Expedited Freight accounted for approximately 44% of our consolidated revenue.

Omni Logistics. An asset-light, high-touch logistics and supply chain management company with deep customer relationships in high-growth end markets. Omni delivers domestic and international freight forwarding, fulfillment services, customs brokerage, distribution, and value-added services for time-sensitive freight to United States-based customers operating both domestically and internationally. Omni provides business-to-business (“B2B”) solutions to prominent United States-based customers across a variety of attractive end markets, including the technology, retail, media, logistics, life sciences and e-commerce sectors, many of which have had long-term relationships with Omni. During the year ended December 31, 2024, Omni accounted for approximately 47% of our consolidated revenue.

Intermodal. We provide first- and last-mile high value intermodal container drayage services both to and from seaports and railheads. Intermodal also offers dedicated contract and Container Freight Station (“CFS”) warehouse and handling services. Intermodal operates primarily in the Midwest and Southeast, with a smaller operational presence in the Southwest, Mid-Atlantic, and West Coast. During the year ended December 31, 2024, Intermodal accounted for approximately 9% of our consolidated revenue.

Strategy

In January 2025, the Board of Directors (the “Board”) announced that it had initiated a comprehensive review of strategic alternatives to maximize shareholder value. The Board will consider a range of options, including a potential sale, merger or other strategic or financial transaction relative to the long-term value potential of the Company on a standalone basis. In addition, we strive to take advantage of our core competencies in precision execution to provide asset-light freight transportation services to profitably grow in the premium segments of the markets we serve.

- *Expand Service Offerings and Service Footprint.* A key part of our growth strategy is to offer new and enhanced services that address our customers' premium logistics needs. Over the past few years, we added or enhanced our logistics solutions offerings, LTL pickup and delivery, expedited truckload, temperature-controlled shipments, warehousing, drayage, customs brokerage and shipment consolidation and handling services. These services benefit our existing customers and increase our ability to attract new customers. Another part of our key growth strategy is to pursue geographic expansion into under-penetrated markets to better meet the current and future needs of customers. As a result, we plan to invest in new locations, in our asset base, and in technology to enable efficient handling of increased freight in new markets.

- *Transformation.* On January 25, 2024, we completed the Omni Acquisition, which has allowed us to expand our operations both domestically and internationally. We plan on strategically transforming the combined company through which we go to market, the human capital needs of our larger and more diverse service enterprise, the systems we utilize in order to streamline our joined cost structure, and focusing our teams efforts around our service offerings as opposed to our historical approach.

- *Delivering Best-in-Class Service.* The foundation of our growth strategy is our commitment to provide our customers with the most reliable and damage-free alternative for their shipments. Commitment to precision execution service is valued by customers and allows us to charge fair compensation for our services and positions us to improve market share.

- *Manage LTL Pricing and Freight Characteristics.* Our business strategy involves managing both the price we charge for our services and the mix of freight we transport to operate our LTL network efficiently and more profitably.

- *Enhance Information Systems.* We are committed to developing information system enhancements that will provide competitive service advantages and increased productivity. We believe our information systems have and will assist us in capitalizing on new business opportunities with existing and new customers.

Operations

The following describes in more detail the operations of each of our reportable segments: Expedited Freight, Omni Logistics, and Intermodal.

Expedited Freight

Overview

Our Expedited Freight segment provides expedited regional, inter-regional and national LTL and truckload services. We market our Expedited Freight services primarily to freight and logistics intermediaries (such as freight forwarders and third-party logistics companies), and airlines (such as integrated air cargo carriers, and passenger and cargo airlines). We offer our customers a high level of service with a focus on on-time, damage-free deliveries. Our Expedited Freight network encompasses approximately 96% of all continental United States zip codes, with service in Canada and Mexico.

Shipments

During 2024, approximately 24.0% of the freight handled by our LTL network was for overnight delivery, approximately 63.6% was for delivery within two to three days and the balance was for delivery in four or more days.

The average weekly volume of freight moving through our LTL network was approximately 54.3 million pounds per week and our average shipment weighed approximately 840 pounds in 2024. Although we impose no significant size or weight restrictions, we focus our marketing and price structure on shipments of 800 pounds or more.

Expedited Freight markets its services primarily to freight and logistics intermediaries; however, it may at times, provide such services to shippers if the opportunity is consistent with Expedited Freight’s strategy. Also, because Expedited Freight does not place significant size or weight restrictions on shipments, we generally do not compete directly with integrated air cargo carriers such as United Parcel Service and FedEx Corporation in the overnight delivery of small parcels.

The table below summarizes the average weekly volume of freight moving through our LTL network for each year since 2009.

Year	Average Weekly Volume in Pounds (In millions)
2009	28.5
2010	32.6
2011	34.0
2012	34.9
2013	35.4
2014	37.4
2015	47.2
2016	46.5
2017	49.5
2018	50.2
2019	48.6
2020	46.3
2021	55.4
2022	54.8
2023	52.7
2024	54.3

Operations

Expedited Freight’s primary office is located near Greenville TN, with 59 additional locations spread across North America and Mexico. These locations support our shipping and logistical services to our growing international customer base.

Transportation

Expedited Freight secures transportation capacity from four sources:

- independent contractors that own and lease their equipment (primarily tractors) to the Company (“Leased Capacity Providers”);
- third-party contracted motor carriers;
- capacity secured by transportation intermediaries, including freight brokers; and
- Company-owned equipment operated by employee drivers.

The majority of the transportation capacity utilized by Expedited Freight is provided by Leased Capacity Providers, with whom we seek to establish long-term relationships to assure dependable service and availability. We believe Expedited Freight has experienced significantly higher average retention of Leased Capacity Providers compared to other over-the-road transportation providers. Expedited Freight has established specific guidelines relating to safety records, driving experience and personal evaluations that we use to select our Leased Capacity Providers. To enhance our relationship with the Leased Capacity Providers, Expedited Freight seeks to pay rates that are generally above prevailing market rates, and our Leased Capacity Providers often are able to negotiate a consistent work schedule for their drivers. Usually, Leased Capacity Providers negotiate schedules for their drivers that are between the same two cities or along a consistent route, improving quality of work life for the drivers of our Leased Capacity Providers and, in turn, increasing the retention rate of drivers and Leased Capacity Providers.

We also purchase transportation capacity supplied by third-party contracted motor carriers and transportation intermediaries. We utilize capacity from both third-party motor carriers and transportation intermediaries to support other Expedited Freight service offerings in response to seasonal demands and volume surges in particular markets, to handle overflow volume. A small portion of Expedited Freight's transportation capacity is provided by employee drivers operating company-owned equipment.

Other Services

Expedited Freight provides additional value-added services that are integrated into the overall operation of its network.

Expedited Freight offers truckload services which include expedited truckload brokerage, dedicated fleet services, as well as high security and temperature-controlled logistics services.

Other Expedited Freight services allow customers to access the following services from a single source:

- customs brokerage;
- warehousing, dock and office space;
- hotshot or ad hoc ultra-expedited services; and
- shipment consolidation and handling, such as shipment build-up and break-down and reconsolidation of air or ocean pallets or containers.

Customers

Our Expedited Freight wholesale customer base is primarily comprised of freight forwarders, third-party logistics ("3PL") companies, integrated air cargo carriers and passenger, cargo airlines, steamship lines and retailers. Expedited Freight's freight forwarder customers vary in size from small, independent, single facility companies to large, international logistics companies. Our dependable service and wide-ranging service offerings also make Expedited Freight an attractive option for 3PL providers. Integrated air cargo carriers use our network to provide overflow capacity and other services, including shipment of bigger packages and pallet-loaded cargo. In 2024, Expedited Freight's ten largest customers accounted for approximately 27% of its revenue and no single customer had revenue greater than 10% of Expedited Freight revenue.

Omni Logistics

Overview

Omni, founded in 2000 and headquartered near Dallas, Texas, is an asset-light, high-touch logistics and supply chain management company with customer relationships in high-growth end markets. Omni delivers domestic and international freight forwarding, fulfillment services, customs brokerage, distribution, and value-added services for time-sensitive freight to U.S.-based customers operating both domestically and internationally. Also, Omni provides business-to-business solutions to prominent United States-based customers across a variety of attractive end markets, including the technology, retail, media, logistics, life sciences and e-commerce sectors, many of which have had long-term relationships with Omni.

Core Offerings

Omni focuses on providing customized logistics solutions for high-value, mission-critical freight for some of the industry's most demanding customers. Its core offerings include:

- Domestic Freight
 - Partnering with leading carriers to provide a full menu of LTL, expedited and truckload services based on various time requirements;
 - Specialized delivery for high-value freight, including white glove and team delivery, installation, unpacking, debris removal, light assembly, repackaging, inspection and crating/uncrating;
 - Supply chain engineering, appointment scheduling, site survey, track and trace, 24-hour call center and database management;
 - Air charter, next flight out, hand carry and other expedited services;
 - Reverse logistics, trade shows, project logistics, cold chain management, chain of custody and small pack; and
- Value-Added Warehousing and Distribution
 - Global warehousing and distribution and e-commerce fulfillment solutions, including inventory management, cross docking, kitting and pick and pack;
 - Free Trade zone and bonded warehouse capabilities;
 - System level testing, tape and reel, ink/laser marking, repair, splitting, baking, kitting, packing, binning and returns management; and
- International Freight
 - Primarily focused on Asia to the United States and Intra-Asia air transportation with expanding service offerings in other markets;
 - International compliance and customs brokerage ensure stringent compliance requirements are met while expediting delivery times.

Operations

Omni's primary office is located near Dallas, Texas, with other offices located around the globe in order to support their global supply chain customers. Omni has 109 service centers, primarily located in the United States and the Asia-Pacific region.

Transport Services

Omni primarily utilizes third-party transportation providers including ground, air and ocean transportation providers, and also utilizes a mix of Company-employed drivers. During 2024, approximately 99% of Omni's direct transportation expenses were provided by third-party transportation providers and 1% by Company-employed drivers.

Customer and Go-To Market Strategy

Omni's customer base is primarily comprised of medium to large corporate customers providing goods in the technology, manufacturing and retail sectors, as well as other transportation companies that require additional supply chain solutions. In 2024, Omni's ten largest customers accounted for approximately 41% of its operating revenue with the first and second largest customers making up approximately 14% and 13% of that total. Of those remaining, no single customer with revenue greater than 10% of Omni revenue for 2024.

Omni's sales force is focused on servicing the global supply chain of United States-based customers with support from a centralized solutions team with cross-functional expertise dedicated to supporting the salespeople in global multi-modal supply chain solutions. Omni deploys global, multi-modal capabilities, which allows the salespeople to partner across customers' organizations and supply chains by offering a comprehensive and a unique suite of global services to meet highly complex customer needs, including global logistics services, visibility and execution.

Intermodal

Overview

Our Intermodal segment provides first- and last-mile high value intermodal container drayage services both to and from seaports and railheads. Intermodal also offers dedicated contract and CFS warehouse and handling services. Intermodal also provides line haul and local LTL service in the Midwest, as well as CFS warehousing services (e.g. devanning, unit load device build-up/tear-down, and security screening) for air and ocean import/export freight at five of its total network terminals. Our Intermodal service differentiators include:

- immediate proof of delivery and signature capture capability via tablets;
- all drivers receive dispatch orders on hand-held units and are trackable via GPS; and
- daily container visibility and per diem management reports.

Operations

Intermodal's primary office is located in Oak Brook, Illinois. Intermodal's network consists of 28 locations primarily in the Midwest and Southeast, with a smaller operational presence in the Southwest, Mid-Atlantic, and West Coast.

Transportation

Intermodal utilizes a mix of Company-employed drivers, Leased Capacity Providers and third-party motor carriers. During 2024, approximately 62.1% of Intermodal's direct transportation expenses were provided by Leased Capacity Providers, 33.5% by Company-employed drivers, and 4.4% by third-party motor carriers.

All of our Intermodal company and independent contractor tractors are equipped with computer tablets, which enable us to communicate with our drivers, plan and monitor shipment progress and monitor our drivers' hours of service. We use the real-time global positioning data obtained from these devices to improve customer and driver service, and provide a high level of shipment visibility to our customers (including immediate proof of delivery signature capture). We believe that our technology is a key differentiator and enables us to provide a higher level of service than our competitors.

Customers

Intermodal's customer base is primarily comprised of international freight forwarders, passenger and cargo airlines, beneficial cargo owners and steamship lines. In 2024, Intermodal's ten largest customers accounted for approximately 27% of its operating revenue and had no single customer with revenue greater than 10% of Intermodal revenue for 2024.

Discontinued Operations

In December 2023, the Board approved a strategy to divest of the Final Mile business ("Final Mile"), and the sale of Final Mile was completed on December 20, 2023. Final Mile provided delivery and installation of heavy bulky appliances such as washing machines, dryers, dishwashers and refrigerators throughout the United States. As a result of the divestiture of the Final Mile business, the results of operations for Final Mile are presented as a discontinued operation in our Consolidated Statements of Comprehensive Income for all periods presented and all assets and liabilities were reflected as "Assets and liabilities held for sale" in our Consolidated Balance Sheets for the prior period.

Competition

We compete in the North American transportation and logistics services industry, and the markets in which we operate are highly competitive, very fragmented and historically have few barriers to entry. We compete with a large number of other asset-light logistics companies, asset-based carriers, integrated logistics companies, and third-party freight brokers. To a lesser extent, we also compete with integrated air cargo carriers and passenger airlines. Our competition ranges from small operators that operate within a limited geographic area to companies with substantially greater financial and other resources, including greater freight capacity.

Our Expedited Freight segment primarily competes with other national and regional truckload carriers. Expedited Freight also competes with LTL carriers, and to a lesser extent, integrated air cargo carriers and passenger and cargo airlines. The Omni Logistics segment competes in the 3PL space with primary focus on freight forwarding, warehouse and distribution, specialized services, and customs brokerage and trade compliance. Our Intermodal segment primarily competes with national and regional drayage providers.

We believe competition in our segments is based primarily on quality of service, price, available capacity, on-time delivery, flexibility, reliability, security, transportation rates, location of facilities, and business relationships, and we believe we compete favorably with other transportation service companies in these areas. To that end, we believe our Expedited Freight segment has an advantage over other truckload and LTL carriers because Expedited Freight delivers faster, more reliable services between cities at rates that are generally significantly below the price to transport the same shipments to the same destinations by air. We believe our Omni Logistics segment has a competitive advantage over other global freight forwarding and logistics solution providers because of our people, network, and technology. We have a dedicated account management team for each customer, empowered to make quick decisions to service our customers. Our asset and partner network allows us to react quickly and secure the correct asset for the job. Our technology enables us to customize systems and automate processes, capturing delivery requirements and maintaining them for future shipments. We prioritize collaborative partnerships with our customers, focusing on building trust and differentiation. We emphasize understanding our client's business priorities and challenges before designing a solution, aiming to be an extension of our client's business and seamlessly blending with their operations. We believe our Intermodal segment has a competitive advantage over other drayage providers because we deliver more reliable service while offering greater shipment visibility and security. Additionally, we believe our Intermodal segment is one of the leading providers of drayage and related services in North America today.

Marketing

We market all of our services through a sales and marketing team located in major markets of the United States. Senior leadership is also actively involved in sales and marketing to national and local accounts. We participate in trade shows and advertise our services through digital marketing channels, trade publications, and the Internet via www.tlxpedited.com, www.forwardair.com, www.forwardaircorp.com, www.forward-intermodal.com, and omnilogistics.com. Our websites promote and describe our services in addition to lead generation support. The information on our websites is not part of this filing and is therefore not incorporated by reference unless such information is specifically referenced elsewhere in this report.

Seasonality

Generally, our operating results have been subject to seasonal trends when measured on a quarterly basis. Typically, the first quarter is the weakest while the third and fourth quarters are the strongest. This seasonal pattern has been the result of numerous factors such as economic conditions, customer demand, weather, and national holidays. Additionally, a significant portion of our revenue is derived from customers whose business levels are impacted by trends in the economy.

Workforce

We recognize that our workforce, including our freight handlers, is our most valuable asset. Through ongoing talent development, comprehensive compensation and benefits, and a focus on health, safety and employee well-being, we strive to help our employees in all aspects of their lives so they can do their best at work. The recruitment, training and retention of qualified employees is essential to support our continued growth and to meet the service requirements of our customers.

As of December 31, 2024, we had 6,319 full-time employees, which includes 1,992 freight handlers and an additional 267 part-time employees, the majority of which were freight handlers. In 2024, none of our employees were covered by a collective bargaining agreement.

Roadway Health and Safety

We are committed to educating our employees and promoting driver health and wellness through routine communication campaigns and information designed to emphasize the importance of safe operations. Drivers of our Leased Capacity Providers complete a three-day safety orientation as part of their onboarding where they are assigned several training courses, and from time-to-time, additional safety trainings may also be assigned on an ongoing basis, dependent upon driving behaviors.

We invest in a variety of programs focused on improving and maintaining driver health and wellness. We provide drivers access to a fatigue management service with the goal of reducing fatigue-related accidents and encouraging healthy, restful sleep. We have implemented fleet safety equipment, including electronic monitoring systems, to track driver safety, well-being, and health through monitoring of speed and proper hours-of-service-required rest breaks.

We provide a quarterly safety bonus and annual vehicle giveaway to incentivize our Leased Capacity Providers to promote safe driving practices. Both initiatives celebrate drivers of our Leased Capacity Providers who have zero moving violations or accidents on a quarterly basis. Drivers who obtain four quarterly bonuses are eligible to win a new personal vehicle. In 2024, 146 Leased Capacity Providers and Company-employed drivers qualified for the vehicle giveaway. Looking ahead, we will continue to identify and promote programs that focus on the health and wellness for the drivers of our Leased Capacity Providers.

Workplace Health and Safety

We are committed to the safety of our employees and independent contractors. Our safety program focuses on risk reduction and safety management procedures that promote preventative measures.

We employ, maintain, and monitor a robust health and safety program for all of our workers to prevent workplace incidents. Policies and procedures exist to investigate accidents and monitor lessons learned, driving continuous improvement in the health and safety practices across our facilities. All of our employees are assigned to training courses as part of onboarding and employees may be assigned additional refresher trainings based on corrective action or identified risk.

Diversity

We believe that our employees' unique and diverse capabilities positively impact our success. Our commitment to diversity and inclusion starts at the top with a highly skilled and board with diverse experience and background.

We are committed to fostering a culture of diverse representation in our overall employee base as well as furthering initiatives for compensation equity, employee engagement, development and inclusion. We believe that incorporating diversity and inclusion ("D&I") initiatives into our everyday business practices enhances innovation and enables diversity of thought. Building upon our core values, our employees value learning from different perspectives and welcome the opportunity to work with those of diverse backgrounds. Through our D&I initiatives, employees take part in robust training, such as understanding diversity, generational awareness, and emotional intelligence. We also provide our employees with Employee Resource Groups to help foster a diverse and inclusive workplace as well as provide for the growth and development of underrepresented groups.

Compensation

We regularly review surveys of market rates for jobs to ensure our compensation practices are competitive. We are committed to providing total rewards that are market-competitive and performance-based, driving innovation and operational excellence. Our compensation programs, practices, and policies reflect our commitment to reward short- and long-term performance that aligns with, and drives shareholder value. Total direct compensation is generally positioned within a competitive range of the market median, with differentiation based on tenure, skills, proficiency, and performance to attract and retain key talent. In addition to salaries, our compensation programs include annual incentive bonuses, stock awards, and participation in a retirement savings plan, dependent upon the position and level of employee. We also invest in talent development initiatives to support the ongoing career development of all employees, including learning workshops that target all levels of employees.

Equipment

We manage a trailer pool that is utilized by all of our businesses to move freight through our networks. Our trailer pool includes dry van, refrigerated and roller-bed trailers, and substantially all of our trailers are 53 feet long. We own the majority of the trailers we use, but we supplement at times with leased trailers. As of December 31, 2024, there were 5,346 owned trailers in our fleet with an average age of approximately nine years. In addition, as of December 31, 2024, we also had 351 leased trailers in our fleet. As of December 31, 2024, we had 325 and 716 owned and leased tractors and straight trucks, respectively, in our fleet, with an average age of approximately six years.

Corporate Sustainability

We embrace a comprehensive approach to sustainability that addresses Environmental, Social, and Governance (“ESG”) factors.

Our integrated framework focuses on three pillars: (i) People and Communities; (ii) Customer; and (iii) Environment. After completing an assessment in 2020 utilizing the Sustainable Accounting Standards Board (SASB) standards and conducting a third-party stakeholder assessment, we identified ten priority areas within these three pillars that we believe are relevant to our business and important to our employees, communities, customers, investors, partners and contractors, and which form the foundation for our sustainability strategy:

- | | | | |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Practices | <ul style="list-style-type: none">• Roadway Health & Safety• Workplace Health & Safety• Independent Contractor Practices• Diversity, Equity, Inclusion, and Belonging (DEI&B)• Community Impact & Partnerships | Practices | <ul style="list-style-type: none">• Measurement & Disclosure• Information Security• Responsible Supplier Practices• Green House Gas (GHG) Emissions Reduction• Air Quality Practices |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

We have deployed and continue to develop meaningful resources to manage sustainability risks and to capitalize on related opportunities for the benefit of our stakeholders, including by creating roles designed to maintain oversight of our vision, strategic planning, performance management, and improvement activities. In addition, the charter of the Corporate Governance and Nominating Committee (the “CG&N Committee”) gives the CG&N Committee oversight over our sustainability-related efforts. At least twice a year, the CG&N Committee is updated on each of these topics and provides feedback and direction that it deems appropriate. At least annually, the Chair of the CG&N Committee will provide a report on these topics to the full Board.

In 2021, we published our first ESG Report and created our internal ESG Steering Committee, which oversees our company-wide strategy and meets at least quarterly and on an as-needed basis.

In 2022, we streamlined our internal data collection process, completed our Greenhouse Gas (“GHG”) inventory, set measurable targets and goals, and published our second ESG report.

In 2023, we completed our GHG inventory, collected additional data, and published our third ESG report. We also completed our Task Force on Climate-Related Financial Disclosures analysis (“TCFD”) and submitted to CDP, a not-for-profit charity that runs the global disclosure system. Both our CDP report and new TCFD index are included on our website in the 2022 ESG report update.

In 2024, we expanded our emissions reduction efforts by implementing an idle time reduction program, improving carbon accounting granularity for our customers and investigating an EV pilot that will be further refined in 2025. We also published our fourth ESG report and submitted to CDP for the second year in a row. Our CDP report is included on our website in the 2023 ESG report update.

People and Communities

We are committed to maintaining safe facilities for our employees, independent contractors, customers and partners. As part of this pillar, we focus on Roadway Health & Safety, Workplace Health & Safety, Independent Contractor Practices, and DEI&B Practices.

For instance, we employ, maintain, and monitor a robust Health and Safety program for all of our workers which establishes procedures and policies to prevent workplace incidents. As part of our program, we have implemented a comprehensive Emergency Preparedness Plan (“EPP”) at all our facilities. The EPP is compliant with Occupational Safety and Health Administration standards.

We also remain committed to fostering a diverse and inclusive work environment. In 2020, we created a DEI&B Council to promote employee inclusion and engagement. Since the creation of the DEI&B Council, among other initiatives, we have implemented paid parental leave, launched Employee Resource Groups to foster an inclusive environment and celebrated different cultures by commemorating key diversity holidays, observances, celebrations and provided floating paid holidays.

We are committed to supporting and giving back to the communities where we live and work, particularly through the support of our employee Veterans, and to the community of Veterans in North America. For instance, we continue to support our Veterans through our charitable organization, Operation: Forward Freedom, a manifestation of our ongoing commitment to Veteran-related causes. In 2024, we hosted our third annual Drive for Hope Golf tournament where we raised \$350,000 for Hope for the Warriors. Hope for the Warriors is a 501(c)(3) nonprofit whose mission is to care for and empower service members and military families challenged by the physical, moral and psychological effects of war.

We also partner with non-profit organizations that positively impact our communities and our industry such as Truckers Against Trafficking, Women in Trucking and Drexel Hamilton.

Customer

We are committed to providing the industry's highest quality service in delivering on our customers' expectations. As part of this pillar, we focus on Measurement & Disclosure, Information Security, and Responsible Supplier Practices.

We remain committed to transparent and sustainable business practices. As part of this ongoing commitment, we have transformed and innovated several of our digital and cloud technologies to create more efficient and integrated processes. We deploy various programs, including Safety and Environmental Management Systems, to collect meaningful data that is communicated with all divisions and management.

We have also employed proactive measures to protect our network, computer systems and data from cyber threats, in part, by creating a robust Information Security program in early 2020. We are continuously deploying infrastructure to meet the National Institute of Standards and Technology requirements.

As part of our Responsible Supplier program, we work to understand the sustainability goals of both our suppliers and customers. We are establishing new data tracking infrastructure and exploring opportunities to grow our supplier diversity program and partnerships, including by establishing future outreach initiatives designed to identify diverse suppliers. We aim to establish supplier diversification goals in the coming years.

Environment

We are committed to promoting a healthier, natural environment by striving for continuous environmental improvements in all aspects of our business. Environmental leadership requires not only our own action, but transparency and participation in the industry, including conversations about innovations and advancements that make a difference. As part of this pillar, we focus on GHG Emissions Reduction Practices and Air Quality Practices.

As a transportation company, we are conscious of the environmental effects of our operations and are committed to tracking and reducing our GHG emissions and improving our energy efficiency. We have established a preliminary goal to reduce absolute Scope 1 and Scope 2 GHG emissions (combined) by 2030 from a 2021 base year. We are currently updating our ESG roadmap to align our previously stated carbon reduction goals with our new operations as a joint organization with Omni Logistics. We are also aligning with industry certifications, continuing to be a SmartWay certified company. SmartWay is a certification from the U.S. Environmental Protection Agency ("EPA") verifying company compliance with EPA regulations, including fuel efficiency ranges and emission standards.

To learn more about our ESG strategy and all our focus areas, visit our ESG website, <https://forwardair.metrio.net/>, also accessible through our investor relations site. The information in our ESG report is not incorporated into, and is not a part of, this report. We are committed to making our results count and will continue to update our future disclosures accordingly.

Risk Management and Litigation

Under regulations of the Department of Transportation (“DOT”), we are liable for bodily injury and property damage caused by Leased Capacity Providers and employee drivers while they are operating equipment under our various motor carrier authorities. The potential liability associated with any accident can be severe and occurrences are unpredictable.

For vehicle liability, we retain a portion of the risk. Below is a summary of our risk retention on vehicle liability insurance coverage maintained by us up to \$10,000 (in thousands):

	Risk Retention	Frequency	Layer	Policy Term
Expedited Freight				
LTL business	\$ 5,000	Occurrence/Accident ¹	\$0 to \$5,000	10/1/2024 to 10/1/2025
Truckload business	\$ 5,000	Occurrence/Accident ¹	\$0 to \$5,000	10/1/2024 to 10/1/2025
LTL, Truckload and Intermodal businesses	\$ 5,000	Policy Term Aggregate ²	\$5,000 to \$10,000	10/1/2024 to 10/1/2025
Intermodal	\$ 1,000	Occurrence/Accident ¹	\$0 to \$1,000	10/1/2024 to 10/1/2025

¹ For each and every accident/incident, the Company is responsible for damages and defense up to these amounts, regardless of the number of claims associated with any accident/incident.

² During the Policy Term, the Company is responsible for damages and defense within the stated Layer up to the stated, aggregate amount of Company Risk Retention before insurance will contribute.

Also, from time to time, when brokering freight, we may face claims for the “negligent selection” of outside, contracted carriers that are involved in accidents, and we maintain third-party liability insurance coverage with a \$100 deductible per occurrence for our brokered services. Additionally, we maintain workers’ compensation insurance with a self-insured retention of \$500 per occurrence. We cannot guarantee that our self-insurance retention levels will not increase and/or that we may have to agree to more unfavorable policy terms as a result of market conditions, poor claims experience or other factors. We could incur claims in excess of our policy limits or incur claims not covered by our insurance. Any claims beyond the limits or scope of our insurance coverage may have a material adverse effect on us. Because we do not carry “stop loss” insurance, a significant increase in the number of claims that we must cover under our self-insurance retainage could adversely affect our profitability. In addition, we may be unable to maintain insurance coverage at a reasonable cost or in sufficient amounts or scope to protect us against losses.

From time to time, we are a party to other litigation arising in the normal course of our business, most of which involve claims for personal injury, property damage related to the transportation and handling of freight, or workers’ compensation. We do not believe that any of these pending actions, individually or in the aggregate, will have a material adverse effect on our business, financial condition or results of operations.

Regulation

We are regulated by various United States and state agencies, including the DOT. The DOT and the Federal Motor Carrier Safety Administration (“FMCSA”), an agency within the DOT, manages a Compliance, Safety, Accountability initiative (“CSA”) which governs matters such as safety requirements and compliance, registration to engage in motor carrier operations, drivers’ hours of service (“HOS”) requirements, and certain mergers, consolidations, and acquisitions. We are also subject to laws and regulations under the United States Environmental Protection Agency and the Occupational Safety and Health Administration, which regulate safety, the supervision of hazardous materials, water discharges, air emissions, solid waste disposal and the release and cleanup of other substances. These regulatory authorities have broad powers, generally governing matters such as authority to engage in motor carrier operations, as well as motor carrier registration, driver hours of service, safety and fitness of transportation equipment and drivers, transportation of hazardous materials, certain mergers and acquisitions and periodic financial reporting. The trucking industry is also subject to regulatory and legislative changes from a variety of other governmental authorities, which address matters such as: increasingly stringent environmental, occupational safety and health regulations, limits on vehicle weight and size, ergonomics, port security, and hours of service. In addition, we are subject to compliance with cargo-security and transportation regulations issued by the Transportation Security Administration and Customs and Border Protection (“CBP”) within the United States Department of Homeland Security, and our domestic customs brokerage operations are licensed by CBP.

We are also subject to employment laws and regulations, including the changing regulatory landscape, with the potential effects of California Assembly Bill 5 ("California AB5"), which introduced a new test for determining worker classification that is viewed as expanding the scope of employee relationships and narrowing the scope of independent contractor relationships.

Additionally, our international business operations are subject to requirements imposed by the laws and regulations of those jurisdictions. Regulatory requirements, and changes in regulatory requirements, may affect our business or the economics of the industry by requiring changes in operating practices or by influencing the demand for and increasing the costs of providing our services.

In addition, Omni delivers international freight forwarding, fulfillment services, customs brokerage, distribution, and value-added services, primarily focused on Asia to the United States and Intra-Asia air transportation. As an international freight forwarder, Omni is required to follow sanctions and export control regulations of the countries in which it operates and those relevant to the transaction in hand. We are subject to and maintain compliance with various anti-corruption and anti-bribery statutes such as the Foreign Corrupt Practices Act, the UK Bribery Act 2010, and certain other foreign countries' equivalent statutes or programs in the countries in which we operate.

Service Marks

We maintain a variety of service marks and trademarks specific to our Forward and Omni business through our subsidiaries, which we believe are of significant value to our business. As our brands evolve, certain of these marks may go out of use, and others may be developed over time. We aim to protect these marks and other intellectual property as they are critical to our marketing strategy.

Through our subsidiary Forward Air Royalty, LLC, we hold the United States federal trademark registrations associated with the following service marks: Forward (logo), circle design (logo), Forward Air, Forward Air (logos), Forward Air Complete, Forward Air Complete (logo), TQI, inc. (logo), FAF, Inc. (logo), North America's Most Complete Road Feeder Network, and Keeping Your Business Moving Forward. We additionally have certain common law service mark rights, including in the tagline When It Matters, Think Forward, that is not currently registered with the United States Patent and Trademark Office. As our brands evolve, certain of these marks may go out of use, and others may be developed over time.

Through our subsidiary Omni Logistics, LLC, we hold the (i) trademark applications and registrations associated with the Omni logo and word mark in Canada, Chile, China, Colombia, Ecuador, European Union, Hong Kong, Japan, Korea, Malaysia, Mexico, Peru, Singapore, Taiwan, Thailand, United Kingdom and the United States and (ii) United States federal trademark registration associated with the word mark LiVe Logistics. Through our subsidiary Mach 1 Air Services, LLC, we hold the Mexican trademark registrations associated with the Mach 1 logo and word mark and with the tagline Others promise, we deliver. Through our subsidiary Pacific Logistics, LLC, we hold the United States federal trademark registrations for PLC Pacific Logistics Corp. (word mark) and PLC (word mark). Through our subsidiary Trinity Logistics USA, Inc., we hold the word mark registration of Trinity Logistics in the European Union. Through T L World (Private) Limited (Sri Lanka), we hold the trademark registration for Trinity Logistics (logo). Through our subsidiary Bigger, Farther, Faster, LLC (d/b/a Ramp Logistics), we hold the United States federal trademark registration associated with the Ramp Logistics word mark and logo. Through our subsidiary IVIA Services, LLC, we hold the United States federal trademark registration associated with the word mark IVIA. Through our subsidiary Millhouse Logistics Services, LLC, we hold the United States federal trademark registration associated with the Millhouse logo. Through our subsidiary A G World Transport, Inc., we hold the United States federal trademark registrations associated with the two AG logos.

Available Information

We file reports with the Securities and Exchange Commission (the "SEC"), including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, other reports and amendments to such reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities and Exchange Act of 1934, as amended from time to time. We are an electronic filer and the SEC maintains an Internet site at www.sec.gov that contains these reports and other information filed electronically. We make available free of charge through the Investor Relations portion of our website such reports as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. Our website address is www.forwardair.com. Our goal is to maintain our website as a portal through which investors can easily find or navigate to pertinent information about us. The information provided on the website is not part of this report, and is therefore not incorporated by reference unless such information is otherwise specifically referenced elsewhere in this report.

Item 1A. Risk Factors

The following are important risk factors that could affect our financial performance and could cause actual results for future periods to differ materially from our anticipated results or other expectations, including those expressed in any forward-looking statements made in this Annual Report on Form 10-K or our other filings with the SEC or in oral presentations such as telephone conferences and webcasts open to the public. You should carefully consider the following factors and consider these in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Item 7 and our Consolidated Financial Statements and related Notes in Item 8.

Risks Relating to Our Business and Operations

Overall economic conditions that reduce freight volumes could have a material adverse impact on our operating results and ability to achieve growth.

We are sensitive to changes in overall economic conditions that impact customer shipping volumes, industry freight demand and industry truck capacity. The transportation and supply chain industries historically have experienced cyclical fluctuations in financial results due to economic recession, downturns in business cycles of customers, interest and currency rate fluctuations, inflation, supply chain disruptions, labor shortages and other economic factors beyond our control. Changes in U.S. or international trade policy could lead to “trade wars” impacting the volume of economic activity domestically or internationally, and as a result, trucking freight volumes may be materially reduced. Such a reduction may materially and adversely affect our business. The U.S. has recently enacted and proposed to enact significant new tariffs. Additionally, President Trump has directed various federal agencies to further evaluate key aspects of U.S. trade policy and there has been ongoing discussion and commentary regarding potential significant changes to U.S. trade policies, treaties and tariffs. There continues to exist significant uncertainty about the future relationship between the U.S. and other countries with respect to such trade policies, treaties and tariffs. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the U.S.

Deterioration in the economic environment subjects our business to various risks, including the following that may have a material and adverse impact on our operating results and cause us not to maintain previously achieved or projected levels of profitability or achieve growth:

- A reduction in overall freight volumes reduces our revenues and opportunities for growth. In addition, a decline in the volume of freight shipped due to a downturn in customers’ business cycles or other factors (including our ability to assess dimensional and weight-based charges) generally results in decreases in freight pricing and decreases in revenue derived from various surcharges and accessororial charges. In our LTL business, these decreases typically reduce the average revenue per pound of freight, as carriers use price concession to compete for loads to maintain truck productivity.
- Our base transportation rates are determined based on numerous factors such as length of haul, weight per shipment and freight class. During economic downturns and periods of low freight volume, we may also have to lower our base transportation rates based on competitive pricing pressures and market factors.
- Some of our customers may face economic difficulties that affect their ability to pay us, and some may go out of business. In addition, some customers may not pay us as quickly as they have in the past, causing our working capital needs to increase.
- A significant number of our transportation providers may go out of business and we may be unable to secure sufficient equipment or other transportation services to meet our commitments to our customers.
- We may not be able to appropriately adjust our expenses to changing market demands as we have certain fixed expenses that we may not be able to adjust in a period of rapid change in market demand. In order to maintain high degree of cost variability in our business model, it is necessary to adjust staffing levels to changing market demands. In periods of rapid change, it is more difficult to match our staffing levels to our business needs.
- If the domestic freight forwarder, Expedited Freight’s primary customer type, is disintermediated, and we are not able to transition effectively into servicing other customers, like third-party logistics companies and beneficial cargo owners, our business and financial results could be materially adversely affected.

Inflation may increase our operating expenses and lower profitability.

Most of our operating expenses are sensitive to increases in inflation, including equipment prices, real property rental costs, fuel costs, insurance costs, employee wages and purchased transportation. While we have begun to see stabilization in inflation rates during the past several years, we have experienced significantly increased economic and demand uncertainty, which led to inflationary pressure in the U.S. and elsewhere, and to disruption and volatility in the demand for our services, and our suppliers' ability to fill orders and global capital markets.

Inflation may generally increase costs for materials, supplies and services and capital. With increasing costs, we may have to increase our prices to maintain the same level of profitability. If we are unable to increase our prices sufficiently to offset increasing expenses, then inflation could have a material adverse effect on our financial condition, results of operations, liquidity and cash flows.

Volatility in fuel prices, shortages of fuel or the ineffectiveness of our fuel surcharge program could have a material adverse effect on our results of operations and profitability.

We are subject to risks associated with the availability and price of fuel. Fuel prices have fluctuated dramatically over recent years. Future fluctuations in the availability and price of fuel could adversely affect our results of operations. Fuel availability and prices can be impacted by factors beyond our control, such as natural or man-made disasters, adverse weather conditions, political events, economic sanctions imposed against oil-producing countries or specific industry participants, disruption or failure of technology or information systems, price and supply decisions by oil producing countries and cartels, terrorist activities, armed conflict, tariffs, sanctions, other changes to trade agreements and world supply and demand imbalance. Over time we have been able to mitigate the impact of the fluctuations through fuel surcharge programs. Our fuel surcharge rates are set weekly based on the national average for fuel prices as published by the U.S. Department of Energy and our fuel surcharge table. Our fuel surcharge revenue is the result of our fuel surcharge rates and the tonnage transiting our networks. The impact of fuel on our results of operations depends on the relationship between the applicable surcharge, the fuel efficiency of our Company drivers, and load factor achieved by our operations. Fluctuations in fuel prices in either direction could have a positive or negative impact on our margins, particularly in our LTL business where the weight of a shipment subject to the fuel surcharge on a given trailer can vary materially. There can be no assurance that our fuel surcharge revenue programs will be effective in mitigating the full impact of future increases in fuel prices. Conversely, decreases in fuel prices reduce the amount of revenue derived from our fuel surcharge programs and accordingly, could reduce our consolidated revenues and may reduce margins for certain businesses. In addition to changing fuel prices, fluctuations in volumes and related load factors may subject us to volatility in our fuel surcharge revenue. Fuel shortages, changes in fuel prices and the potential volatility in fuel surcharge revenue may adversely impact our results of operations and overall profitability.

The Omni Acquisition may not achieve its intended benefits, and certain difficulties, costs or expenses may outweigh such intended benefits.

We may be unable to realize all of the anticipated benefits of the Omni Acquisition. Our success will depend, in part, on our ability to realize the anticipated benefits and synergies from reorganizing our corporate structure and combining the businesses of the Company and Omni following the Omni Acquisition, including cost and revenue synergies. The anticipated benefits and synergies of our combination with Omni may not be realized fully or at all, may take longer to realize than expected or could have other adverse effects that we do not currently foresee. We believe these risks are further heightened given the dispute with Omni, which was resolved prior to today, but which may make it more challenging to achieve the previously anticipated benefits and synergies.

Some of the assumptions that we have made, such as the tax outcomes of the contemplated pre-closing reorganization and the achievement of operating synergies, may not be realized. It is possible that the integration process could result in the loss of key Company or Omni employees, the loss of customers, the disruption of our ongoing businesses, inconsistencies in standards, controls, procedures and policies, unexpected integration issues, higher than expected integration costs and an overall post-completion integration process that takes longer than originally anticipated. There could be potential unknown liabilities and unforeseen expenses associated with the Omni Acquisition that were not discovered in the course of performing due diligence or that arise from the contemplated pre-closing reorganization or the combination of the businesses. If Omni has undisclosed liabilities, we, as a successor owner, will be responsible for such undisclosed liabilities and will not be indemnified for any of these liabilities. Such undisclosed liabilities could have an adverse effect on the business, results of operations, financial condition and cash flows of the Company after the closing of the Omni Acquisition.

Specifically, the following issues, among others, must be addressed as we continue to execute on the Omni integration in order to realize the anticipated benefits of the Omni Acquisition and realize the anticipated cost and revenue synergy opportunities:

- combining the companies' operations and corporate functions;
- combining the businesses of the Company and Omni and meeting the capital requirements of the combined company following the merger, in a manner that permits the combined company to achieve cost savings and revenue synergies anticipated to results from the merger, the failure of which would result in the anticipated benefits of the merger not being realized in the time frame currently anticipated or at all;
- integrating the companies' personnel;
- integrating the companies' technologies;
- integrating and unifying the offerings and services available to customers;
- identifying and eliminating redundant and underperforming functions and assets;
- harmonizing the companies' operating practices employee development and compensation programs, internal controls and other policies, procedures and processes;
- maintaining existing agreements with customers, providers and vendors and avoiding delays in entering into new agreements with prospective customers, providers and vendors;
- retaining existing customers and supplies, including those directly competing with Omni;
- addressing possible differences in business backgrounds, corporate cultures and management philosophies;
- consolidating the companies' administrative and information technology infrastructure;
- coordinating distribution and marketing efforts;
- managing the movement of certain positions to different locations;
- coordinating geographically dispersed organizations; and
- effecting actions that may be required in connection with obtaining the requisite regulatory approvals.

In addition, at times the attention of certain members of management and resources may be focused on the integration of the businesses of the two companies and diverted from day-to-day business operations or other opportunities that may have been beneficial to such company, which may disrupt our business.

We will incur significant transaction, merger-related and integration costs in connection with the Omni Acquisition.

The Company has incurred a number of non-recurring costs as well as transaction fees and other costs related to the Omni Acquisition. These costs and expenses include fees paid to financial, legal and accounting advisors, severance and other potential employment-related costs, including retention and severance payments that may be made to certain of our employees and Omni employees, filing fees, printing expenses and other related charges.

The Company will continue to incur integration costs following the Omni Acquisition as we continue to integrate a large number of processes, policies, procedures, operations, technologies, facilities and systems. Although we expect that the elimination of duplicative costs, strategic benefits, additional income as well as the realization of other efficiencies related to the integration of the businesses may offset incremental transaction, merger-related and integration costs over time, any net benefit may not be achieved in the near term or at all. While we assumed that certain expenses would be incurred in connection with the Omni Acquisition and the other transactions contemplated by the Amended Merger Agreement, there are many factors beyond our control that could affect the total amount or the timing of the integration and implementation expenses.

If we have difficulty attracting and retaining Leased Capacity Providers, other third-party transportation capacity providers, or freight handlers, our profitability and results of operations could be adversely affected.

We depend on Leased Capacity Providers, third-party contracted motor carriers, and other intermediaries like freight brokers for most of our transportation capacity needs. Competition for Leased Capacity Providers is intense, and sometimes there are shortages in the marketplace. In addition, a decline in the availability of trucks, tractors and trailers for purchase or use by Leased Capacity Providers may negatively affect our ability to obtain the needed transportation capacity. We also require a large number of employee freight handlers to operate our business efficiently. During periods of low unemployment in the areas where our terminals are located, we may have difficulty hiring and retaining a sufficient number of freight handlers. If we have difficulty attracting and retaining enough qualified freight handlers or Leased Capacity Providers, we may need to increase wages and benefits for our employees or to increase the cost at which we contract with our Leased Capacity Providers, either of which would increase our operating costs. This difficulty may also impede our ability to maintain our delivery schedules, which could make our service less competitive and curtailing our planned growth. A capacity deficit may lead to a decline in the volume of freight we receive from customers or a loss of customers.

To augment the transportation capacity provided by Leased Capacity Providers, we purchase transportation from other third-party motor carriers, typically at a higher cost. As with Leased Capacity Providers, competition for third-party motor carriers is intense, and sometimes there are shortages of available third-party motor carriers. If we cannot secure a sufficient number of Leased Capacity Providers and have to purchase transportation from third-party carriers, our operating costs will increase. If our labor and operating costs increase, we may be unable to offset the increased costs by increasing rates without adversely affecting our business. As a result, our profitability and results of operations could be adversely affected.

Higher prices by Leased Capacity Providers and other third-party transportation capacity providers could adversely impact our margins and operating results.

We are largely reliant on Leased Capacity Providers that lease their equipment to us and third-party transportation capacity providers to perform its freight transportation and other operations. These providers can be expected to charge higher prices if market conditions warrant or to cover higher operating expenses. Our profitability and income from operations may be impacted if we are unable to pass on such provider price increases to our customers. Increased demand for over the road transportation services and changes in regulations may reduce available capacity and increase pricing for both Leased Capacity Providers and third-party transportation providers. In some instances, we will have entered into fixed contract freight rates with customers and, in the event market conditions change and those contracted rates are below market rates, we may be required to provide transportation services at a loss.

Because a portion of our costs are fixed, any factors that result in a decrease in the volume or revenue per pound of freight shipped through our networks will adversely affect our results of operations.

Our operations, particularly our networks of hubs and terminals, represent substantial fixed costs. As a result, any decline in the volume or revenue per pound of freight we handle will have an adverse effect on our operating margin and our results of operations. Several factors can result in such declines, including adverse business and economic conditions affecting shippers of freight as discussed above. In addition, volumes shipped through our network may be negatively impacted by lack of customer contractual obligations or cancellations of existing customer contracts. Generally, we do not enter into long-term contracts with our customers. Rather, our customer contracts generally allow for cancellation within 30 to 60 days. As a result, we cannot guarantee that our current customers will continue to utilize our services or that they will continue at the same levels. The timing of our capital investments, pricing models and service availability is generally based on our existing and anticipated customer contracts and freight volumes.

Changes to our senior management team and other key personnel, including turnover of our top executives, could have an adverse effect on our business, operating results and financial condition.

Our success depends, to a large degree on the integration of our Chief Executive Officer and new members of our senior management team. The ability of the Chief Executive Officer and other new members of our senior management team to 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 and long-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, we may be unable to mitigate the risk if we are unable to implement and execute on an effective succession plan, and we may be unable to attract and retain qualified candidates in a timely manner. If we are unable to retain key senior executives and employees, 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.

In addition, the successful integration of Omni depends in part on the retention of personnel critical to the business and operations of the Company following the Omni Acquisition due to, for example, their technical skills or management expertise. Current and prospective employees of the Company and Omni may experience uncertainty about their future role with the Company and Omni until strategies with regard to these employees are announced or executed, which may impair our ability to

attract, retain and motivate key management, sales, marketing, technical and other personnel following the Omni Acquisition. If we are unable to retain personnel, including our and Omni's key management, who are critical to the successful integration and future operations of the business, we could face operational disruptions, loss of existing customers or loss of sales to existing customers, loss of key information, expertise or know-how, and unanticipated additional recruitment and training costs. In addition, the loss of key personnel could diminish the anticipated benefits of the Omni Acquisition.

If key employees depart, the integration of the companies may be more difficult and our business following the Omni Acquisition may be harmed. Furthermore, we may have to incur significant costs in identifying, hiring and retaining replacements for departing employees and may lose significant expertise and talent relating to the business of each of the Company or Omni, and our ability to realize the anticipated benefits of the Omni Acquisition may be adversely affected. In addition, there could be disruptions to or distractions for the workforce and management associated with activities of labor unions or integrating employees into the combined company.

We cannot assure you that our evaluation of strategic alternatives will result in any particular outcome, and the perceived uncertainties related to the Company could adversely affect our business and our stockholders.

In January 2025, the Board announced that it had initiated a comprehensive review of strategic alternatives to maximize shareholder value. The Board will consider a range of options, including a potential sale, merger or other strategic or financial transaction relative to the long-term value potential of the Company on a standalone basis. The Board has not set a timetable for the conclusion of this review, nor has it made any decisions related to any further actions or potential strategic alternatives at this time. There can be no assurance that any transaction or other strategic outcome will be approved by the Board or otherwise consummated. Any potential transaction may be dependent on a number of factors that may be beyond our control, for example, market conditions, industry trends or acceptable terms. The process of reviewing potential strategic alternatives may be time consuming, distracting and disruptive to our business operations. In addition, given that the exploration of strategic alternatives may eventually result in a potential sale, merger or other strategic transaction, any perceived uncertainty regarding our future operations or employment needs may limit our ability to retain or hire qualified personnel and may contribute to unplanned loss of highly skilled employees through attrition, and result in the loss of customers, suppliers and other key business partners. We may ultimately determine that no transaction is in the best interest of our shareholders. Speculation regarding any developments associated with our review of strategic alternatives and any perceived uncertainties related to the Company or its business could cause the price of our shares to fluctuate significantly.

Our profitability could be negatively impacted if our pricing structure proves to be inaccurate or off-market.

The price we charge our customers for the services we provide is based on our calculations of, among other things, the costs of providing those services. The Company's assessment of its costs and resulting pricing structure relies on the effective identification and measurement of the impact of a number of key operational variables including, but not limited to volumes, operational efficiencies, length of haul, the mix of fixed versus variable costs, productivity and other factors. In some instances where we have entered into contract freight rates with customers, in the event market conditions change and those contracted rates are below market rates, we may be required to provide our services at a loss. If we are incorrect in our assumptions and do not accurately calculate or predict the costs to us to provide our services, we could experience lower margins than anticipated, loss of business, or an inability to offer competitive products and services.

We derive a significant portion of our revenue from a few major customers, the loss of one or more of which could have a material adverse effect on our business.

While no customer accounted for more than 10% of consolidated revenues for the calendar year ended December 31, 2024, our top ten customers, based on revenue, accounted for approximately 24% of our revenue. These customers can impact our revenues and profitability based on factors such as: (i) industry trends related to e-commerce that may apply downward pricing pressures on the rates our customers can charge; (ii) the seasonality associated with the fourth quarter holiday season; (iii) business combinations and the overall growth of a customer's underlying business; and (iv) any disruptions to our customers' businesses. These customers could choose to divert all or a portion of their business with us to one of our competitors, demand pricing concessions for our services, require us to provide enhanced services that increase our costs, or develop their own shipping and distribution capabilities. We generally do not have long-term contracts with their customers. A reduction in, or termination of, our services by one or more of our major customers could have a material adverse effect on our business and operating results. In addition, any increased direct sales efforts to direct shippers and beneficial cargo owners, as well as the potential acquisition of other businesses that may be perceived as competing more directly with our customers, could adversely affect our expenses, pricing, third-party relationships and revenues, particularly if such actions affect any of these key customers.

Our business is subject to seasonal trends.

Generally, our operating results have been subject to seasonal trends when measured on a quarterly basis with the first and second quarters generally weaker compared to our third and fourth quarters. This trend is dependent on numerous factors including economic conditions, customer demand and weather. Revenue is directly related to the available working days of shippers, national holidays and the number of business days during a given period, which may also create seasonal variability on our results of operations. During the remaining winter months after the winter holiday season, our freight volumes are generally lower because some customers reduce shipment levels. In addition, a substantial portion of our revenue is derived from customers in industries whose shipping patterns are tied closely to consumer demand, which can sometimes be difficult to predict, or are based on just-in-time production schedules. Therefore, our revenue is, to a large degree, affected by factors that are outside of our control. There can be no assurance that our historic operating patterns will continue in future periods as we cannot influence or reliably forecast many of these factors. Our ability to predict and adapt to future seasonality in our business will affect our operations and financial results.

Our results of operations may be affected by harsh weather conditions, disasters and pandemics.

Certain weather-related conditions such as ice and snow can disrupt our operations. Our operating expenses have historically been higher in the winter months because of cold temperatures and other adverse winter weather conditions, which generally result in decreased fuel efficiency, increased cold weather-related maintenance costs of equipment and increased insurance and claims costs. Harsh weather can temporarily halt deliveries, which could result in decreased revenues and operational challenges resulting from the interruption. Disasters, including severe weather, such as hurricanes or blizzards, and public health issues, such as pandemics, occurring in the United States or abroad, could result in the temporary lack of an adequate work force and the temporary disruption in the transport of goods to or from overseas which could prevent, delay or reduce freight volumes and could have an adverse impact on consumer spending and confidence levels, all of which could result in decreased revenues.

Our products and services are directly tied to the production and sale of goods. Should we experience a slowdown or reduced demand for our services due to a pandemic, such as COVID-19, we would anticipate a similar impact on our business.

Labor shortages and increased turnover or increases in employee and employee-related costs could adversely affect our ability to attract and retain qualified employees.

A number of factors may adversely affect the labor force available to us or increase labor costs from time to time, including high employment levels, federal unemployment subsidies, and other government regulations, which include laws and regulations related to workers' health and safety, wage and hour practices, immigration, and federal vaccine mandates. A labor shortage or increased turnover rates within our employee base could lead to increased costs, such as increased overtime to meet demand and increased wage rates to attract and retain employees and could negatively affect our ability to effectively operate our business or otherwise operate at full capacity.

In addition, the compensation we offer our employees is subject to market conditions that may require increases in employee compensation, which become more likely as economic conditions improve or as inflation increases. If we are unable to attract and retain a sufficient number of qualified employees, we could be required to increase our compensation and benefits packages or reduce our operations and face difficulty meeting customer demands, any of which could adversely affect our financial condition, results of operations, liquidity, and cash flows.

Our business could also be adversely affected by strikes and labor negotiations or by a work stoppage at one or more of our or our subcontractors' facilities. Shutdowns and similar disruptions to major points in national or international transportation networks, most of which are beyond our control, could result in terminal embargoes, disrupt equipment and freight flows, depress volumes and revenues, increase costs and have other negative effects on our operations and financial results. In addition, labor disputes involving our customers could affect our operations. If our customers experience slowdowns or closures because they are unable to negotiate labor contracts, our revenue and profitability could be negatively impacted.

We have recorded impairment charges in current and past periods and may record additional impairment charges in future periods.

We have \$999,216 of net definite-lived intangible assets on our consolidated balance sheet at December 31, 2024, which significantly increased as a result of the Omni Acquisition. Our definite-lived intangible assets primarily represent the value of customer relationships, non-compete agreements, and trade names that were recorded in conjunction with our various acquisitions. We review our long-lived assets, such as our definite-lived intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is recognized on these assets when the estimated fair value is less than the carrying value. If such measurement indicates impairment, we would be required to record a non-cash impairment charge to our consolidated statement of comprehensive income in the amount that the carrying value of these assets exceeds the estimated fair value of the assets.

We also have \$522,712 of goodwill on our consolidated balance sheet at December 31, 2024. Goodwill is assessed for impairment annually (or more frequently if circumstances indicate possible impairment) for each of our reporting units. This assessment includes comparing the estimated fair value of each reporting unit to the carrying value of the net assets assigned to the respective reporting unit. If the carrying value of the reporting unit exceeded the estimated fair value of the reporting unit, we would be required to record a non-cash impairment charge calculated as the amount by which the carrying value exceeds the reporting units estimated fair value. In 2024, the Omni Logistics segment's fair value was determined to be less than its carrying value. As a result, the Company recorded a non-cash impairment charge of \$1,028,397 during the year ended December 31, 2024. See Note 3, Acquisitions, for more information about our goodwill and impairment charges. An additional non-cash impairment charge to our consolidated statement of comprehensive income could have a material adverse effect on our financial results.

We operate in highly competitive and fragmented segments of our industry, and our business will suffer if we are unable to adequately address downward pricing pressures and other factors that may adversely affect our results of operations, growth prospects and profitability.

The segments of the freight transportation and supply chain industries in which we participate are highly competitive, very fragmented and historically have few barriers to entry. We compete with a large number of other asset-light logistics companies, asset-based carriers, integrated logistics companies, and third-party freight brokers. To a lesser extent, we also compete with integrated air cargo carriers and passenger airlines. Our competition ranges from small operators that compete within a limited geographic area to companies with substantially greater financial and other resources, including greater freight capacity. We also face competition from freight forwarders who decide to establish their own networks to transport expedited ground freight, as well as from logistics companies, Internet matching services and Internet and third-party freight brokers, and new entrants to the market. In addition, customers can bring in-house some of the services we provide. We believe competition is based primarily on quality service, price, available capacity, damage-free handling, on-time delivery, flexibility, reliability and security and transportation rates as well as the ability to acquire and maintain terminal facilities in desirable locations at reasonable rates. Many of our competitors periodically reduce their rates to gain business, especially during times of economic decline, which may limit our ability to maintain or increase our profit margins. In an effort to reduce costs, we have seen our customers solicit bids from multiple transportation providers and develop or expand internal capabilities for some of the services that we provide.

In addition, competitors may pursue other strategies to gain a competitive advantage such as developing superior information technology systems or establishing cooperative relationships to increase their ability to address customer needs. The development of new information technology systems or business models could result in our disintermediation in certain businesses, such as freight brokerage. Furthermore, the transportation industry continues to consolidate. As a result of consolidation, our competitors may increase their market share and improve their financial capacity, and may strengthen their competitive positions relative to ours. Business combinations could also result in competitors providing a wider variety of services at competitive prices, which could adversely affect our financial performance. These competitive pressures may cause a decrease in our volume of freight, require us to lower the prices we charge for our services and adversely affect our results of operations, growth prospects and profitability.

Difficulty in forecasting timing or volumes of customer shipments could adversely impact our margins and operating results and lead to difficulties in predicting liquidity.

Customer satisfaction depends upon our ability to meet short-term customer requirements that can be difficult to predict and prepare for. Generally, we do not enter into long-term contracts with our customers. Accordingly, the demand from our customers may fluctuate from time to time, which makes it difficult for us to project future demands from our customers. As a result, we cannot guarantee that our current customers will continue to utilize our services or that they will continue at the same levels. Our success depends on receiving continuous orders from our customers. Personnel costs, one of our largest expense items, is highly variable as we must staff to meet uncertain short-term demand that may not align with long-term trends. As a result, short-term operating results could be disproportionately affected due to uncertainties with our customer requirements and the challenges of staffing appropriately.

A significant portion of our revenues will be derived from customers in industries, such as retail and technology, that exhibit shipping patterns that are tied closely to consumer demand and from customers in industries in which shipping patterns are dependent upon just-in-time production schedules. Therefore, the timing of our revenues will be impacted by factors out of our control, such as a sudden change in consumer demand for retail goods, changes in trade tariffs, product launches and/or manufacturing production delays. Additionally, many customers ship a significant portion of their goods at or near the end of a fiscal quarter and, therefore, we may not learn of decreases in revenues until late in a quarter. As a result, our liquidity, cash flows and results of operations may be difficult to predict.

Our international operations subject us to operational and financial risks.

We provide logistical and supply chain services within and between foreign countries on an increasing basis. Business outside of the U.S. is subject to various risks, including:

- changes in tariffs, trade restrictions, and trade agreements;
- compliance with the laws of numerous taxing jurisdictions where we conduct business, potential double taxation of our international earnings and potentially adverse tax consequences due to U.S. and foreign tax laws as they relate to our international business;
- difficulties in managing or overseeing foreign operations and agents;
- economic and political instabilities in some countries;
- new and different sources of competition and laws and business practices favoring local competitors;
- limitations on the repatriation of funds because of foreign exchange controls;
- different liability standards;
- exposure to increased risk of loss from foreign currency fluctuations and exchange controls;
- intellectual property laws of countries that do not protect our rights in our intellectual property, including but not limited to, our proprietary information systems, to the same extent as the laws of the U.S.;
- compliance with multiple, conflicting, ambiguous or evolving governmental laws and regulations, including employment, tax, privacy, anti-corruption, import/export, customs, anti-boycott, sanctions and embargoes, antitrust, data transfer, storage and protection, ESG and industry-specific laws and regulations, and our ability to identify and respond timely to compliance issues when they occur; and
- the impact of uncertainties regarding the United Kingdom's exit from the European Union (the "EU") on regulations, current, taxes and operations, including possible disruptions to the sale of our services or the movement of our people between the United Kingdom, the EU and other locations.

The occurrence or consequences of any of these factors may restrict our ability to operate in the affected region and/or decrease the profitability of our operations in that region.

As we continue to expand our business internationally, we are exposed to increased risk of loss from foreign currency fluctuations, as well as longer accounts receivable payment cycles. Foreign currency fluctuations could result in currency exchange gains or losses or could affect the book value of our assets and liabilities. Furthermore, we may experience unanticipated changes to our income tax liabilities resulting from changes in geographical income mix and changing international tax legislation. We have limited control over these risks, and if we do not correctly anticipate changes in international economic and political conditions, we may not alter our business practices in time to avoid adverse effects.

Our business and operations could be negatively affected by securities litigation or shareholder activism, which could impact the trading price and volatility of our common stock.

Our business and operations could be negatively affected if we become subject to any securities litigation or from continued shareholder activism, which could cause us to incur significant expenses, hinder the execution of our business and

growth strategy, constrain our capital deployment opportunities, and impact the price of our common stock. For example, ClearBridge Investments, LLC publicly released a letter sent to our former Chairman and CEO and Lead Independent Director on August 18, 2023, with the purpose of urging the Board to reconsider the merger. Such shareholder activism, like securities litigation, could result in substantial costs and could divert management's attention and resources. Shareholder activism, which can take many forms or arise in a variety of situations, has been increasing recently. Volatility in the price of our common stock, our cash balance, our financial performance or other reasons may cause us to become the target of securities litigation or continue to be the target of shareholder activism.

Perceived uncertainties as to our future direction as a result of these actions or any future shareholder activism or further changes to the composition of the Board or management may lead to the perception of a change in the direction of our business, instability or lack of continuity, any of which could negatively impact our stock price and results of operations.

Securities litigation and shareholder activism, including potential proxy contests, could result in substantial costs and divert management's and the Board's attention and resources from our business. Additionally, such securities litigation and shareholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we have and may be required to incur significant legal fees and other expenses related to any securities litigation and activist shareholder matters. Further, the price of our common stock could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and shareholder activism. In addition, shareholder activism may constrain our capital deployment opportunities and may limit the types of investments that are available to us.

Our increased direct sales efforts through our Omni sales force to direct shippers and beneficial cargo owners could be viewed as a competitive threat by our current domestic forwarder customers.

We are increasing our sales to direct shippers and beneficial cargo owners, which as a group are the primary customers of freight forwarders, 3PLs and other transportation intermediaries. These intermediaries are significant customers of our Expedited Freight business in the United States. Our activities related to our increased direct sales efforts to direct shippers and beneficial cargo owners, as well as the potential acquisition of other businesses that may be perceived as competing with our customers, could harm relationships with our current customers, employees or suppliers, and could adversely affect our expenses, pricing, third-party relationships and revenues. Further, a loss of a significant customer could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Reductions in the available supply or increases in the cost of new equipment may adversely impact our profitability and cash flows.

We and our Leased Capacity Providers and ISPs may face difficulty in purchasing new equipment due to decreased supply or increased costs. Investment in new equipment is a significant part of our annual capital expenditures and we require an available supply of tractors, trailers, and other freight handling equipment from manufacturers to operate and grow our business. We may also be subject to shortages in raw materials that are required for the production of critical operating equipment and supplies, such as shortages in rubber or steel. Tractor and trailer manufacturers have experienced significant shortages of various component parts and supplies, forcing many manufacturers to reduce or suspend their production, which has led to a lower supply of tractors, trailers, and other equipment, higher prices, and lengthened trade cycles.

In addition, the availability and price of our equipment may also be adversely affected in the future by regulations on newly manufactured equipment and engines. We are subject to regulations issued by the EPA and various state agencies, particularly the California Air Resources Board ("CARB"), that have required progressive reductions in exhaust emissions. We may become subject to new or more restrictive regulations, or differing interpretations of existing regulations, which may increase the cost of providing transportation services or adversely affect our results of operations. We are also unable to predict how any future changes in United States government policy will affect EPA and CARB regulation and enforcement.

These regulations, the limited equipment availability, and other supply chain factors have resulted and could continue to result in higher prices for new equipment, which could have a material adverse effect on our business, financial condition, and results of operations, particularly our maintenance expense, mileage productivity, and driver retention.

Because our Intermodal business depends heavily on freight transiting seaports and railheads, our operating results and financial condition are likely to be adversely affected by any reduction or deterioration in service at seaports or railheads.

Our Intermodal business provides first- and last-mile high value container drayage services to and from seaports and railheads. Consequently, our ability to continue to expand our Intermodal transportation business is dependent upon the seaports and railheads' capacity to handle Intermodal freight. Our business has, at times, been adversely affected by situations impacting one or more railheads or seaports, including congestion, labor shortages, slowdowns or stoppages, adverse weather conditions, changes to rail operations, or other factors that hinder the railheads and seaports to efficiently handle freight transiting their operations, and these situations may occur again in the future, which could have a material adverse effect on our results of operations and financial condition.

We may have difficulty effectively managing our growth, which could adversely affect our business, results of operations and financial condition.

Our growth strategy includes increasing freight volume from new and existing customers, improving our freight characteristics, implementing best practices and operational efficiencies, expanding our service offerings and pursuing strategic transactions. Our growth plans will place significant demands on our management and operating personnel.

To manage our current and anticipated future growth effectively, we must continue to maintain, and may need to enhance, our operating and management information systems and information technology infrastructure, which will place additional demands on our resources and operations. Failure to manage our growth effectively could lead us to over-invest or under-invest in technology and operations; result in weaknesses in our infrastructure, systems, or controls; give rise to operational mistakes, losses, or loss of productivity or business opportunities; reduce customer satisfaction; limit our ability to respond to competitive pressures; or result in loss of employees and reduced productivity of remaining employees. If our management is unable to effectively manage our growth, our expenses may increase more than expected, our revenue could decline or may grow more slowly than expected, and we may be unable to implement our growth strategy.

We may not make future acquisitions or, if we do, we may not realize the anticipated benefits of future acquisitions and integration of these acquisitions may disrupt our business and occupy management.

We have grown through acquisitions, and we may pursue opportunities to expand our business by acquiring other companies in the future. Our ability to grow revenues, earnings and cash flow depends in part upon our ability to identify and successfully acquire and integrate businesses at appropriate prices, realize anticipated synergies and business performance from such acquisitions. Appropriate targets for acquisition are difficult to identify and transactions are difficult to complete for a variety of reasons, including but not limited to, limited due diligence, high valuations, other interested parties, negotiations of the definitive documentation, satisfaction of closing conditions, the need to obtain antitrust or other regulatory approvals on acceptable terms, and availability of funding. There is no assurance that we will be successful in identifying, negotiating, consummating or integrating any future acquisitions. Additionally, we may not realize the anticipated benefits of any future acquisitions. Each acquisition has numerous risks including:

- difficulty in integrating the operations and personnel of the acquired company;
- unanticipated costs to support new business lines or separate legal entities;
- disruption of our ongoing business, distraction of our management and employees from other opportunities and responsibilities due to integration issues;
- additional indebtedness or the issuance of additional equity to finance future acquisitions, which could be dilutive to our shareholders;
- inability to access capital markets on acceptable terms or at all;
- potential loss of key customers or employees of acquired companies along with the risk of unionization of employees;
- pricing pressure resulting from differing customer pricing practices of the acquired company or varying pricing dynamics in the acquired company's market;
- inability to achieve the financial and strategic goals for the acquired and combined businesses;
- potential impairment of tangible and intangible assets and goodwill acquired as a result of acquisitions; and
- potential failure of the due diligence processes to identify significant issues with legal and financial liabilities and contingencies, among other things.

The timing and number of acquisitions we pursue may also cause volatility in our financial results. In the event that we do not realize the anticipated benefits of an acquisition or if the acquired business is not successfully integrated, there could be a material adverse effect on our financial condition, results of operations, liquidity and cash flows.

Risks Relating to Omni Acquisition

Our Up-C structure places significant limitations on our cash flow because our principal asset is our interest in Opco, and, accordingly, we depend on distributions from Opco to pay our taxes and expenses, including payments under the Tax Receivable Agreement.

As part of our umbrella partnership-C corporation (“Up-C”) structure with Omni, we are a holding company and our principal asset is our ownership of common units of our operating subsidiary, Clue Opco LLC (“Opco”). This structure is designed to enable us to obtain certain tax benefits, and 83.5% of such tax benefits are payable to certain holders of Omni under our tax receivable agreement with the holders of Omni and Opco (“Tax Receivable Agreement”). However, as a result of the Omni Acquisition, we have no independent means of generating revenue or cash flow, and our ability to pay taxes and operating expenses, and to service our liabilities, is dependent upon the financial results and cash flows of Opco and its subsidiaries, along with the distributions we receive from Opco. Opco intends to make payments to us out of available funds, and subject to limitations imposed under the agreements governing our indebtedness, and there can be no assurance that Opco and its subsidiaries will generate sufficient cash flow to distribute funds to us or that applicable state law and contractual restrictions will permit such distributions. Moreover, because of our Up-C structure, this financing arrangement can give rise to U.S. corporate income tax liabilities for us in respect of the formation of Opco, and subsequently as Opco makes cash distributions to us to the extent they are subject to certain technical regulations regarding disguised sales, subject to certain exceptions including for distributions of operating cash flows and leveraged distributions. In such an event, we would depend on further cash distributions from Opco in order to enable us to pay such tax liabilities.

We also incur expenses related to our operations, which may be significant. We intend, as Opco’s sole manager, to cause Opco to make cash distributions to the owners of Opco membership interests so that we receive (i) an amount sufficient to allow us to fund all of our tax obligations in respect of taxable income allocated to us and (ii) distributions to cover our operating expenses, including any obligations to make payments under the Tax Receivable Agreement. When Opco makes distributions, the holders of Omni and the other members of Opco besides us are and will be entitled to receive proportionate distributions based on their economic interests in Opco’s common units at the time of such distributions. Opco’s ability to make such distributions may be subject to various limitations and restrictions, such as restrictions on distributions that would either violate any contract or agreement to which Opco is then a party, or any applicable law, or that would have the effect of rendering Opco insolvent or exceed the amounts that Opco is permitted to distribute under the agreements governing our indebtedness. If we do not have sufficient funds to pay tax or other liabilities or to fund our operations, we may have to borrow funds, which could materially and adversely affect our liquidity and financial condition and subject us to various restrictions imposed by any such indebtedness. To the extent that we are unable to make payments under the Tax Receivable Agreement for any reason, such payments generally will be deferred and will accrue interest until paid, but nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement and therefore accelerate payments due under the Tax Receivable Agreement. Any inability to pay tax or other liabilities or to fund our operations could have a material and adverse effect on our business, results of operations, financial condition and prospects.

We may not be able to retain customers or suppliers, or customers or suppliers may seek to modify contractual obligations with us, which could have an adverse effect on our business and operations. Third parties may terminate or alter existing contracts or relationships with us.

As a result of the Omni Acquisition, we experienced impacts on relationships with certain customers that led to a decrease in their business with us, and we may experience further impacts of this nature that may harm our business and results of operations. Certain customers or suppliers may seek to terminate or modify contractual obligations following the Omni Acquisition whether or not contractual rights are triggered as a result of the Omni Acquisition. In particular, certain of our existing customers directly compete with Omni and, as a result, may react negatively to the Omni Acquisition. There can be no guarantee that customers and suppliers will remain with or continue to have a relationship with us or do so on the same or similar contractual terms following the Omni Acquisition. If any customers or suppliers seek to terminate or modify contractual obligations or discontinue the relationship with us then our business and results of operations may be harmed. If certain of our suppliers were to seek to terminate or modify an arrangement with us, then we may be unable to procure necessary supplies from other suppliers in a timely and efficient manner and on acceptable terms, or at all.

Prior to the Omni Acquisition, Omni was privately-held, and the transition to being a part of a public company, along with our combined ability to manage our expanded business, may require significant resources and management attention.

Upon the closing of the Omni Acquisition, Omni and its subsidiaries became subject to Sarbanes-Oxley Act of 2002, as amended (“Sarbanes-Oxley”) and the rules and regulations subsequently implemented by the SEC and other regulatory bodies. As a private company, Omni’s internal controls were not designed to be in compliance with Sarbanes-Oxley or any other public company requirements, and establishing and maintaining such controls and procedures for financial reporting may be costly and may divert the attention of management. In the past, Omni identified significant deficiencies in the adequacy of its internal controls.

In addition, our future success depends, in part, upon our ability to continue to manage this expanded business, which could pose substantial challenges for management, including challenges related to the management and monitoring of diverse, complex operations and associated increased costs.

We identified a material weakness in our internal control over financial reporting. If we are unable to remediate this material weakness, or identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business and stock price.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company’s annual or interim financial statements will not be prevented or detected on a timely basis. We identified a material weakness in our internal controls over financial reporting as of December 31, 2024. As a result of the complexities of the acquisition structure of Omni, our controls were not sufficiently precise over the Omni business combination, related income taxes, and the Omni impairment process. Although the material weakness identified did not result in any material misstatements in our consolidated financial statements for the periods presented and there were no changes to previously released financial results, our management concluded that these control weaknesses constitute a material weakness and that our internal control was not effective as of December 31, 2024.

Our management is committed to take comprehensive actions to remediate the material weakness in internal control over financial reporting. We are in the process of developing and implementing remediation plans to address the material weakness described above.

While we are committed to designing and implementing new controls and measures to remediate this material weakness, we cannot assure you that the measures will be sufficient to remediate the material weakness or avoid the identification of additional material weaknesses in the future. Our failure to implement and maintain effective internal control over financial reporting, whether or whether not related to the Omni Acquisition, could result in errors in our consolidated financial statements that could result in a restatement of our financial statements and could cause us to fail to meet our periodic reporting obligations, any of which could diminish investor confidence in us and cause a decline in the price of our common stock.

Omni Holders are a significant holder of our common stock following completion of the Omni Acquisition.

Following the completion of the Omni Acquisition, direct and certain indirect equity holders of Omni (“Omni Holders”) own approximately 16.5% of our common stock on a fully diluted, as-converted and as-exchanged basis. As a result, Omni Holders may be able to impact matters requiring shareholder approval. In addition, the existence of a large shareholder may have the effect of deterring hostile takeovers, delaying or preventing changes in control or changes in management, or limiting the ability of our other shareholders to approve transactions that they may deem to be in the best interests of our company.

So long as the Omni Holders continue to control a significant amount of our common stock, they may continue to be able to impact matters requiring shareholder approval. In any of these matters, the interests of Omni Holders may differ or conflict with the interests of our other shareholders. Moreover, this concentration of stock ownership may also adversely affect the trading price of our common stock to the extent investors perceive a disadvantage in owning stock of a company with a large shareholder.

We will be required to pay Omni Holders for certain tax savings we may realize, and we expect that the payments we will be required to make may be substantial.

In connection with the closing of the Omni Acquisition, the Company, Opco, Omni Holders and certain other parties entered into the Tax Receivable Agreement, which sets forth the agreement among the parties regarding the sharing of certain tax benefits realized by the Company as a result of the transactions. Pursuant to the Tax Receivable Agreement, we will be generally obligated to pay certain Omni Holders 83.5% of (a) the total tax benefit that we realize as a result of increases in tax basis in Opco's assets resulting from certain actual or deemed distributions and the future exchange of units of Opco for shares of securities of the Company (or cash) pursuant to the Opco's limited liability company agreement, (b) certain pre-existing tax attributes of certain Omni Holders that are corporate entities for tax purposes, (c) the tax benefits that we realize from certain tax allocations that correspond to items of income or gain required to be recognized by certain Omni Holders, and (d) other tax benefits attributable to payments under the tax receivable agreement. Payment obligations under the Tax Receivable Agreement will rank pari passu with all unsecured obligations of the Company but senior to any future tax receivable or similar agreement entered into by the Company. These increases in existing tax basis and tax basis adjustments generated over time may reduce the amount of tax that the combined company would otherwise be required to pay in the future, although the IRS may challenge all or part of the validity of that tax basis, and a court could sustain such a challenge. Actual tax benefits realized by the combined company may differ from tax benefits calculated under the Tax Receivable Agreement as a result of the use of certain assumptions therein, including the use of an assumed weighted-average state and local income tax rate to calculate tax benefits.

The payment obligation under the Tax Receivable Agreement is an obligation of the Company and not of Opco. While the amount of existing tax basis, the anticipated tax basis adjustments and the actual amount and utilization of tax attributes, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including the timing of exchanges of Opco units for securities of the Company, the applicable tax rate, the price of the applicable securities of the Company at the time of exchanges, the extent to which such exchanges are taxable and the amount and timing of our income, we expect that the payments that we will be required to make under the Tax Receivable Agreement may be substantial. The payments under the Tax Receivable Agreement are not conditioned on the exchanging holders of Opco units or other Omni Holders continuing to hold ownership interests in us.

Risks Relating to our Indebtedness

Our substantial indebtedness, could adversely affect our financial health and our ability to execute our business strategy.

In connection with the Omni Acquisition, our debt consists of \$725 million pursuant to senior secured notes and \$1,045 million in senior secured term loans.

Our substantial indebtedness could have important consequences including:

- increasing our vulnerability to adverse general economic and industry conditions;
- exposing us to interest rate risk;
- limiting our flexibility in planning for, or reacting to, changes in the economy and our industry;
- placing us at a competitive disadvantage compared to competitors with less indebtedness;
- making it more difficult to borrow additional funds in the future to fund growth, acquisitions, working capital, capital expenditures and other purposes; and
- potentially requiring us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness. Thereby reducing the availability of our cash flow to fund our other business needs.

We receive debt ratings from the major credit rating agencies in the U.S. Factors that may impact our credit ratings include debt levels, planned asset purchases or sales and near-term and long-term production growth opportunities. Liquidity, asset quality, cost structure, reserve mix and commodity pricing levels could also be considered by the rating agencies. While we are focused on maintaining ratings from these agencies, we may be unable to do so. Any downgrade in our credit rating or the ratings of our indebtedness, or adverse conditions in the debt capital markets, could:

- adversely affect the trading price of, or market for, our debt securities;
- increase interest expense under our facilities;
- Increase the cost of, and adversely affect our ability to refinance, our existing debt; and
- adversely affect our ability to raise additional debt.

The instruments governing our indebtedness impose certain restrictions on our business.

The instruments governing our indebtedness contain certain covenants imposing restrictions on our business. These restrictions may affect our ability to operate our business, to plan for, or react to, changes in the market conditions or our capital needs and may limit our ability to take advantage of potential business opportunities as they arise. The restrictions placed on us include maintenance of a consolidated first lien net leverage ratio and limitations on our ability to incur certain secured debt, enter into certain sale and lease-back transactions and consolidate, merge, sell or otherwise dispose of all or substantially all of our assets. In addition, the instruments contain customary events of default upon the occurrence of which, after any applicable grace period, the indebtedness could be declared immediately due and payable. In such event, we may not have sufficient available cash to repay such debt at the time it becomes due, or be able to refinance such debt on acceptable terms or at all. Any of the foregoing could materially adversely affect our business, financial condition and results of operations.

If we do not comply with the terms of our debt instruments, they could be terminated and amounts thereunder could become due and payable.

We cannot assure that we will be able to comply with all of the terms of our debt instruments, particularly the financial covenants. Our ability to comply with such terms depends on the success of our business and our operating results, as well as various risks, uncertainties, and events beyond our control. If we fail to comply with any covenant required by our debt instruments following any applicable cure periods, the banks could terminate their commitments unless we could negotiate a covenant waiver. The banks could condition such waiver on terms that may be unfavorable to us. In addition, any amounts outstanding pursuant to our credit arrangements and indentures could become due and payable if we were unable to obtain a covenant waiver or refinance our debt under such arrangements.

Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.

Our ability to make scheduled payments of the principal of, to pay interest on, and to refinance our debt, depends on our future performance, which is subject to economic, financial, competitive and other factors. Our business may not continue to generate cash flow from operations in the future sufficient to satisfy our obligations under our current indebtedness and any future indebtedness we may incur and to make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as reducing or delaying investments or capital expenditures, selling assets, refinancing or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our outstanding indebtedness or future indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms when needed, which could result in a default on our indebtedness.

Risks Relating to Information Technology and Systems

If we fail to maintain our information technology systems, or if we fail to successfully implement new technology or enhancements, we may be at a competitive disadvantage and experience a decrease in revenues.

We rely heavily on our information technology systems to efficiently run our business, and they are a key component of our growth strategy and competitive advantage. We, our customers and third parties increasingly store and transmit data by means of connected information technology systems. We expect our customers to continue to demand more sophisticated, fully integrated information systems from their transportation providers. To keep pace with changing technologies and customer demands, we must correctly interpret and address market trends and enhance the features and functionality of our information technology systems in response to these trends, which may lead to significant ongoing software development costs. For instance, we have implemented artificial intelligence applications to enhance our operations, but we may be unable to accurately determine the needs of our customers and the trends in the transportation services industry or to design and implement the appropriate features and functionality of our information technology systems in a timely and cost-effective manner, which could put us at a competitive disadvantage and result in a decline in our efficiency, decreased demand for our services and a corresponding decrease in our revenues. In addition, we could incur software development costs for technology that is ultimately not deployed, and thus would require us to write-off these costs, which would negatively impact our financial results. Furthermore, as technology improves, our customers may be able to find alternatives to our services for matching shipments with available freight hauling capacity.

Our information technology systems can also play an integral role in managing our internal freight and transportation information and creating additional revenue opportunities, including assessing available backhaul capacity. A failure to capture and utilize our internal freight and transportation information may impair our ability to service our existing customers or grow revenue.

Our information technology systems are dependent upon cloud infrastructure providers, software-as-a-service providers, global communications providers, web browsers, telephone systems and other aspects of the internet infrastructure that have experienced significant system failures and outages in the past. While we take measures to ensure our major systems have redundant capabilities, our systems are susceptible to outages from fire, floods, power loss, telecommunications failures, data leakage, human error, break-ins, cyber-attacks and similar events. Though it is difficult to predict, the occurrence of any of these events could disrupt or damage our information technology systems and hamper our internal operations, impede our customers' access to our information technology systems and adversely impact our customer service, volumes, and revenues and result in increased cost. In addition, we may be required to incur significant costs to protect against damage caused by these disruptions or security breaches in the future.

Our business is subject to cybersecurity risks.

Our operations depend on effective and secure information technology systems. Threats to information technology systems, including as a result of cyber-attacks and the increased adoption of artificial intelligence technologies continues to grow. Cybersecurity risks could include, but are not limited to, malicious software, attempts to gain unauthorized access to our data and the unauthorized release, corruption or loss of our data and personal information, interruptions in communication, loss of our intellectual property or theft of our sensitive or proprietary technology, loss or damage to our data delivery systems, or other electronic security, including with our property and equipment. The security risks associated with information technology systems have increased in recent years because of the increased sophistication, activities and evolving techniques of perpetrators of cyber-attacks.

These cybersecurity risks could:

- Disrupt our operations and damage our information technology systems;
- Subject us to various legal claims, penalties and fees by third parties;
- Negatively impact our ability to compete;
- Enable the theft or misappropriation of funds;
- Cause the loss, corruption or misappropriation of proprietary or confidential information, expose us to litigation; and
- Result in injury to our reputation, downtime, loss of revenue, and increased costs to prevent, respond to or mitigate cybersecurity events.

For example, in December 2020, we detected a ransomware incident (the "Ransomware Incident") impacting our operational and information technology systems, which caused service delays for our customers. If another cybersecurity event occurs, such as the Ransomware Incident, it could harm our business and reputation and could result in a loss of customers. Likewise, data privacy breaches by employees and others who access our systems may pose a risk that sensitive customer or vendor data may be exposed to unauthorized persons or to the public, adversely impacting our customer service, employee relationships and our reputation. Furthermore, any failure to comply with data privacy, security or other laws and regulations could result in claims, legal or regulatory proceedings, inquiries or investigations.

While we continue to make efforts to evaluate and improve our systems and particularly the effectiveness of our security program, procedures and systems, it is possible that our business, financial and other systems could be compromised, which could go unnoticed for a prolonged period of time, and there can be no assurance that the actions and controls that we implement, or we cause third-party service providers to implement, will be sufficient to protect our systems, information or other property. Additionally, customers or third parties upon whom we rely on face similar threats, which could directly or indirectly impact our business and operations. The occurrence of a cyber-incident or attack could have a material adverse effect on our business, financial condition and results of operations. For more information about our cybersecurity oversight, see "Item 1C, Cybersecurity".

Issues related to the intellectual property rights on which our business depends, whether related to our failure to enforce our own rights or infringement claims brought by others, could have a material adverse effect on our business, financial condition and results of operations.

We use both internally developed and purchased technologies in conducting our business. Whether internally developed or purchased, it is possible that users of these technologies could be claimed to infringe upon or violate the intellectual property rights of third parties. In the event that a claim is made against us by a third party for the infringement of intellectual property rights, a settlement or adverse judgment against us could result in increased costs to license the technology or a legal prohibition against our using the technology. Thus, our failure to obtain, maintain or enforce our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

We rely on a combination of intellectual property rights, including patents, copyrights, trademarks, domain names, trade secrets, intellectual property licenses and other contractual rights, to protect our intellectual property and technology. Any of our owned or licensed intellectual property rights could be challenged, invalidated, circumvented, infringed or misappropriated; our trade secrets and other confidential information could be disclosed in an unauthorized manner to third parties; or we may fail to secure the rights to intellectual property developed by our employees, contractors and others. Efforts to enforce our intellectual property rights may be time-consuming and costly, distract management's attention and divert our resources, and ultimately be unsuccessful. Moreover, should we fail to develop and properly manage future intellectual property, this could adversely affect our market positions and business opportunities.

Risks Relating to Regulatory Environment

A determination by regulators that our Leased Capacity Providers or third-party motor carriers are employees rather than independent contractors could expose us to various liabilities and additional ongoing expenses, and related litigation could subject us to substantial costs, which could have a material adverse effect on our results of operations and our financial condition.

At times, the Internal Revenue Service, the Department of Labor and state authorities have asserted that independent contractor transportation capacity providers like our Leased Capacity Providers and third-party motor carriers are “employees,” rather than “independent contractors.” For example, the Department of Labor recently adopted a final rule for determining whether a worker is an employee or independent contractor under the Fair Labor Standards Act (“FLSA”). Similarly, California AB5 provides a test for determining worker classification that is broadly viewed as expanding the scope of employee relationships and narrowing the scope of independent contractor relationships. Although no enforcement actions under California AB5 have been asserted against the Company, if the State of California seeks to re-classify our use of our Leased Capacity Providers or ISPs as employees, that result could materially increase our exposure under a variety of federal and state tax, workers’ compensation, unemployment benefits, labor, employment and tort laws, as well as our potential liability for employee benefits. In addition, such changes may be applied retroactively, and if so, we may be required to pay additional amounts to compensate for prior periods. Any of the above increased costs would adversely affect our business and operating results. In addition, California AB5 has been the subject of widespread national discussion and it is possible that other jurisdictions may enact similar laws.

A determination by regulators that some or all of our Leased Capacity Providers or third-party motor carriers are employees rather than independent contractors could expose us to various liabilities and additional ongoing expenses, including but not limited to, the cost of assets to be operated by employee drivers, employment-related expenses such as workers’ compensation insurance coverage and reimbursement of work-related expenses. Our exposure could include prior period compensation, as well as potential liability for employee benefits and tax withholdings. In addition, the topic of the classification of individuals as employees or independent contractors has gained increased attention among the plaintiffs’ bar and certain states have recently seen numerous class action lawsuits filed against transportation companies that engage independent contractors, some of which have resulted in significant damage awards and/or monetary settlements for workers who have been allegedly misclassified as independent contractors. The legal and other costs associated with any of these matters can be substantial and could have a material adverse effect on our results of operations and our financial condition.

Claims for property damage, personal injuries or workers’ compensation and related expenses could significantly reduce our earnings.

Under DOT regulations, we are liable for bodily injury and property damage caused by Leased Capacity Providers and employee drivers while they are operating equipment under our various motor carrier authorities. The potential liability associated with any accident can be severe and occurrences are unpredictable.

For vehicle liability, we retain a portion of the risk. Below is a summary of our risk retention on vehicle liability insurance coverage maintained by us up to \$10,000 (in thousands):

	Risk Retention	Frequency	Layer	Policy Term
Expedited Freight				
LTL business	\$ 5,000	Occurrence/Accident ¹	\$0 to \$5,000	10/1/2024 to 10/1/2025
Truckload business	\$ 5,000	Occurrence/Accident ¹	\$0 to \$5,000	10/1/2024 to 10/1/2025
LTL, Truckload and Intermodal businesses	\$ 5,000	Policy Term Aggregate ²	\$5,000 to \$10,000	10/1/2024 to 10/1/2025
Intermodal	\$ 1,000	Occurrence/Accident ¹	\$0 to \$1,000	10/1/2024 to 10/1/2025

¹ For each and every accident/incident, the Company is responsible for damages and defense up to these amounts, regardless of the number of claims associated with any accident/incident.

² During the Policy Term, the Company is responsible for damages and defense within the stated Layer up to the stated, aggregate amount of Company Risk Retention before insurance will contribute.

Also, from time to time, when brokering freight, we may face claims for the “negligent selection” of outside, contracted carriers that are involved in accidents, and we maintain third-party liability insurance coverage with a \$100 deductible per occurrence for our brokered services. Additionally, we maintain workers’ compensation insurance with a self-insured retention of \$500 per occurrence. We cannot guarantee that our self-insurance retention levels will not increase and/or that we may have to agree to more unfavorable policy terms as a result of market conditions, poor claims experience or other factors. We could incur claims in excess of our policy limits or incur claims not covered by our insurance. Any claims beyond the limits or scope of our insurance coverage may have a material adverse effect on us. Because we do not carry “stop loss” insurance, a significant increase in the number of claims that we must cover under our self-insurance retainage could adversely affect our profitability. In addition, we may be unable to maintain insurance coverage at a reasonable cost or in sufficient amounts or scope to protect us against losses.

We face risks related to self-insurance and third-party insurance that can be volatile to our earnings.

We self-insure a significant portion of our claim’s exposure and related expenses for cargo loss, employee medical expense, bodily injury, workers’ compensation and property damage, and maintain insurance with insurance companies above our limits of self-insurance. Self-insurance retention and other limitations are detailed in Part II, Item 7, under “Self-Insurance Loss Reserves.” Because of these significant self-insured exposures, insurance and claims expense may fluctuate significantly from period to period. Additionally, our ability to obtain and maintain adequate insurance and the cost of such insurance may be affected by significant claims and conditions in the insurance market over which we have no control. Historically, the trucking industry has experienced significant increases in the cost of liability insurance and in the median verdict of trucking accidents. If the cost of insurance increases, we may decide to discontinue certain insurance coverage, reduce our level of coverage or increase our deductibles/retentions to offset the cost increase. In addition, our existing types and levels of insurance coverage could become difficult or impossible to obtain in the future. The occurrence of an event that is not fully covered by insurance, the loss of insurance coverage or a material increase in the cost of insurance could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We accrue for the costs of the uninsured portion of pending claims, based on the nature and severity of individual claims and historical claims development trends. Estimating the number and severity of claims, as well as related judgment or settlement amounts is inherently difficult. We may fail to establish sufficient insurance reserves and adequately estimate for future insurance claims. This, along with legal expenses, incurred but not reported claims, and other uncertainties can cause unfavorable differences between actual self-insurance costs and our reserve estimates.

Our failure to comply with various applicable federal and state employment and labor laws and regulations could have a material, adverse impact on our business, financial condition and results of operations.

Various federal and state employment and labor laws and regulations govern our relationships with our employees. These laws and regulations relate to matters such as employment discrimination, wage and hour laws, requirements to provide meal and rest periods or other benefits, family leave mandates, employee and independent contractor classification rules, requirements regarding working conditions and accommodations to certain employees, citizenship or work authorization and related requirements, insurance and workers’ compensation rules, healthcare laws, scheduling notification requirements and anti-discrimination and anti-harassment laws. While the scope of these laws and regulations are subject to change in all jurisdictions, California routinely makes changes to the scope of such laws and regulations, many of which may be strictly enforced, and some of which have been in the past, and may be in the future, implemented on a retrospective basis (meaning we may not have an opportunity to change our employment practices in advance to avoid non-compliance). Complying with these laws and regulations, including ongoing changes thereto, subjects us to substantial expense and non-compliance could expose us to significant liabilities. In particular, we have been subject to employment litigation with respect to classification and wage and hour issues in the past and have wage and hour litigation currently pending. While we have not incurred material losses with respect to this litigation in the past, we may be subject to material claims in the future.

We operate in a regulated industry, and increased costs of compliance with, or liability for violation of, existing or future regulations and enforcement could have a material adverse effect on our business.

The DOT and various state and federal agencies have been granted broad regulatory powers over our business in the United States, and we are licensed by the DOT and U.S. Customs. Additionally, our Canada business activities are subject to the similar laws and regulations of Canada and its provinces, including the effects of the United States-Mexico-Canada Agreement, a trade agreement between the United States, Mexico and Canada. If we are found to be out of compliance with any applicable regulations, our licenses may be revoked, or we could be subject to substantial fines or penalties and to civil and criminal liability. The transportation and supply chain industries are subject to legislative and regulatory changes that can affect

the economics of our business by requiring changes in operating practices or influencing the demand for, and the cost of providing, transportation services.

The FMCSA established the CSA motor carrier oversight program under which drivers and fleets are evaluated based on certain safety-related standards. The FMCSA monitors HOS regulations which govern the work hours of commercial drivers and adopted a rule that requires commercial drivers to maintain hours-of-service records with an electronic logging device. At any given time, there are also other proposals for safety-related standards that are pending legislative or administrative approval or adoption. If additional or more stringent standards are adopted, such may result in a reduction of the pool of qualified drivers available to us and to other motor carriers in our industry. If we experience safety and fitness violations, our safety and fitness scores could be adversely impacted, and our fleets could be ranked poorly as compared to our peers. A reduction in our safety and fitness scores or those of our contracted drivers could also reduce our competitiveness in relation to other companies that have higher scores.

In addition, there may be changes in applicable federal or state tax or other laws or interpretations of those laws. If this happens, we may incur additional taxes, as well as higher workers' compensation and employee benefit costs, and possibly penalties and interest for prior periods. This could have an adverse effect on our results of operations.

The FMCSA's CSA and SMS initiatives could adversely impact our ability to hire qualified drivers or contract with qualified Leased Capacity Providers or third-party motor carriers, meet our growth projections and maintain our customer relationships, each of which could adversely impact our results of operations.

The FMCSA's CSA is an enforcement and compliance program designed to monitor and improve commercial motor vehicle safety by measuring the safety record of both the motor carrier and the driver. These measurements are scored and used by the FMCSA to identify potential safety risks and to direct enforcement action. CSA scores are dependent upon safety and compliance experience, which could change at any time. In addition, the safety standards prescribed in CSA could change and our ability as well as third-party motor carriers' ability to maintain an acceptable score could be adversely impacted. Public disclosure of certain CSA scores was restricted through the enactment of the Fixing America's Surface Transportation Act of 2015 (the "FAST Act") on December 4, 2015; however, the FAST Act does not restrict public disclosure of all data collected by the FMCSA. The FMCSA is currently reviewing CSA methodology to address deficiencies identified by the National Academy of Sciences, including the possibility of weak or negative correlation between current safety improvement categories and vehicle crash risk. Nevertheless, if we receive unacceptable CSA scores, and this data is made available to the public, our relationships with our customers could be damaged, which could result in a loss of business.

Likewise, the requirements of SMS could also shrink the industry's pool of drivers as those with unfavorable scores could leave the industry. As a result, the costs to attract, train and retain qualified drivers, Leased Capacity Providers or third-party carriers could increase. In addition, a shortage of qualified drivers could increase driver turnover, decrease asset utilization, limit growth and adversely impact our results of operations.

We are subject to various environmental laws and regulations, including legislative and regulatory responses to climate change; and costs of compliance with, or liabilities for violations of, existing or future laws and regulations could significantly increase our costs of doing business.

Our operations are subject to environmental laws and regulations dealing with, among other things, the handling of hazardous materials, discharge and retention of storm water, and emissions from our vehicles. We operate in industrial areas, where truck terminals and other industrial activities are located, and where groundwater or other forms of environmental contamination may have occurred. Our operations involve the risks of fuel spillage, environmental damage, and hazardous waste disposal, among others. If we are involved in a spill or other accident involving hazardous substances, or if we are found to be in violation of applicable environmental laws or regulations, it could significantly increase our cost of doing business. Under specific environmental laws and regulations, we could be held responsible for all of the costs relating to any contamination at our past or present terminals and at third-party waste disposal sites. If we fail to comply with applicable environmental laws and regulations, we could be subject to substantial fines or penalties and to civil and criminal liability.

In addition, as societal concerns regarding climate change and carbon emissions become more prevalent, federal and local governments and our customers are taking action in response. This increased focus on sustainability may result in new regulations and customer requirements that could negatively affect our financial results. This could cause us to incur additional direct costs or to make changes to our operations in order to comply with any new regulations and customer requirements, as well as increased indirect costs or loss of revenue resulting from, among other things, our customers incurring additional compliance costs that affect our costs and revenues. We could also lose revenue if our customers divert business from us because we have not complied with their sustainability requirements or accommodated related requests. These costs, changes and loss of revenue could have a material adverse effect on our business, financial condition and results of operations. Even without any new legislation or regulation, increased public concern regarding greenhouse gases emitted by transportation carriers could harm the reputations of companies operating in the transportation logistics industries and shift consumer demand toward more locally sourced products and away from our services.

Risks and requirements related to transacting business in foreign countries may result in increased liabilities, including penalties and fines as well as reputational harm.

We are exposed to trade and economic sanctions and other restrictions imposed by the United States or other governments or organizations. The U.S. Departments of Justice, Commerce, State and Treasury, and other foreign authorities have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for violations of economic sanctions laws, export control laws, the Foreign Corrupt Practices Act (“FCPA”) and other federal statutes and regulations, including the International Traffic in Arms Regulations and those established by the Office of Foreign Assets Control (“OFAC”), and similar or more restrictive foreign laws, rules and regulations, which may also apply to the combined company. Under these laws and regulations, the government may require export licenses, or impose restrictions that would require modifications to business practices, including cessation of business activities in sanctioned countries or with sanctioned persons or entities, and modifications to compliance programs, which may increase compliance costs. Failure to implement changes may subject the combined company to fines, penalties and other sanctions.

We have in place policies related to FCPA, OFAC, export controls and similar laws and regulations, but we cannot assure you that our employees, consultants, sales agents, or associates will not engage in unlawful conduct for which we may be held responsible or that our business partners will not engage in conduct that could affect their ability to perform their contractual obligations and result in our being held liable for such conduct. Violation of laws or regulations may result in increased liabilities including penalties and fines as well as reputational harm.

We may be subject to governmental export and import controls that could impair our ability to compete in international markets and subject us to liability if it violates such controls.

There are political and trade tensions among a number of the world’s major economies in which we operate. These tensions have resulted in the implementation of tariff and non-tariff trade barriers and sanctions, including the use of export control restrictions and sanctions against certain countries, individuals and companies. Any increase in the use of export control restrictions and sanctions to target certain countries, regions and entities or any expansion of the extraterritorial jurisdiction of export control laws could impact our ability to compete globally. In addition, measures adopted by an affected country to counteract impacts of another country’s actions or regulations could lead to legal liability to multinational companies, including the combined company. In February 2022, due to the military conflicts between Russia and Ukraine, several major economies, including the United States, the United Kingdom and the European Union imposed economic sanctions against Russia and certain Russian persons and entities. Depending on future developments of global trade tensions, such regulations, rules or measures may have an adverse impact on the combined company’s business and operations, and it may incur significant legal liability and financial losses as a result.

Any change in export or import regulations, economic sanctions or related legislation or change in the countries, governments, persons, vessels or technologies, including semiconductors, targeted by such regulations, could result in decreased use of the combined company’s services by existing or potential users with international operations. Any decreased use of our services or limitation on our ability to export our customers’ products would likely adversely affect our business, operating results and financial results.

If our employees were to unionize, our operating costs would likely increase.

None of our employees are currently represented by a collective bargaining agreement. However, we have no assurance that our employees will not unionize in the future, which could increase our operating costs and force us to alter our operating methods. This could have a material adverse effect on our operating results.

Our charter and bylaws and provisions of Tennessee law could discourage or prevent a takeover that may be considered favorable.

Our charter and bylaws and provisions of Tennessee law may discourage, delay or prevent a merger, acquisition or change in control that may be considered favorable. These provisions could also discourage proxy contests and make it more difficult for shareholders to elect directors and take other corporate actions. Among other things, these provisions:

- authorize us to issue preferred stock, the terms of which may be determined at the sole discretion of the Board and may adversely affect the voting or economic rights of our shareholders; and
- establish advance notice requirements for nominations for election to the Board and for proposing matters that can be acted on by shareholders at a meeting.

Our charter and bylaws and provisions of Tennessee law may discourage transactions that otherwise could provide for the payment of a premium over prevailing market prices for our Common Stock and also could limit the price that investors are willing to pay in the future for shares of our Common Stock.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

We recognize the critical importance of cybersecurity in protecting our business and our stakeholders' information. We are committed to maintaining a robust cybersecurity risk management program and implementing a comprehensive strategy to mitigate cyber threats and vulnerabilities. Our cybersecurity policies, standards, processes and practices are fully integrated into our overall enterprise risk management program, as described below. This disclosure outlines our cybersecurity risk management approach, strategy, and governance structure.

The Board and the Audit Committee of the Board ("Audit Committee") are actively involved in oversight of our cybersecurity risk management. In general, we seek to address cybersecurity risks through a comprehensive, cross-functional approach that is focused on protecting our security and the information that we collect as well as proactively identifying and preventing cybersecurity threats.

Cybersecurity Risk Management and Strategy

Our cybersecurity program is focused on protecting critical assets, including data, systems and applications; minimizing the impact of cyberattacks; understanding and preparing for the evolving threat landscape and complying with applicable law. The program includes the following key areas:

- **Governance:** As discussed in more detail under the heading "Governance," the Board delegated oversight of cybersecurity risk management to the Audit Committee, which regularly interacts with our Chief Information Security Officer ("CISO"), other members of management and relevant management committees and councils, including the Information Security Governance team and the Cybersecurity Risk Management team.
- **Collaborative Approach:** We have implemented a comprehensive, cross-functional approach to identifying, preventing and mitigating cybersecurity threats and incidents, while also continuously improving our cybersecurity program and maintaining a strong cybersecurity posture. Key to this approach is to broadly assess the potential impact of cybersecurity incidents on business operations and financial stability as well as any legal and regulatory requirements regarding cybersecurity.
- **Technical Safeguards:** We deploy technical safeguards that are designed to protect our information systems from cybersecurity threats, including firewalls, intrusion detection and prevention systems, encryption, multi-factor authentication, privileged access management least privileged access controls, secure coding practices and other security controls, which are regularly evaluated and improved through vulnerability assessments and penetration testing designed to identify weaknesses in our systems and networks.
- **Incident Response and Recovery Planning:** We have a dedicated Incident Response Team dedicated to responding to and recovering from cybersecurity incidents.
- **Third-Party Risk Management:** We maintain a comprehensive, risk-based approach to identifying and overseeing cybersecurity risks presented by third parties, including our vendors who handle our data and systems through due diligence and vendor assessments.
- **Education and Awareness:** We provide regular, training for all employees and contractors, which is designed to equip our personnel with effective tools to address cybersecurity threats, and to communicate our evolving information security policies, standards, processes and practices.

We regularly identify and assess cybersecurity risks through a comprehensive program that includes:

- **Vulnerability assessments and penetration testing:** We conduct regular vulnerability assessments and penetration testing to identify and address weaknesses in our systems and networks.
- **Threat intelligence:** We subscribe to threat intelligence feeds and maintain relationships with security partners to stay informed about emerging cyber threats.
- **Third-party risk assessments:** We engage various outside consultants, including contractors, assessors, auditors, outside attorneys and other third parties to assist us in identifying, assessing and managing cybersecurity risks. We conduct initial and regular due diligence on third-party vendors who handle our data and systems.
- **Business impact analysis:** We regularly assess the potential impact of cyberattacks on our business operations and financial stability.
- **Legal and regulatory risk assessment:** We assess the legal and regulatory risks associated with cybersecurity incidents and ensure compliance with applicable laws and regulations.

Governance

As discussed above, our cybersecurity governance structure is integrated into several facets of us, which include:

- Board of Directors: The Board has ultimate oversight responsibility for cybersecurity. The Board has delegated to the Audit Committee the responsibility for monitoring and overseeing our cybersecurity and other information technology risks, controls, strategies and procedures.
- Audit Committee: The Audit Committee is responsible for monitoring the effectiveness of our information system controls and security, including a periodic review of our cybersecurity and other information technology risks, controls, initiatives and action plans.
- Chief Information Security Officer (CISO): Casey O'Malley is our CISO and is responsible for the day-to-day management of the cybersecurity program. Casey has had a distinguished career holding IT leadership positions since 2015 and has been employed in the cybersecurity field since 2001.
- Information Security Governance: The Information Security Governance team is comprised of our senior executives and oversees the development and implementation of the cybersecurity strategy.
- Cybersecurity Risk Management Team: The Cybersecurity Risk Management Team is responsible for identifying, assessing, and mitigating cybersecurity risks.
- Incident Response Team: The Incident Response Team is responsible for responding to and recovering from cyberattacks.

The management team reports to the Board on cyber risk quarterly. Reports include:

- Overall cybersecurity posture: Current state of our security controls and identified vulnerabilities.
- Incident reports: Summary of recent cyber incidents, including their nature, impact, and mitigation efforts.
- Risk assessments: Updated assessments of potential cyber threats and their potential impact on us.
- Security budget and resource allocation: Plans and investments for maintaining and enhancing our cybersecurity program.

The management team is required to update the Board immediately once a material breach occurs. The Board is provided timely updates until the incident is considered resolved.

Management evaluates cyber incidents based on their materiality, considering factors such as:

- Financial impact: Potential losses in revenue, profits, or assets.
- Reputational damage: Impact on our brand image and customer trust.
- Regulatory compliance concerns: Potential violations of data privacy regulations or other legal requirements.
- Operational disruption: Impact on business continuity and ability to deliver services.

Based on the materiality assessment, we determine the appropriate disclosure to regulatory agencies, stakeholders, and the public, ensuring transparency and minimizing potential harm.

Item 2. Properties

Our corporate headquarters are in Greenville, TN. We also have administrative offices in Atlanta, GA, Columbus, OH and Dallas, TX. As of December 31, 2024, we owned 6 of our 259 total properties and leased 253. We consider each of our facilities to be in good condition and adequate for its present use. We believe in the event that should we need additional facilities, we will be able to purchase or lease facilities on terms and costs similar to those of competitors within the transportation industry.

Our principal facilities as of December 31, 2024 were as follows:

Location	Segment	Approximate Square Feet	Number of Dock Doors
United States			
Atlanta, GA	Expedited Freight	152,000	118
Chicago, IL	Expedited Freight	125,000	111
Columbus, OH	Expedited Freight	386,000	210
Dallas, TX	Expedited Freight	223,000	134
Eules, TX ¹	Omni Logistics	367,000	87
Los Angeles, CA ¹	Expedited Freight	300,000	101
Pico Rivera, CA ¹	Omni Logistics	203,000	38
South Brunswick, NJ ¹	Omni Logistics	294,000	37
International			
Hong Kong, China ¹	Omni Logistics	360,000	14
Taipei, Taiwan ¹	Omni Logistics	432,000	40

¹ Leased facilities

In addition to our owned and leased facilities, we partner with independent agents in 38 cities where the agents handle the freight for us on a commission basis.

Item 3. Legal Proceedings

On September 26, 2023, Rodney Bell, Michael A. Roberts and Theresa Woods, (collectively, the "Plaintiffs"), three of our shareholders, filed a complaint against the Company and certain of its directors and officers in the Third District Chancery Court sitting in Greenville, Tennessee (the "Shareholder Complaint"). The Shareholder Complaint alleges, among other things, that the Company's shareholders had the right to vote on certain transactions contemplated by the Merger Agreement and sought an injunction against the consummation of the transaction until a shareholder vote was held. The court initially granted a temporary restraining order enjoining the transactions contemplated by the Merger Agreement but later dissolved it on October 25, 2023. Thereafter, the parties to the Amended Merger Agreement completed the Omni Acquisition. On May 2, 2024, Plaintiff Michael Roberts, together with the Cambria County Employees Retirement System filed a stipulation and proposed order seeking leave of court to file an amended class action complaint seeking damages, among other forms of relief. Upon receiving leave of the court, on May 15, 2024, the Plaintiffs filed the amended complaint ("Second Amended Complaint"). Like the earlier complaints, the Second Amended Complaint challenges the directors' determination not to subject the Omni Acquisition to a shareholder vote and alleges that, in so doing, the Company and certain of its current and former directors violated Tennessee corporate law. The Second Amended Complaint further alleges that certain of the Company's current and former directors breached their fiduciary duties to shareholders by depriving them of the right to vote on the Omni Acquisition. Thereafter, on June 14, 2024, defendants removed the case to the United States District Court for the Eastern District of Tennessee, Greenville Division. Plaintiffs have filed a motion to remand the case to the Third District Chancery Court, and the federal court's determination on plaintiffs' motion remains pending. Defendants contest the merits of the Second Amended Complaint and are in the process of defending the matter.

Item 4. Mine Safety Disclosures

Not applicable.

Part II

Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

Our Common Stock trades on The Nasdaq Global Select Stock Market™ under the symbol "FWRD."

There were approximately 357 shareholders of record of our Common Stock as of March 17, 2025.

We did not declare or pay any cash dividends on our Common Stock during fiscal year 2024. We do not anticipate declaring or paying any cash dividends on our Common Stock in the foreseeable future. Our credit facility has certain limitations on paying dividends or making repurchases of our shares, and we are subject to certain covenant ratios, including a leverage ratio under our credit agreement. Any future determination relating to our dividend policy will be made at the discretion of the Board and will depend on then existing conditions, including our financial condition, results of operations, contractual restrictions, capital requirements, business prospects, and other factors the Board may deem relevant.

Unregistered Sales of Securities

Unregistered securities sold by the Company during the period covered by this report have been previously reported in a Current Report on Form 8-K.

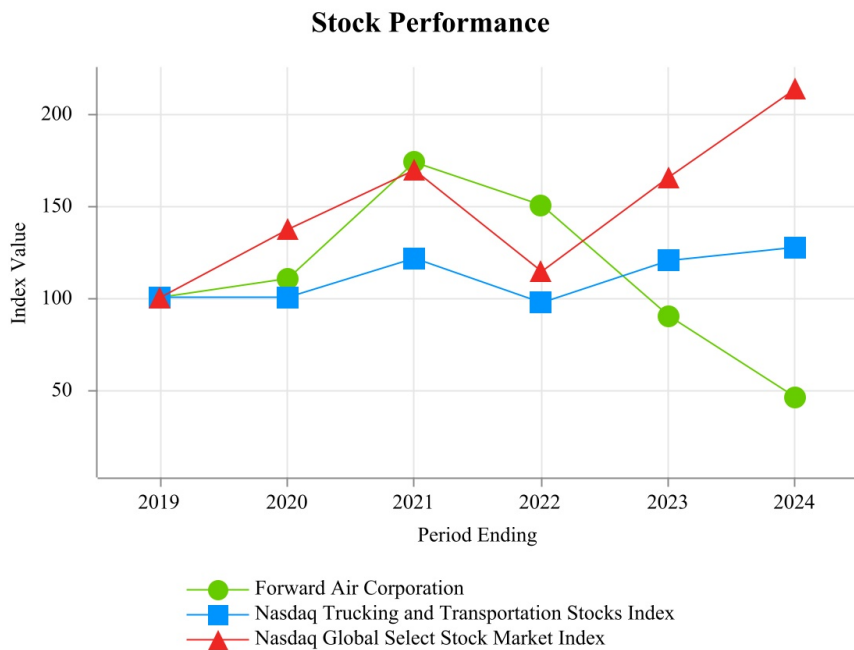
Issuer Purchases of Equity Securities

The Company did not repurchase any of its equity securities during the three months ended December 31, 2024.

Stock Performance Graph

The following graph compares the percentage change in the cumulative shareholder return on our Common Stock with The Nasdaq Trucking and Transportation Stocks Index and The Nasdaq Global Select Stock Market™ Index commencing on the last trading day of December 2019 and ending on the last trading day of December 2024. The graph assumes a base investment of \$100 made on December 31, 2019 and the respective returns assume reinvestment of all dividends. The comparisons in this graph are required by the SEC and, therefore, are not intended to forecast or necessarily be indicative of any future return on our Common Stock.

The performance graph and related information shall not be deemed “soliciting material” or be “filed” with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference into such filing.



	2019	2020	2021	2022	2023	2024
Forward Air Corporation	\$ 100	\$ 110	\$ 173	\$ 150	\$ 90	\$ 46
Nasdaq Trucking and Transportation Stocks Index	100	100	121	97	120	127
Nasdaq Global Select Stock Market Index	100	137	169	114	165	213

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This section of this Form 10-K generally discusses our results of operations and financial condition for the year ended December 31, 2024. For a discussion of similar topics for the years ended December 31, 2023 and December 31, 2022, please refer to "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Form 10-K, filed on March 15, 2024, which is incorporated herein by reference.

Overview

We are a leading asset-light freight provider of transportation services, including LTL, truckload and intermodal drayage services across the United States and in Canada and Mexico. We offer premium services that typically require precision execution, such as expedited transit, delivery during tight time windows and special handling. We utilize an asset-light strategy to minimize our investments in equipment and facilities and to reduce our capital expenditures. Globally, we provide customized asset-light, high-touch logistics and supply chain management solutions with deep customer relationships in high-growth end markets.

Our services are classified into three reportable segments: Expedited Freight, Omni Logistics and Intermodal.

Our Expedited Freight segment provides expedited regional, inter-regional and national LTL services. Expedited Freight also offers customers local pick-up and delivery and other services including truckload, shipment consolidation and deconsolidation, warehousing, customs brokerage and other handling. We plan to grow our LTL geographic footprint through greenfield start-ups as well as through acquisitions.

Our Omni Logistics segment provides a full suite of global logistics services. Services include air and ocean freight consolidation and forwarding, customs brokerage, warehousing and distribution, time-definite transportation services and other supply chain solutions. Other than revenue performance and given the service mix of Omni, key operating statistics are being determined as we continue to work through the integration.

Our Intermodal segment provides first- and last-mile high value intermodal container drayage services both to and from seaports and railheads. Intermodal also offers dedicated contract and CFS warehouse and handling services, and in select locations, linehaul and LTL services. We plan to grow our Intermodal geographic footprint through acquisitions as well as through greenfield start-ups where no suitable acquisition is available.

Our operations, particularly our network of hubs and terminals, represent substantial fixed costs. Consequently, our ability to increase our earnings depends in significant part on our ability to increase the amount of freight and the revenue per pound or shipment for the freight shipped or moved through our network. Additionally, our earnings depend on the growth of other services, such as LTL pickup and delivery, which will allow us to maintain revenue growth in a challenging freight environment. We continue to focus on creating synergies across our services, particularly with services offered in our Expedited Freight reportable segment. Synergistic opportunities include the ability to share resources, in particular our fleet resources.

We monitor and analyze a number of key operating statistics in order to manage our business and evaluate our financial and operating performance. These key operating statistics are defined below and are referred to throughout the discussion of the financial results of our Expedited Freight, Omni and Intermodal reportable segments. Our key operating statistics should not be interpreted as better measurements of our results than income from operations as determined under GAAP.

Within our Expedited Freight reportable segment, our primary revenue focus is to increase density, which is shipment and tonnage growth within our existing LTL network. Increases in density allow us to maximize our asset utilization and labor productivity, which we measure over many different functional areas of our operations including linehaul load factor and door pounds handled per hour. In addition to our focus on density and operating efficiencies, it is critical for us to obtain an appropriate yield, which is measured as revenue per hundredweight, on the shipments we handle to offset our cost inflation and support our ongoing investments in capacity and technology. Revenue per hundredweight is also a commonly-used indicator for general pricing trends in the LTL industry and can be influenced by many other factors, such as changes in fuel surcharges, weight per shipment and length of haul. Therefore, changes in revenue per hundredweight may not necessarily indicate actual changes in underlying base rates. We regularly monitor the components of our pricing, including base freight rates, accessorial charges and fuel surcharges. The fuel surcharge is generally designed to offset fluctuations in the cost of the petroleum-based products used in our operations and is indexed to diesel fuel prices published by the U.S. Department of Energy. The impact of fuel on our results of operations depends on the relationship between the applicable surcharge, the fuel efficiency of our Company drivers, and the load factor achieved by our operation. Fluctuations in fuel prices in either direction could have a positive or negative impact on our margins, particularly in our LTL business where the weight of a shipment subject to the fuel surcharge on a given trailer can vary materially. We believe our yield management process focused on account level profitability, and ongoing improvements in operating efficiencies, are both key components of our ability to grow profitably.

The key operating statistics necessary to understand the operating results of our Expedited Freight reportable segment are described below in more detail:

Tonnage - Total weight of shipments in pounds. The level of freight tonnage is affected by economic cycles and conditions, customers' business cycles, changes in customers' business practices and capacity in the truckload market.

Weight Per Shipment - Total pounds divided by the number of shipments. Fluctuations in weight per shipment can indicate changes in the mix of freight we receive from our customers, as well as changes in the number of units included in a shipment. Generally, increases in weight per shipment indicate higher demand and overall increased economic activity. Changes in weight per shipment can also be influenced by shifts between LTL and other modes of transportation, such as truckload, in response to capacity, service and pricing issues. Fluctuations in weight per shipment generally have an inverse effect on our revenue per hundredweight, as a decrease in weight per shipment will typically cause an increase in revenue per hundredweight.

Revenue Per Hundredweight - Network revenue per every 100 pounds of shipment weight. Our LTL transportation services are generally priced based on weight, commodity, and distance. Our pricing policies are reflective of the services we provide, and can be influenced by competitive market conditions. Changes in the freight profile factors such as average shipment size, average length of haul, freight density, and customer and geographic mix can impact the revenue per hundredweight. Fuel surcharges and intercompany revenue between Network and Truckload are included in this measurement.

Revenue Per Shipment - Network revenue divided by the number of shipments. Fuel surcharges and intercompany revenue between Network and Truckload are included in this measurement.

Average Length of Haul - Total miles between origin and destination service centers for all shipments, with miles based on the size of shipments. Length of haul is used to analyze our tonnage and pricing trends for shipments with similar characteristics. Changes in length of haul generally have a direct effect on our revenue per hundredweight, as an increase in length of haul will typically cause an increase in revenue per hundredweight.

Within our Intermodal reportable segment, our primary revenue focus is to increase the number of shipments. The key operating statistic necessary to understand the operating results of our Intermodal reportable segment is described below in more detail:

Drayage Revenue Per Shipment - Intermodal revenue divided by the number of drayage shipments. Revenue derived from container freight station warehouse and handling, and linehaul and LTL services is excluded from this measurement. Fuel surcharges and accessorial charges are included in this measurement.

Trends and Developments

Omni Acquisition

In January 2024, we acquired Omni for a combination of (a) \$100,499 million in cash and (b) (i) common equity consideration representing 14,015 shares of our common stock on an as-converted and as-exchanged basis. Omni, headquartered near Dallas, Texas, is an asset-light, high-touch logistics and supply chain management company with customer relationships in high-growth end markets. Omni delivers domestic and international freight forwarding, fulfillment services, customs brokerage, distribution, and value-added services for time-sensitive freight to U.S.-based customers operating both domestically and internationally.

Expedited Freight Acquisitions

In January 2023, we acquired certain assets of Land Air Express, Inc. (“Land Air”) for \$56,567. Land Air, headquartered in Bowling Green, Kentucky, offers a variety of less-than-truckload services including guaranteed, standard, exclusive, same day, hot shot and pickup and delivery, and operates in over 25 terminals across the United States. The acquisition of Land Air is expected to accelerate the expansion of our national terminal footprint, particularly in the middle part of the United States, and strategically position us to better meet the current and future needs of customers. The acquisition was funded using cash flow from operations and proceeds from our credit facility. The results of Land Air have been included in our Consolidated Financial Statements as of and from the date of acquisition. The associated goodwill has been included in our Expedited Freight reportable segment.

See Note 3, *Acquisitions*, to our Consolidated Financial Statements for more information about our acquisitions.

Fuel

We depend heavily upon the availability of adequate diesel fuel supplies. Fuel availability and prices can be impacted by factors beyond our control, such as natural or man-made disasters, adverse weather conditions, political events, economic sanctions imposed against oil-producing countries or specific industry participants, disruptions or failure of technology or information systems, price and supply decisions by oil producing countries and cartels, terrorist activities, armed conflict, tariffs, sanctions, other changes to trade agreements and world supply and demand imbalance. Through our fuel surcharge programs, we are able to mitigate the impact of fluctuations in fuel prices. Our fuel surcharge rates are set weekly based on the national average for fuel prices as published by the U.S. Department of Energy and our fuel surcharge table. In periods of changing fuel prices, our fuel surcharges vary by different degrees and may not fully offset fuel price fluctuations or may result in higher than expected increases in revenue. Fuel shortages, changes in fuel prices, and the potential volatility in fuel surcharge revenue may impact our results of operations and overall profitability. Fuel surcharge revenue as a percentage of operating revenues decreased to 17.9% for the year ended December 31, 2024 compared to 18.9% for the year ended December 31, 2023, as a result of changes in fuel prices.

Economy

Our business is highly susceptible to changes in economic conditions. Our products and services are directly tied to the production and sale of goods and, more generally, to the North American economy. Participants in the transportation industry have historically experienced cyclical fluctuations in financial results due to economic recessions, downturns in the business cycles of customers, volatility in the prices charged by third-party carriers, interest rate fluctuations and other U.S. and global macroeconomic developments. During economic downturns, reductions in overall demand for transportation services will likely reduce demand for our services and exert downward pressure on our rates and margins. In periods of strong economic growth, overall demand may exceed the available supply of transportation resources. While this may present an opportunity to increase economies of scale in our network and enhanced pricing and margins, these benefits may be lessened by increased network congestion and operating inefficiencies.

Like other providers of freight transportation services, our business has been impacted by the macroeconomic conditions of the past year. Industry freight volumes, as measured by the Cass Freight Index, decreased in 2024 compared to 2023, which was down as compared to 2022. Transportation rates continued to decline throughout 2024 as carrier capacity exceeded shipper demand in the United States. This period of weak consumer demand has nearly eliminated the challenges from port congestion and transportation equipment shortages as seen in prior years. Despite the weak demand, new vessel deliveries continue to add capacity and new vessel deliveries are expected to continue in the near term. Recent global disruptions have impacted the capacity market, and the disruptions are expected to continue, although the timeline to resolution remains unclear. The air freight market has seen an increase in capacity resulting from increased commercial flight activity to

support elevated consumer travel. Intermodal volumes, heavily influenced by United States imports, have declined for much of 2024 due to inflation, customer demand and a shift of spending by consumers from goods to services. For Truckload, the capacity contraction has created a sustained market of depressed spot market truckload rates with modest signs of improvement, especially in Q4 of 2024. These trends drove a decline in the volume of freight shipped by our customers and placed pressure on rates in a soft freight environment. While these trends may continue through the early months of 2025, industry projections expect a slight improvement in the fundamentals within the freight market in 2025.

Strategic Review

In January 2025, the Board announced that it had initiated a comprehensive review of strategic alternatives to maximize shareholder value. The Board will consider a range of options, including a potential sale, merger or other strategic or financial transaction relative to the long-term value potential of the Company on a standalone basis. The Board has retained Goldman Sachs & Co. LLC to serve as its financial advisor. The Board has not set a timetable for the conclusion of this review, nor has it made any decisions related to any further actions or potential strategic alternatives at this time. There can be no assurance that any transaction or other strategic outcome will be approved by the Board or otherwise consummated. The Company does not intend to disclose developments relating to this process until it determines that further disclosure is appropriate or necessary.

Recent Events and Factors Affecting Comparability

Omni Acquisition

On January 25, 2024, we completed the Omni Acquisition pursuant to which we acquired Omni for a combination of (a) \$100,499 in cash (which includes pre-acquisition Omni costs of approximately \$80 million) (b) 14,015 shares of common stock on an as-converted and as-exchanged basis consisting of: (i) 1,910 shares of common stock (of which 1,210 were issued upon conversion of the Series C Preferred Units upon the Conversion Approval) and (ii) 12,105 Opco Class B Units and corresponding Series B Preferred Units, which are exchangeable into shares of common stock (of which 7,670 units were issued upon conversion of the units of Opco designated as "Opco Series C-2 Preferred Units" upon the Conversion Approval).

See Note 3, Acquisitions, to our Consolidated Financial Statements for more information about our acquisitions.

Omni revenues and segment income from January 25, 2024 through December 31, 2024 are included in our consolidated statements of comprehensive (loss) income for the year ended December 31, 2024.

<i>(Unaudited and in Thousands)</i>	Year Ended December 31, 2024		Percent of Revenue	
Operating revenue	\$	1,196,841	100.0	%
Operating expenses:				
Purchased transportation		701,035	58.6	
Salaries, wages and employee benefits		215,518	18.0	
Operating leases		96,500	8.1	
Depreciation and amortization		83,542	7.0	
Insurance and claims		12,297	1.0	
Fuel expense		3,149	0.3	
Other operating expenses		101,206	8.5	
Impairment of goodwill		1,028,397	85.9	
Total operating expenses		2,241,644	187.3	
Loss from operations		(1,044,803)	(87.3)	%

Results from Operations

Year Ended December 31, 2024 compared to Year Ended December 31, 2023

The following table sets forth our consolidated financial data for the years ended December 31, 2024 and 2023:

<i>(Unaudited and in Thousands)</i>	Year Ended			
	December 31, 2024	December 31, 2023	Change	Percent Change
Operating revenue:				
Expedited Freight	\$ 1,115,163	\$ 1,096,958	\$ 18,205	1.7 %
Omni	1,196,841	—	1,196,841	N/A
Intermodal	232,832	274,043	(41,211)	(15.0)
Corporate	164	—	164	N/A
Eliminations and other operations	(70,738)	(266)	(70,472)	26,493.2
Operating revenue	2,474,262	1,370,735	1,103,527	80.5
Operating expenses:				
Purchased transportation	1,250,570	586,195	664,375	113.3
Salaries, wages, and employee benefits	536,406	287,566	248,840	86.5
Operating leases	182,197	87,413	94,784	108.4
Depreciation and amortization	143,978	57,405	86,573	150.8
Insurance and claims	64,682	50,133	14,549	29.0
Fuel expense	21,460	22,004	(544)	(2.5)
Other operating expenses	309,508	191,809	117,699	61.4
Impairment of goodwill	1,028,397	—	1,028,397	N/A
Total operating expenses	3,537,198	1,282,525	2,254,673	175.8
Income (loss) from continuing operations:				
Expedited Freight	67,951	116,040	(48,089)	(70.8)
Omni	(1,044,803)	—	(1,044,803)	N/A
Intermodal	18,925	25,327	(6,402)	(33.8)
Other operations	(105,009)	(53,157)	(51,852)	97.5
Income (loss) from continuing operations	(1,062,936)	88,210	(1,151,146)	(1,305.0)
Other income and expense:				
Interest expense, net	(189,215)	(31,571)	(157,644)	(499.3)
Foreign exchange gain	1,093	—	1,093	N/A
Other income (expense), net	1,226	—	1,226	N/A
Total other expense	(186,896)	(31,571)	(155,325)	492.0
Income (loss) from continuing operations before income taxes	(1,249,832)	56,639	(1,306,471)	(2,306.7)
Income tax expense (benefit)	(124,991)	13,836	(138,827)	(1,003.4)
Net (loss) income from continuing operations	(1,124,841)	42,803	(1,167,644)	(2,727.9)
Income (loss) from discontinued operation, net of tax	(6,387)	124,548	(130,935)	(105.1)
Net (loss) income	(1,131,228)	124,548	(1,255,776)	(1,008.3)
Net (loss) attributable to noncontrolling interest	(314,259)	—	(314,259)	N/A
Net (loss) income attributable to Forward Air	\$ (816,969)	\$ 167,351	\$ (984,320)	(588.2)%

Operating Revenues

Operating revenues increased \$1,103,527, or 80.5% to \$2,474,262 for the year ended December 31, 2024 compared to \$1,370,735 for the same period in 2023. The increase was primarily due to the inclusion of \$1,196,841 from the Omni Logistics segment and an increase in our Expedited Freight segment of \$18,205 due to increased Truckload and Network revenue, offset by a decrease from our Intermodal segment of \$41,211. The results for our reportable segments are discussed in detail in the following sections.

Operating Expenses

Operating expenses increased \$2,254,673, or 175.8%, to \$3,537,198 for the year ended December 31, 2024 compared to \$1,282,525 for the same period in 2023. The increase was primarily due to the inclusion of \$2,241,644 of operating expenses from the Omni Logistics segment which includes a goodwill impairment charge of \$1,028,397 and a \$66,294 increase in operating expenses from the Expedited Freight segment due to margin compression, partially offset by a \$34,809 decrease in operating expenses from the Intermodal segment from a decrease in drayage shipments.

Income (loss) from Continuing Operations and Segment Operations

Income from continuing operations changed by \$1,151,146, or 1,305.0%, to a loss of \$1,062,936 for the year ended December 31, 2024, compared to \$88,210 of income for the same period in 2023. The loss was primarily driven by Omni Logistics segment loss of \$1,044,803 as a result of the goodwill impairment charge of \$1,028,397, loss from Other Operations in the amount of \$105,009, partially offset by Expedited Freight segment of income of \$67,951, and in our Intermodal segment amounting to \$18,925.

Interest Expense, net

Interest expense, net was \$189,215 for the year ended December 31, 2024 compared to \$31,571 for the same period in 2023. The increase in interest expense was due to higher outstanding debt balances during the year ended December 31, 2024 compared to the same period in 2023, as well as higher variable interest rates on borrowings acquired during the Omni Acquisition.

Income Taxes on a Continuing Basis

The effective tax rate on a continuing basis for the year ended December 31, 2024 was 10.0%, compared to a rate of 24.4% for the same period in 2023. The effective tax rate for the year ended December 31, 2024 is significantly lower than historical rates due to the goodwill impairment charge in the current year.

Income (loss) from Discontinued Operation, net of tax

Loss from discontinued operations of \$6,387, net of tax, resulted in an unfavorable change of \$130,935, or 105.1% for the year ended December 31, 2024 compared to income of \$124,548 for the same period in 2023. The loss was due to final net working capital settlement following the December 2023 sale of the Final Mile business.

Net Loss

As a result of the foregoing factors, net income decreased \$984,320, or 588.2%, to a net loss of \$816,969 for the year ended December 31, 2024 compared to net income of \$167,351 for the same period in 2023.

Expedited Freight - Year Ended December 31, 2024 compared to Year Ended December 31, 2023

The following table sets forth our financial data of the Expedited Freight segment for the years ended December 31, 2024 and 2023:

<i>(Unaudited and in Thousands)</i>	Year Ended					
	December 31, 2024	Percent of Revenue	December 31, 2023	Percent of Revenue	Change	Percent Change
Operating revenue:						
Network ¹	\$ 854,138	76.6 %	\$ 845,949	77.1 %	\$ 8,189	1.0 %
Truckload	170,455	15.3	159,513	14.5	10,942	6.9
Other	90,570	8.1	91,496	8.3	(926)	(1.0)
Total operating revenue	1,115,163	100.0	1,096,958	100.0	18,205	1.7
Operating expenses:						
Purchased transportation	546,458	49.0	511,525	46.6	34,933	6.8
Salaries, wages and employee benefits	242,411	21.7	226,528	20.7	15,883	7.0
Operating leases	63,398	5.7	61,728	5.6	1,670	2.7
Depreciation and amortization	41,858	3.8	37,414	3.4	4,444	11.9
Insurance and claims	43,716	3.9	38,294	3.5	5,422	14.2
Fuel expense	9,733	0.9	10,884	1.0	(1,151)	(10.6)
Other operating expenses	99,638	8.9	94,545	8.6	5,093	5.4
Total operating expenses	1,047,212	93.9	980,918	89.4	66,294	6.8
Income from operations	\$ 67,951	6.1 %	\$ 116,040	10.6 %	\$ (48,089)	(41.4)%

¹ Network revenue is comprised of all revenue, including linehaul, pickup and/or delivery, and fuel surcharge revenue, excluding accessorial and Truckload revenue.

Expedited Freight Operating Statistics

	Year Ended		Percent Change
	December 31, 2024	December 31, 2023	
Business days	256	254	0.8 %
Tonnage ^{1,2}			
Total pounds	2,782,294	2,678,334	3.9
Pounds per day	10,868	10,545	3.1
Shipments ^{1,2}			
Total shipments	3,312	3,340	(0.8)
Shipments per day	12.9	13.1	(1.5)
Weight per shipment	840	802	4.8
Revenue per hundredweight ³	\$ 30.71	\$ 31.80	(3.4)
Revenue per hundredweight, ex fuel ³	\$ 24.09	\$ 24.48	(1.6)
Revenue per shipment ³	\$ 257.99	\$ 255.06	1.1
Revenue per shipment, ex fuel ³	\$ 202.42	\$ 196.32	3.1

¹ In thousands

² Excludes accessorial and Truckload products

³ Includes intercompany revenue between the Network and Truckload revenue streams

Operating Revenues

Expedited Freight operating revenue increased \$18,205, or 1.7%, to \$1,115,163 for the year ended December 31, 2024 from \$1,096,958 for the same period in 2023. The increase was driven by higher Network and Truckload revenue. Network revenue increased from 3.9% higher tonnage with a slight offset from 3.4% decrease in revenue per hundredweight ex fuel, as compared to the same period in the prior year. The increase in tonnage reflects an increase in weight per shipment of 4.8% on 0.8% less shipments. The increase in weight per shipment was the result of more dense freight in our network driven by a change in the mix of services provided to customers. The decrease in shipments resulted from lower demand for our premium services as a result of conservative spending due to inflationary pressures, higher interest rates, and economic uncertainty. Truckload revenue increased \$10,942 primarily due to higher revenue per shipment, resulting from inflationary pressures, compared to the same period in 2023.

Purchased Transportation

Expedited Freight purchased transportation expense increased by \$34,933, or 6.8%, to \$546,458 for the year ended December 31, 2024 from \$511,525 for the same period in 2023. Purchased transportation was 49.0% of Expedited Freight operating revenue for the year ended December 31, 2024 compared to 46.6% for the same period in 2023. Expedited Freight purchased transportation includes Leased Capacity Providers and third-party motor carriers and transportation intermediaries, while Company-employed drivers are included in salaries, wages and employee benefits. The increase in purchased transportation was primarily due to higher freight capacity purchased from Leased Capacity Providers, third-party motor carriers and transportation intermediaries and Company-employed drivers for Network and Truckload services. Also, third-party providers miles driven was higher during the year and reflect a pay-per-mile cost model. For the year ended December 31, 2024, we purchased 63.8%, 33.2% and 4.0% of our freight capacity from Leased Capacity Providers, third-party motor carriers and transportation intermediaries and Company-employed drivers, respectively. This compares to 64.8%, 30.4% and 4.8%, respectively, for the same period in 2023.

Salaries, Wages, and Employee Benefits

Expedited Freight salaries, wages and employee benefits increased by \$15,883, or 7.0%, to \$242,411 for the year ended December 31, 2024 from \$226,528 for the same period in 2023. Salaries, wages and employee benefits were 21.7% of Expedited Freight operating revenue for the year ended December 31, 2024 compared to 20.7% for the same period in 2023. The increase in salaries, wages and employee benefits expense was primarily due to elevated Company-employed driver count and wage rates compared to the same period in 2023.

Operating Leases

Expedited Freight operating leases increased \$1,670, or 2.7%, to \$63,398 for the year ended December 31, 2024 from \$61,728 for the same period in 2023. Operating leases were 5.7% of Expedited Freight operating revenue for the year ended December 31, 2024 compared to 5.6% for the same period in 2023. The increase in operating lease expense was primarily due to leased truck excess mileage expense for the year ended December 31, 2024 compared to the same period in 2023.

Depreciation and Amortization

Expedited Freight depreciation and amortization increased \$4,444, or 11.9%, to \$41,858 for the year ended December 31, 2024 from \$37,414 for the same period in 2023. Depreciation and amortization expense as a percentage of Expedited Freight operating revenue was 3.8% for the year ended December 31, 2024 compared to 3.4% for the same period in 2023. The increase in depreciation and amortization expense was primarily the result of purchasing and placing in service new equipment in the second half of 2023 and first half of 2024.

Insurance and Claims

Expedited Freight insurance and claims expense increased \$5,422, or 14.2%, to \$43,716 for the year ended December 31, 2024 from \$38,294 for the same period in 2023. Insurance and claims as a percentage of Expedited Freight operating revenue was 3.9% for the year ended December 31, 2024 compared to 3.5% for the same period in 2023. The increase in insurance and claims expense was primarily due to an increase in equipment repair claims, vehicle liability and cargo claims, and insurance premiums, for the year ended December 31, 2024 as compared to the same period in 2023.

Fuel Expense

Expedited Freight fuel expense decreased \$1,151, or 10.6%, to \$9,733 for the year ended December 31, 2024 from \$10,884 for the same period in 2023. Fuel expense was 0.9% of Expedited Freight operating revenue for the year ended December 31, 2024 compared to 1.0% for the same period in 2023. Expedited Freight fuel expense decreased primarily due to the decline in the average price of fuel, partially offset by additional miles driven by Company-employed drivers during the year ended December 31, 2024.

Other Operating Expenses

Expedited Freight other operating expenses increased \$5,093, or 5.4%, to \$99,638 for the year ended December 31, 2024 from \$94,545 for the same period in 2023. Other operating expenses were 8.9% of Expedited Freight operating revenue for the year ended December 31, 2024 compared to 8.6% for the same period in 2023. Other operating expenses include contract labor, equipment maintenance, facility expenses, legal and professional fees and other over-the-road costs. The increase in other operating expenses was primarily driven by an increase in software license and subscription fees and utilities and communications expenses, partially offset by a decrease in professional fees, maintenance and repair expense and supply parts, for the year ended December 31, 2024 compared to the same period in 2023.

Income from Operations

Expedited Freight income from operations decreased by \$48,089, or 41.4%, to \$67,951 for the year ended December 31, 2024 compared to \$116,040 for the same period in 2023. Expedited Freight income from operations was 6.1% of operating revenue for the year ended December 31, 2024, compared to 10.6% for the same period in 2023. The decrease in income was primarily a result of 6.8% higher operating expenses without sufficient increase in total operating revenue, which grew by 1.7%.

Intermodal - Year Ended December 31, 2024 compared to Year Ended December 31, 2023

The following table sets forth our financial data of the Intermodal segment for the years ended December 31, 2024 and 2023:

<i>(Unaudited and in Thousands)</i>	Year Ended					
	December 31, 2024	Percent of Revenue	December 31, 2023	Percent of Revenue	Change	Percent Change
Operating revenue	\$ 232,832	100.0 %	\$ 274,043	100.0 %	\$ (41,211)	(15.0)%
Operating expenses:						
Purchased transportation	73,814	31.7	74,941	27.3	(1,127)	(1.5)
Salaries, wages and employee benefits	58,714	25.2	66,925	24.4	(8,211)	(12.3)
Operating leases	21,599	9.3	25,685	9.4	(4,086)	(15.9)
Depreciation and amortization	18,440	7.9	19,991	7.3	(1,551)	(7.8)
Insurance and claims	10,251	4.4	10,320	3.8	(69)	(0.7)
Fuel expense	8,578	3.7	11,121	4.1	(2,543)	(22.9)
Other operating expenses	22,511	9.7	39,733	14.5	(17,222)	(43.3)
Total operating expenses	213,907	91.9	248,716	90.8	(34,809)	(14.0)
Income from operations	\$ 18,925	8.1 %	\$ 25,327	9.2 %	\$ (6,402)	(25.3)%

Intermodal Operating Statistics

	Year Ended		
	December 31, 2024	December 31, 2023	Percent Change
Drayage shipments	254,072	274,997	(7.6) %
Drayage revenue per shipment	\$ 830	\$ 913	(9.1) %

Operating Revenues

Intermodal operating revenue decreased \$41,211, or 15.0%, to \$232,832 for the year ended December 31, 2024, from \$274,043 for the same period in 2023. The decrease in operating revenues was primarily attributable to a 7.6% decrease in drayage shipments and an 9.1% decrease in drayage revenue per shipment over the same period in 2023. The decrease in drayage shipments and lower accessorial revenue to support customers was primarily due to challenged market demand for our services driven by an extended weak freight environment for the year ended December 31, 2024 compared to the same period in 2023. In addition, fuel surcharge revenue decreased \$5,600 or 15.7% over the same period, as a result of the decline in the average price of fuel and a decrease in shipment volume.

Purchased Transportation

Intermodal purchased transportation decreased \$1,127, or 1.5%, to \$73,814 for the year ended December 31, 2024 from \$74,941 for the same period in 2023. Purchased transportation was 31.7% of Intermodal operating revenues for the year ended December 31, 2024 compared to 27.3% for the same period in 2023. Intermodal purchased transportation includes Leased Capacity Providers, third-party motor carriers, while expenses for Company-employed drivers are included in salaries, wages and employee benefits. The decrease in purchased transportation expense was primarily due to fewer drayage shipments and the change in the mix of freight capacity purchased from Leased Capacity Providers and third-party motor carriers compared to the same period in 2023.

Salaries, Wages, and Employee Benefits

Intermodal salaries, wages and employee benefits decreased \$8,211, or 12.3%, to \$58,714 for the year ended December 31, 2024 from \$66,925 for the same period in 2023. Salaries, wages and employee benefits were 25.2% of Intermodal operating revenue for the year ended December 31, 2024 compared to 24.4% for the same period in 2023. The decrease in salaries, wages and employee benefits expense was primarily due to fewer Company-employed drivers in response to lower volumes as compared to the same period in 2023.

Operating Leases

Intermodal operating leases decrease \$4,086, or 15.9%, to \$21,599 for the year ended December 31, 2024, from \$25,685 for the same period in 2023. Operating leases were 9.3% of Intermodal operating revenue for the year ended December 31, 2024 compared to 9.4% in the same period in 2023. The decrease in operating leases expense was primarily due to reduced equipment rental expense incurred to support lower demand for the year ended December 31, 2024 compared to the same period in 2023.

Depreciation and Amortization

Intermodal depreciation and amortization decreased \$1,551, or 7.8%, to \$18,440 for the year ended December 31, 2024, from \$19,991 for the same period in 2023. Depreciation and amortization expense as a percentage of Intermodal operating revenue was 7.9% for the year ended December 31, 2024 compared to 7.3% for the same period in 2023. The decrease in depreciation and amortization expense was primarily due to minimal new asset additions during the period and some equipment disposals and assets having reached their full depreciable lives.

Fuel Expense

Intermodal fuel expense decreased \$2,543, or 22.9%, to \$8,578 for the year ended December 31, 2024 from \$11,121 for the same period in 2023. Fuel expense was 3.7% of Intermodal operating revenue for the year ended December 31, 2024 compared to 4.1% for the same period in 2023. Intermodal fuel expense decreased due to less shipments, fewer miles driven by Company-employed drivers and a decrease in the average price of fuel during the year ended December 31, 2024 compared to the same period in 2023.

Other Operating Expenses

Intermodal other operating expenses decreased \$17,222, or 43.3%, to \$22,511 for the year ended December 31, 2024 from \$39,733 for the same period in 2023. Other operating expenses as a percentage of Intermodal revenue for the year ended December 31, 2024 was 9.7%, compared to 14.5% for the same period in 2023. Other operating expenses include contract labor, equipment maintenance, facility expenses, legal and professional fees and accessorial storage costs. The decrease in other operating expenses was primarily driven by lower accessorial storage costs incurred to support the decreased accessorial revenues for the year ended December 31, 2024 compared to the same period in 2023.

Income from Operations

Intermodal income from operations decreased by \$6,402, or 25.3%, to \$18,925 for the year ended December 31, 2024 compared to \$25,327 for the same period in 2023. Income from operations as a percentage of Intermodal operating revenue was 8.1% for the year ended December 31, 2024 compared to 9.2% in the same period in 2023. The 15.0% decrease in income from operations as a percentage of operating revenues was driven by 7.6% fewer drayage shipments and 1.1% higher overall operating expenses as a percentage of revenue.

Other operations - Year Ended December 31, 2024 compared to Year Ended December 31, 2023

Other operations resulted in a \$105,009 operating loss for the year ended December 31, 2024 compared to a \$53,157 operating loss for the same period in 2023. The change in the operating loss was primarily driven by \$81,467 of post-acquisition transaction and integration costs incurred in connection with the Omni Acquisition.

Critical Accounting Policies and Estimates

Our consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles (“GAAP”). The preparation of financial statements in accordance with GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Our estimates and assumptions are based on historical experience and changes in the business environment. However, actual results may differ from estimates under different conditions, sometimes materially. The significant accounting policies followed in the preparation of the financial statements are detailed in Note 1 of our Consolidated Financial Statements included in this Form 10-K.

Critical accounting policies and estimates are defined as those that are both most important to the portrayal of our financial condition and results and require management’s most subjective judgments. We believe that our application of the policies discussed below involves significant levels of judgment, estimates and complexity. Due to the levels of judgment, complexity and period of time over which many of these items are resolved, actual results could differ from those estimated at the time of preparation of the financial statements. Adjustments to these estimates would impact our financial position and future results of operations.

Self-Insurance Loss Reserves

We provide for the estimated costs of self-insurance loss reserves, which includes both reported and unreported vehicle liability, and workers' compensation claims. The amount of self-insurance loss reserves and loss adjustment expenses is determined based on an estimation process that requires us to make significant judgments and use information obtained from both our specific and industry data, as well as general economic information. We estimate our self-insurance loss exposure by evaluating the merits and circumstances surrounding individual known claims and through actuarial analysis to determine an estimate of probable losses on claims incurred but not reported. If the events underlying the claims have occurred as of the balance sheet date, then losses are recognized immediately. Historically, we have experienced both favorable and unfavorable development of claim estimates.

The estimation process for self-insurance loss exposure requires management to make significant judgments and continuously monitor and evaluate the life cycle of claims. Using data obtained from this monitoring and our assumptions about the emerging trends, management develops an estimate of ultimate claims based on its historical experience and other available market information. The most significant assumptions used in the estimation process include determining the trend in loss costs, the expected consistency in the frequency and severity of claims incurred but not yet reported, changes in the timing of the reporting of losses from the loss date to the notification date, and expected costs to settle unpaid claims. We utilize quarterly actuarial analyses to evaluate open claims and estimate the ongoing development exposure. The actual cost to settle our self-funded claim liabilities can differ from our reserve estimates because of a number of uncertainties, including the inherent difficulty in estimating the severity of a claim and the potential amount to defend and settle a claim.

As of December 31, 2024 and 2023, we recorded self-insurance loss reserves of \$65,112 and \$66,374, respectively, inclusive of reserves in excess of the self-insured retention limit that are expected to be reimbursed from insurance carriers. Additionally, we recognized a receivable for insurance proceeds and a corresponding claims payable for vehicle liability and workers' compensation claims in excess of the self-insured retention limit in the amount of \$19,791 and \$26,712 as of December 31, 2024 and 2023, respectively.

Business Combinations and Goodwill

Acquisitions are accounted for using the purchase method. Upon the acquisition of a business, the fair value of the assets acquired and liabilities assumed are estimated. This requires judgments regarding the identification of acquired assets and liabilities assumed, some of which may not have been previously recorded by the acquired business, as well as judgments regarding the valuation of all identified acquired assets and assumed liabilities. The assets acquired and liabilities assumed are determined by understanding the operations, interviewing management and reviewing the financial and contractual information of the acquired business. Consideration is typically paid in the form of cash paid at closing while contingent consideration is paid upon the satisfaction of a future obligation. If contingent consideration is included in the purchase price, then the consideration is valued as of the acquisition date.

Once the acquired assets and assumed liabilities are identified, the fair value of the assets and liabilities are estimated using a variety of approaches that require significant judgments. For example, intangible assets are typically valued using a discounted cash flow ("DCF") analysis, which requires estimates of the future cash flows attributable to the intangible asset. A DCF analysis also requires judgments regarding the selection of discount rates to reflect the risks inherent in the projected cash flows, the determination of terminal growth rates, and the useful life and pattern of use of the underlying intangible asset. The valuation of acquired property and equipment requires judgments about current market values, replacement costs, the physical and functional obsolescence of the assets and their remaining useful lives. A failure to appropriately assign a fair value to acquired assets and assumed liabilities could significantly impact the amount and timing of future depreciation and amortization expense, as well as significantly overstate or understate assets or liabilities.

The annual test of goodwill was performed for each of the reporting units with goodwill balances as of June 30, 2024. As a result of the annual test, we recorded goodwill impairment charges totaling \$1,028,397 which all relates to our Omni reporting unit. This reporting unit was acquired on January 25, 2024. Primarily due to a decrease in the market value of the Company's common stock during the second quarter of 2024, as a result of many factors including, but not limited to, general market factors, credit rating downgrades, and changes in executive leadership, and the inherent uncertainty associated with the combined enterprise, the Omni reporting unit's fair value was determined to be less than its carrying value. As a result, the Company recorded a non-cash impairment charge of \$1,028,397 during the three and six months ended June 30, 2024. The goodwill impairment expense was recorded in the Impairment of goodwill caption on the Consolidated Statement of Operations. To complete the Omni goodwill test, we determined the fair value of the reporting unit using the DCF model and a guideline public company approach with 50% of the value determined using the DCF and 50% of the value using the market approach.

Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. Purchase price allocation of Omni is not yet complete, and as a result, there can be no assurance that there will not be a material impairment charge in the future.

Finite-Lived Intangible Assets and Other Long-Lived Assets

The Company reviews its long-lived assets, which include intangible assets subject to amortization, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The evaluation for recoverability is performed at a level where independent cash flows may be attributed to either an asset or asset group. The analysis differs from our goodwill impairment test in that an intangible or other long-lived asset is only deemed to have occurred if the sum of the forecasted undiscounted cash flows related to the assets being evaluated is less than the carrying value of the assets. If the forecasted net cash flows are less than the carrying value, then the assets are written down to estimated value. We did not identify any impairments of definite-lived assets in the three and six months ended June 30, 2024 and 2023. Changes in the estimates of forecasted net cash flows may result in future asset impairments that could be material to our results of operations.

Tax Receivable Agreement

The Company and Opco entered into the Tax Receivable Agreement with Omni Holders and certain other parties (collectively, the "TRA Holders"). Pursuant to the Tax Receivable Agreement, among other things, the Company is required to pay to the Omni Holders 83.5% of certain of the Company's realized (or in certain cases deemed realized) tax savings as a result of certain tax benefits related to the transactions contemplated by the Purchase & Sale Agreement and Taxes Receivable Agreement, and future exchanges of Opco Class B Units for our common stock or cash. The actual tax benefit, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending on a number of factors, including the price of the common stock at the time of the exchange; the timing of future exchanges; the extent to which exchanges are taxable; the amount and timing of the utilization of tax attributes; the amount, timing and character of the Company's income; the U.S. federal, state and local tax rates then applicable; the depreciation and amortization periods that apply to the increases in tax basis; the timing and amount of any earlier payments that the Company may have made under the Tax Receivable Agreement; and the portion of the Company's payments under the Tax Receivable Agreement that constitute imputed interest or give rise to depreciable or amortizable tax basis

The Company accounts for the effects of these increases in tax basis and associated payments under the Tax Receivable Agreement if and when exchanges occur as follows:

- a. recognizes a contingent liability for the Tax Receivable Agreement obligation when it is deemed probable and estimable, with a corresponding adjustment to additional paid-in-capital, based on the estimate of the aggregate amount that the Company will pay;
- b. records an increase in deferred tax assets for the estimated income tax effects of the increases in tax basis based on enacted federal and state tax rates at the date of the exchange;
- c. to the extent the Company estimates that the full benefit represented by the deferred tax asset will not be fully realized based on an analysis that will consider, among other things, the expectation of future earnings, the Company reduces the deferred tax asset with a valuation allowance; and
- d. the effects of changes in any of the estimates and subsequent changes in the enacted tax rates after the initial recognition will be included in the Company's net loss.

A Tax Receivable Agreement liability is determined and recorded under ASC 450, "Contingencies", as a contingent liability; therefore, the Company is required to evaluate whether the liability is both probable and the amount can be estimated. The Tax Receivable Agreement liability is payable upon cash tax savings and as of the balance sheet date the Company has not determined that positive future taxable income is probable under ASC 740, "Financial Reporting for Income Taxes" and has reduced its deferred tax assets generated with a valuation allowance, based on the Company's three-year cumulative loss position, the expected income generated from existing tax deferred liabilities, tax planning, and other factors. As such, the Company has not recorded additional Tax Receivable Agreement liability as of December 31, 2024 related to items generated after the opening balance sheet date to be consistent under both ASC 450 & ASC 740. The Company will evaluate this on a quarterly basis which may result in an adjustment in the future."

Year Ended December 31, 2023 compared to Year Ended December 31, 2022

For discussion of our Results of Operations for the fiscal year ended December 31, 2023 compared to the fiscal year ended December 31, 2022, refer to Part I, Item 7 of our annual report on form 10-K filed with SEC on March 15, 2024.

Liquidity and Capital Resources

For discussion of our Liquidity and Capital Resources for the fiscal year ended December 31, 2023 compared to the fiscal year ended December 31, 2022 refer to Part I, Item 7 of our annual report on form 10-K filed with SEC on March 15, 2024.

We have financed our working capital needs, including capital expenditures, with available cash, cash flows from operations and borrowings under our Revolving Credit Facility. We believe that borrowings under our Revolving Credit Facility (defined below) and our New Term Loans (defined below), together with available cash and internally generated funds, will be sufficient to support our working capital, capital expenditures and debt and service requirements for the foreseeable future. On December 30, 2024, Opco, a subsidiary of the Company, the revolving lenders party thereto and Citibank, N.A., as administrative agent and collateral agent, entered into Amendment No. 3 ("Amendment No. 3") to the Credit Agreement, dated as of December 19, 2023 (as amended, supplemented or otherwise modified prior to the date of Amendment No. 3, the "Credit Agreement").

As previously disclosed and more fully described below and in Note 3, *Acquisitions*, to the Consolidated Financial Statements, we incurred significant indebtedness in connection with the Omni Acquisition. This substantial level of debt could have important consequences to our business, including, but not limited to the factors as more fully discussed in Item 1A, "Risk Factors" - "Risks Relating to our Indebtedness".

Senior Secured Notes

In order to finance a portion of the cash consideration payable for the Omni Acquisition and the costs and expenses incurred in connection therewith, GN Bondco, LLC, a Delaware limited liability company and wholly owned subsidiary of Omni (the "Escrow Issuer" and consolidated VIE) launched a private offering of \$725,000 aggregate principal amount of its 9.5% senior secured notes due 2031 (the "Notes"), in a transaction exempt from registration under the Securities Act. Upon the closing of the Omni Acquisition, Opco assumed the Escrow Issuer's obligations under the Notes. The Notes bear interest at a rate of 9.5% per annum, payable semiannually in cash in arrears on April 15 and October 15 of each year, commencing April 15, 2024. The Notes were issued at 98.0% of the face amount and will mature on October 15, 2031. The Notes were issued pursuant to an indenture, dated as of October 2, 2023, between the Escrow Issuer and U.S. Bank Trust Company, National Association, as trustee and notes collateral agent. As of December 31, 2024, GN Bondco, LLC is considered a Variable Interest Entity and is consolidated within our Consolidated Financial Statements.

The Notes are guaranteed on a senior secured basis in an aggregate principal amount in excess of \$100,000. Prior to October 15, 2026, Opco may redeem some or all of the Notes at any time and from time to time at a redemption price equal to 100.000% of the principal amount thereof plus the applicable "make-whole" premium, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. On or after October 15, 2026, Opco may redeem some or all of the Notes at the following prices (expressed as a percentage of principal), plus in each case accrued and unpaid interest, if any, to, but excluding, the redemption date: (a) in the case of a redemption occurring during the 12-month period commencing October 15, 2026, at a redemption price of 104.750%; (b) in the case of a redemption occurring during the 12-month period commencing on October 15, 2027, at a redemption price of 102.375%; and (c) in the case of a redemption occurring on or after October 15, 2028, at a redemption price of 100.000%. In addition, at any time prior to October 15, 2026, Opco may redeem up to 40.000% of the original aggregate principal amount of the Notes in an amount not to exceed the amount of net cash proceeds from one or more equity offerings at a redemption price equal to 109.5 % of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. Upon the occurrence of a "change of control", Opco will be required to offer to repurchase all of the outstanding principal amount of the Notes at a purchase price of 101.000% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase.

Senior Secured Term Loan Facility

In order to finance a portion of the cash consideration payable for the Omni Acquisition and the costs and expenses incurred in connection therewith, GN Loanco, LLC, a Delaware limited liability company and wholly owned subsidiary of Omni (the "Escrow Loan Borrower"), entered into a credit agreement (the "Credit Agreement") with Citibank, N.A., as administrative agent and collateral agent and as initial term loan lender. Pursuant to the Credit Agreement, the Escrow Loan Borrower obtained senior secured term B loans in an aggregate principal amount of \$1,125,000 (the "New Term Loans") and the ability to draw down up to \$400,000 under the Revolving Credit Facility. The New Term Loans bear interest based, at Opco's election, on (a) SOFR plus an applicable margin or (b) the base rate plus an applicable margin. The base rate is equal the highest of the following: (i) the prime rate; (ii) 0.50% above the overnight federal funds rate; and (iii) the one-month SOFR plus 1.00%. The applicable margin for SOFR loans is 4.50% and the applicable margin for base rate loans is 3.50%. The New Term Loans are subject to customary amortization of 1.00% per year. The New Term Loans were issued at 96.0% of the face amount and will mature on December 19, 2030. As of December 31, 2024 GN Loanco, LLC is considered a Variable Interest Entity and is consolidated within our Consolidated Financial Statements.

No borrowings under the Revolving Credit Facility were made in connection with the Omni Acquisition. The Revolving Credit Facility will mature on January 25, 2029. Loans made under the Revolving Credit Facility bear interest based, at Opco's election, on (a) SOFR plus an applicable margin or (b) the base rate plus an applicable margin. Until delivery of a compliance certificate in respect of the fiscal quarter ending June 30, 2024, the applicable margin for SOFR loans is 4.25% and the applicable margin for base rate loans is 3.25%. Thereafter, the applicable margin can range from 3.75% to 4.25% for SOFR loans and from 2.75% to 3.25% for base rate loans, in each case depending on Opco's first lien net leverage ratio, as set forth in the Credit Agreement. Upon the closing of the Omni Acquisition, Opco assumed the Escrow Loan Borrower's obligations under the Credit Agreement, which were further secured by certain guarantors. Opco's obligations under the Credit Agreement are guaranteed on a senior secured basis by us and each of Opco's existing and future domestic subsidiaries (subject to customary exceptions).

On January 25, 2024, the date of the Omni Acquisition, both GN Bondco, LLC and GN Loanco, LLC ceased operations and their debt and related funds were transferred to Opco, a consolidated subsidiary of us.

On February 12, 2024, Opco and the parties to the Credit Agreement entered into Amendment No. 2 ("Amendment No. 2") to the Credit Agreement, which (a) modifies the financial performance covenant in the Credit Agreement by temporarily increasing the 4.50:1.00 maximum consolidated first lien net leverage ratio permitted by the covenant to (i) 6.00:1.00 (for the second and third quarters of 2024), (ii) 5.50:1.00 (for the fourth quarter of 2024), (iii) 5.25:1.00 (for the first quarter of 2025), (iv) 5.00:1.00 (for the second quarter of 2025) and (v) 4.75:1.00 (for the third quarter of 2025) and (b) reduces the revolving credit commitments available under the Credit Agreement from an aggregate principal amount of \$400,000 to an aggregate principal amount of \$340,000. Amendment No. 2 also amends certain other terms of the Credit Agreement in connection with the foregoing. Prior to the effectiveness of Amendment No. 2 on February 12, 2024, Opco repaid \$80,000 aggregate principal amount of the New Term Loans outstanding under the Credit Agreement, together with all accrued and unpaid interest thereon.

On December 30, 2024, Opco and the parties to the Credit Agreement entered into Amendment No. 3 ("Amendment No. 3") to the Credit Agreement, which (a) modifies the financial performance covenant in the Credit Agreement by temporarily increasing the 5.50:1.00 maximum consolidated first lien net leverage ratio permitted by the covenant to (i) 6.75:1.00 (for the first, second and third quarters of 2025), (ii) 6.50:1.00 (for the fourth quarter of 2025), (iii) 6.25:1.00 (for the first quarter of 2026), (iv) 6.00:1.00 (for the second quarter of 2026), (v) 5.75:1.00 (for the third quarter of 2026), (vi) 5.50:1.00 (for the third quarter of 2026 and thereafter) and (b) reduces the revolving credit commitments available under the Credit Agreement from an aggregate principal amount of \$340,000 to an aggregate principal amount of \$300,000. Amendment No. 3 also amends certain other terms of the Credit Agreement in connection with the foregoing.

Both the Notes and Revolving Credit Facility contain covenants that, among other things, restrict the ability of us, without the approval of the required lenders, to engage in certain mergers, consolidations, asset sales, dividends and stock repurchases, investments, and other transactions or to incur liens or indebtedness in excess of agreed thresholds, as set forth in the credit agreement. The Revolving Credit Facility's terms also include a financial covenant which requires us to maintain a specific leverage ratio. As of the date of this report, we were in compliance with all aforementioned covenants.

Tax Receivable Agreement

In connection with the Omni Acquisition, we, Opco, Omni Holders and certain other parties entered into the Tax Receivable Agreement, which sets forth the agreement among the parties regarding the sharing of certain tax benefits realized by us as a result of the Omni Acquisition. Pursuant to the Tax Receivable Agreement, we are generally obligated to pay certain Omni Holders 83.5% of (a) the total tax benefit that we realize as a result of increases in tax basis in Opco's assets resulting from certain actual or deemed distributions and the future exchange of units of Opco for shares of securities of us (or cash) pursuant to Opco's operating agreement that became effective as of the Closing, (b) certain pre-existing tax attributes of certain Omni Holders that are corporate entities for tax purposes, (c) the tax benefits that we realize from certain tax allocations that correspond to items of income or gain required to be recognized by certain Omni Holders, and (d) other tax benefits attributable to payments under the Tax Receivable Agreement. Payment obligations under the Tax Receivable Agreement rank *pari passu* with all unsecured obligations but senior to any future tax receivable or similar agreement entered into by us.

The term of the Tax Receivable Agreement will continue until all such tax benefits have been utilized or expired unless we elect to terminate the Tax Receivable Agreement early (or it is terminated early due to a change of control or insolvency event with respect to us or a material breach by us of a material obligation under the Tax Receivable Agreement). Upon such an early termination, we will be required to make a payment equal to the present value of the anticipated future payments to be made by it under the Tax Receivable Agreement (based upon certain assumptions and deemed events set forth in the Tax Receivable Agreement). In the event of a change of control, under certain circumstances, we may elect to pay the early termination payment over a period of 15 years, with the payments increased to reflect the time value of money.

Cash Flows

Year Ended December 31, 2024 Cash Flows compared to December 31, 2023 Cash Flows

Continuing Operations

Net cash used in operating activities of continuing operations was \$69,015 for the year ended December 31, 2024 compared to cash provided from operations of \$199,212 for the year ended December 31, 2023. The decrease in net cash provided by operating activities of continuing operations was primarily due to the decrease in net income from continuing operations after consideration of non-cash items, additionally changes in net working capital in 2024 were unfavorable to similar changes during 2023.

Net cash used in investing activities of continuing operations was \$1,608,586 for the year ended December 31, 2024 compared to cash provided of \$83,687 during the year ended December 31, 2023. Investing activities of continuing operations for the year ended December 31, 2024 included the acquisition of Omni for a purchase price of \$1,576,219, while investing activities for the year ended December 31, 2023 included the acquisition of Land Air for a purchase price of \$56,703. Capital expenditures for the year ended December 31, 2024 were \$37,060, which primarily related to the purchase of technology and operating equipment. Capital expenditures for the year ended December 31, 2023 were \$30,725, which primarily related to the investment in the expansion of our national hub in Columbus, Ohio and the purchase of technology and operating equipment.

Net cash used in financing activities of continuing operations was \$163,832 for the year ended December 31, 2024 compared to net cash provided by financing activities of continuing operations of \$1,790,726 for the year ended December 31, 2023. The change in the net cash provided by financing activities of continuing operations was primarily due proceeds from long-term debt in 2023 used to fund the Omni Acquisition in 2024, with net payoff of debt balances in 2024.

Share Repurchase Program

During the year ended December 31, 2024, we did not repurchase any shares. For the year ended December 31, 2023, a total of 883 shares of our common stock were repurchased for an approximate total of \$93,811, through open market transactions. All shares received were retired upon receipt, and the excess of the purchase price over par value per share was recorded to "Retained Earnings" in our Consolidated Balance Sheets.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk relates principally to changes in interest rates and fuel prices. Our interest expense is, in part, sensitive to the general level of interest rates. The outstanding balance under our Revolving Credit Facility as of December 31, 2024 was \$75,000 on a straight-line basis over the estimated useful lives of 30 to 40 years for building and improvements, three to ten years for equipment, the lesser of the estimated useful life or the initial lease term for leasehold improvements and five years for computer software. Land is not depreciated and construction in progress is not depreciated until ready for service. A hypothetical increase in our Revolving Credit Facility borrowing rate of 150 basis points would have increased our annual interest expense by approximately \$1,627 and would have decreased our annual cash flow from operations by approximately \$1,627.

Our finance lease obligations were \$47,788 as of December 31, 2024. These finance lease obligations bear interest at a fixed rate. Accordingly, there is no exposure to market risk related to these obligations.

We are exposed to the effects of changes in the price and availability of fuel, as more fully discussed in Item 1A, “Risk Factors” - under the title “*Volatility in fuel prices, shortages of fuel or the ineffectiveness of our fuel surcharge program could have a material adverse effect on our results of operations and profitability.*”

Item 8. Financial Statements and Supplementary Data

The response to this item is submitted as a separate section of this report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures*Disclosure Controls and Procedures*

Our management, including our principal executive and principal financial officers, have evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2024. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed in this annual report on Form 10-K has been appropriately recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, to allow timely decisions regarding required disclosure. Based on that evaluation, our principal executive and principal financial officers have concluded that our disclosure controls and procedures are not effective as of December 31, 2024 due to the material weakness in internal control over financial reporting described below.

Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives as specified above. However, our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures will prevent or detect all errors and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within our Company have been detected.

Notwithstanding the foregoing conclusion, and notwithstanding the material weakness in our internal control over financial reporting described below, management, including our Chief Executive Officer and Chief Financial Officer, believes the consolidated financial statements included in this Annual Report on Form 10-K fairly represent in all material respects our financial condition, results of operations and cash flows as of and for the periods presented in accordance with U.S. Generally Accepted Accounting Principles.

Management’s Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rules 13a-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance to management and the Board regarding the preparation and fair presentation of financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we assessed the effectiveness of our internal control over financial reporting as of December 31, 2024. In making this assessment, management used the framework set forth by the Committee on Sponsoring Organizations of the Treadway Commission in Internal Control — Integrated Framework (“2013 Framework”).

During 2024, we acquired Omni. Management's evaluation and conclusion as to the effectiveness of the design and operation of the Company's internal control over financial reporting as of the end of the period covered by this report excludes any evaluation of the internal control over financial reporting of Omni. SEC guidance permits the exclusion of an evaluation of the effectiveness of the registrant's internal control over financial reporting for an acquired business during the first year following such acquisition. The Omni business (excluding intangible assets and goodwill) constitutes approximately 19% of total assets and 47% of net revenue of the consolidated financial statement amounts as of and for the year ended December 31, 2024.

Through its assessment, management identified a material weakness in our internal control over financial reporting. As a result of the complexities of the acquisition structure of Omni, our controls were not sufficiently precise over the Omni business combination, related income taxes, and the Omni impairment process. Because of the material weakness, management concluded that we did not maintain effective internal control over financial reporting as of December 31, 2024.

The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report, which appears herein.

Ongoing Remediation Plan

Management is committed to remediating the material weakness in a timely manner. Actions and steps we have already taken include enhancing the skill set and competencies of the accounting and finance team through new management since the close of the Omni Acquisition. These actions include the hiring of qualified internal tax experts, the engagement of qualified external tax experts to assist with complex accounting matters for taxes, and we will engage qualified external subject matter experts on a timely basis as required in future transactions with significant complexity. We have and will continue to implement more timely and enhanced review procedures to strengthen our non-routine and income tax control activities with improved documentation and technical oversight.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Subsequent to the Omni Acquisition, we have begun integration and controls assessment activities. In accordance with the SEC's published guidance, because we acquired these operations during the fiscal year, we excluded these operations from our efforts to comply with Section 404 Rules for fiscal 2024.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Forward Air Corporation

Opinion on Internal Control over Financial Reporting

We have audited Forward Air Corporation's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, because of the effect of the material weakness described below on the achievement of the objectives of the control criteria, Forward Air Corporation (the Company) has not maintained effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment. Management has identified a material weakness in the Company's internal control over financial reporting as the result of ineffective design and operation of controls related to the accounting for the Omni Newco LLC (Omni) business combination within the following processes: (i) initial purchase accounting (ii) accounting for the related income taxes, and (iii) accounting for impairment related to the Omni business.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Omni, which is included in the 2024 consolidated financial statements of the Company and constituted 19% of total assets as of December 31, 2024 and 47% of revenues for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of Omni.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of comprehensive (loss) income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "financial statements"). This material weakness was considered in determining the nature, timing and extent of audit tests applied in our audit of the 2024 consolidated financial statements, and this report does not affect our report dated March 24, 2025 which expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Atlanta, GA
March 24, 2025

Item 9B. Other Information

During the quarter ended December 31, 2024, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading agreement” or “non-Rule 10b5-1 trading agreement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable

Part III

Item 10. Directors, Executive Officers and Corporate Governance

Information required by this item is incorporated herein by reference to our proxy statement for the 2025 Annual Meeting of Shareholders (the “2025 Proxy Statement”). The 2025 Proxy Statement will be filed with the SEC not later than 120 days subsequent to December 31, 2024.

Item 11. Executive Compensation

The information required by this item is incorporated herein by reference to the 2025 Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters

The information required by this item is incorporated herein by reference to the 2025 Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated herein by reference to the 2025 Proxy Statement.

Item 14. Principal Accounting Fees and Services

The information required by this item is incorporated herein by reference to the 2025 Proxy Statement.

Part IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1) and (2) List of Financial Statements and Financial Statement Schedules.

The response to this portion of Item 15 is submitted as a separate section of this report.

(a)(3) List of Exhibits.

The response to this portion of Item 15 is submitted as a separate section of this report.

(b) Exhibits.

The response to this portion of Item 15 is submitted as a separate section of this report.

(c) Financial Statement Schedules.

The response to this portion of Item 15 is submitted as a separate section of this report.

EXHIBIT INDEX

No.	Exhibit
2.1	Agreement and Plan of Merger, dated as of August 10, 2023 by and among, among others, Forward Air Corporation and Omni Newco LLC (incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 14, 2023).
2.2	Amendment No. 1 to the Original Merger Agreement, dated January 22, 2024, by and among Forward Air Corporation and Omni Newco, LLC (incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 24, 2024).
3.1	Restated Charter of the registrant (incorporated herein by reference to Exhibit 3 to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 28, 1999 (File No. 0-22490))
3.2	Amended and Restated Bylaws of the registrant (incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 13, 2023).
3.3	Articles of Amendment to the Restated Charter of Forward Air Corporation (incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 31, 2024).
4.1	Form of Forward Air Corporation Common Stock Certificate (incorporated herein by reference to Exhibit 4.1 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1998 filed with the Securities and Exchange Commission on November 16, 1998 (File No. 0-22490))
4.2	# Description of Capital Stock
4.3	Indenture, dated as of October 2, 2023, by and among Clue Opco LLC (as successor to GN Bondco, LLC), as issuer, and U.S. Bank Trust Company, National Association, as trustee and notes collateral agent (incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 31, 2024).
4.4	First Supplemental Indenture, dated as of January 25, 2024, by and among Clue Opco LLC, as issuer, Forward Air Corporation and the other guarantors party thereto, as guarantors, and U.S. Bank Trust Company, National Association, as trustee and notes collateral agent (incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 31, 2024).
10.1	* Forward Air Corporation 2005 Employee Stock Purchase Plan (incorporated herein by reference to the registrant's Proxy Statement filed with the Securities and Exchange Commission on April 20, 2005 (File No. 0-22490))
10.2	Air Carrier Certificate, effective August 28, 2003 (incorporated herein by reference to Exhibit 10.5 to the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 filed with the Securities and Exchange Commission on March 11, 2004 (File No. 0-22490))
10.3	Form of Director Indemnification Agreement (incorporated herein by reference to Exhibit 10.4 to the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 filed with the Securities and Exchange Commission on February 23, 2018 (File No. 0-22490))
10.4	* Forward Air Corporation Amended and Restated Stock Option and Incentive Plan, as further amended and restated on February 7, 2013 (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 13, 2013 (File No. 0-22490))
10.5	First Amendment to the Forward Air Corporation Amended and Restated Stock Option and Incentive Plan (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016, filed with the Securities and Exchange Commission on April 27, 2016 (File No. 0-22490))
10.6	* Form of Nonqualified Stock Option Agreement under the registrant's 2016 Omnibus Incentive Compensation Plan (incorporated herein by reference to Exhibit 10.44 to the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 22, 2017)
10.7	* Form of Performance Share Agreement under the registrant's 2016 Omnibus Compensation Plan (incorporated herein by reference to Exhibit 10.45 to the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 22, 2017)
10.8	* Form of Notice of Grant of Performance Shares under the registrant's 2016 Omnibus Compensation Plan (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on April 27, 2017)
10.9	* Forward Air Corporation 2016 Omnibus Incentive Compensation Plan (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on July 27, 2017 (File No. 0-22490))
10.10	* Amendment No. 1 to the 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Annex A in the Company's Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on May 20, 2024).
10.11	* Amended and Restated Non-Employee Director Stock Plan (incorporated herein by reference to Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on July 27, 2017 (File No. 02-22490))

10.12	<u>Credit Agreement dated September 29, 2017 among Forward Air Corporation and Forward Air, Inc., as the borrowers, the subsidiaries of the borrowers identified therein as the guarantors, Bank of America, N.A., U.S. Bank National Association and the other lenders party thereto (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 3, 2017)</u>
10.13	<u>First Amendment dated April 16, 2020 to Credit Agreement dated September 29, 2017 by and among Forward Air Corporation and Forward Air, Inc., as borrowers, certain subsidiaries of the borrowers as guarantors, Bank of America, N.A., as administrative agent and lender, U.S. Bank National Association, as lender, and the other lenders party thereto (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 1, 2020)</u>
10.14	<u>Second Amendment dated July 20, 2021 to Credit Agreement dated September 29, 2017 by and among Forward Air Corporation and Forward Air, Inc., as borrowers, certain subsidiaries of the borrowers as guarantors, Bank of America, N.A., as administrative agent and lender, U.S. Bank National Association, as lender and the other lenders part thereto (incorporated herein by reference to Exhibit 10.3 to the registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 10, 2021)</u>
10.15	<u>Third Amendment, dated December 29, 2021, to the Credit Agreement dated September 29, 2017 by and among Forward Air Corporation and Forward Air, Inc., as borrowers, certain subsidiaries of the borrowers as guarantors, Bank of America, N.A., as administrative agent and lender, U.S. Bank National Association, as lender and the other lenders part thereto (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 5, 2022)</u>
10.16	* <u>Employment Agreement, dated June 6, 2018, between Forward Air Corporation and Thomas Schmitt (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 12, 2018)</u>
10.17	* <u>Restrictive Covenants Agreement, dated June 6, 2018, between Forward Air Corporation and Thomas Schmitt (incorporated herein by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 12, 2018)</u>
10.18	<u>Form of Performance Share Agreement (Total Shareholder Return) under the registrant's 2016 Omnibus Incentive Compensation Plan (incorporated herein by reference to Exhibit 10.3 to the registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on April 25, 2019)</u>
10.19	<u>Form of Performance Share Agreement (EBITDA per Share) under the registrant's 2016 Omnibus Incentive Compensation Plan (incorporated herein by reference to Exhibit 10.4 to the registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on April 25, 2019)</u>
10.20	<u>Rebecca J. Garbrick Offer Letter dated as of June 21, 2021 (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 25, 2021 (File No. 0-22490))</u>
10.21	<u>Form of CEO Nonqualified Stock Option Agreement under the registrant's 2016 Omnibus Incentive Compensation Plan (incorporated herein by reference to Exhibit 10.35 to the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2022)</u>
10.22	<u>Form of Non-Qualified Stock Option Agreement under the registrant's 2016 Omnibus Incentive Compensation Plan (incorporated herein by reference to Exhibit 10.36 to the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2022)</u>
10.23	<u>Form of Performance Share Agreement (Total Shareholder Return) under the registrant's 2016 Omnibus Incentive Compensation Plan (incorporated herein by reference to Exhibit 10.37 to the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2022)</u>
10.24	* <u>Forward Air Corporation Executive Severance and Change in Control Plan Amended and Restated, effective as of October 25, 2021 (incorporated herein by reference to Exhibit 10.38 to the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2022)</u>
10.25	<u>Equity Purchase Agreement, dated December 20, 2023 by and between Forward Air Corporation, Forward Air Final Mile, LLC, FFM, LLC, Forward Air, Inc., FAF, Inc., and Hub Group, Inc. (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 27, 2023)</u>
10.26	<u>Credit Agreement, dated as of December 19, 2023, by and among, GN Loanco, LLC, the other credit parties party thereto from time to time, Citibank, N.A., and the lenders and L/C issuers party thereto from time to time (incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 31, 2024).</u>
10.27	<u>Escrow Release Date Assumption and Joinder Agreement, dated as of January 25, 2024, among GN Loanco, LLC, Clue Opco LLC, Forward Air Corporation, the subsidiary guarantors party thereto and Citibank, N.A. (incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 31, 2024).</u>
10.28	<u>Escrow Release Date Incremental Revolving Amendment, dated as of January 25, 2024, among Clue Opco LLC, the credit parties party thereto from time to time, the lenders party thereto from time to time and Citibank, N.A. (incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 31, 2024).</u>

10.29		Shareholder Agreement, dated as of January 25, 2024, by and among, Forward Air Corporation, REP Omni Holdings, L.P. and the other parties thereto (incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 31, 2024).
10.30		Shareholder Agreement, dated as of January 25, 2024, by and among, Forward Air Corporation, EVE Omni Investor, LLC and Omni Investor Holdings, LLC and the other parties thereto (incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 31, 2024).
10.31		Investor Rights Agreement, dated as of January 25, 2024, by and among Forward Air Corporation, REP Omni Holdings, L.P. and Omni Investor Holdings, L.P. (incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 31, 2024).
10.32		Tax Receivable Agreement, dated as of January 25, 2024, by and among Forward Air Corporation, Central States Logistics, Inc., Clue Opco LLC and the members from time to time party thereto (incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 31, 2024).
10.33		Amendment No. 2, dated as of February 12, 2024, among Clue Opco LLC, the revolving lenders party thereto and Citibank, N.A. (incorporated herein by reference to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 15, 2024).
10.34	*	Release and Separation Agreement, by and between the registrant and Thomas Schmitt, dated March 19, 2024 (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 and filed with the Securities and Exchange Commission on May 15, 2024).
10.35	*	Shawn Stewart Employment Agreement dated as of April 28, 2024 (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 and filed with the Securities and Exchange Commission on May 15, 2024).
10.36	*	Participation and Restrictive Covenants Agreement, by and between the registrant and Shawn Stewart, dated April 22, 2024 (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 and filed with the Securities and Exchange Commission on May 15, 2024).
10.37		Term Sheet for Opco LLC Agreement (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 and filed with the Securities and Exchange Commission on May 15, 2024).
10.38	*	Consulting Agreement, by and between the Company and Mr. Pierson, dated May 20, 2024 (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 21, 2024).
10.39	*	James Faught Offer Letter, dated as of June 11, 2024 (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 filed with the Securities and Exchange Commission on August 9, 2024).
10.40	*	Jamie Pierson Offer Letter, dated as of July 3, 2024 (incorporated herein by reference to Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 filed with the Securities and Exchange Commission on August 9, 2024).
10.41	*	Participation and Restrictive Covenants Agreement, by and between the registrant and Jamie Pierson, dated July 3, 2024 (incorporated herein by reference to Exhibit 10.3 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 filed with the Securities and Exchange Commission on August 9, 2024).
10.42		Form of Non-Employee Director Annual Compensation Agreements (incorporated herein by reference to Exhibit 10.4 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 filed with the Securities and Exchange Commission on August 9, 2024).
10.43	*	Form of Restricted Share Retention Award Agreement under the registrant's 2016 Omnibus Compensation Plan (incorporated herein by reference to Exhibit 10.5 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 filed with the Securities and Exchange Commission on August 9, 2024).
10.44	*	Form of Enhanced Severance Program (incorporated herein by reference to Exhibit 10.6 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 filed with the Securities and Exchange Commission on August 9, 2024).
10.45	*	Form of Executive Retention Bonus Agreement (incorporated herein by reference to Exhibit 10.7 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 filed with the Securities and Exchange Commission on August 9, 2024).
10.46	#	Separation and General Release Agreement between Kyle Mitchin and Forward Air Corporation
10.47	#	Separation and General Release Agreement between Chris Ruble and Forward Air Corporation
19.1	#	Insider Trading Policy
21.1	#	Subsidiaries of the registrant

23.1	#	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm
31.1	#	Certification of Principal Executive Officer Pursuant to Exchange Act Rule 13a-14(a) (17 CFR 240.13a-14(a))
31.2	#	Certification of Principal Financial Officer Pursuant to Exchange Act Rule 13a-14(a) (17 CFR 240.13a-14(a))
32.1	#	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	#	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS		The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH		XBRL Taxonomy Extension Schema
101.CAL		XBRL Taxonomy Extension Calculation Linkbase
101.DEF		XBRL Taxonomy Extension Definition Linkbase
101.LAB		XBRL Taxonomy Extension Label Linkbase
101.PRE		XBRL Taxonomy Extension Presentation Linkbase
104		Cover Page Interactive File (formatted in Inline XBRL and contained in Exhibit 101).

*Denotes a management contract or compensatory plan or arrangement.

Filed herewith

SIGNATURES

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

Date: March 24, 2025

By: Forward Air Corporation
/s/ Jamie Pierson

Jamie Pierson
Chief Financial Officer
(Principal Financial Officer and Duly Authorized Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Shawn Stewart</u> Shawn Stewart	Chief Executive Officer (Principal Executive Officer)	March 24, 2025
<u>/s/ Jamie Pierson</u> Jamie Pierson	Chief Financial Officer (Principal Financial Officer)	March 24, 2025
<u>/s/ James Faught</u> James Faught	Chief Accounting Officer (Principal Accounting Officer)	March 24, 2025
<u>/s/ George Mayes</u> George Mayes	Chairman and Director	March 24, 2025
<u>/s/ Ana B. Amicarella</u> Ana B. Amicarella	Director	March 24, 2025
<u>/s/ Charles Anderson</u> Charles Anderson	Director	March 24, 2025
<u>/s/ Valerie Bonebrake</u> Valerie Bonebrake	Director	March 24, 2025
<u>/s/ Dale W. Boyles</u> Dale W. Boyles	Director	March 24, 2025
<u>/s/ Robert Edwards, Jr.</u> Robert Edwards, Jr.	Director	March 24, 2025
<u>/s/ Christine Gorjanc</u> Christine Gorjanc	Director	March 24, 2025
<u>/s/ Michael Hodge</u> Michael Hodge	Director	March 24, 2025
<u>/s/ Jerome Lorrain</u> Jerome Lorrain	Director	March 24, 2025
<u>/s/ Javier Polit</u> Javier Polit	Director	March 24, 2025
<u>/s/ Laurie A. Tucker</u> Laurie A. Tucker	Director	March 24, 2025

Annual Report on Form 10-K

Item 8, Item 15(a)(1) and (2), (a)(3), (b) and (c)

List of Financial Statements and Financial Statement Schedule

Financial Statements and Supplementary Data

Certain Exhibits

Financial Statement Schedule

Year Ended December 31, 2024

Forward Air Corporation

Greeneville, Tennessee

Forward Air Corporation

Form 10-K — Item 8 and Item 15(a)(1) and (2)

Index to Financial Statements and Financial Statement Schedule

The following consolidated financial statements of Forward Air Corporation are included as a separate section of this report:

	<u>Page No.</u>
Report of Ernst & Young LLP, Independent Registered Public Accounting Firm (PCAOB ID: 42)	F-3
Consolidated Balance Sheets — December 31, 2024 and 2023	F-6
Consolidated Statements of Comprehensive (Loss) Income — Years Ended December 31, 2024, 2023 and 2022	F-7
Consolidated Statements of Shareholders' Equity — Years Ended December 31, 2024, 2023 and 2022	F-8
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Notes to Consolidated Financial Statements — December 31, 2024	F-11

The following financial statement schedule of Forward Air Corporation is included as a separate section of this report.

Schedule II - Valuation and Qualifying Accounts	S-1
-----------------------------------------------------------------	---------------------

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and, therefore, have been omitted.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Forward Air Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Forward Air Corporation (the Company) as of December 31, 2024 and 2023, the related consolidated statements of comprehensive (loss) income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 24, 2025 expressed an adverse opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which they relate.

Accounting for the Omni Newco LLC (Omni) Acquisition Customer Relationships

Description of the Matter During 2024, the Company completed its acquisition of Omni for total consideration of \$2.3 billion as disclosed in Note 3 to the consolidated financial statements. The transaction was accounted for as a business combination. The consideration paid in the acquisition must be allocated to the acquired assets and liabilities assumed generally based on their fair value with the excess of the purchase price over those fair values allocated to goodwill.

Auditing the Company's accounting for its acquisition of Omni was complex due to the significant estimation uncertainty in the Company's determination of the fair value of the identified customer relationships, which totaled \$903.8 million. The significant estimation uncertainty was primarily due to the sensitivity of fair value to the significant underlying assumptions. The significant assumptions used to estimate the value of the customer relationships are forecasted results (i.e., revenue, revenue growth and EBITDA margin), attrition rate, and discount rate. These significant assumptions include forward-looking considerations and were based on expectations of future economic and market conditions.

How We Addressed the Matter in Our Audit To test the estimated fair value of the acquired customer relationships, we performed audit procedures that included, among others, evaluating the selection of the valuation methodology used, evaluating the significant assumptions used by the Company, and evaluating the completeness and accuracy of the underlying data supporting the significant assumptions and estimates. We also involved our valuation specialists to assist with our evaluation of the methodology used by the company and significant assumptions used in the fair value estimates.

Goodwill Impairment Assessment of the Omni Logistics Reporting Unit

Description of the Matter As more fully described in Note 1 of the consolidated financial statements, goodwill is tested for impairment at least annually at the reporting unit level. As of December 31, 2024, the Company's goodwill balances totaled \$522.7 million of which \$244.0 million related to the Omni Logistics reporting unit. The Company recorded total impairment of \$1.03 billion related to the Omni Logistics reporting unit in 2024 based on both a discounted cash flow model and guideline public company approach to calculating fair value, with the estimated fair value less than carrying value.

Auditing management's goodwill impairment test of the Omni Logistics reporting unit involved especially subjective judgements due to the significant estimation required in determining the fair value of the reporting unit. In particular, the estimates of the fair value of the Company's reporting unit were sensitive to assumptions such as the discount rate and expected future projected financial information (i.e., revenue, revenue growth, and EBITDA margin), which are affected by expectations about future market and economic conditions.

How We Addressed the Matter in Our Audit To test the estimated fair value of the Company's reporting unit, our audit procedures included, among others, assessing the valuation methodology and the underlying data used by the Company in its analysis, including testing the significant assumptions discussed above. We compared the significant assumptions used by management to current industry and economic trends and other relevant factors. We also evaluated the reasonableness of the guidelines public companies used to develop the fair value estimate of the Omni Logistics reporting unit. We involved valuation specialists to assist in our evaluation of the valuation methodology and the significant assumptions, including the discount rate used in determining the fair value of the reporting unit. We also tested the reconciliation of the aggregate estimated fair value of all the Company's reporting units to the market capitalization of the Company.

Self-Insurance Loss Reserves

Description of the Matter

The liability for self-insurance loss reserves totaled \$65.1 million at December 31, 2024 which includes self-insurance reserves for vehicle liability claims. The long-term portion of this liability was included in "Other long-term liabilities," and the remainder was included in "Accrued expenses" on the Company's Consolidated Balance Sheet. As more fully described in Note 1 to the consolidated financial statements, the self-insurance reserves include estimates for both known claims and future claims development and are based on company-specific and industry data, as well as general economic information.

Auditing the Company's self-insurance reserves for vehicle liability claims was complex, highly subjective and required significant judgment due to the actuarial techniques and significant assumptions used. The Company utilizes actuarial analyses to evaluate open claims and estimate the ongoing development exposure. The most significant assumptions used in the estimation process include determining the trend in loss costs, the expected consistency in the frequency and severity of claims incurred but not yet reported, changes in the timing of the reporting of losses from the loss date to the notification date, and the expected costs to settle unpaid claims.

How We Addressed the Matter in Our Audit

We tested internal controls over management's review of the completeness and accuracy of data inputs used in the actuarial analysis and review of the actuarial assumptions and reserve calculations.

To test the self-insurance loss reserves for vehicle liability claims, our audit procedures included, among others, evaluating the methodologies used and the significant actuarial assumptions discussed above, as well as performing substantive procedures over underlying data and calculations used in the analyses. We tested claims data by agreeing the data to supporting source documentation and payment information. We evaluated whether changes to the reserves for known claims were being recognized timely based on the underlying available data and current estimates. We involved actuarial specialists to assist in our evaluation of the actuarial methodologies used as well as to independently calculate a range of reserve estimates for comparison to the recorded reserves.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1991.

Atlanta, GA
March 24, 2025

Forward Air Corporation
Consolidated Balance Sheets
(In thousands, except share data)

	December 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 104,903	\$ 121,969
Restricted cash equivalents	363	39,604
Accounts receivable, less allowance of \$3,269 in 2024 and \$2,206 in 2023	322,291	153,267
Other receivables	205	5,408
Prepaid expenses	29,053	25,682
Other current assets	15,685	1,098
Total current assets	472,500	347,028
Noncurrent restricted cash equivalents		
	—	1,790,500
Property and equipment, net of accumulated depreciation and amortization of \$292,855 in 2024 and \$250,185 in 2023	326,188	258,095
Operating lease right-of-use assets	410,084	111,552
Goodwill	522,712	278,706
Other acquired intangibles, net of accumulated amortization of \$212,905 in 2024 and \$127,032 in 2023	999,216	134,789
Other assets	71,941	58,863
Total assets	\$ 2,802,641	\$ 2,979,533
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 105,692	\$ 45,430
Accrued expenses	119,836	62,948
Other current liabilities	45,148	71,727
Current portion of debt and finance lease obligations	16,930	12,645
Current portion of operating lease liabilities	96,440	44,344
Total current liabilities	384,046	237,094
Non-current liabilities:		
Finance lease obligations, less current portion	30,858	26,736
Long-term debt, less current portion and debt issuance costs	1,675,930	—
Long-term debt held in escrow	—	1,790,500
Liability from tax receivable agreement	13,295	—
Operating lease liabilities, less current portion	325,640	71,598
Other long-term liabilities	48,835	47,144
Deferred income taxes	38,169	42,200
Total non-current liabilities	2,132,727	1,978,178
Shareholders' equity:		
Preferred stock, \$0.01 par value: Authorized shares - 5,000,000; no shares issued or outstanding in 2024 and 2023	—	—
Preferred stock, Class B, \$0.01 par value: Authorized shares - 15,000; issued and outstanding shares - 10,088 in 2024 and none in 2023	—	—
Common stock, \$0.01 par value: Authorized shares - 50,699,707; issued and outstanding shares - 29,761,197 in 2024 and 25,670,663 in 2023	298	257
Additional paid-in capital	542,392	283,684
Retained (deficit) earnings	(338,230)	480,320
Accumulated other comprehensive loss	(2,732)	—
Total Forward Air shareholders equity	201,728	764,261
Noncontrolling interest	84,140	—
Total shareholders' equity	285,868	764,261
Total liabilities and shareholders' equity	\$ 2,802,641	\$ 2,979,533

The accompanying notes are an integral part of the consolidated financial statements.

Forward Air Corporation
Consolidated Statements of Comprehensive (Loss) Income
(In thousands, except per share data)

	Year Ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Operating revenue	\$ 2,474,262	\$ 1,370,735	\$ 1,679,634
Operating expenses:			
Purchased transportation	1,250,570	586,195	730,412
Salaries, wages and employee benefits	536,406	287,566	302,759
Operating leases	182,197	87,413	85,290
Depreciation and amortization	143,978	57,405	42,552
Insurance and claims	64,682	50,133	47,478
Fuel expense	21,460	22,004	26,956
Other operating expenses	309,508	191,809	196,596
Impairment of goodwill	1,028,397	—	—
Total operating expenses	3,537,198	1,282,525	1,432,043
Income (loss) from continuing operations	(1,062,936)	88,210	247,591
Other expense:			
Interest expense, net	(189,215)	(31,571)	(5,138)
Foreign exchange gain	1,093	—	—
Other income, net	1,226	—	—
Total other expense	(186,896)	(31,571)	(5,138)
Income (loss) before income taxes	(1,249,832)	56,639	242,453
Income tax (benefit) expense	(124,991)	13,836	63,039
Net income (loss) from continuing operations	(1,124,841)	42,803	179,414
Income (loss) from discontinued operations, net of tax	(6,387)	124,548	13,777
Net (loss) income	\$ (1,131,228)	\$ 167,351	\$ 193,191
Net (loss) attributable to noncontrolling interest	(314,259)	—	—
Net (loss) income attributable to Forward Air	\$ (816,969)	\$ 167,351	\$ 193,191
Basic net income (loss) per share:			
Continuing operations	\$ (30.40)	\$ 1.64	\$ 6.66
Discontinued operations	(0.23)	4.78	0.51
Net income per basic share	\$ (30.63)	\$ 6.42	\$ 7.17
Diluted net income (loss) per share:			
Continuing operations	\$ (30.40)	\$ 1.64	\$ 6.63
Discontinued operations	(0.23)	4.77	0.51
Net income per diluted share ¹	\$ (30.63)	\$ 6.40	\$ 7.14
Dividends per share:	\$ —	\$ 0.96	\$ 0.96
Net (loss) income	\$ (1,131,228)	\$ 167,351	\$ 193,191
Other comprehensive (loss) income:			
Foreign currency translation adjustments	(2,732)	—	—
Comprehensive (loss) income	(1,133,960)	167,351	193,191
Comprehensive loss attributable to noncontrolling interest	(314,259)	—	—
Comprehensive (loss) income attributable to Forward Air	\$ (819,701)	\$ 167,351	\$ 193,191

¹ Rounding may impact summation of amounts.

The accompanying notes are an integral part of the consolidated financial statements.

Forward Air Corporation
Consolidated Statements of Shareholders' Equity
(In thousands)

	Common Stock		Preferred Stock - Class B Amount		Preferred Stock - Class C Amount		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained (Deficit) Earnings	Non-controlling Interest	Total Shareholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount					
Balance at December 31, 2021	26,969	\$ 270	—	\$ —	—	\$ —	\$ 258,474	\$ —	\$ 334,910	\$ —	\$ 593,654
Net income	—	—	—	—	—	—	—	—	193,191	—	193,191
Stock options exercised	3	—	—	—	—	—	206	—	—	—	206
Common stock issued under employee stock purchase plan	10	—	—	—	—	—	783	—	—	—	783
Share-based compensation expense	—	—	—	—	—	—	11,376	—	—	—	11,376
Payment of dividends to shareholders	—	—	—	—	—	—	17	—	(25,882)	—	(25,865)
Payment of minimum tax withholdings on share-based awards	(31)	—	—	—	—	—	—	—	(3,330)	—	(3,330)
Repurchases and retirement of common stock	(600)	(6)	—	—	—	—	—	—	(62,765)	—	(62,771)
Issuance of share-based awards	111	1	—	—	—	—	(1)	—	—	—	—
Balance at December 31, 2022	26,462	\$ 265	—	\$ —	—	\$ —	\$ 270,855	\$ —	\$ 436,124	\$ —	\$ 707,244
Net income	—	—	—	—	—	—	—	—	167,351	—	167,351
Common stock issued under employee stock purchase plan	11	—	—	—	—	—	800	—	—	—	800
Share-based compensation expense	—	—	—	—	—	—	12,012	—	—	—	12,012
Payment of dividends to shareholders	—	—	—	—	—	—	18	—	(25,013)	—	(24,995)
Payment of minimum tax withholdings on share-based awards	(40)	—	—	—	—	—	—	—	(4,340)	—	(4,340)
Repurchases and retirement of common stock	(883)	(9)	—	—	—	—	—	—	(93,802)	—	(93,811)
Issuance of share-based awards	121	1	—	—	—	—	(1)	—	—	—	—
Balance at December 31, 2023	25,671	\$ 257	—	\$ —	—	\$ —	\$ 283,684	\$ —	\$ 480,320	\$ —	\$ 764,261
Net loss	—	—	—	—	—	—	—	—	(816,969)	(314,259)	(1,131,228)
Foreign currency translation adjustments	—	—	—	—	—	—	—	(2,732)	—	—	(2,732)
Shares issued - acquisition	700	7	4	—	—	—	205,510	—	—	411,611	617,128
Share-based compensation expense	—	—	—	—	—	—	10,188	—	—	—	10,188
Payment of minimum tax withholdings on share-based awards	(43)	—	—	—	—	—	—	—	(1,442)	—	(1,442)
Issuance of share-based awards	170	2	—	—	—	—	(2)	—	—	—	—
Common stock issued under employee stock purchase plan	44	—	—	—	—	—	753	—	—	—	753
Conversion of preferred C series	1,210	12	8	—	—	—	(12)	—	—	—	—
Tax receivable agreement liability and other adjustment	—	—	—	—	—	—	(25)	—	(139)	—	(164)
Series B - Conversions and other	2,009	20	(2)	—	—	—	42,296	—	—	(13,212)	29,104
Balance at December 31, 2024	29,761	\$ 298	10	\$ —	—	\$ —	\$ 542,392	\$ (2,732)	\$ (338,230)	\$ 84,140	\$ 285,868

The accompanying notes are an integral part of the consolidated financial statements.

Forward Air Corporation
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Operating activities:			
Net income (loss) from continuing operations	\$ (1,124,841)	\$ 42,803	\$ 179,414
Adjustments to reconcile net income (loss) of continuing operations to net cash provided by operating activities of continuing operations:			
Depreciation and amortization	143,978	57,405	42,552
Impairment of goodwill	1,028,397	—	—
Change in fair value of earn-out liability	—	—	(294)
Share-based compensation expense	10,188	11,495	10,661
Provision for revenue adjustments	3,635	5,091	6,426
Deferred income tax expense (benefit)	(133,510)	(8,893)	7,686
Other	14,917	(1,180)	(1,279)
Changes in operating assets and liabilities, net of effects from the purchase of acquired companies:			
Accounts receivable	9,546	30,555	(2,588)
Other receivables	9,677	(5,408)	8,097
Other current and noncurrent assets	(15,085)	30,683	(13,280)
Accounts payable and accrued expenses	(15,917)	36,661	12,766
Net cash (used in) provided by operating activities of continuing operations	(69,015)	199,212	250,161
Investing activities:			
Proceeds from sale of property and equipment	5,137	3,741	2,372
Purchases of property and equipment	(37,060)	(30,725)	(39,254)
Purchase of businesses, net of cash acquired	(1,576,219)	(56,703)	(66,105)
Other	(444)	—	—
Net cash used in investing activities of continuing operations	(1,608,586)	(83,687)	(102,987)
Financing activities:			
Repayments of finance lease obligations	(18,425)	(9,500)	(6,108)
Proceeds from credit facility	75,000	70,000	—
Payments on credit facility	(155,000)	(178,500)	(49,000)
Proceeds from long-term debt held in escrow	—	1,790,500	—
Payment of debt issuance costs	(52,471)	—	—
Proceeds from issuance of common stock upon stock option exercises	—	—	206
Payment of earn-out liability	(12,247)	—	(91)
Payments of dividends to shareholders	—	(24,995)	(25,865)
Repurchases and retirement of common stock	—	(93,811)	(62,771)
Proceeds from common stock issued under employee stock purchase plan	753	800	783
Payment of minimum tax withholdings on share-based awards	(1,442)	(4,340)	(3,330)
Contributions from subsidiary held for sale	—	240,572	7,508
Net cash provided by (used in) financing activities of continuing operations	(163,832)	1,790,726	(138,668)
Effect of exchange rate changes on cash	1,013	—	—
Net (decrease) increase in cash, cash equivalents and restricted cash equivalents from continuing operations	(1,840,420)	1,906,251	8,506

Forward Air Corporation
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Cash from discontinued operation:			
Net (used in) cash provided by operating activities of discontinued operations	(6,387)	(17,824)	8,929
Net cash provided by (used in) investing activities of discontinued operations	—	258,525	(1,475)
Net cash used in financing activities of discontinued operations	—	(240,701)	(7,454)
Net (decrease) increase in cash, cash equivalents and restricted cash equivalents	(1,846,807)	1,906,251	8,506
Cash, cash equivalents, and restricted cash equivalents at beginning of period of continuing operations	1,952,073	45,822	37,316
Cash at beginning of period of discontinued operations	—	—	—
Net (decrease) increase in cash, cash equivalents and restricted cash equivalents	(1,846,807)	1,906,251	8,506
Cash, cash equivalents, and restricted cash equivalents at end of period of continuing operations	\$ 105,266	\$ 1,952,073	\$ 45,822
Reconciliation of cash, cash equivalents, and restricted cash equivalents:			
Cash and cash equivalents	\$ 104,903	\$ 121,969	\$ 45,822
Restricted cash equivalents	363	39,604	—
Noncurrent restricted cash equivalents	—	1,790,500	—
Total cash, cash equivalents, and restricted cash equivalents shown in the statement of cash flow:	\$ 105,266	\$ 1,952,073	\$ 45,822
Non-cash activity:			
Equipment acquired under finance leases	\$ 12,404	\$ 25,217	\$ 14,422

The accompanying notes are an integral part of the consolidated financial statements

Forward Air Corporation
Notes To Consolidated Financial Statements
December 31, 2024
(In thousands, except per share data)

1. Operations and Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

Forward Air Corporation and its subsidiaries (the “Company”) is a leading asset-light freight and logistics company. The Company has three reportable segments: Expedited Freight, Omni Logistics (“Omni”) and Intermodal. The Company conducts business in North and South America, Europe, and Asia.

The Expedited Freight segment provides expedited regional, inter-regional and national less-than-truckload (“LTL”) and truckload services. Expedited Freight also offers customers local pick-up and delivery and other services including shipment consolidation and deconsolidation, warehousing, customs brokerage and other handling services.

The Omni Logistics segment provides a full suite of global logistics services. Services include air and ocean freight consolidation and forwarding, custom brokerage, warehousing and distribution, time-definite transportation services and other supply chain solutions.

The Intermodal segment provides first- and last-mile high value intermodal container drayage services both to and from seaports and railheads. Intermodal also offers dedicated contract and container freight station (“CFS”) warehouse and handling services.

The Company’s consolidated financial statements include Forward Air Corporation and its wholly-owned and majority owned domestic and foreign subsidiaries. Opco, a Variable Interest Entity (“VIE”) resulting from the Omni Acquisition, is consolidated into Forward Air Corporation. Intercompany accounts and transactions have been eliminated in consolidation. A noncontrolling interest in a consolidated subsidiary represents the portion of equity (net assets) in a subsidiary, not attributable, directly or indirectly, to the Company. Noncontrolling interests are presented as a separate component of equity in the consolidated balance sheet and the presentation of net loss presents losses attributable to controlling and noncontrolling interests.

In the fourth quarter of 2023, the Company held interests in two wholly-owned subsidiaries of GN Bondco, LLC and GN Loanco, LLC, that were considered VIEs. These VIEs are legal entities in which equity investors do not have sufficient equity at risk for the entity to independently finance its activities, or as a group, the holders of the equity investment at risk lack the power through voting or similar rights to direct the activities of the entity that most significantly impact its economic performance, or do not have the obligation to absorb the expected losses of the entity or the right to receive expected residual returns of the entity. Consolidation of a VIE is required if a reporting entity is the primary beneficiary of the VIE.

Interests in these VIEs are evaluated to determine if the Company is the primary beneficiary. This evaluation gives appropriate consideration to the design of the entity and the variability that the entity was designed to create and pass along, the relative power of each party, and to the Company’s obligation to absorb losses or receive residual returns of the entity. The Company concluded that the VIEs should be consolidated as of December 31, 2023 because the Company had (i) the power to direct the activities that most significantly impact the economic performance of the VIE and (ii) the obligation to absorb losses and the right to receive benefits, which could potentially be significant. On January 25, 2024 (“the Closing”), the Company completed the acquisition of Omni (“the Omni Acquisition”) pursuant to the Agreement and Plan of Merger, dated as of August 10, 2023 (the “Merger Agreement”) and amended by Amendment No. 1, dated as of January 22, 2024 (the “Amended Merger Agreement”). The VIEs were acquired as part of the Omni Acquisition and assumed into the Company’s consolidated subsidiaries as of January 25, 2024.

Forward Air Corporation
Notes to Consolidated Financial Statements (Continued)
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In December 2023, the Board of Directors (the “Board”) of the Company approved a strategy to divest of the Final Mile business (“Final Mile”), and the sale of Final Mile was completed on December 20, 2023. Final Mile provided delivery and installation of heavy bulky appliances such as washing machines, dryers, dishwashers and refrigerators throughout the United States. As a result of the divestiture of the Final Mile business, the results of operations for Final Mile are presented as a discontinued operation in the Consolidated Statements of Comprehensive (Loss) Income for all periods presented. In addition, assets and liabilities were reflected as “assets and liabilities held for sale” in the Consolidated Balance Sheets for the prior period. Unless otherwise noted, amounts, percentages and discussion for all periods reflect the results of operations, financial condition and cash flows from the Company’s continuing operations. Refer to Note 2, *Discontinued Operation and Held for Sale*, for further discussion.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and expenses during the reporting period. Actual results could differ from those estimates.

Foreign Currency

Foreign currency amounts attributable to foreign operations have been translated into United States dollars. Assets and liabilities are translated to United States dollars at period-end exchange rates and income and expense items are translated at average rates of exchange prevailing during the period. Translation adjustments are included in “Accumulated other comprehensive loss” in stockholders’ equity within the Consolidated Balance Sheets and gains and losses, which result from foreign currency transactions, are included in the Consolidated Statements of Comprehensive (Loss) Income.

Cash and Cash Equivalents

Cash as of December 31, 2024 and 2023 of \$103,447 and \$111,969, respectively, consisted of cash on hand and bank deposits. Cash equivalents as of December 31, 2024 and 2023 of \$1,456 and \$10,000, respectively, consisted of money market deposits. The Company considers all investments with an original maturity of three months or less to be cash and cash equivalents.

Restricted Cash and Cash Equivalents

For the year ended December 31, 2024, we held \$363 of restricted cash as collateral for Omni letters of credit. Restricted cash equivalents and noncurrent restricted cash equivalents for the year ended December 31, 2023 totaled \$39,604 which related to the amounts held in escrow in connection with the financing of the acquisition of Omni.

Allowance for Doubtful Accounts and Revenue Adjustments

The Company has a broad range of customers, including freight forwarders, third-party logistics companies, passenger and cargo airlines, steamship lines, and retailers, located across a diverse geography. In circumstances in which the Company is aware of a specific customer’s inability to meet its financial obligations to the Company, the Company records a specific reserve in order to reduce the net recognized accounts receivable to the amount the Company reasonably believes will be collected. For all other customers, the Company recognizes a general reserve based on a percentage of revenue to ensure accounts receivables are properly recorded at the net amount expected to be collected. The Company sets the general reserve based on historical collection experience combined with forecasts about any expected changes to the collection experience. If circumstances change, expected recoverability of amounts due to the Company may change by a material amount. Accounts are written off after all means of collection, including legal action, have been exhausted.

Forward Air Corporation
Notes to Consolidated Financial Statements (Continued)
December 31, 2024
(In thousands, except per share data)

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation and amortization. Depreciation is provided on a straight-line basis over the estimated useful lives of 30 to 40 years for building and improvements, three to ten years for equipment, the lesser of the estimated useful life or the initial lease term for leasehold improvements and five years for computer software. Land is not depreciated and construction in progress is not depreciated until ready for service. Expenditures for maintenance and repairs are charged to expense as incurred.

For internally developed software, all costs incurred during planning and evaluation are expensed. Costs incurred during the application development stage are capitalized and included in property and equipment. Capitalized software also includes software acquired for internal use.

Property and equipment as of December 31, 2024 and 2023 consisted of the following:

	December 31, 2024	December 31, 2023
Land	\$ 26,517	\$ 26,479
Buildings and improvements	95,801	94,277
Equipment	364,412	320,557
Leasehold improvements	68,459	24,386
Computer software	47,456	31,063
Construction in progress	16,398	11,518
Total property and equipment	<u>619,043</u>	<u>508,280</u>
Less accumulated depreciation and amortization	<u>292,855</u>	<u>250,185</u>
Total property and equipment, net	<u>\$ 326,188</u>	<u>\$ 258,095</u>

As of December 31, 2024 and 2023, the net book value of computer software included in property and equipment, net was \$13,876 and \$7,361, respectively. For the years ended December 31, 2024, 2023 and 2022, amortization expense of computer software was \$3,377, \$2,909 and \$2,558, respectively.

Cloud Computing Costs

The Company capitalizes the costs incurred during the implementation stage for cloud computing or hosting arrangements. Costs incurred in the preliminary project stage and post-implementation stage, which includes maintenance and training costs, are expensed as incurred. Capitalized software costs are amortized using the straight-line method over three to five years and are recorded in "Prepaid expenses" and "Other assets" in the Consolidated Balance Sheets.

Goodwill, Intangible Assets and Other Long-Lived Assets

The Company tests goodwill for impairment, at the reporting unit level, annually and when events or circumstances indicate that fair value of a reporting unit may be below its carrying value. A reporting unit is an operating segment or one level below an operating segment, for example, a component. The Company's reporting units are not its reportable segments.

Forward Air Corporation
Notes to Consolidated Financial Statements (Continued)
December 31, 2024
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The annual test of goodwill was performed for each of the reporting units with goodwill balances as of June 30, 2024. As a result of the annual test, a goodwill impairment charge totaling \$1,028,397 was recorded which all relates to the Omni reporting unit. This reporting unit was acquired on January 25, 2024. Primarily due to a decrease in the market value of the Company's common stock during the second quarter of 2024, as a result of many factors including, but not limited to, general market factors, credit rating downgrades, and changes in executive leadership, and the inherent uncertainty associated with the combined enterprise, the Omni reporting unit's fair value was determined to be less than its carrying value. As a result, the Company recorded a non-cash impairment charge of \$1,092,741 during the three and six months ended June 30, 2024. Subsequent retrospective adjustments made during the three months ended September 30, 2024 and December 31, 2024, of \$14,751 additional impairment and \$79,095 reduction, respectively, resulted in \$1,028,397 total goodwill impairment expense for the year ended December 31, 2024. The goodwill impairment expense was recorded in the Impairment of goodwill caption on the Consolidated Statement of Comprehensive (Loss) Income. To complete the Omni goodwill test, we determined the fair value of the reporting unit using the DCF model and a guideline public company approach with 50% of the value determined using the DCF and 50% of the value using the market approach. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors.

Finite-Lived Intangible Assets and Other Long-Lived Assets

The Company reviews its long-lived assets, which include intangible assets subject to amortization, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The evaluation for recoverability is performed at a level where independent cash flows may be attributed to either an asset or asset group. The analysis differs from our goodwill impairment test in that an intangible or other long-lived asset is only deemed to have occurred if the sum of the forecasted undiscounted cash flows related to the assets being evaluated is less than the carrying value of the assets. If the forecasted net cash flows are less than the carrying value, then the assets are written down to estimated value. We did not identify any impairments of definite-lived assets for the year ended December 31, 2024 and 2023. Changes in the estimates of forecasted net cash flows may result in future asset impairments that could be material to our results of operations.

Changes in the carrying amount of goodwill during the years ended December 31, 2024, 2023 and 2022 are summarized as follows:

	Expedited Freight	Omni Logistics	Intermodal	Consolidated
Balance as of December 31, 2022	\$ 121,091	\$ —	\$ 136,896	\$ 257,987
Acquisitions	20,629	—	—	20,629
Acquisition adjustment	—	—	90	90
Balance as of December 31, 2023	\$ 141,720	\$ —	\$ 136,986	\$ 278,706
Acquisition	—	1,272,403	—	1,272,403
Impairment	—	(1,028,397)	—	(1,028,397)
Balance as of December 31, 2024	\$ 141,720	\$ 244,006	\$ 136,986	\$ 522,712

The Company's accumulated goodwill impairment is \$1,054,083 related to impairment charges the Company recorded during 2016 pertaining to its Truckload Services ("TLS") reporting unit of \$25,686, and \$1,028,397 from the Omni transaction. The TLS reporting unit operates within the Expedited Freight reportable segment. As of December 31, 2024, approximately \$336,600 of goodwill is deductible for tax purposes.

Forward Air Corporation
Notes to Consolidated Financial Statements (Continued)
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The Company amortizes certain acquired identifiable intangible assets on a straight-line basis over their estimated useful lives, which range from one year to 20 years. The acquired intangible assets have a weighted-average useful life as follows:

Intangible Assets	Weighted-Average Useful Life
Customer relationships	14 years
Non-compete agreements	4 years
Trade names	5 years

For the years ended December 31, 2024, 2023 and 2022, acquired intangible asset amortization was \$5,873, \$16,039 and \$12,213, respectively. The Company estimates amortization of existing intangible assets will be \$92,412 in 2025, \$90,557 in 2026, \$89,096 in 2027, \$85,199 in 2028, and \$76,732 in 2029.

Changes in the carrying amount of acquired intangible assets during 2024 and 2023 are summarized as follows:

	Gross Carrying Amount			
	Customer Relationships ¹	Non-Compete Agreements	Trade Names	Total
Balance as of December 31, 2022	\$ 218,669	\$ 6,406	\$ 1,500	\$ 226,575
Acquisition	35,200	—	—	35,200
Acquisition adjustment	45	1	—	46
Balance as of December 31, 2023	\$ 253,914	\$ 6,407	\$ 1,500	\$ 261,821
Acquisition	903,800	23,400	23,100	950,300
Balance as of December 31, 2024	\$ 1,157,714	\$ 29,807	\$ 24,600	\$ 1,212,121

	Accumulated Amortization			
	Customer Relationships	Non-Compete Agreements	Trade Names	Total
Balance as of December 31, 2022	\$ 103,604	\$ 5,889	\$ 1,500	\$ 110,993
Amortization expense	15,389	650	—	16,039
Balance as of December 31, 2023	\$ 118,993	\$ 6,539	\$ 1,500	\$ 127,032
Amortization expense	74,926	6,712	4,235	85,873
Balance as of December 31, 2024	\$ 193,919	\$ 13,251	\$ 5,735	\$ 212,905

¹ Carrying value as of December 31, 2024, 2023 and 2022 is inclusive of \$ 16,501 of accumulated impairment.

Forward Air Corporation
Notes to Consolidated Financial Statements (Continued)
December 31, 2024
(In thousands, except per share data)

Accrued Expenses

Accrued expenses as of December 31, 2024 and 2023 consisted of the following:

	December 31, 2024	December 31, 2023
Accrued payroll and related items	\$ 54,313	\$ 15,267
Insurance and claims accruals	23,021	19,566
Payables to Leased Capacity Providers	11,493	10,663
Accrued interest payable	31,009	17,452
Accrued expenses	<u>\$ 119,836</u>	<u>\$ 62,948</u>

Other Current Liabilities

Other current liabilities as of December 31, 2024 and 2023 consisted of the following:

	December 31, 2024	December 31, 2023
Tax liabilities	\$ 5,946	\$ 31,190
Accrued legal and professional fees	11,041	34,721
Deferred revenue	9,899	—
Accrued payables non-trade	18,262	5,816
Other current liabilities	<u>\$ 45,148</u>	<u>\$ 71,727</u>

Self-Insurance Loss Reserves

The Company's licensed motor carrier contracts with independent contractor fleets, owner-operators and other third-party transportation capacity providers for most of the transportation services. The Company's independent contractor fleet owners and owner-operators lease their equipment to the Company ("Leased Capacity Providers") and own, operate and maintain their own tractors and employ their own drivers. Under U.S. Department of Transportation regulations, the Company is liable for bodily injury and property damage caused by the Leased Capacity Providers and employee drivers while they are operating equipment under the Company's various motor carrier authorities. The potential liability associated with any accident can be severe and occurrences are unpredictable.

Forward Air Corporation
Notes to Consolidated Financial Statements (Continued)
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For vehicle liability, the Company retains a portion of the risk. Below is a summary of the Company's risk retention on vehicle liability insurance coverage maintained by the Company through \$10,000 (in thousands):

	Company Risk Retention	Frequency	Layer	Policy Term
Expedited Freight				
LTL business	\$ 5,000	Occurrence/Accident ¹	\$0 to \$5,000	10/1/2024 to 10/1/2025
Truckload business	\$ 5,000	Occurrence/Accident ¹	\$0 to \$5,000	10/1/2024 to 10/1/2025
LTL, Truckload and Intermodal businesses	\$ 5,000	Policy Term Aggregate ²	\$5,000 to \$10,000	10/1/2024 to 10/1/2025
Intermodal	\$ 1,000	Occurrence/Accident ¹	\$0 to \$1,000	10/1/2024 to 10/1/2025

¹ For each and every accident/incident, the Company is responsible for damages and defense up to these amounts, regardless of the number of claims associated with any accident/incident.

² During the Policy Term, the Company is responsible for damages and defense within the stated Layer up to the stated, aggregate amount of Company Risk Retention before insurance will contribute.

Also, from time to time, when brokering freight, the Company may face claims for the "negligent selection" of outside, contracted carriers that are involved in accidents, and the Company maintains third-party liability insurance coverage with a \$100 deductible per occurrence for its brokered services. Additionally, the Company maintains workers' compensation insurance with a self-insured retention of \$500 per occurrence.

The Company provides for the estimated costs of vehicle liability and workers' compensation claims both reported and for claims incurred but not reported. The amount of self-insurance loss reserves and loss adjustment expenses is determined based on an estimation process that uses information obtained from both Company-specific and industry data, as well as general economic information. The most significant assumptions used in the estimation process include determining the trend in loss costs, the expected consistency in the frequency and severity of claims incurred but not yet reported, changes in the timing of the reporting of losses from the loss date to the notification date, and the expected costs to settle unpaid claims. The Company estimates its self-insurance loss exposure by evaluating the merits and circumstances surrounding individual known claims and through actuarial analysis to determine an estimate of probable losses on claims incurred but not reported. The Company accrues for the costs of the uninsured portion of pending claims, based on the nature and severity of individual claims and historical claims development trends. Estimating the number and severity of claims, as well as related judgment or settlement amounts is inherently difficult. Failure to establish sufficient insurance reserves and adequately estimate for future insurance claims may cause unfavorable differences between actual self-insurance costs and the reserve estimates.

As of December 31, 2024 and 2023, the Company recorded self-insurance loss reserves of \$65,112 and \$66,374, respectively, inclusive of reserves in excess of the self-insured retention limit that are expected to be reimbursed from insurance carriers. As of December 31, 2024, \$23,021 was recorded in "Accrued expenses" and \$42,091 was recorded in "Other long-term liabilities" in the Consolidated Balance Sheets. As of December 31, 2023, \$19,566 was recorded in "Accrued expenses" and \$46,808 was recorded in "Other long-term liabilities" in the Consolidated Balance Sheets.

As of December 31, 2024 and 2023, the Company recognized a receivable for insurance proceeds and a corresponding claims payable for vehicle liability and workers' compensation claims in excess of the self-insured retention limit. As of December 31, 2024 and 2023, the company recorded \$19,791 and \$26,712, respectively, in "Other assets" and "Other long-term liabilities" in the Consolidated Balance Sheets.

Revenue Recognition

Revenue is recognized when the Company satisfies the performance obligation by the delivery of a shipment in accordance with contractual agreements, bills of lading and general tariff provisions. The amount of revenue recognized is measured as the consideration the Company expects to receive in exchange for those services pursuant to a contract with a customer. A contract exists once the Company enters into a contractual agreement with a customer. The Company does not recognize revenue in cases where collectability is not probable, and defers recognition until collection is probable or payment is received.

Forward Air Corporation
Notes to Consolidated Financial Statements (Continued)
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(In thousands, except per share data)

The Company generates revenue from the delivery of a shipment and the completion of related services. Revenue for the delivery of a shipment is recorded over time to coincide with when customers simultaneously receive and consume the benefits of the delivery services. Accordingly, revenue billed to a customer for the transportation of freight are recognized over the transit period as the performance obligation to the customer is satisfied. The Company determines the transit period for a shipment based on the pick-up date and the delivery date, which may be estimated if delivery has not occurred as of a reporting period. The determination of the transit period and how much of it has been completed as of a given reporting date may require the Company to make judgments that impact the timing of revenue recognized. For delivery of shipments with a pick-up date in one reporting period and a delivery date in another reporting period, the Company recognizes revenue based on relative transit time in each reporting period. A portion of the total revenue to be billed to the customer after completion of a delivery is recognized in each reporting period based on the percentage of total transit time that has been completed at the end of the applicable reporting period. Upon delivery of a shipment or related service, customers are billed according to the applicable payment terms. Related services are a separate performance obligation and include accessorial charges such as terminal handling, storage, equipment rentals. We also provide certain value-added logistics services, such as customs brokerage, fee-based managed services, and warehousing services. These services may include one or more performance obligations, which are generally satisfied over the service period as we perform our obligations. The service period may be a very short duration, in the case of customs brokerage, or it may be longer in the case of warehousing, managed services, and supply chain consulting and optimization services. Pricing for our services is established in the customer contract and is dependent upon the specific needs of the customer but may be agreed upon at a fixed fee per transaction, labor hour, or service period.

Revenue is classified based on the line of business as the Company believes that best depicts the nature, timing and amount of revenue and cash flows. For all lines of business, the Company records revenue on a gross basis as it is the principal in the transaction as the Company has discretion to determine the amount of consideration. Additionally, the Company has the discretion to select drivers and other vendors for the services provided to customers. These factors, discretion in the amount of consideration and the selection of drivers and other vendors, support revenue recognized on a gross basis.

Leases

The Company accounts for leases under Accounting Standards Codification 842, *Leases*, (“ASC 842”), where lessees are required to record an asset (right-of-use asset or finance lease asset) and a lease liability. ASC 842 allows for two types of leases for recognition purposes: operating leases and finance leases. Operating leases result in the recognition of a single lease expense on a straight-line basis over the lease term, while finance leases result in an accelerated expense. The Company determines if an arrangement contains a lease at inception based on whether or not the Company has the right to control the asset during the contract period. All leases greater than 12 months result in the recognition of a right-of-use asset and liability at the lease commencement date based on the present value of the lease payments over the lease term. The present value of the lease payments is calculated using the applicable weighted-average discount rate. The weighted-average discount rate is based on the discount rate implicit in the lease, or if the implicit rate is not readily determinable from the lease, then the Company estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated based on the contractual lease term and the Company’s applicable borrowing rate.

Business Combinations

Upon the acquisition of a business, the fair value of the assets acquired and liabilities assumed are estimated, which may require judgment regarding the identification of acquired assets and liabilities assumed. Once the acquired assets and assumed liabilities are identified, the fair value of the assets and liabilities are estimated using a variety of approaches that require significant judgments. For intangible assets, significant judgments include, but are not limited to, future cash flows, selection of discount rates, determination of terminal growth rates, and estimated useful life and pattern of use of the underlying intangible assets. For tangible assets, significant judgements include, but are not limited to, current market values, physical and functional obsolescence of the assets, and remaining useful lives. Consideration is paid in the form of cash, and at times equity, and paid upon closing while contingent consideration is paid upon the satisfaction of a future obligation. If contingent consideration is included as a component of the consideration, the Company values the consideration as of the acquisition date.

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Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Refer to Note 7, *Income Taxes*, for further discussion.

Net Income (Loss) Per Common Share

Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding during each period. Restricted shares have non-forfeitable rights to dividends and as a result, are considered participating securities for purposes of computing net income (loss) per common share pursuant to the two-class method. Diluted net income (loss) per common share assumes the exercise of outstanding stock options and the vesting of performance share awards using the treasury stock method when the effects of such assumptions are dilutive.

A reconciliation of net income attributable to Forward Air and weighted-average common shares outstanding for purposes of calculating basic and diluted net income (loss) per share during the years ended December 31, 2024, 2023 and 2022 is as follows:

	2024	2023	2022
Numerator:			
Net income (loss)	\$ (1,131,228)	\$ 167,351	\$ 193,191
Less, net income (loss) from discontinued operations	(6,387)	124,548	13,777
Less, net loss attributable to noncontrolling interest	(314,259)	—	—
Adjustments to net (loss) attributable to the Company	26,552	—	—
Net (loss) income attributable to common shareholders	<u>\$ (837,134)</u>	<u>\$ 42,803</u>	<u>\$ 179,414</u>
Income allocated to participating securities from continuing operations	—	(220)	(993)
Income allocated to participating securities from discontinued operations	—	(639)	(77)
Income allocated to participating securities	—	(859)	(1,070)
Numerator for basic and diluted net (loss) income per share for continuing operations	<u>\$ (837,134)</u>	<u>\$ 42,583</u>	<u>\$ 178,421</u>
Numerator for basic and diluted net (loss) income per share for discontinued operations	<u>\$ (6,387)</u>	<u>\$ 123,909</u>	<u>\$ 13,700</u>
Denominator:			
Denominator for basic net income per share - weighted-average number of common shares outstanding	27,540	25,913	26,783
Dilutive effect of stock awards	—	90	143
Denominator for diluted net income per share - weighted-average number of common shares and common share equivalents outstanding	<u>27,540</u>	<u>26,003</u>	<u>26,926</u>
Basic net income (loss) per share:			
Continuing operations	\$ (30.40)	\$ 1.64	\$ 6.66
Discontinued operations	(0.23)	4.78	0.51
Net income per basic share	<u>\$ (30.63)</u>	<u>\$ 6.42</u>	<u>\$ 7.17</u>
Diluted net income (loss) per share:			
Continuing operations	\$ (30.40)	\$ 1.64	\$ 6.63
Discontinued operations	(0.23)	4.77	0.51
Net income per diluted share ¹	<u>\$ (30.63)</u>	<u>\$ 6.40</u>	<u>\$ 7.14</u>

¹ Rounding may impact summation of amounts.

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The number of shares that were not included in the calculation of net income (loss) per diluted share because to do so would have been anti-dilutive for the years ended December 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Anti-dilutive stock options	280	112	57
Anti-dilutive performance shares	5	18	13
Anti-dilutive restricted shares and deferred stock units	154	67	2
Total anti-dilutive shares	<u>439</u>	<u>197</u>	<u>72</u>

Share-Based Compensation

The Company grants awards under the stock incentive plans to certain employees of the Company. The awards include stock options, restricted shares and performance shares. The fair value of the stock options is estimated on the grant date using the Black-Scholes option pricing model, and share-based compensation expense is recognized on a straight-line basis over the three-year vesting period. The fair value of the restricted shares is the quoted market value of the Company's common stock on the grant date, and the share-based compensation expense is recognized on a straight-line basis over the vesting period. For certain performance shares, the fair value is the quoted market value of the Company's common stock on the grant date less the present value of the expected dividends not received during the relevant period. For these performance shares, the share-based compensation expense is recognized on a straight-line basis over the vesting period based on the projected assessment of the level of performance that will be achieved. The fair value of other performance shares that have a financial target of the Company's total shareholder return as compared to the total shareholder return of a selected peer group, is estimated on the grant date using a Monte Carlo simulation model. The share-based compensation expense is recognized on a straight-line basis over the vesting period. All share-based compensation expense is recognized in salaries, wages and employee benefits in the Consolidated Statements of Comprehensive Income. Refer to Note 6, *Stock Incentive Plan*, for further discussion.

New Accounting Standards Adopted

In November 2023, the FASB issued Accounting Standard Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which expands reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses regularly provided to the chief operating decision maker. The guidance in this ASU is effective for all public entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company adopted this guidance for the year ended December 31, 2024.

Recently Issued Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The guidance in this ASU expands the disclosure requirements for income taxes by requiring greater disaggregation of information in the income tax rate reconciliation and disaggregation of income taxes paid by jurisdiction. The guidance in this ASU is effective for all public entities for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the effects adoption of this guidance will have on our consolidated financial statements.

2. Discontinued Operations and Held for Sale

Sale of Final Mile

On December 20, 2023, the Company completed the sale of the Final Mile business for estimated total cash consideration of \$60,916. The results of operations of Final Mile, have been presented under the caption "Income (loss) from discontinued operations, net of tax" in the Consolidated Statements of Comprehensive Income for the years ended December 31, 2024, 2023 and 2022. A final net working capital settlement of \$6,387 was the only activity during the year ended December 31, 2024.

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A summary of the results of operations classified as a discontinued operations, net of tax, in the Consolidated Statements of Comprehensive Income for the years ended December 31, 2023 and 2022 is as follows:

	Year Ended	
	December 31, 2023	December 31, 2022
Operating revenue	\$ 273,873	\$ 293,769
Operating expenses:		
Purchased transportation	158,233	176,137
Salaries, wages and employee benefits	51,304	45,211
Operating leases	12,325	11,804
Depreciation and amortization	5,212	4,834
Insurance and claims	2,586	2,281
Fuel expense	305	627
Other operating expenses	36,842	34,490
Total operating expenses	266,807	275,384
Income from discontinued operations	7,066	18,385
Gain (loss) on sale of business	155,829	—
Income from discontinued operations before income taxes	162,895	18,385
Income tax expense	38,347	4,608
Income (loss) from discontinued operations, net of tax	\$ 124,548	\$ 13,777

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3. Acquisitions

Acquisition of Omni

On January 25, 2024, (the "Closing") the Company completed the acquisition of Omni Newco, LLC (the "Omni Acquisition") pursuant to the Agreement and Plan of Merger, dated as of August 10, 2023 (the "Merger Agreement", and amended by Amendment No. 1, dated as of January 22, 2024, the "Amended Merger Agreement"). Omni, headquartered in Dallas, Texas, is an asset-light, high-touch logistics and supply chain management company with customer relationships in high-growth end markets. Omni delivers domestic and international freight forwarding, fulfillment services, customs brokerage, distribution, and value-added services for time-sensitive freight to U.S.-based customers operating both domestically and internationally. Pursuant to the Amended Merger Agreement, through a series of transactions involving the Company's direct and indirect subsidiaries (collectively, with the other transactions contemplated by the Amended Merger Agreement and the other Transaction Agreements referred to therein, the "Transactions"), acquired Omni for a combination of (a) \$100,499 in cash (which includes pre-acquisition Omni costs of approximately \$80 million) and (b) 14,015 shares of the Company's outstanding common stock, on an as-converted and as-exchanged basis (the "Equity Consideration") consisting of: (i) 1,910 shares of common stock (of which 1,210 were issued upon conversion of the Series C Preferred Units upon approval of the Company's shareholders at the 2024 Annual Shareholders Meeting held on June 3, 2024 (the "Conversion Approval")) and (ii) 12,105 Opco Class B Units (as defined below) and corresponding Series B Preferred Units (as defined below), which are exchangeable into shares of Common Stock (of which 7,670 units were issued upon conversion of the units of Opco (defined below) designated as "Opco Series C-2 Preferred Units" upon the Conversion Approval. The Equity Consideration represents, as of December 31, 2024, 34% of the Company's outstanding common stock on a fully-diluted and as-exchanged basis. Please refer to sections hereinafter in relation to Series B, Series C, and Series C-2.

Prior to the consummation of the Transactions, the Company completed a restructuring, pursuant to which, among other things, the Company contributed all of its operating assets to Clue Opco LLC, a newly formed subsidiary of the Company ("Opco"). Opco has been structured as an umbrella partnership C corporation through which the existing direct and certain indirect equity holders of Omni ("Omni Holders") hold a portion of the Equity Consideration in the form of units of Opco designated as "Class B Units" ("Opco Class B Units") and corresponding Series B Preferred Units. Effective as of the Closing, the Company operates its business through Opco, which indirectly holds all of the assets and operations of the Company and Omni. Opco is governed by an amended and restated limited liability company agreement of Opco that became effective at the Closing ("Opco LLCA").

At the Closing, the Company, Opco, Omni Holders and certain other parties entered into a tax receivable agreement (the "Tax Receivable Agreement"), which sets forth the agreement among the parties regarding the sharing of certain tax benefits realized by the Company as a result of the Transactions. Pursuant to the Tax Receivable Agreement, the Company is generally obligated to pay certain Omni Holders 83.5% of (a) the total tax benefit that the Company realizes as a result of increases in tax basis in Opco's assets resulting from certain actual or deemed distributions and the future exchange of units of Opco for shares of securities of the Company (or cash) pursuant to the Opco LLCA, (b) certain pre-existing tax attributes of certain Omni Holders that are corporate entities for tax purposes, (c) the tax benefits that the Company realizes from certain tax allocations that correspond to items of income or gain required to be recognized by certain Omni Holders, and (d) other tax benefits attributable to payments under the Tax Receivable Agreement.

The Omni Acquisition enables the Company to provide a differentiated service offering and expanded geographic footprint to customers. In addition, the combination of these complementary businesses positions the Company to deliver integrated global supply chain solutions for customers' most service-sensitive logistics needs. Goodwill recognized related to the purchase represents planned operational synergies, expanded geographic reach of our services, and strategic market positioning. The results of Omni have been included in the Consolidated Financial Statements as of and from the date of acquisition. The associated goodwill has been included in the Omni reportable segment and is not expected to be deductible for tax purposes.

Details of consideration paid are included in the Purchase Price Allocation table within this footnote. Details of debt related items for the transaction are included in the debt footnote.

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Series B Preferred Stock

Pursuant to Articles of Amendment to the Restated Charter of the Company filed with the Secretary of State of the State of Tennessee at the Closing (the “Charter Amendment”), the Company established the terms of a new series of preferred stock of the Company designated as “Series B Preferred Stock” (the “Series B Preferred Stock”), and, at the Closing, certain Omni Holders received fractional units (the “Series B Preferred Units”) each representing one one-thousandth of a share of the Company Series B Preferred Stock. Each Series B Preferred Unit will, together with a corresponding Opco Class B Unit, be exchangeable at the option of the holder thereof into one share of the Company’s common stock.

Series C Preferred Stock

Pursuant to the Charter Amendment, the Company established the terms of a new series of convertible preferred stock of the Company designated as “Series C Preferred Stock” (the “Series C Preferred Stock”), and, at Closing, certain Omni Holders received fractional units (each, a “Series C Preferred Unit”) each representing one one-thousandth of a share of Series C Preferred Stock. The liquidation preference of Series C Preferred Unit is equal to \$110.00 per unit, subject to adjustment for any in-kind payment of the Annual Coupon as described below (the “Liquidation Preference”). In addition, the Series C Preferred Units accrue on each anniversary of issuance a cumulative annual dividend (without any interim accrual) equal to the product of (a) a rate to be fixed at Closing (which equals the rate per annum equal to a spread of 3.50% above the yield payable on the most junior tranche of debt issued in connection with the Transactions, rounded to the nearest 0.25%) multiplied by (b) the Liquidation Preference (the “Annual Coupon”). The Annual Coupon will be paid, at the Company’s option, in cash or in-kind by automatically increasing the Liquidation Preference in an equal amount. Series C-2 units carried consistent economic terms as Series C. All shares were converted in June of 2024.

Due Diligence, Transaction and Integration Costs

For the year ended December 31, 2024 and 2023, the Company recorded \$1,467 and \$57,490, respectively, of due diligence, transaction and integration costs incurred in connection with the acquisition of Omni. These costs were recorded in “Other operating expenses” in the Consolidated Statements of Comprehensive Income.

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Business Combination Accounting - Omni Logistics

We accounted for the Omni purchase using the acquisition method of accounting under U.S. generally accepted accounting principles. Assets acquired and liabilities assumed as of the acquisition date are presented in the following table:

	January 26, 2024 Opening Balance Sheet as Reported at March 31, 2024	Adjustments	January 26, 2024 Opening Balance Sheet as Reported at December 31, 2024
Consideration Transferred			
Cash consideration paid	\$ 100,499	\$ —	\$ 100,499
Liabilities under tax receivable agreement	13,270	—	13,270
Common shares	32,795	(1,967)	30,828
Series B preferred shares	207,880	(12,473)	195,407
Series C preferred shares	56,713	(3,403)	53,310
Opco C-2 preferred units	359,493	(21,570)	337,923
Extinguishment of Omni's indebtedness	1,543,003	—	1,543,003
Total purchase price (fair value of consideration)	2,313,653	(39,413)	2,274,240
Fair Value of Assets Acquired and Liabilities Assumed			
Cash and cash equivalents acquired	78,260	(10,977)	67,283
Accounts receivable	181,570	10,441	192,011
Property and equipment	75,292	14,082	89,374
Other assets	35,639	(3,084)	32,555
Operating lease right-of-use assets	234,025	13,665	247,690
Customer relationships	1,062,729	(158,929)	903,800
Non-compete agreements	42,509	(19,109)	23,400
Trademarks and other	42,510	(19,410)	23,100
Total assets acquired	1,752,534	(173,321)	1,579,213
Current liabilities	156,408	(368)	156,040
Finance lease obligations	14,606	2,977	17,583
Operating lease liabilities	234,025	13,844	247,869
Other liabilities	643	(559)	84
Deferred income taxes	133,673	22,127	155,800
Total liabilities assumed	539,355	38,021	577,376
Goodwill	\$ 1,100,474	\$ 171,929	\$ 1,272,403

The estimated useful life of Omni acquired intangible assets as of the acquisition date are summarized in the following table:

	Years
Customer relationships	14 years
Non-compete agreements	4 years
Trademarks and other	5 years

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Supplemental Pro Forma Information

The following table represents the pro forma financial information as if Omni had been included in the consolidated results of the Company since January 1, 2023 (unaudited and in thousands):

	Year Ended	
	December 31, 2024	December 31, 2023
Pro forma revenue	\$ 2,556,262	\$ 2,659,431
Pro forma net loss from continuing operations	(1,190,392)	(159,425)

The pro forma financial information adjusts the net loss for amortization of the intangible assets and the fair value adjustments of the assets acquired in connection with the Omni Acquisition as if the Closing had occurred on January 1, 2023. The one year acquisition measurement period closed on the anniversary of the transaction.

Acquisition of Land Air Express

In January 2023, the Company acquired certain assets of Land Air Express, Inc. ("Land Air") for \$56,567. Land Air, headquartered in Bowling Green, Kentucky, offers a variety of less-than-truckload services including guaranteed, standard, exclusive, same day, hot shot and pickup and delivery, and operates in over 25 terminals across the United States. The acquisition of Land Air is expected to accelerate the expansion of the Company's national terminal footprint, particularly in the middle part of the United States, and strategically position the Company to better meet the current and future needs of customers. The acquisition was funded using cash flow from operations and proceeds from the Company's credit facility. The results of Land Air have been included in the Company's Consolidated Financial Statements as of and from the date of acquisition. The associated goodwill has been included in the Company's Expedited Freight reportable segment.

	Land Air January 31, 2023
Tangible assets:	
Property and equipment	\$ 73
Total tangible assets	73
Intangible assets:	
Customer relationships ¹	35,20
Goodwill	20,62
Total intangible assets	55,82
Total assets acquired	56,56
Net assets acquired ²	\$ 56,56

¹ Estimated useful life of 15 years

² No liabilities were assumed in relation to the Land Air transaction.

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4. Indebtedness

Long-term debt consisted of the following as of December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Term Loan, expiring 2030 ¹	\$ 1,045,000	\$ —
Senior Secured Notes, maturing 2031 ¹	725,000	—
Debt issuance discount	(54,067)	—
Debt issuance costs	(40,003)	—
Total long-term debt	\$ 1,675,930	\$ —

¹ On December 31, 2023 the debt instruments and related proceeds were consolidated but were restricted under an escrow agreement contingent upon the Closing of the Omni Acquisition.

Senior Secured Notes

In order to finance a portion of the cash consideration payable for the Omni Acquisition and the costs and expenses incurred in connection therewith, GN Bondco, LLC, a Delaware limited liability company and wholly owned subsidiary of Omni (the “Escrow Issuer” and consolidated VIE) launched a private offering of \$725,000 aggregate principal amount of its 9.5% senior secured notes due 2031 (the “Notes”), in a transaction exempt from registration under the Securities Act. Upon the closing of the Omni Acquisition, Opco assumed the Escrow Issuer’s obligations under the Notes. The Notes bear interest at a rate of 9.5% per annum, payable semiannually in cash in arrears on April 15 and October 15 of each year, commencing April 15, 2024. The Notes were issued at 98.0% of the face amount and will mature on October 15, 2031. The Notes were issued pursuant to an indenture, dated as of October 2, 2023, between the Escrow Issuer and U.S. Bank Trust Company, National Association, as trustee and notes collateral agent.

The Notes are guaranteed on a senior secured basis in an aggregate principal amount in excess of \$100,000. Prior to October 15, 2026, Opco may redeem some or all of the Notes at any time and from time to time at a redemption price equal to 100.000% of the principal amount thereof plus the applicable “make-whole” premium, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. On or after October 15, 2026, Opco may redeem some or all of the Notes at the following prices (expressed as a percentage of principal), plus in each case accrued and unpaid interest, if any, to, but excluding, the redemption date: (a) in the case of a redemption occurring during the 12-month period commencing October 15, 2026, at a redemption price of 104.750%; (b) in the case of a redemption occurring during the 12-month period commencing on October 15, 2027, at a redemption price of 102.375%; and (c) in the case of a redemption occurring on or after October 15, 2028, at a redemption price of 100.000%. In addition, at any time prior to October 15, 2026, Opco may redeem up to 40.000% of the original aggregate principal amount of the Notes in an amount not to exceed the amount of net cash proceeds from one or more equity offerings at a redemption price equal to 109.5% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. Upon the occurrence of a “change of control”, Opco will be required to offer to repurchase all of the outstanding principal amount of the Notes at a purchase price of 101.000% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase.

Senior Secured Term Loan Facility

In order to finance a portion of the cash consideration payable for the Omni Acquisition and the costs and expenses incurred in connection therewith, GN Loanco, LLC, a Delaware limited liability company and wholly owned subsidiary of Omni (the “Escrow Loan Borrower”), entered into a credit agreement (the “Credit Agreement”) with Citibank, N.A., as administrative agent and collateral agent and as initial term loan lender. Pursuant to the Credit Agreement, the Escrow Loan Borrower obtained senior secured term B loans in an aggregate principal amount of \$1,125,000 (the “New Term Loans”) and the ability to draw down up to \$400,000 under the Revolving Credit Facility. No borrowings under the Revolving Credit Facility were made in connection with the Omni Acquisition. The New Term Loans bear interest based, at Opco’s election, on (a) SOFR plus an applicable margin or (b) the base rate plus an applicable margin. The base rate is equal the highest of the following: (i) the prime rate; (ii) 0.50% above the overnight federal funds rate; and (iii) the one-month SOFR plus 1.00%. The applicable margin for SOFR loans is 4.50% and the applicable margin for base rate loans is 3.50%. The New Term Loans are subject to customary amortization of 1.00% per year. The New Term Loans were issued at 96.0% of the face amount and will mature on December 19, 2030.

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The Revolving Credit Facility will mature on January 25, 2029. Loans made under the Revolving Credit Facility bear interest based, at Opco's election, on (a) SOFR plus an applicable margin or (b) the base rate plus an applicable margin. Until delivery of a compliance certificate in respect of the fiscal quarter ending June 30, 2024, the applicable margin for SOFR loans was 4.25% and the applicable margin for base rate loans is 3.25%. Thereafter, the applicable margin can range from 3.75% to 4.25% for SOFR loans and from 2.75% to 3.25% for base rate loans, in each case depending on Opco's first lien net leverage ratio, as set forth in the Credit Agreement. Upon the closing of the Omni Acquisition, Opco assumed the Escrow Loan Borrower's obligations under the Credit Agreement, which were further secured by certain guarantors. Opco's obligations under the Credit Agreement are guaranteed on a senior secured basis by the Company and each of Opco's existing and future domestic subsidiaries (subject to customary exceptions).

As of December 31, 2023, the Company consolidated the activities of GN Bondco, LLC (VIE) and GN Loanco, LLC (VIE) with the proceeds from the Notes and New Term Loan recorded in "Noncurrent restricted cash equivalents" and the corresponding long-term debt recorded in "Long-term debt held in escrow" on the Consolidated Balance Sheets. Pursuant to the Merger Agreement, the Company deposited the appropriate funds into escrow on behalf of GN Bondco, LLC and GN Loanco, LLC in connection with the interest accrued through the Closing Date. For the interest funded but unpaid as of December 31, 2023, the corresponding amounts were recorded in "Restricted cash equivalents" and "Accrued expenses" on the Consolidated Balance Sheets. Additionally, while held in escrow, the proceeds from the Notes and New Term Loan were invested in a liquid, short-term instrument. The receivable for the interest earned through December 31, 2023 was recorded in "Restricted cash equivalents" and "Other receivables" on the Consolidated Balance Sheets.

On January 25, 2024, the date of the Omni Acquisition, both GN Bondco, LLC and GN Loanco, LLC ceased operations and their debt and related funds were transferred to Opco, a consolidated subsidiary of the Company.

On February 12, 2024, Opco and the parties to the Credit Agreement entered into Amendment No. 2 ("Amendment No. 2") to the Credit Agreement, which (a) modifies the financial performance covenant in the Credit Agreement by temporarily increasing the 4.50:1.00 maximum consolidated first lien net leverage ratio permitted by the covenant to (i) 6.00:1.00 (for the second and third quarters of 2024), (ii) 5.50:1.00 (for the fourth quarter of 2024), (iii) 5.25:1.00 (for the first quarter of 2025), (iv) 5.00:1.00 (for the second quarter of 2025) and (v) 4.75:1.00 (for the third quarter of 2025) and (b) reduces the revolving credit commitments available under the Credit Agreement from an aggregate principal amount of \$400,000 to an aggregate principal amount of \$340,000. Amendment No. 2 also amends certain other terms of the Credit Agreement in connection with the foregoing. Prior to the effectiveness of Amendment No. 2 on February 12, 2024, Opco repaid \$80,000 aggregate principal amount of the New Term Loans outstanding under the Credit Agreement, together with all accrued and unpaid interest thereon.

On December 30, 2024, Opco and the parties to the Credit Agreement entered into Amendment No. 3 ("Amendment No. 3") to the Credit Agreement, which (a) modifies the financial performance covenant in the Credit Agreement by temporarily increasing the 5.50:1.00 maximum consolidated first lien net leverage ratio permitted by the covenant to (i) 6.75:1.00 (for the first, second and third quarters of 2025), (ii) 6.50:1.00 (for the fourth quarter of 2025), (iii) 6.25:1.00 (for the first quarter of 2026), (iv) 6.00:1.00 (for the second quarter of 2026), (v) 5.75:1.00 (for the third quarter of 2026), (vi) 5.50:1.00 (for the third quarter of 2026 and thereafter) and (b) reduces the revolving credit commitments available under the Credit Agreement from an aggregate principal amount of \$340,000 to an aggregate principal amount of \$300,000. Amendment No. 3 also amends certain other terms of the Credit Agreement in connection with the foregoing.

Both the Notes and Revolving Credit Facility contain covenants that, among other things, restrict the ability of the Company, without the approval of the required lenders, to engage in certain mergers, consolidations, asset sales, dividends and stock repurchases, investments, and other transactions or to incur liens or indebtedness in excess of agreed thresholds, as set forth in the credit agreement. The Revolving Credit Facility's terms also include a financial covenant which requires the Company to maintain a specific leverage ratio. As of December 31, 2024, the Company was in compliance with all aforementioned covenants.

As of December 31, 2024 the Company had no outstanding borrowings under the Facility. No borrowings were made under the Facility prior to the extinguishment upon the Closing.

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Former Credit Facility

In September 2017, the Company entered into a five-year senior unsecured revolving credit facility (the “Facility”) with a maximum aggregate principal amount of \$150,000, with a sublimit of \$30,000 for letters of credit and a sublimit of \$30,000 for swing line loans. The maturity date of the Facility was September 29, 2022. In April 2020, the Company entered into the first amendment to the Facility, which increased the maximum aggregate principal amount to \$225,000. The Facility could have been increased by up to \$25,000 to a maximum aggregate principal amount of \$250,000 pursuant to the terms of the amended credit agreement, subject to the lenders’ agreement to increase their commitments or the addition of new lenders extending such commitments. In July 2021, the Company entered into the second amendment to the Facility, which extended the maturity date to July 20, 2026 and changed the interest rate options available under the Facility. In December 2021, the Company entered into the third amendment to the Facility, which increased the amount available for borrowing under the Facility to \$450,000, consisting of a \$300,000 revolving line of credit and a term loan of \$150,000. In connection with the third amendment, the Company borrowed \$150,000 under the term loan and simultaneously repaid \$150,000 on the revolving line of credit from the borrowings received. Under the third amendment, the Facility could have been increased by up to \$75,000 to a maximum aggregate principal amount of \$525,000 pursuant to the terms of the amended credit agreement, subject to the lenders’ agreement to increase their commitments or the addition of new lenders extending such commitments. Such increases to the Facility could have been in the form of additional revolving credit loans, term loans or a combination thereof, and were contingent upon there being no events of default under the Facility.

Letters of Credit

The Company has an arrangement under the Facility to issue letters of credit, which guarantee the Company’s obligations for potential claims exposure for insurance coverage. As of December 31, 2024 and December 31, 2023, outstanding letters of credit totaled \$23,474 and \$19,834, respectively. Under the Revolving Credit Facility, the outstanding letter of credit totaled \$23,111 as of December 31, 2024.

Interest Payments

Cash payments for interest were \$163,999, \$11,923 and \$5,355 for the years ended December 31, 2024, 2023 and 2022 respectively. No interest was capitalized during the year ended December 31, 2024, 2023 and 2022.

Interest Income

In connection with the Omni acquisition, funds held in escrow earned interest prior to their release. Interest income for the year ended totaled \$,152.

5. Shareholders’ Equity

Preferred Stock

There are 5,000 shares of preferred stock with a par value of \$0.01 authorized, but no shares have been issued to date.

Cash Dividends

During the year ended December 31, 2024, no dividends were declared or paid during the year. For each quarter of 2023, the Board declared and the Company paid quarterly cash dividends of \$0.24 per common share.

Share Repurchase Program

On February 5, 2019, the Board approved a stock repurchase plan authorizing the repurchase of up to 5,000 shares of the Company’s common stock (the “2019 Repurchase Plan”). The 2019 Repurchase Plan expires when the shares authorized for repurchase are exhausted or the 2019 Repurchase Plan is canceled.

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During the year ended December 31, 2024, the Company did not repurchase any shares. During the year ended December 31, 2023, the Company repurchased through open market transactions 883 shares of common stock for \$93,811, or an average of \$106.21 per share. All shares received were retired upon receipt, and the excess of the purchase price over the par value per share was recorded to "Retained Earnings" in the Consolidated Balance Sheets.

As of December 31, 2024, the remaining shares permitted to be repurchased under the 2019 Repurchase Plan were approximately 1,349 shares.

6. Stock Incentive Plan

Stock Incentive Plan

The Company recorded share-based compensation expense as follows for the years ended December 31, 2024, 2023 and 2022:

	Year Ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Salaries, wages and employee benefits - continuing operations	\$ 9,120	\$ 10,090	\$ 9,196
Salaries, wages and employee benefits - discontinued operation	—	504	706
Total share-based compensation expense	<u>\$ 9,120</u>	<u>\$ 10,594</u>	<u>\$ 9,902</u>

In May 2016, the Company adopted the 2016 Omnibus Incentive Compensation Plan (the "Omnibus Plan") for the issuance of up to 3,370 common shares. As of December 31, 2024, approximately 1,280 shares remain available for grant under the Omnibus Plan.

Stock Options

Certain executives are eligible to receive grants of stock options. Employees may exercise the stock options at anytime after the grant is vested but no later than seven years after the date of grant. Stock options vest over a three-year period from the date of grant. For stock option awards, under the Omnibus Plan, the exercise price is equal to the price of the Company's common stock on the date of grant. Share-based compensation expense associated with these awards is amortized ratably over the vesting period. The Company estimated the fair value of the grants using the Black-Scholes option-pricing model.

The weighted average grant-date fair value of the stock option awards granted under the Omnibus Plan and the weighted average assumptions under the Black-Scholes option-pricing model were as follows for the years ended December 31, 2024, 2023 and 2022.

	December 31, 2024	December 31, 2023	December 31, 2022
Weighted average grant-date fair value	\$ —	\$ 39.75	\$ 28.91
Weighted average assumptions under Black-Scholes option model:			
Expected dividend yield	— %	0.8 %	0.9 %
Expected stock price volatility	— %	32.5 %	28.7 %
Risk-free interest rate	— %	3.8 %	1.9 %
Expected life of awards (years)	0	5.6	5.6

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Stock option transactions during the year ended December 31, 2024 on a continuing operations basis were as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding as of January 1	\$ 370	\$ 76.83
Granted	—	—
Exercised	—	—
Forfeited or Canceled	(90)	76.06
Outstanding as of December 31	<u>\$ 280</u>	<u>\$ 77.08</u>

As of December 31, 2024, the weighted average remaining contractual life of stock options outstanding was approximately two years and exercisable was approximately two years. The total fair value of stock options vested during 2024, 2023, 2022 was \$0, \$0, and \$855, respectively. As of December 31, 2024, the total share-based compensation expense related to unvested stock options not yet recognized was \$161, and the weighted average period over which it is expected to be recognized is approximately one year.

The following table sets forth the exercise price range, number of shares, weighted average exercise price and remaining contractual lives by groups of similar price on a continuing operations basis as of December 31, 2024:

Range of Exercise Prices	Stock Options Outstanding			Stock Options Exercisable	
	Number of Shares	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Exercisable as of December 31, 2024	Weighted Average Exercise Price
\$ 58.40 - \$ 59.89	33	0.1	\$ 58.54	33	\$ 58.54
\$ 64.26 - \$ 75.05	175	1.5	67.02	175	67.02
100.93 - 115.42	72	4.5	109.75	61	109.43
	<u>280</u>		\$ 77.08	<u>269</u>	\$ 75.68

As of December 31, 2024, the total intrinsic value of both outstanding and exercisable stock options was \$0. The total intrinsic value of stock options exercised during 2024, 2023 and 2022 was \$0, \$0 and \$142, respectively.

Restricted Shares

The Company's primary long-term incentive plan is a restricted share award plan that entitles employees to receive a share of the Company's common stock subject to vesting requirements based on continued employment. Shares granted under the restricted share award plan are restricted from sale or transfer until vesting, and the restrictions lapse in three equal installments beginning one year after the date of grant. As of December 31, 2024, there were no dividends paid on a current basis throughout the vesting period. Share-based compensation expense associated with these awards is amortized ratably over the requisite service period. All forfeitures are recognized as incurred.

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Restricted share transactions on a continuing operations basis for the year ended December 31, 2024 were as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding as of January 1	133	\$ 104.87
Granted	481	30.66
Vested	(115)	71.15
Forfeited	(117)	48.70
Outstanding as of December 31	<u>382</u>	<u>\$ 38.78</u>

The weighted average grant-date fair value of the restricted shares granted under the Omnibus Plan during the years ended December 31, 2024, 2023 and 2022 were \$30.66, \$114.46 and \$105.52, respectively. The total fair value of restricted shares that vested during 2024, 2023 and 2022 was \$4,088, \$7,833, and \$9,246, respectively. As of December 31, 2024, the total share-based compensation expense related to restricted shares not yet recognized was \$9,243, and the weighted average period over which it is expected to be recognized is approximately two years.

Performance Shares

Certain executives and key employees are eligible to receive grants of performance awards. The performance share agreement provides for awards based on achieving certain financial targets, such as targets for earnings before interest, taxes, depreciation and amortization, and the Company's total shareholder return as compared to the total shareholder return of a selected peer group, as determined by the Board. Performance targets are set at the beginning of each three-year measurement period. The share awards are earned over the vesting period, and the number of shares earned is determined based on the cumulative results for the measurement period. The performance agreement provides for employees to earn 0% to 200% of the target awards depending on the actual performance achieved, with no shares earned if performance is below the established minimum target. Performance shares do not receive dividends until the shares are vested. Awards earned are paid in shares of common stock of the Company at the end of the vesting period. Share-based compensation expense associated with these awards is amortized ratably over the vesting period. Depending on the financial target, share-based compensation expense is determined based on the projected assessment of the level of performance that will be achieved. All forfeitures are recognized as incurred.

The grant-date fair value of performance shares granted with a financial target based on the Company's total shareholder return was estimated using a Monte Carlo simulation model. The weighted average grant-date fair value of performance awards granted under the Omnibus Plan and the weighted average assumptions under the Monte Carlo simulation model were as follows for the years ended December 31, 2024, 2023 and 2022:

	Year Ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Weighted average grant-date fair value	\$ 11.87	\$ 120.27	\$ 127.29
Weighted average assumptions under the Monte Carlo simulation model:			
Expected stock price volatility	42.8 %	37.8 %	35.5 %
Weighted average risk-free interest rate	4.7 %	4.2 %	1.6 %

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Notes to Consolidated Financial Statements (Continued)
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Performance award transactions for the year ended December 31, 2024 on a continuing operations basis were as follows assuming target levels of performance:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding as of January 1	61	\$ 105.88
Granted	416	11.87
Additional shares awarded based on actual performance level achieved	14	92.89
Earned	(39)	88.01
Forfeited or unearned	(113)	33.34
Outstanding as of December 31	<u>339</u>	<u>\$ 15.88</u>

As of December 31, 2024, the total share-based compensation expense related to unearned performance awards not yet recognized, assuming the Company's current projected assessment of the level of performance will be achieved, was \$3,507, and the weighted average period over which it is expected to be recognized is approximately 2 years.

Total tax shortfall realized for tax deductions in the United States related to the exercise of stock options, vesting of restricted stock and vesting of performance awards under the Omnibus Plan was \$4,660, \$2,518, and \$1,012 for the years ended December 31, 2024, 2023 and 2022, respectively.

Employee Stock Purchase Plan

Under the 2005 Employee Stock Purchase Plan (the "ESPP"), the Company is authorized to issue up to a remaining 259 shares of common stock to employees. These shares may be issued at a price equal to 90% of the lesser of the market value on the first day or the last day of each six-month purchase period. Common stock purchases are paid for through periodic payroll deductions and/or up to two lump sum contributions.

Employee stock purchase plan activity and related information was as follows on a continuing operations basis:

	Year Ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Shares purchased by participants under the ESPP	44	10	8
Average purchase price	\$ 17.16	\$ 69.81	\$ 82.48
Weighted average fair value of each purchase under the ESPP granted ¹	\$ 1.91	\$ 7.76	\$ 9.17
Share-based compensation expense for ESPP	\$ 84	\$ 76	\$ 78

¹ Equal to the discount from the market value of the common stock at the end of each six month purchase period.

Director Restricted Shares

Under the Amended and Restated Non-Employee Director Stock Plan (the "Amended Plan"), approved in May 2007 and further amended in February 2013 and January 2016, up to 360 common shares may be issued. As of December 31, 2024, approximately 20 shares remain available for grant under the Amended Plan.

Under the Amended Plan, each non-employee director receives an annual grant of restricted shares of the Company's common stock. The restricted shares vest on the earlier of (a) the day immediately prior to the first annual shareholder meeting that occurs after the grant date or (b) one year after the grant date. Each director may elect to defer receipt of the common shares until the director departs from the Board. If a director elects to defer receipt, the Company will issue deferred stock units in which the director does not have voting rights or other incidents of ownership until the shares are issued. Each deferred stock unit is eligible for a dividend equivalent in the form of additional restricted stock units for each cash dividend paid by the Company.

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Director restricted share transactions for the year ended December 31, 2024 were as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding as of January 1	14	\$ 96.10
Granted	26	23.58
Vested	(22)	71.79
Forfeited	—	—
Outstanding as of December 31	<u>18</u>	<u>\$ 18.67</u>

	Year Ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Share-based compensation expense for restricted shares	\$ 984	\$ 1,329	\$ 1,387

The total fair value of restricted shares that vested during 2024, 2023 and 2022 was \$88, \$1,424, and \$1,436, respectively. As of December 31, 2024, the total share-based compensation expense related to the restricted shares not yet recognized was \$198, and the weighted average period over which it is expected to be recognized is less than one year.

7. Income Taxes

The Company is taxed as a corporation and pays corporate federal and state taxes on income allocated to it from Opco based on the Company's economic interest in Opco. Opco's members, including the Company, are liable for federal, state and local income taxes based on their share of Opco's pass-through taxable income. Opco is not a taxable entity for federal income tax purposes. In addition, certain subsidiaries of Opco are corporations that are subject to federal, state and non-U.S. income taxes. The earliest period the Company is subject to examination of federal income tax returns by the Internal Revenue Service is 2021. The state income tax returns and non-U.S. tax filings of the Company are subject to examination by the applicable taxing authorities for various periods, generally up to four years after they are filed.

The Company's income tax (benefit) expense for continuing operations during the years ended December 31, 2024, 2023 and 2022 were the following:

	2024	2023	2022
Current:			
Federal	\$ 3,625	\$ 18,444	\$ 43,327
State	178	4,285	12,026
Foreign	4,716	—	—
Total Current Tax Expense	<u>8,519</u>	<u>22,729</u>	<u>55,353</u>
Deferred:			
Federal	(113,588)	(6,268)	6,317
State	(19,922)	(2,625)	1,369
Foreign	—	—	—
Total Deferred Taxes	<u>(133,510)</u>	<u>(8,893)</u>	<u>7,686</u>
Total Income Tax Expense (Benefit)	<u>\$ (124,991)</u>	<u>\$ 13,836</u>	<u>\$ 63,039</u>

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A reconciliation of income taxes computed at the U.S. federal statutory income tax rate (21.0% for 2024, 2023 and 2022) to the provision for income taxes reflected in the Company's Consolidated Statements of Comprehensive Income for the years ended December 31, 2024, 2023 and 2022 is as follows:

	2024	2023	2022
Tax expense at the statutory rate	\$ (262,466)	\$ 11,894	\$ 50,915
State income taxes, net of federal income tax benefit	(19,538)	1,561	10,189
Share-based compensation	(16)	(537)	(840)
Other permanent differences	1,743	(36)	(30)
Non-deductible compensation	156	1,190	1,435
Non-controlling interest	65,772	—	—
Federal income tax credits	—	(34)	(107)
Foreign Tax Rate Differential	(1,019)	—	—
Impairment	42,081	—	—
Change in Valuation Allowance	57,614	—	—
Other	(9,318)	(202)	1,477
	<u>\$ (124,991)</u>	<u>\$ 13,836</u>	<u>\$ 63,039</u>

The significant components of the deferred tax assets and liabilities at December 31, 2024 and 2023 were as follows:

	December 31, 2024	December 31, 2023
Deferred tax assets:		
Accrued expenses	\$ —	\$ 12,006
Allowance for doubtful accounts	47	565
Operating lease liabilities	1,318	29,658
Due diligence and transaction costs	—	13,953
Share-based compensation	2,297	4,995
Accruals for income tax contingencies	42	129
Capital Contributions	1	—
Net operating loss carryforwards	12,617	634
Foreign Tax Credit	894	—
Interest Disallowance	23,827	—
Unrealized Gain/Loss	14	—
Investment in Partnership	36,179	—
Total gross deferred tax assets	<u>77,236</u>	<u>61,940</u>
Valuation allowance	(72,508)	(395)
Total net deferred tax assets	<u>4,728</u>	<u>61,545</u>
Deferred tax liabilities:		
Tax over book depreciation	4,047	33,373
Prepaid expenses	39	10,807
Operating lease right-of-use assets	1,391	28,559
Goodwill	—	23,744
Intangible assets	37,420	7,262
Total deferred tax liabilities	<u>42,897</u>	<u>103,745</u>
Net deferred tax liabilities	<u>\$ (38,169)</u>	<u>\$ (42,200)</u>

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The Company paid income taxes, net of refunds, of \$38,757, \$20,842 and \$65,388 for the years ended December 31, 2024, 2023 and 2022, respectively.

As of December 31, 2024, 2023 and 2022 the Company had state net operating loss carryforwards of \$90,747, \$13,240 and \$13,574, respectively, that expire between 2024 and 2035. The state net operating loss carryforwards are limited to the future taxable income of separate legal entities. The Company maintains a valuation allowance to reserve against its state net operating loss carryforwards of \$5,877 and \$395 as of both December 31, 2024 and 2023, respectively. The Company's state net operating loss valuation allowance increased in 2024 due to additional NOLs generated. The Company has a federal net operating loss carryforward of \$38,499. The Company's federal net operating loss carryforward can be carried forward indefinitely. The Company also recorded a valuation allowance against its U.S. Federal deferred tax assets, including its outside basis difference in Opco, Federal net operating loss carryforward, and IRC section 163(j) interest limitation carryforward. A valuation allowance is established when it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company assessed the likelihood that its deferred tax assets would be recovered from estimated future taxable income and available tax planning strategies. In making this assessment, all available evidence was considered including economic climate, as well as reasonable tax planning strategies.

A reconciliation of the beginning and ending amount of unrecognized tax benefits as of and during the years ended December 31, 2024 and 2023 is as follows:

Balance at December 31, 2022	198
Reductions for settlement with state taxing authorities	(66)
Additions for tax positions of current year	21
Balance at December 31, 2023	\$ 153
Reductions for settlement with state taxing authorities	(66)
Reductions for tax positions of prior years	(213)
Additions from acquisition of Omni Newco, LLC	2,257
Balance at December 31, 2024	\$ 2,131

The Company recognizes income tax benefits from uncertain tax positions where the realization of the ultimate benefit is uncertain. As of December 31, 2024 and 2023, the Company had \$2,131 and \$153, respectively, of unrecognized income tax benefits, all of which would affect the Company's effective tax rate if recognized. At December 31, 2024 and 2023, the Company had accrued interest and penalties related to unrecognized tax benefits of \$394 and \$82, respectively. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in "Interest expense, net" and "Other operating expenses", respectively.

In connection with the Omni Acquisition, the Company entered into a Tax Receivable Agreement with certain Omni Holders. As of December 31, 2024, the Company recognized a Tax Receivable Agreement liability of \$13,295, which equals the amount of Tax Receivable Agreement liability included in the Omni Purchase Price Allocation. The Company generated additional tax benefits subject to the Tax Receivable Agreement of \$74,217 during 2024. The Company recorded a valuation allowance against any deferred tax assets associated with those tax benefits. Consequently, the Company concluded additional Tax Receivable Agreement payments related to current year tax benefits would not be probable based on estimates of future taxable income over the term of the Tax Receivable Agreement. If other tax attributes subject to the Tax Receivable Agreement are determined to be payable, additional Tax Receivable Agreement liabilities may be considered probable at that time. The determination of the Tax Receivable Agreement liability requires the Company to make judgments in estimating the amount of tax attributes as of the date of exchanges (such as cash to be received by the Company on a hypothetical sale of assets and allocation of gain or loss to the Company at the time of the exchanges taking into consideration partnership tax rules). The amounts payable under the Tax Receivable Agreement will also vary depending upon a number of factors, including tax rates in effect, as well as the amount, character, and timing of the taxable income of Opco in the future and the expected realization of tax benefits with respect to deferred tax assets related to tax attributes subject to Tax Receivable Agreement.

The Organization for Economic Co-operation and Development ("OECD"), continues to put forth various initiatives, including Pillar Two rules which include the introduction of a global minimum tax at a rate of 15%. European Union member states agreed to implement the OECD's Pillar Two rules with effective dates of January 1, 2024 and January 1, 2025, for

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different aspects of the directive and most have already enacted legislation. A number of other countries are also implementing similar legislation. As of December 31, 2024, based on the countries in which we do business that have enacted legislation effective January 1, 2024, the impact of these rules to our financial statements was not material. This may change as other countries enact similar legislation and further guidance is released. We continue to closely monitor regulatory developments to assess potential impacts.

In general, it is the practice and intention of the Company to reinvest the earnings of its non-U.S. subsidiaries in those operations. As of December 31, 2024, the Company has not recorded a provision for U.S. or additional foreign withholding taxes on investments in foreign subsidiaries that are indefinitely reinvested. Generally, such amounts become subject to U.S. taxation upon the remittance of dividends and under certain other circumstances.

8. Leases

The Company leases certain land, buildings, equipment and office equipment under finance and operating leases. Equipment includes tractors, straight trucks, forklifts and trailers. Equipment under a finance lease is amortized over the shorter of the lease term or its estimated useful life.

The Company subleases certain facilities to independent third parties. Since the Company is not relieved of its obligation under these leases, a right-of-use lease asset and corresponding operating lease liability is recorded. Sublease rental income was \$5,457, \$2,991 and \$2,762 in 2024, 2023 and 2022, respectively.

The Company does not recognize a right-of-use asset or lease liability with respect to operating leases with an initial lease term of 12 months or less, and recognizes expense on such leases on a straight-line basis over the lease term. The Company does not account for lease components separately from nonlease components. The Company has certain leases that include one or more options to renew, with renewal periods ranging from one to 25 years. The exercise of the lease renewal options is at the discretion of the Company and is included in the determination of the right-of-use asset and operating lease liability when the option is reasonably certain of being exercised. The depreciable life of right-of-use assets and leasehold improvements is limited by the expected lease term. The Company has certain lease agreements for equipment that include variable rental payments based on estimated mileage. The variable rental payments are adjusted for periodically based on actual mileage. In addition, the Company has certain lease agreements that include variable rental payments that are adjusted periodically for inflation based on the index rate as defined by the applicable government authority. The Company's leases generally do not provide an implicit rate, and therefore, the Company applies its incremental borrowing rate using information available at lease commencement or modification to determine the present value of lease payments. The incremental borrowing rate is an estimate based on the interest rate the Company would pay to borrow an amount equal to the lease payments on a collateralized basis and over a similar term, within a similar economic environment. The Company's lease agreements do not contain any residual value guarantees or restrictive covenants.

The Company has contracts with Leased Capacity Providers. Since the contracts explicitly identify the tractors operated by the Leased Capacity Providers, the Company determined the contracts contain an embedded lease. The compensation of Leased Capacity Providers, as specified in the contract, is variable based upon a rate per shipment and a rate per mile. The variable amounts are excluded from the calculation of the right-of-use lease asset and corresponding operating lease liability and are disclosed as variable lease costs. Variable lease costs related to the embedded leases were \$434,689, \$409,080 and \$440,756, for the years ended December 31, 2024, 2023, and 2022, respectively, and were recorded in "Purchased transportation" in the Consolidated Statements of Comprehensive Income.

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Total lease assets and liabilities as of December 31, 2024 and 2023 were as follows:

Lease Assets	Classification	December 31, 2024	December 31, 2023
Operating lease right-of-use assets	Operating lease right-of-use assets	\$ 410,084	\$ 111,552
Finance lease assets	Property and equipment, net ¹	44,363	38,015
Total leased assets		<u>\$ 454,447</u>	<u>\$ 149,567</u>

Lease Liabilities	Classification	December 31, 2024	December 31, 2023
Current:			
Operating	Current portion of operating lease liabilities	\$ 96,440	\$ 44,344
Finance	Current portion of debt and finance lease obligations	16,930	12,645
Noncurrent:			
Operating	Operating lease liabilities, less current portion	325,640	71,598
Finance	Finance lease obligations, less current portion	30,858	26,736
Total leased liabilities		<u>\$ 469,868</u>	<u>\$ 155,323</u>

¹ Finance lease assets are recorded net of accumulated depreciation of \$30,805 and \$22,051 as of December 31, 2024 and 2023, respectively.

Total lease cost for 2024 and 2023 was as follows:

	Classification	Year Ended	
		December 31, 2024	December 31, 2023
Operating lease cost	Operating leases	\$ 122,854	\$ 54,604
Short-term lease cost	Operating leases	14,623	13,672
Variable lease cost	Purchased transportation, operating leases and other operating expenses	434,689	428,385
Sublease income	Operating revenue	(5,457)	(2,991)
Finance lease cost:			
Amortization of leased assets	Depreciation and amortization	20,194	11,102
Interest on leased liabilities	Interest expense, net	3,383	1,395
Total lease cost		<u>\$ 590,286</u>	<u>\$ 506,167</u>

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Future minimum lease payments under noncancelable operating and finance leases with remaining terms greater than one year as of December 31, 2024 were as follows:

	Operating Leases	Finance Leases
2025	120,844	19,414
2026	102,130	15,772
2027	78,133	11,305
2028	64,976	4,509
2029	53,885	758
Thereafter	81,821	184
Total minimum lease payments	501,789	51,942
Less: imputed interest	(79,709)	(4,154)
Present value of future minimum lease payments	422,080	47,788
Less: current portion of lease obligations	(96,440)	(16,930)
Long-term lease obligations	<u>\$ 325,640</u>	<u>\$ 30,858</u>

The following table summarizes the weighted-average remaining lease term and weighted average discount rate:

	December 31, 2024	December 31, 2023
Weighted average remaining lease term (in years):		
Operating leases	5.1	3.0
Finance leases	3.0	3.6
Weighted average discount rate:		
Operating leases	6.4 %	3.4 %
Finance leases	5.8 %	5.5 %

The following table summarizes the supplemental cash flow information for 2024 and 2023:

	Year Ended	
	December 31, 2024	December 31, 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 114,574	\$ 54,462
Operating cash flows from finance leases	3,384	1,395
Financing cash flows from finance leases	18,323	11,074
Right-of-use assets obtained in exchange for finance lease liabilities	\$ —	\$ —
Right-of-use assets obtained in exchange for operating lease liabilities	153,009	29,884
Leased assets obtained in exchange for finance lease obligations	12,404	25,217

9. Commitments and Contingencies

Commitments

As of December 31, 2024, the Company had unconditional purchase obligations of \$3,260 to purchase forklifts and other equipment during 2025.

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Contingencies

On September 26, 2023, Rodney Bell, Michael A. Roberts and Theresa Woods, (collectively, the "Plaintiffs"), three of our shareholders, filed a complaint against the Company and certain of its directors and officers in the Third District Chancery Court sitting in Greeneville, Tennessee (the "Shareholder Complaint"). The Shareholder Complaint alleges, among other things, that the Company's shareholders had the right to vote on certain transactions contemplated by the Merger Agreement and sought an injunction against the consummation of the transaction until a shareholder vote was held. The court initially granted a temporary restraining order enjoining the transactions contemplated by the Merger Agreement but later dissolved it on October 25, 2023. Thereafter, the parties to the Amended Merger Agreement completed the Omni Acquisition. On May 2, 2024, Plaintiff Michael Roberts, together with the Cambria County Employees Retirement System filed a stipulation and proposed order seeking leave of court to file an amended class action complaint seeking damages, among other forms of relief. Upon receiving leave of the court, on May 15, 2024, the Plaintiffs filed the amended complaint ("Second Amended Complaint"). Like the earlier complaints, the Second Amended Complaint challenges the directors' determination not to subject the Omni Acquisition to a shareholder vote and alleges that, in so doing, the Company and certain of its current and former directors violated Tennessee corporate law. The Second Amended Complaint further alleges that certain of the Company's current and former directors breached their fiduciary duties to shareholders by depriving them of the right to vote on the Omni Acquisition. Thereafter, on June 14, 2024, defendants removed the case to the United States District Court for the Eastern District of Tennessee, Greeneville Division. Plaintiffs have filed a motion to remand the case to the Third District Chancery Court, and the federal court's determination on plaintiffs' motion remains pending. Defendants contest the merits of the Second Amended Complaint and are in the process of defending the matter.

The Company is party to various legal claims and actions incidental to its business, including claims related to vehicle liability, workers' compensation, property damage and employee medical benefits. The Company accrues for the uninsured portion of contingent losses from these and other pending claims when it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. Based on the knowledge of the facts, the Company believes the resolution of such incidental claims and pending litigation, taking into account existing reserves, will not have a material adverse effect on our consolidated financial statements. Moreover, the results of complex legal proceedings are difficult to predict, and the Company's view of these matters may change in the future as the litigation and related events unfold.

Insurance coverage provides the Company with primary and excess coverage for claims related to vehicle liability, workers' compensation, property damage and employee medical benefits.

For vehicle liability, the Company retains a portion of the risk. Below is a summary of the Company's risk retention on vehicle liability insurance coverage maintained by the Company up to \$10,000 (in thousands):

	Company Risk Retention	Frequency	Layer	Policy Term
Expedited Freight				
LTL business	\$ 5,000	Occurrence/Accident ¹	\$0 to \$5,000	10/1/2024 to 10/1/2025
Truckload business	\$ 5,000	Occurrence/Accident ¹	\$0 to \$5,000	10/1/2024 to 10/1/2025
LTL, Truckload and Intermodal businesses	\$ 5,000	Policy Term Aggregate ²	\$5,000 to \$10,000	10/1/2024 to 10/1/2025
Intermodal	\$ 1,000	Occurrence/Accident ¹	\$0 to \$1,000	10/1/2024 to 10/1/2025

¹ For each and every accident/incident, the Company is responsible for damages and defense up to these amounts, regardless of the number of claims associated with any accident/incident.

² During the Policy Term, the Company is responsible for damages and defense within the stated Layer up to the stated, aggregate amount of Company Risk Retention before insurance will contribute.

Also, from time to time, when brokering freight, the Company may face claims for the "negligent selection" of outside, contracted carriers that are involved in accidents, and the Company maintains third-party liability insurance coverage with a \$100 deductible per occurrence for its brokered services. Additionally, the Company maintains workers' compensation insurance with a self-insured retention of \$500 per occurrence.

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Insurance coverage in excess of the self-insured retention limit is an important part of the Company's risk management process. The Company accrues for the costs of the uninsured portion of pending claims within the self-insured retention based on the nature and severity of individual claims and historical claims development trends. The Company believes the recorded reserves are sufficient for all incurred claims up to the self-insured retention limits, including an estimate for claims incurred but not reported. However, estimating the number and severity of claims, as well as related judgment or settlement amounts is inherently difficult, and the Company may fail to establish sufficient insurance reserves and adequately estimate for future insurance claims. Since the ultimate resolution of outstanding claims as well as claims incurred but not reported is uncertain, it is possible that the reserves recorded for these losses could change materially in the near term.

10. Employee Benefit Plan

The Company sponsors a qualified defined contribution plan covering substantially all employees. Under the defined contribution plan, the Company contributes 25.0% of the employee's contribution up to a maximum of 6.0% of annual compensation, subject to certain limits. The Company contributed \$4,524, \$2,001 and \$1,952 for the years ended December 31, 2024, 2023 and 2022, respectively.

11. Fair Value of Financial Instruments

The Company categorizes its assets and liabilities into one of three levels based on the assumptions used in valuing the asset or liability. Estimates of fair value financial assets and liabilities are based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed market assumptions. In accordance with this guidance, fair value measurements are classified under the following hierarchy:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations in which all significant inputs are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Model-derived valuations in which one or more significant inputs are unobservable.

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2024 and December 31, 2023 are summarized below:

	As of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Liabilities under tax receivable agreement	\$ —	\$ —	\$ 13,295	\$ 13,295
	As of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Liabilities under tax receivable agreement	\$ —	\$ —	\$ —	\$ —

Cash, cash equivalents and restricted cash equivalents, accounts receivable, other receivables, and accounts payable are valued at their carrying amounts in the Company's Consolidated Balance Sheets, due to the immediate or short-term maturity of these financial instruments.

As of December 31, 2024, the estimated fair value of the Company's finance lease obligation, based on current borrowing rates, was \$46,606, compared to its carrying value of \$47,788. As of December 31, 2023, the estimated fair value of the Company's finance lease obligation, based on current borrowing rates, was \$38,926, compared to its carrying value of \$39,381.

The carrying value of the long-term debt approximates fair value based on the borrowing rates currently available for a loan with similar terms and average maturity

Forward Air Corporation
Notes to Consolidated Financial Statements (Continued)
December 31, 2024
(In thousands, except per share data)

12. Segment Reporting

Our chief operating decision-maker, who is our Chief Executive Officer, analyzes the results of our business through the following reportable segments: Expedited Freight, Omni, and Intermodal. Our chief operating decision-maker evaluates the operating results and performance of our segments through segment profit. These financial metrics are used to view operating trends, perform analytical comparisons and benchmark performance between periods and to monitor budget-to-actual variances on a monthly basis. To manage operations and make decisions regarding resource allocations, our chief operating decision-maker is regularly provided and reviews expense information necessary to make decisions to meet customer demand for our services.

The accounting policies applied to each segment are the same as those in Note 1, *Operations and Summary of Significant Accounting Policies*, except for certain self-insurance loss reserves related to vehicle liability and workers' compensation. Each segment is allocated an insurance premium and deductible that corresponds to the self-insured retention limit for that particular segment. Any self-insurance loss exposure beyond the deductible allocated to each segment is recorded in Corporate.

No single customer accounted for more than 10% of the Company's consolidated revenues from continuing operations for the years ended December 31, 2024, 2023 and 2022.

Year Ended December 31, 2024	Expedited Freight	Omni Logistics	Intermodal	Corporate	Consolidated
External revenues	\$ 1,044,938	\$ 1,196,841	\$ 232,319	\$ 164	\$ 2,474,2
Intersegment revenues	70,225	—	513	—	70,7
	1,115,163	1,196,841	232,832	164	2,545,0
<i>Reconciliation of revenue</i>					
Elimination of intersegmental revenues					(70,7)
Total consolidated revenues					\$ 2,474,2
<i>Less:</i>					
Purchase transportation	546,458	701,035	73,814	—	
Salaries, wages and employee benefits	242,411	215,518	58,714	19,764	
Operating leases	63,398	96,500	21,599	699	
Depreciation and amortization	41,858	83,542	18,440	139	
Insurance and claims	43,716	12,297	10,251	(1,582)	
Fuel expense	9,733	3,149	8,578	—	
Other operating expenses	99,638	101,206	22,511	86,153	
Impairment of goodwill	—	1,028,397	—	—	
Segment profit (loss)	67,951	(1,044,803)	18,925	(105,009)	(1,062,9
<i>Reconciliation of segment profit or loss</i>					
Interest expense, net					189,2
Foreign exchange loss (gain)					(1,0
Other operations					(1,2
Loss before income taxes					\$ (1,249,8

Forward Air Corporation
Notes to Consolidated Financial Statements (Continued)
December 31, 2024
(In thousands, except per share data)

Year Ended December 31, 2023	Expedited Freight	Intermodal	Corporate	Consolidated
External revenues	\$ 1,096,810	\$ 273,925	\$ —	\$ 1,370,7
Intersegment revenues	148	118	—	2
	1,096,958	274,043	—	1,371,0
<i>Reconciliation of revenue</i>				
Elimination of intersegmental revenues				(2)
Total consolidated revenues				\$ 1,370,7
<i>Less:</i>				
Purchase transportation	511,254	74,941	—	
Salaries, wages and employee benefits	226,528	66,925	(5,621)	
Operating leases	61,728	25,685	—	
Depreciation and amortization	37,414	19,991	—	
Insurance and claims	38,294	10,320	1,519	
Fuel expense	10,884	11,121	—	
Other operating expenses	94,545	39,733	57,530	
Segment profit (loss)	116,311	25,327	(53,428)	88,2
<i>Reconciliation of segment profit or loss</i>				
Interest expense, net				(31,5
Foreign exchange loss (gain)				
Other operations				
Income before income taxes				\$ 56,6

Forward Air Corporation
Notes to Consolidated Financial Statements (Continued)
December 31, 2024
(In thousands, except per share data)

Year Ended December 31, 2022	Expedited Freight	Intermodal	Corporate	Consolidated
External revenues	\$ 1,259,936	\$ 419,698	\$ —	\$ 1,679,6
Intersegment revenues	185	20	—	2
	1,260,121	419,718	—	1,679,8
<i>Reconciliation of revenue</i>				
Elimination of intersegmental revenues				(2)
Total consolidated revenues				1,679,8
				\$ 1,679,6
<i>Less:</i>				
Purchase transportation	624,994	105,656	34	
Salaries, wages and employee benefits	233,876	73,406	4,523	
Operating leases	53,339	31,950	(1)	
Depreciation and amortization	27,058	15,393	(101)	
Insurance and claims	33,924	9,087	(4,468)	
Fuel expense	10,962	15,993	—	
Other operating expenses	83,385	111,359	(1,853)	
Segment profit (loss)	192,583	56,874	(1,866)	247,5
<i>Reconciliation of segment profit or loss</i>				
Interest expense, net				(5,1)
Foreign exchange loss (gain)				
Other operations				
Income before income taxes				\$ 242,4

Revenue from the individual services within the Expedited Freight segment for the years ended December 31, 2024, 2023 and 2022 were as follows:

	Year Ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Expedited Freight revenues:			
Network	\$ 854,138	\$ 845,949	\$ 947,817
Truckload	170,455	159,513	221,979
Other	90,570	91,496	90,325
Total	\$ 1,115,163	\$ 1,096,958	\$ 1,260,121

Assets from each segment for the years ended December 31, 2024, 2023 were as follows:

	December 31, 2024	December 31, 2023
Expedited Freight	\$ 691,369	\$ 661,270
Omni Logistics	1,726,088	—
Intermodal	257,323	270,421
Corporate	127,861	2,047,901
Eliminations	—	(59)
Consolidated total assets	\$ 2,802,641	\$ 2,979,533

Forward Air Corporation
Notes to Consolidated Financial Statements (Continued)
December 31, 2024
(In thousands, except per share data)

13. Quarterly Results of Operations (Unaudited)

The following is a summary of the quarterly results of operations for the years ended December 31, 2024 and 2023:

	2024			
	March 31	June 30	September 30	December 31
Operating revenue	\$ 541,813	\$ 643,666	\$ 655,937	\$ 632,846
Net income (loss) from continuing operations	\$ (88,794)	\$ (966,471)	\$ (34,198)	\$ (35,378)
Income from discontinued operations, net of tax	—	(4,876)	(1,137)	(374)
Net (loss) income attributable to noncontrolling interest	\$ (27,082)	\$ (325,914)	\$ 38,073	\$ 664
Net (loss) income attributable to Forward Air	<u>\$ (61,712)</u>	<u>\$ (645,433)</u>	<u>\$ (73,408)</u>	<u>\$ (36,416)</u>
Basic net income (loss) per share:				
Continuing operations	\$ (2.81)	\$ (23.29)	\$ (2.62)	\$ (1.23)
Discontinued operations	—	(0.18)	(0.04)	(0.01)
Net income per share ¹	<u>\$ (2.81)</u>	<u>\$ (23.47)</u>	<u>\$ (2.66)</u>	<u>\$ (1.24)</u>
Diluted net income (loss) per share:				
Continuing operations	\$ (2.81)	\$ (23.29)	\$ (2.62)	\$ (1.23)
Discontinued operations	—	(0.18)	(0.04)	(0.01)
Net income per share ¹	<u>\$ (2.81)</u>	<u>\$ (23.47)</u>	<u>\$ (2.66)</u>	<u>\$ (1.24)</u>

The Company's December 31, 2024 interim period includes an immaterial correction of an error that increases net loss from continuing operations by \$0,300, primarily as a result of recording a decrease to recorded goodwill impairment of \$44,900 and a decrease in the recorded tax benefit of \$65,500. These amounts relate to correcting adjustments made to the acquired Omni deferred tax liabilities as of January 25, 2024 and the related impact on the June 30th goodwill impairment charge. Additionally, the net loss from continuing operations includes a correction of an error related to increased amortization expense for certain software service agreements.

The Company has evaluated the effects of the corrections described above, in accordance with guidance in ASC 250, "Accounting Change and Error Correction". The Company concluded such corrections to be immaterial to previously issued interim financial statements.

Forward Air Corporation
Notes to Consolidated Financial Statements (Continued)
December 31, 2024
(In thousands, except per share data)

	2023			
	March 31	June 30	September 30	December 31
Operating revenue	\$ 357,709	\$ 333,622	\$ 340,976	\$ 338,428
Net income from continuing operations	\$ 33,904	\$ 17,127	\$ 6,493	\$ (14,721)
Income from discontinued operations, net of tax	2,464	2,824	2,795	116,465
Net income and comprehensive income	<u>\$ 36,368</u>	<u>\$ 19,951</u>	<u>\$ 9,288</u>	<u>\$ 101,744</u>
Basic net income per share:				
Continuing operations	\$ 1.28	\$ 0.66	\$ 0.25	\$ (0.58)
Discontinued operations	0.09	0.11	0.11	4.51
Net income per share ¹	<u>\$ 1.37</u>	<u>\$ 0.76</u>	<u>\$ 0.36</u>	<u>\$ 3.93</u>
Diluted net income per share:				
Continuing operations	\$ 1.27	\$ 0.65	\$ 0.25	\$ (0.58)
Discontinued operations	0.09	0.11	0.11	4.51
Net income per share ¹	<u>\$ 1.37</u>	<u>\$ 0.76</u>	<u>\$ 0.36</u>	<u>\$ 3.93</u>

¹ Rounding may impact summation of amounts.

Forward Air Corporation
Schedule II — Valuation and Qualifying Accounts
(In thousands)

	Balance at Beginning of Period	Additions		Deductions	Balance at End of Period
		Charged to Costs and Expenses	Charged to Other Operating Revenue		
Year ended December 31, 2024					
Allowance for doubtful accounts	\$ 1,124	\$ 4,099	\$ —	\$ 2,608 ²	\$ 2,615
Allowance for revenue adjustments ¹	1,082	—	3,635	4,063 ³	654
Deferred tax valuation allowance	395	72,113	—	—	72,508
	2,601	76,212	3,635	6,671	75,777
Year ended December 31, 2023					
Allowance for doubtful accounts	\$ 1,499	\$ 21	\$ —	\$ 396 ²	\$ 1,124
Allowance for revenue adjustments ¹	1,630	—	5,091	5,639 ³	1,082
Deferred tax valuation allowance	4,648	(4,253)	—	—	395
	7,777	(4,232)	5,091	6,035	2,601
Year ended December 31, 2022					
Allowance for doubtful accounts	\$ 1,707	\$ (46)	\$ —	\$ 162 ²	\$ 1,499
Allowance for revenue adjustments ¹	1,526	—	6,426	6,322 ³	1,630
Deferred tax valuation allowance	4,625	23	—	—	4,648
	7,858	(23)	6,426	6,484	7,777

¹ Represents an allowance for revenue adjustments resulting from future billing rate changes.

² Represents uncollectible accounts written off, net of recoveries.

³ Represents adjustments to billed accounts receivable.

DESCRIPTION OF FORWARD AIR'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**Description of Capital Stock**

The following description sets forth certain material terms and provisions Forward Air Corporation's securities that are registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As of the date of the Annual Report on Form 10-K of which this exhibit is a part, Forward Air Corporation (the "Company") has one class of securities registered under Section 12 of the Exchange Act: Forward Air, Inc.'s common stock, par value \$0.01 per share.

General

The following description summarizes the rights of holders of the Company's capital stock. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth in this "Description of Capital Stock," you should refer to our Restated Charter (the "Restated Charter") and Amended and Restated Bylaws, ("Amended and Restated Bylaws"), which are included, or incorporated by reference, as exhibits to our Annual Report on Form 10-K, and to the applicable provisions of Tennessee law. Our authorized capital stock consists of 55,000,000 shares, of which 50,000,000 shares are designated common stock, \$0.01 par value and 5,000,000 shares are designated preferred stock, \$0.01 par value. As of December 31, 2022, 26,461,293 shares of our common stock were outstanding. We had no outstanding preferred stock. Our common stock is listed on the Nasdaq Stock Market LLC under the symbol "FWRD."

Description of Common Stock*Rights Related to Dividends and Distributions*

Subject to preferences that may apply to any shares of preferred stock that are outstanding at the time, the holders of our common stock are entitled to receive, to the extent permitted by law and to the extent the Board of Directors shall determine, such dividends as may be declared from time to time by the Board of Directors. Further, subject to preferences that may apply to any shares of preferred stock that are outstanding at the time, in the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Company, the holders of the common stock shall be entitled to receive such of the remaining assets of the Company of whatever kind available for distribution to the extent the Board of Directors shall determine.

Voting Rights

Except as may be otherwise required by law or by the Restated Charter, each holder of common stock has one vote in respect of each share of such stock held by such shareholder on all matters voted upon by the shareholders.

Preemptive Rights

No holder of our common stock has any preferential or preemptive right to subscribe for, purchase or receive any shares of stock of the Company of any class, now or hereafter authorized, or any options or warrants for such shares, or any rights to subscribe to or purchase such shares, or any securities convertible into or exchangeable for such shares, which may at any time or from time to time be issued, sold or offered for sale by the Company.

Description of Preferred Stock

Shares of our preferred stock may be divided and issued in one or more series at such time or times and for such consideration as the Board of Directors may determine, all shares of any one series is of equal rank and identical in all respects. The Board of Directors may determine the powers, preferences, and rights of the shares of such series, and the qualifications, limitations or restrictions, thereof, to the full extent permitted by the laws of the State of Tennessee, which might include some or all of:

- the rate of dividends, if any, and whether such dividends shall be noncumulative, cumulative to the extent earned, or cumulative and, if cumulative, from which date or dates;
- whether the shares will be redeemable and, if so, the terms and conditions of such redemption;
- whether there shall be a sinking fund for the redemption;
- the rights to which the holders of the shares shall be entitled in the event of voluntary or involuntary liquidation, dissolution or winding-up of the Company, and the priority of payment of shares in any such event;
- whether the shares shall be convertible into or exchangeable for shares of any other class or any other series and the terms thereof; and
- all other preferences of any series of preferred stock in the same manner as provided for in the issuance of preferred stock, so long as no shares of such series are outstanding at such time.

The shares of preferred stock will have no voting power or voting rights with respect to any matter whatsoever, except as may be otherwise required by law or may be provided in any amendment to our Restated Charter creating the series of which such shares are a part. The Board of Directors is authorized to make any change in the designations, terms, limitations or relative rights or preferences of any series of preferred stock in the same manner as provided for in the issuance of preferred stock, so long as no shares of such series are outstanding at such time.

Election of Directors

Our Amended and Restated Bylaws, provide that each member of our board of directors is elected annually to a one year term and shall hold office until the next annual meeting of shareholders and until such person's successor is elected and qualified.

Our Amended and Restated Bylaws also provide that the number of directors may be increased or decreased by action of the board of directors or shareholders. Vacancies on the board of directors may be filled by vote of the board of directors. The overall effect of these provisions may be to prevent a person or entity from seeking to acquire control of us through an increase in the number of directors on our board of directors and the election of designated nominees to fill newly created vacancies.

Anti-Takeover Effects of our Restated Charter and Amended and Restated Bylaws

Our Restated Charter and Amended and Restated Bylaws have provisions that could have the effect of making it more difficult for somebody who wanted to take control of us to do so. They include:

Advance Notice Requirements. A requirement that shareholders give advance notice of their intention to nominate candidates for election as directors (and produce the required information as set forth in our Amended and Restated Bylaws) or to bring other business before a meeting of shareholders.

Limit on Shareholder Ability to Nominate Candidates for Election as Directors or Call a Special Meeting of Shareholders. In order to be able to nominate a candidate for election or re-election to our Board of Directors or call a special meeting of shareholders, a person must prove eligibility to submit a shareholder proposal under paragraph (b) of Rule 14a-8 under the Securities Act of 1934, as amended, or any successor rule.

Requirement for Calling of Special Meetings of Shareholders. Special meetings of our shareholders may be called by shareholders only upon the proper written request of the holders of at least ten percent of all the issued and outstanding shares of any class entitled to vote on the action proposed to be taken.

Preferred Stock. Our Board of Directors is authorized to cause us to issue, without a shareholder vote, preferred stock, which could entitle holders to voting or other rights or preferences that could impede the success of any attempt to acquire us.

Board Authority to Amend Bylaws. Our Board of Directors has the authority to make, alter, amend or repeal our Amended and Restated Bylaws without the approval of our shareholders, but our Amended and Restated Bylaws adopted by our Board of Directors may be altered, amended or repealed by the affirmative vote of a majority of our shareholders entitled to vote in the election of directors.

Limitations on Liability and Indemnification of Officers and Directors

The Tennessee Business Corporation Act authorizes corporations to limit or eliminate the personal liability of directors to companies and their shareholders for monetary damages for breaches of directors' fiduciary duties, under certain circumstances and subject to certain exceptions. Our Restated Charter includes a provision that eliminates the personal liability of directors for monetary damages to us or our shareholders for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the Tennessee Business Corporation Act. Our Restated Charter provides that we shall have the power to indemnify any director, officer, employee, agent or any other person who is serving at our request in that capacity for another entity to the fullest extent permitted by Tennessee law. Our Amended and Restated Bylaws generally provide that we shall indemnify and pay or reimburse certain expenses, to our directors and officers and any person that served as a director, officer or employee of any other enterprise at our request, to the fullest extent permitted by law. We also are authorized to carry insurance to protect the Company and any director, officer and employee, to the fullest extent permitted by law.

The Tennessee Business Corporation Act provides that a corporation may indemnify any of its directors and officers against liability incurred in connection with a proceeding if: (a) such person acted in good faith; (b) in the case of conduct in an official capacity with the corporation, the person reasonably believed such conduct was in the corporation's best interests; (c) in all other cases, the person reasonably believed that the person's conduct was at least not opposed to the best interests of the corporation; and (d) in connection with any criminal proceeding, such person had no reasonable cause to believe the person's conduct was unlawful.

In actions brought by or in the right of the corporation, however, the Tennessee Business Corporation Act provides that no indemnification may be made if the director or officer was adjudged to be liable to the corporation. The Tennessee Business Corporation Act also provides that in connection with any proceeding charging improper personal benefit to an officer or director, no indemnification may be made if such officer or director is adjudged liable on the basis that such personal benefit was improperly received.

Tennessee Anti-Takeover Statutes

Under the Tennessee Business Combination Act and subject to certain exceptions, corporations that have elected to be subject to the Tennessee Business Combination Act may not engage in any "business combination" with an "interested shareholder" for a period of five years after the date on which the person became an interested shareholder unless the "business combination" or the transaction which resulted in the shareholder becoming an "interested shareholder" is approved by the corporation's board of directors prior to the date the "interested shareholder" attained that status.

"Business combinations" for this purpose generally include:

- mergers, consolidations, or share exchanges;
- sales, leases, exchanges, mortgages, pledges, or other transfers of assets representing 10% or more of the aggregate market value of consolidated assets, the aggregate market value of our outstanding shares, or our consolidated net income;
- transactions which result in the issuances or transfers of shares from us to the interested shareholder;
- the adoption of plans of liquidation or dissolution proposed by the interested shareholder;
- transactions in which the interested shareholder's proportionate share of the outstanding shares of any class of securities is increased; or
- financing arrangements pursuant to which the interested shareholder, directly or indirectly, receives a benefit, except proportionately as a shareholder.

Subject to certain exceptions, an "interested shareholder" generally is a person who, together with his or her affiliates and associates, owns, or within five years did own, 10% or more of our outstanding voting stock.

After the five-year moratorium, a corporation subject to the foregoing may complete a business combination if the transaction complies with all applicable requirements of our Restated Charter and Amended and Restated Bylaws and applicable Tennessee law and:

- is approved by the holders of at least two-thirds of the outstanding voting stock not beneficially owned by the interested shareholder; or
- meets certain fair price criteria set forth in the Tennessee Business Combination Act

We have elected to not be subject to the Tennessee Business Combination Act. We can give no assurance that we will or will not elect, through a charter or bylaw amendment, to be governed by the Tennessee Business Combination Act in the future.

We also have not elected to be governed by the Tennessee Control Share Acquisition Act which prohibits certain shareholders from exercising in excess of 20% of the voting power in a corporation acquired in a "control share acquisition" unless such voting rights have been previously approved by the disinterested shareholders. We can give no assurance that we will or will not elect, through a charter or bylaw amendment, to be governed by the Tennessee Control Share Acquisition Act in the future.

The Tennessee Greenmail Act prohibits us from purchasing or agreeing to purchase any of our securities, at a price in excess of fair market value, from a holder of 3% or more of our securities who has beneficially owned such securities for less than two years, unless the purchase has been approved by a majority of the outstanding shares of each class of our voting stock or we make an offer of at least equal value per share to all holders of shares of such class. The Tennessee Greenmail Act may make a change of control more difficult.

The Tennessee Investor Protection Act applies to tender offers directed at corporations that have "substantial assets" in Tennessee and that are either incorporated in or have a principal office in Tennessee. Pursuant to the Investor Protection Act, no offeror shall make a takeover offer for an offeree company if the offeror beneficially owns 5% or more of any class of equity securities of the offeree company, any of which was purchased within one year prior to the proposed tender offer, unless the offeror, before making such purchase: (1) makes a public announcement of his or her intention with respect to changing or influencing the management or control of the offeree company; (2) makes a full, fair and effective disclosure of such intention to the person from whom he or she intends to acquire such securities; and (3) files with the Tennessee Commissioner of Commerce and Insurance (the "Commissioner"), and the offeree company a statement signifying such intentions and containing such additional information as may be prescribed by the Commissioner. When the offeror intends to gain control of the offeree company, the registration statement must indicate any plans the offeror has for the offeree. The Commissioner may require additional information concerning the takeover offer and may call for hearings. The Investor Protection Act does not apply to an offer that the offeree company's board of directors recommends to shareholders.

In addition to requiring the offeror to file a registration statement with the Commissioner, the Tennessee Investor Protection Act requires the offeror and the offeree company to deliver to the Commissioner all solicitation materials used in connection with the tender offer. The Investor Protection Act prohibits fraudulent, deceptive, or manipulative acts or practices by either side and gives the Commissioner standing to apply for equitable relief to the Chancery Court of Davidson County, Tennessee, or to any other chancery court having jurisdiction whenever it appears to the Commissioner that the offeror, the offeree company or any of their respective affiliates has engaged in or is about to engage in a violation of the Investor Protection Act. Upon proper showing, the chancery court may grant injunctive relief. The Investor Protection Act further provides civil and criminal penalties for violations.

Exhibit 10.46
GENERAL RELEASE AND WAIVER

1. I, Kyle Mitchin ("Executive"), in consideration of and subject to the performance by Forward Air Corporation (together with its Affiliates, the "Company Parties") of its obligations under Section 4.01 of the Forward Air Corporation Executive Severance and Change in Control Plan, as amended from time to time before the date hereof (the "Plan"), do hereby release and forever discharge as of the date hereof the Company Parties and their respective affiliates, subsidiaries and direct or indirect parent entities and all present, former and future shareholders, directors, officers, agents, representatives, employees, employee benefit plan fiduciaries, and successors and assigns, as well as all respective affiliates, subsidiaries and direct or indirect parent entities of any successor or assign of the Company (collectively, the "Released Parties") to the extent provided below (this "General Release"). The Released Parties are intended to be third-party beneficiaries of this General Release, and this General Release may be enforced by each of them in accordance with the terms hereof in respect of the rights granted to such Released Parties hereunder. Terms used herein but not otherwise defined shall have the meanings given to them in the Plan.

2. In exchange for my signing and not revoking this General Release, the Company shall provide me with the following: (i) the benefits under Section 4.01 of the Plan as reflected in Schedule 1 attached hereto and (ii) payment of one hundred thousand dollars (\$100,000) (the "Termination Payment"). The Severance Payment, Pro-rata Annual Incentive and Healthcare Assistance Payment (each as defined in Section 4.01 of the Plan) and the Termination Payment shall be paid in equal installments for a period of eighteen (18) months following my Termination Date and such payments shall commence no more than sixty days after the Termination of Employment, provided the applicable revocation period described below has expired at that time; and subject to Section 10.11(c) and Section 10.11(e) of the Plan. If the sixty (60)-day period following the Termination Date crosses calendar years, if necessary to comply with Code Section 409A payment shall not commence until the second calendar year (the commencement date, "Payment Commencement Date"). Any payment of a Severance Payment and Termination Payment that is so delayed shall be paid on the Payment Commencement Date. I understand that any payments or benefits paid or granted to me under Section 4.01 of the Plan (other than the Accrued Obligations) and the Termination Payment represent, in part, consideration for signing this General Release and are not salary, wages or benefits to which I was already entitled. I understand and agree that except as otherwise provided herein, I am not entitled to any and agree to forfeit and forego any other wages, payments, benefits, severance or compensation of any sort or any other consideration from the Company Parties, including, without limitation, any rights under that certain Retention Bonus Agreement by and between Executive and the Company dated as of April 19, 2024 or under the 2024 Forward Air Corporation Severance Program or otherwise as a result my employment or the cessation thereof or in exchange for the releases given and covenants made in this General Release. I understand and agree that I will not receive certain of the payments and benefits specified in Section 4.01 of the Plan or the Termination Payment unless I execute this General Release and do not revoke this General Release within the time period permitted hereafter. Such payments and benefits will not be considered compensation for purposes of any employee benefit plan, program, policy or arrangement maintained or hereafter established by the Company or its Affiliates.

3. Except as provided in paragraphs 4, 5, and 11 below and except for the provisions of the Plan which expressly survive the termination of my employment with the Company, I knowingly and voluntarily (for myself, my heirs, executors, administrators and assigns) release and forever discharge the Company and the other Released Parties from any and all claims, suits, controversies, actions, causes of action, cross-claims, counter-claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys' fees, or liabilities of any nature whatsoever in law and in equity, both past and present (through the date that this General Release becomes effective and enforceable) and whether known or unknown, suspected, or claimed against the Company or any of the Released Parties which I, my spouse, or any of my heirs, executors,

administrators or assigns, may have, which arise out of or are connected with my employment with, or my separation or termination from, the Company Parties, including, but not limited to (all of the following collectively referred to herein as the "Claims"):

(a) any and all claims that in any way result from, or relate to, Executive's hire, employment with or separation from employment with the Company Parties, whether pursuant to federal, state or local law, statute, regulation, ordinance, executive order or common law including, but not limited to, wrongful discharge of employment, constructive discharge from employment, termination in violation of public policy, discrimination, harassment, retaliation, breach of contract, both express and implied, breach of a covenant of good faith and fair dealing, both express and implied, promissory estoppel, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, defamation, libel, slander, negligence, personal injury, assault, battery, invasion of privacy, false imprisonment, and conversion, including costs and attorneys' fees;

(b) any and all claims for violation of any federal, state or local law, including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended (including the Older Workers Benefit Protection Act); the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the Worker Adjustment Retraining and Notification Act; the Employee Retirement Income Security Act of 1974; the Surface Transportation Assistance Act; the Fair Credit Reporting Act; any applicable Executive Order Programs; the Fair Labor Standards Act, and any other statute that pertains or relates to, or otherwise touches upon, the employment relationship between the Company Parties and Executive.

4. I agree that this General Release does not waive or release any rights or claims that I may have under the Age Discrimination in Employment Act of 1967 which arise after the date I execute this General Release and does not extend to any claims that, by statute, may not be waived. I acknowledge and agree that my separation from employment with the Company Parties in compliance with the terms of the Plan shall not serve as the basis for any claim or action (including, without limitation, any claim under the Age Discrimination in Employment Act of 1967).

5. I agree that I hereby waive all rights to sue or obtain equitable, remedial or punitive relief from any or all Released Parties of any kind whatsoever in respect of any Claim, including, without limitation, reinstatement, back pay, front pay, and any form of injunctive relief. Notwithstanding the above, I further acknowledge that I am not waiving and am not being required to waive any right that cannot be waived under law, including the right to file an administrative charge or participate in an administrative investigation or proceeding; provided, however, that I disclaim and waive any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding, not including a whistleblower bounty. Additionally, I am not waiving (i) any right to the Accrued Obligations or any severance benefits to which I am entitled under the Plan or Retention Bonus Agreement, (ii) any claim relating to directors' and officers' liability insurance coverage or any right of indemnification under the Company's organizational documents or otherwise, (iii) my rights as an equity or security holder in the Company or its Affiliates, (iv) my rights under any equity awards that survive termination of employment; or (v) my rights to accrued benefits only under any retirement plan that is "qualified" under Section 401(a) of the Internal Revenue Code of 1986.

6. In signing this General Release, I acknowledge and intend that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. I expressly consent that this General Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any state or local law that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. I acknowledge and agree that this release and waiver is an essential and material term of this General Release and that without such release and waiver I would not have become a Participant in the

Plan. I further agree that in the event I should bring a Claim seeking damages against the Company, or in the event I should seek to recover against the Company in any Claim brought by a governmental agency on my behalf, this General Release shall serve as a complete defense to such Claims to the maximum extent permitted by law.

7. I agree that neither this General Release, nor the furnishing of the consideration for this General Release, shall be deemed or construed at any time to be an admission by the Company, any Released Party or myself of any improper or unlawful conduct.

8. I agree that this General Release and the Plan are confidential and agree not to disclose any information regarding the terms of this General Release or the Plan, except to my immediate family and any tax, legal or other counsel that I have consulted regarding the meaning or effect hereof or to a successor employer respecting the terms of any restrictive covenants to which I may be subject, or as required by law, and I will instruct each of the foregoing not to further disclose the same to anyone.

9. Any non-disclosure provision in this General Release does not prohibit or restrict me (or my attorney) from responding to any inquiry about this General Release or its underlying facts and circumstances by the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), any other securities regulatory organization or any governmental entity.

10. I represent that I am not aware of any claim by me other than the claims that are released by this General Release. I acknowledge that I may hereafter discover claims or facts in addition to or different than those which I now know or believe to exist with respect to the subject matter of the release set forth in paragraph 3 above and which, if known or suspected at the time of entering into this General Release, may have materially affected this General Release and my decision to enter into it. I represent and warrant that I have never suffered an on the job or occupational injury or incurred any leave, wage or overtime claims, whether pursuant to the Fair Labor Standards Act, Family Medical Leave Act, or otherwise, during my employment, or in the alternative that any such claims have been resolved to my complete satisfaction, and as such, no such claims by me or on my behalf exist as of the date of this General Release.

11. Notwithstanding anything in this General Release to the contrary, this General Release shall not relinquish, diminish, or in any way affect any rights or claims arising out of any breach by the Company or by any Released Party of the Plan after the date hereof.

12. I acknowledge, understand and agree that all of the terms of the Participation and Restrictive Covenants Agreement entered into by and between Executive and Forward Air Corporation as of May 27, 2022 shall remain in full force and effect in accordance with all of the terms and conditions thereof.

13. The Parties understand and acknowledge that this General Release constitutes a compromise and settlement of actual or potential disputed claims. No action taken by the Parties hereto, or either of them, either previously or in connection with this General Release shall be deemed or construed to be:

- (a) an admission of the truth or falsity of any claims made or any potential claims; or
- (b) an acknowledgment or admission by either Party of any fault or liability whatsoever to the other Party or to any third party.

14. I waive any claim to reinstatement or re-employment with the Released Parties and agree not to bring any claim based upon the failure or refusal of the Released Parties to employ me hereafter. If I seek employment or become employed with the Released Parties (knowingly or unknowingly), this General Release shall conclusively be deemed the sole and exclusive reason for denying such application for employment with the Released Parties and/or the basis for my discharge if hired.

15. In entering into this General Release, neither Party has relied upon any representations or statements made by the other Party hereto which are not specifically set forth in this General Release.

16. The language in all parts of this General Release will be construed, in all cases, according to its fair meaning, and not for or against either Party hereto. The Parties acknowledge that each Party and its counsel have reviewed and revised this General Release and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement. The captions of the Paragraphs of this General Release are for convenience of reference only and in no way define, limit or affect the scope or substance of any Paragraph of this General Release.

17. Whenever possible, each provision of this General Release shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this General Release is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this General Release shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

18. BY SIGNING THIS GENERAL RELEASE, I REPRESENT AND AGREE THAT:

(a) I HAVE READ IT CAREFULLY; AND I UNDERSTAND ALL OF ITS TERMS AND KNOW THAT I AM GIVING UP IMPORTANT RIGHTS, INCLUDING BUT NOT LIMITED TO, RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED; THE EQUAL PAY ACT OF 1963, THE AMERICANS WITH DISABILITIES ACT OF 1990; AND THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED;

(b) I VOLUNTARILY CONSENT TO EVERYTHING IN IT;

(c) I HAVE BEEN ADVISED TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING IT AND I HAVE DONE SO OR, AFTER CAREFUL READING AND CONSIDERATION, I HAVE CHOSEN NOT TO DO SO OF MY OWN VOLITION;

(d) I HAVE HAD AT LEAST TWENTY-ONE (21) DAYS FROM THE DATE OF MY RECEIPT OF THIS RELEASE TO CONSIDER IT, AND THE CHANGES MADE SINCE MY RECEIPT OF THIS RELEASE ARE NOT MATERIAL OR WERE MADE AT MY REQUEST AND WILL NOT RESTART THE REQUIRED 21-DAY CONSIDERATION PERIOD;

(e) I UNDERSTAND THAT I HAVE SEVEN (7) DAYS AFTER THE EXECUTION OF THIS RELEASE TO REVOKE IT AND THAT THIS RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE 7-DAY REVOCATION PERIOD HAS EXPIRED;

(f) I HAVE SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE ME WITH RESPECT TO IT; AND

(g) I AGREE THAT THE PROVISIONS OF THIS GENERAL RELEASE MAY NOT BE AMENDED, WAIVED, CHANGED OR MODIFIED EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY AND BY ME.

SIGNED: /s/ Kyle Mitchin

DATED: 11/22/2024

Kyle Mitchin

SCHEDULE 1

- All Accrued Obligations, which shall be paid in a lump sum within 15 days after the Termination Date
- The Severance Payment equal to \$600,000, which shall be paid in installments in accordance with this General Release
- The Pro-Rata Annual Incentive equal to \$134,173, which shall be paid in installments in accordance with this General Release
- The Healthcare Assistance Payment, which shall be paid in installments in accordance with this General Release
- \$20,000 of outplacement services, which shall be paid in a lump sum within 30 days following the execution and return of this General Release and the expiration of the revocation period

Exhibit 10.47

GENERAL RELEASE AND WAIVER

1. I, Chris Ruble ("Executive"), in consideration of and subject to the performance by Forward Air Corporation (together with its Affiliates, the "Company Parties") of its obligations under Section 4.01 of the Forward Air Corporation Executive Severance and Change in Control Plan, as amended from time to time before the date hereof (the "Plan"), do hereby release and forever discharge as of the date hereof the Company Parties and their respective affiliates, subsidiaries and direct or indirect parent entities and all present, former and future shareholders, directors, officers, agents, representatives, employees, employee benefit plan fiduciaries, and successors and assigns, as well as all respective affiliates, subsidiaries and direct or indirect parent entities of any successor or assign of the Company (collectively, the "Released Parties") to the extent provided below (this "General Release"). The Released Parties are intended to be third-party beneficiaries of this General Release, and this General Release may be enforced by each of them in accordance with the terms hereof in respect of the rights granted to such Released Parties hereunder. Terms used herein but not otherwise defined shall have the meanings given to them in the Plan.

2. In exchange for my signing and not revoking this General Release, the Company shall provide me with the following: (i) the benefits under Section 4.01 of the Plan as reflected in Schedule 1 attached hereto and (ii) payment of one hundred thousand dollars (\$100,000) (the "Termination Payment"). The Severance Payment, Pro-rata Annual Incentive and Healthcare Assistance Payment (each as defined in Section 4.01 of the Plan) and the Termination Payment shall be paid in equal installments for a period of eighteen (18) months following my Termination Date and such payments shall commence no more than sixty days after the Termination of Employment, provided the applicable revocation period described below has expired at that time; and subject to Section 10.11(c) and Section 10.11(e) of the Plan. If the sixty (60)-day period following the Termination Date crosses calendar years, if necessary to comply with Code Section 409A payment shall not commence until the second calendar year (the commencement date, "Payment Commencement Date"). Any payment of a Severance Payment and Termination Payment that is so delayed shall be paid on the Payment Commencement Date. I understand that any payments or benefits paid or granted to me under Section 4.01 of the Plan (other than the Accrued Obligations) and the Termination Payment represent, in part, consideration for signing this General Release and are not salary, wages or benefits to which I was already entitled. I understand and agree that except as otherwise provided herein, I am not entitled to any and agree to forfeit and forego any other wages, payments, benefits, severance or compensation of any sort or any other consideration from the Company Parties, including, without limitation, any rights under that certain Retention Bonus Agreement by and between Executive and the Company dated as of April 19, 2024 or under the 2024 Forward Air Corporation Severance Program or otherwise as a result my employment or the cessation thereof or in exchange for the releases given and covenants made in this General Release. I understand and agree that I will not receive certain of the payments and benefits specified in Section 4.01 of the Plan or the Termination Payment unless I execute this General Release and do not revoke this General Release within the time period permitted hereafter. Such payments and benefits will not be considered compensation for purposes of any employee benefit plan, program, policy or arrangement maintained or hereafter established by the Company or its Affiliates.

3. Except as provided in paragraphs 4, 5, and 11 below and except for the provisions of the Plan which expressly survive the termination of my employment with the Company, I knowingly and voluntarily (for myself, my heirs, executors, administrators and assigns) release and forever discharge the Company and the other Released Parties from any and all claims, suits, controversies, actions, causes of action, cross-claims, counter-claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys' fees, or liabilities of any nature whatsoever in law and in equity, both past and present (through the date that this General Release becomes effective and enforceable) and whether known or unknown, suspected, or claimed against the Company or any of the Released Parties which I, my spouse, or any of my heirs, executors,

administrators or assigns, may have, which arise out of or are connected with my employment with, or my separation or termination from, the Company Parties, including, but not limited to (all of the following collectively referred to herein as the "Claims"):

(a) any and all claims that in any way result from, or relate to, Executive's hire, employment with or separation from employment with the Company Parties, whether pursuant to federal, state or local law, statute, regulation, ordinance, executive order or common law including, but not limited to, wrongful discharge of employment, constructive discharge from employment, termination in violation of public policy, discrimination, harassment, retaliation, breach of contract, both express and implied, breach of a covenant of good faith and fair dealing, both express and implied, promissory estoppel, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, defamation, libel, slander, negligence, personal injury, assault, battery, invasion of privacy, false imprisonment, and conversion, including costs and attorneys' fees;

(b) any and all claims for violation of any federal, state or local law, including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended (including the Older Workers Benefit Protection Act); the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the Worker Adjustment Retraining and Notification Act; the Employee Retirement Income Security Act of 1974; the Surface Transportation Assistance Act; the Fair Credit Reporting Act; any applicable Executive Order Programs; the Fair Labor Standards Act, and any other statute that pertains or relates to, or otherwise touches upon, the employment relationship between the Company Parties and Executive.

4. I agree that this General Release does not waive or release any rights or claims that I may have under the Age Discrimination in Employment Act of 1967 which arise after the date I execute this General Release and does not extend to any claims that, by statute, may not be waived. I acknowledge and agree that my separation from employment with the Company Parties in compliance with the terms of the Plan shall not serve as the basis for any claim or action (including, without limitation, any claim under the Age Discrimination in Employment Act of 1967).

5. I agree that I hereby waive all rights to sue or obtain equitable, remedial or punitive relief from any or all Released Parties of any kind whatsoever in respect of any Claim, including, without limitation, reinstatement, back pay, front pay, and any form of injunctive relief. Notwithstanding the above, I further acknowledge that I am not waiving and am not being required to waive any right that cannot be waived under law, including the right to file an administrative charge or participate in an administrative investigation or proceeding; provided, however, that I disclaim and waive any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding, not including a whistleblower bounty. Additionally, I am not waiving (i) any right to the Accrued Obligations or any severance benefits to which I am entitled under Section 4.01 the Plan, (ii) any claim relating to directors' and officers' liability insurance coverage or any right of indemnification under the Company's organizational documents or otherwise, (iii) my rights as an equity or security holder in the Company or its Affiliates, (iv) my rights under any equity awards that survive termination of employment; or (v) my rights to accrued benefits only under any retirement plan that is "qualified" under Section 401(a) of the Internal Revenue Code of 1986.

6. In signing this General Release, I acknowledge and intend that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. I expressly consent that this General Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any state or local law that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. I acknowledge and agree that this release and waiver is an essential and material term of this General Release and that without such release and waiver I would not have become a Participant in the

Plan. I further agree that in the event I should bring a Claim seeking damages against the Company, or in the event I should seek to recover against the Company in any Claim brought by a governmental agency on my behalf, this General Release shall serve as a complete defense to such Claims to the maximum extent permitted by law.

7. I agree that neither this General Release, nor the furnishing of the consideration for this General Release, shall be deemed or construed at any time to be an admission by the Company, any Released Party or myself of any improper or unlawful conduct.

8. I agree that this General Release and the Plan are confidential and agree not to disclose any information regarding the terms of this General Release or the Plan, except to my immediate family and any tax, legal or other counsel that I have consulted regarding the meaning or effect hereof or to a successor employer respecting the terms of any restrictive covenants to which I may be subject, or as required by law, and I will instruct each of the foregoing not to further disclose the same to anyone.

9. Any non-disclosure provision in this General Release does not prohibit or restrict me (or my attorney) from responding to any inquiry about this General Release or its underlying facts and circumstances by the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), any other securities regulatory organization or any governmental entity.

10. I represent that I am not aware of any claim by me other than the claims that are released by this General Release. I acknowledge that I may hereafter discover claims or facts in addition to or different than those which I now know or believe to exist with respect to the subject matter of the release set forth in paragraph 3 above and which, if known or suspected at the time of entering into this General Release, may have materially affected this General Release and my decision to enter into it. I represent and warrant that I have never suffered an on the job or occupational injury or incurred any leave, wage or overtime claims, whether pursuant to the Fair Labor Standards Act, Family Medical Leave Act, or otherwise, during my employment, or in the alternative that any such claims have been resolved to my complete satisfaction, and as such, no such claims by me or on my behalf exist as of the date of this General Release.

11. Notwithstanding anything in this General Release to the contrary, this General Release shall not relinquish, diminish, or in any way affect any rights or claims arising out of any breach by the Company or by any Released Party of the Plan after the date hereof.

12. I acknowledge, understand and agree that all of the terms of the Participation and Restrictive Covenants Agreement entered into by and between Executive and Forward Air Corporation as of May 27, 2022 shall remain in full force and effect in accordance with all of the terms and conditions thereof.

13. The Parties understand and acknowledge that this General Release constitutes a compromise and settlement of actual or potential disputed claims. No action taken by the Parties hereto, or either of them, either previously or in connection with this General Release shall be deemed or construed to be:

- (a) an admission of the truth or falsity of any claims made or any potential claims; or
- (b) an acknowledgment or admission by either Party of any fault or liability whatsoever to the other Party or to any third party.

14. I waive any claim to reinstatement or re-employment with the Released Parties and agree not to bring any claim based upon the failure or refusal of the Released Parties to employ me hereafter. If I seek employment or become employed with the Released Parties (knowingly or unknowingly), this General Release shall conclusively be deemed the sole and exclusive reason for denying such application for employment with the Released Parties and/or the basis for my discharge if hired.

15. In entering into this General Release, neither Party has relied upon any representations or statements made by the other Party hereto which are not specifically set forth in this General Release.

16. The language in all parts of this General Release will be construed, in all cases, according to its fair meaning, and not for or against either Party hereto. The Parties acknowledge that each Party and its counsel have reviewed and revised this General Release and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement. The captions of the Paragraphs of this General Release are for convenience of reference only and in no way define, limit or affect the scope or substance of any Paragraph of this General Release.

17. Whenever possible, each provision of this General Release shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this General Release is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this General Release shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

18. BY SIGNING THIS GENERAL RELEASE, I REPRESENT AND AGREE THAT:

(a) I HAVE READ IT CAREFULLY; AND I UNDERSTAND ALL OF ITS TERMS AND KNOW THAT I AM GIVING UP IMPORTANT RIGHTS, INCLUDING BUT NOT LIMITED TO, RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED; THE EQUAL PAY ACT OF 1963, THE AMERICANS WITH DISABILITIES ACT OF 1990; AND THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED;

(b) I VOLUNTARILY CONSENT TO EVERYTHING IN IT;

(c) I HAVE BEEN ADVISED TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING IT AND I HAVE DONE SO OR, AFTER CAREFUL READING AND CONSIDERATION, I HAVE CHOSEN NOT TO DO SO OF MY OWN VOLITION;

(d) I HAVE HAD AT LEAST TWENTY-ONE (21) DAYS FROM THE DATE OF MY RECEIPT OF THIS RELEASE TO CONSIDER IT, AND THE CHANGES MADE SINCE MY RECEIPT OF THIS RELEASE ARE NOT MATERIAL OR WERE MADE AT MY REQUEST AND WILL NOT RESTART THE REQUIRED 21-DAY CONSIDERATION PERIOD;

(e) I UNDERSTAND THAT I HAVE SEVEN (7) DAYS AFTER THE EXECUTION OF THIS RELEASE TO REVOKE IT AND THAT THIS RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE 7-DAY REVOCATION PERIOD HAS EXPIRED;

(f) I HAVE SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE ME WITH RESPECT TO IT; AND

(g) I AGREE THAT THE PROVISIONS OF THIS GENERAL RELEASE MAY NOT BE AMENDED, WAIVED, CHANGED OR MODIFIED EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY AND BY ME.

SIGNED: /s/ Chris Ruble

DATED: 12/07/2024

Chris Ruble

SCHEDULE 1

- All Accrued Obligations, if any, which shall be paid in a lump sum within 15 days after the Termination Date
- The Severance Payment equal to \$937,500, which shall be paid in installments in accordance with this General Release
- The Pro-Rata Annual Incentive equal to \$230,609, which shall be paid in installments in accordance with this General Release
- The Healthcare Assistance Payment, which shall be paid in installments in accordance with this General Release
- \$20,000 of outplacement services, which shall be paid in a lump sum within 30 days following the execution and return of this General Release and the expiration of the revocation period

FORWARD AIR CORPORATION INSIDER TRADING POLICY

Adopted on October 22, 2024

The Board of Directors (the “Board”) of Forward Air Corporation (together with its affiliates and subsidiaries, the “Company,” “we,” “our,” or “Forward Air”) has adopted this Insider Trading Policy (this “Policy”) in order to take an active role in the prevention of insider trading violations by our Executives (as defined below), Directors (as defined below), employees, consultants, advisors and other related individuals.

This policy is not intended to create obligations of Forward Air or the Board beyond those established by applicable laws or regulations. As a result, use of the word “shall,” “should” or “will” with respect to an activity or responsibility, shall be interpreted to create only the legal obligation that would have been imposed on Forward Air or the Board in the absence of these policies and procedures. To the extent that these policies and procedures might be interpreted to create any responsibility or obligation beyond that required by law or regulation (a “Discretionary Responsibility”), it will be interpreted to not create any material or legally enforceable obligation or responsibility, and any such Discretionary Responsibility may be waived or modified at the full discretion of Forward Air or the Board.

Why do we have this Policy?

On a regular basis we provide you, our employees, consultants and advisors, with confidential information regarding many aspects of our business. Under federal and state securities laws, it is illegal to trade in the securities of a company while in possession of material nonpublic information about that company. Thus, if you have knowledge of specific confidential information that is not disclosed outside of Forward Air and which will constitute material nonpublic information, trading in our common stock during such time could constitute “insider trading” and violate the law, as could “tipping” (giving material nonpublic information to) others who then trade on the basis of that information. The consequences of insider trading or the tipping of material nonpublic information can be severe. In fact, the person violating the laws, as well as Forward Air and our individual Directors, Executives and other supervisory personnel, may be subject to criminal and civil lawsuits and financial penalties in connection with a violation of the insider trading laws.

Nonpublic information about Forward Air should not be used or disclosed outside of Forward Air, except as necessary to perform your job duties. Unauthorized disclosure or use of nonpublic information, including misuse in securities trading, will subject you to disciplinary action, up to and including termination of employment. We have adopted this Policy to comply with the laws governing (i) trading in our common stock while in possession of material nonpublic information concerning Forward Air or another public company that was obtained by you as a result of your relationship with Forward Air and (ii) tipping or disclosing material nonpublic information to outsiders, and in order to prevent the appearance of improper trading or tipping. We reserve the right to prohibit any transaction from being completed to enforce compliance with this Policy or applicable law.

What is Forward Air’s policy on Insider Trading?**1. Do not trade on material nonpublic information**

Whether or not the trading window (as described below) is open and except as discussed in the section titled “*Are there any transactions permitted under this Policy?*” below, you may not, directly or indirectly through others, engage in any transaction involving Forward Air’s securities

while you are aware of material nonpublic information about Forward Air. It is not an excuse that you did not “use” the information in deciding whether or not to engage in the transaction.

Similarly, you may not engage in transactions involving the securities of any other company if you are aware of material nonpublic information about that company because, or as a result, of your employment or affiliation with Forward Air. For example, you may be involved in a proposed transaction involving a prospective business relationship or transaction with another company. If information about that transaction constitutes material nonpublic information for that other company, you are prohibited from engaging in transactions involving the securities of that other company. It is important to note that “materiality” is different for different companies. Information that is not material to Forward Air may be material to another company.

2. Do not disclose material nonpublic information

You may not disclose material nonpublic information concerning Forward Air or any other company to friends, family members or any other person or entity not authorized to receive such information, except directly to the Securities and Exchange Commission (the “SEC”). Any nonpublic information you acquire in the course of your service with Forward Air may only be used for legitimate Forward Air business purposes. In addition, you are required to handle the nonpublic information of others in accordance with the terms of any relevant confidentiality or nondisclosure agreements and limit your use of the nonpublic information to the purpose for which it was disclosed.

Even if you are not directly disclosing material nonpublic information, you may not make recommendations or express opinions about securities of a company, Forward Air or otherwise, based on material nonpublic information about that company that you receive based on, or as a result of, your employment or affiliation with Forward Air. In particular, you may not participate, in any manner other than passive observation, in any internet “chat” room, message board or social media platform messaging related to trading in Forward Air’s securities. You are prohibited from engaging in these actions whether or not you derive any profit or personal benefit from doing so. You should know that third parties are known to contact employees of companies to obtain information about the company under false pretexts.

3. Do not respond to outside inquiries for information

In the event you receive an inquiry for information from someone outside of Forward Air, such as a stock analyst, you should refer the inquiry to the Chief Legal Officer (the “Compliance Officer”). Responding to a request yourself is a violation of this Policy and, in some circumstances, may be a violation of law.

4. Take personal responsibility

The ultimate responsibility for complying with this Policy and applicable laws rests with you. As we request you do in all aspects of your work with Forward Air, please use your best judgment at all times and consult with the Compliance Officer and/or your legal and financial advisors, in confidence, if you have questions.

Who does this Policy apply to?

This Policy applies to all Executives, Directors, employees, consultants and advisors of Forward Air (or “you”) upon the commencement of their relationship with Forward Air.

References in this Policy to “you” (as well as general references to Directors, Executives, employees, consultants and advisors of Forward Air) should also be understood to include members of your immediate family, persons with whom you share a household, your dependents and any other individuals or entities whose transactions in securities you control. You should share this Policy with your spouse or domestic partner, financial planner, tax advisor or attorney on a need-to-know basis, provided the confidentiality obligations are maintained (i.e., those persons do not use this disclosure in any manner other than to advise you, and they do not disseminate this Policy).

You are expected to comply with this Policy as long as you hold Forward Air securities and possess any material nonpublic information about Forward Air. This means that, even after you cease to be affiliated with Forward Air, you must continue to abide by the applicable trading restrictions until you no longer have material nonpublic information. In addition, if you are subject to a trading blackout under this Policy at the time you cease to be affiliated with Forward Air, you are expected to abide by the applicable trading restrictions until at least the end of the relevant blackout period.

What types of transactions are covered by this Policy?

This Policy applies to *all* transactions involving Forward Air securities. This Policy therefore applies to purchases, sales and other transfers of Forward Air common stock, preferred stock, options, warrants, debt securities and other securities. This Policy also applies to any arrangements that affect economic exposure to changes in the prices of these securities. These arrangements may include, among other things, transactions in derivative securities (such as exchange-traded put or call options), hedging transactions, short sales and certain decisions with respect to participation in benefit plans. This Policy also applies to any offers with respect to the transactions discussed above. Although there are limited transactions permitted under this Policy (described in “*Are there any transactions permitted under this Policy?*” below), please note that there are no exceptions from insider trading laws or this Policy based on the size of the transaction (e.g., this policy applies whether a trade involves one or 10,000 shares of Forward Air common stock).

Transactions that are Strictly Prohibited or Require Special Consideration

1. *Open orders* – You should exercise caution when placing open orders, such as limit orders or stop orders, with brokers, particularly where the order is likely to remain outstanding for an extended period of time. ***Open orders create heightened risks for insider trading violations given the lack of control over when trades are executed – you could give your broker an open order when you are not in possession of material nonpublic information but subsequently your broker could execute a trade under that order at a time when you have become aware of material nonpublic information. The Company therefore discourages you from placing open orders with respect to Forward Air securities. If you determine you must use an open order, the order should be limited to a very short duration and should otherwise comply with the restrictions and procedures outlined in this Policy.***
 2. *Short sales* – You may not engage in short sales (i.e., the sale of a security that must be borrowed to make delivery) or “sell short against the box” (i.e., sell with a delayed delivery) if such sales involve Forward Air securities. Short sales may signal to the market possible bad news about Forward Air or a general lack of confidence in Forward Air’s prospects, and an expectation that the value of Forward Air’s securities will decline.
 3. *Short Swing Trading* – Pursuant to Section 16(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), Executives and Directors must hold Company securities for at least six months after a purchase, and must refrain from purchasing Company securities for
-

at least six months after a sale. All other Covered Persons (as defined below) are strongly discouraged from engaging in short term trading of Company securities.

4. You may **not**:

- a. Engage in derivative securities or hedging transactions – You may not trade in publicly-traded options, such as puts and calls, and other derivative securities with respect to Forward Air securities (other than stock options and other compensatory equity awards issued to you by Forward Air). This includes any hedging or similar transaction designed to decrease the risks associated with holding shares of Forward Air common stock. When this occurs, the Covered Person may no longer have a strong incentive to see the value of the Company’s stock increase, which can send a negative message to the market. Further, hedging and derivative securities tend to be complex, which may trigger suspicion.
- b. Use Forward Air’s securities as collateral for loans – You may not pledge Forward Air securities as collateral for loans.
- c. Hold shares of Forward Air common stock in margin accounts- You may not hold shares of Forward Air common stock in margin accounts.

What does “Material Nonpublic Information” mean?

Information is “material” if a reasonable investor would consider it important in making a decision to buy, sell or retain our ordinary shares. Both positive and negative information may be material. Financial information is particularly sensitive.

Although it is not possible to list all types of material information, the following are a few examples of information that is particularly sensitive and should be treated as material:

- quarterly or annual financial results; • offerings of additional securities,
 - significant contracts and technology licenses or any amendments or terminations thereof; • borrowings or other financial transactions;
 - projections of future earnings or losses, or other earnings guidance; • clinical trial results or data;
 - changes in management; • unusual gains or losses in major operations;
 - significant increase or decrease in financial results; • stock splits or securities offerings; results;
 - changes in auditors; • possible mergers, acquisitions or joint ventures;
 - significant actions by regulatory bodies or commencement of major litigation; • purchase or sale of a significant asset;
 - the introduction, or obsolescence, of important products or services; • significant labor disputes;
 - changes in estimates of earnings or sales; • financial liquidity problems; and
 - major marketing changes;
 - establishment of a repurchase program for the Company’s securities.
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Information is “nonpublic” until it has been widely disseminated to the public market and the public has had a chance to absorb and evaluate. Unless you have seen material information publicly disseminated, you should assume the information is nonpublic.

When in doubt, you should assume that the information is material and nonpublic. If you have any questions as to whether information should be considered “material” or “nonpublic,” please consult with the Compliance Officer or their delegate.

When may I trade in shares of Forward Air common stock?

Even if you are not in possession of any material nonpublic information, you may be subject to additional restrictions as follows:

1. **Open trading window:** If you are a Covered Person, you may only engage in transactions involving shares of Forward Air common stock during an open trading window as described below under “*When is our Blackout Period?*”. In addition to regular quarterly blackout periods, there may be additional blackout periods when appropriate due to certain events. We will notify you whenever a special blackout period goes into effect that applies to you. (See “*When is our Blackout Period?*” below.)
2. **Pre-clearance:** If you are a member of the Board of Forward Air (“Directors”) or an officer of Forward Air (as defined in Rule 16a-1(f) of the Exchange Act) (“Executives” and together with the Directors, the “Section 16 Persons”), you must receive pre-clearance from the Compliance Officer of your proposed trade (please see attached form). From time to time, Forward Air may identify other persons who require pre-clearance, and the Compliance Officer may update and revise Schedule I as appropriate. If you are the Compliance Officer, you must request and obtain in writing, pre-clearance from the Chief Financial Officer of the Company. The Compliance Officer is under no obligation to approve a transaction submitted for pre-clearance and may determine not to permit the transaction.
3. **10b5-1 Plan:** The SEC has enacted rules that provide an affirmative defense against alleged violations of U.S. federal insider trading laws for transactions made pursuant to trading plans that meet certain requirements, commonly referred to as “10b5-1 trading plans.” (See “*Can I adopt a 10b5-1 Plan?*” below.)

Do I have to Report my Transactions in Company securities?

The timely reporting of transactions requires tight interface with brokers handling transactions for Section 16 Persons. A knowledgeable, alert broker can also serve as a gatekeeper, helping to ensure compliance with the Company’s pre-clearance procedures set forth in this Policy and helping prevent inadvertent violations. Therefore, in order to facilitate timely compliance by the Section 16 Persons with the requirements of Section 16 of the Exchange Act, brokers for Section 16 Persons need to comply with the following requirements:

- not to enter any order (except for orders under pre-approved 10b5-1 trading plans) without first verifying with the Company that your transaction was pre-cleared and complying with the brokerage firm’s compliance procedures (e.g., Rule 144); and
 - to report before the close of business on the day of the execution of the transaction to the Company by telephone and in writing via e-mail to the Compliance Officer, the complete (i.e., date, type of transaction, number of shares and price) details of every transaction involving the Company’s stock, including gifts, transfers, pledges and all 10b5-1 transactions.
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Because it is the legal obligation of the applicable Section 16 Person to cause any filings on Form 3, Form 4, Form 5 or Form 144 (or as may otherwise be required) to be made, such persons are strongly encouraged to confirm with her/his broker, following any transaction, that he or she has telephoned and e- mailed the required information to the Company.

Can I adopt a 10b5-1 Plan?

10b5-1 plans must be entered into when you are not aware of material nonpublic information, must meet the requirements set forth in Rule 10b5-1 of the Exchange Act ("Rule 10b5-1"), and must meet any requirements for such 10b5-1 trading plans or guidelines established by Forward Air, including pre- approval by the Compliance Officer. Transactions made pursuant to a 10b5-1 trading plan are not subject to the restrictions in this Policy, even if you are aware of material nonpublic information or a blackout period is in effect at the time of the transaction.

The SEC adopted final rules imposing new conditions on the availability of the affirmative defense available to insiders under Rule 10b5-1. In order to comply with the new rules, the Compliance Officer may only authorize an insider to enter into a Rule 10b5-1 trading plan to the extent that insider and the policy comply with the following:

1. the contract or instructions to a third person must be binding upon the insider, be in writing, provide definitive instructions regarding amount, timing and price at which the securities can be sold or purchased (which can be in the form of a formula), remove any authority of the insider to modify the execution of the plan and comply with the other SEC rules on 10b5-1 plans;
2. the 10b5-1 plan cannot be effective until (A) the later of (i) ninety days after adoption of the Rule 10b5-1 trading plan, or (ii) two business days following the Company's filing of a Form 10-Q or 10-K if adopted by a Section 16 Person or (B) thirty days following the adoption of the Rule 10b5-1 trading plan for all other employees, consultants and advisors;
3. the Executive, Director, employee, consultant or advisor wishing to enter into a Rule 10b5-1 trading plan must certify within the contract or plan AND to the Compliance Officer, in writing, that at the time of entering into such contract or plan: (i) he or she is not in possession of material nonpublic information concerning the Company; (ii) he or she adopted the plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 (iii) he or she has not entered into any other transaction that would have the effect of hedging the purchase or sale of the securities that are the subject of the contract or plan; and (iv) the proposed trade does not violate the trading restrictions of Section 16 of the 1934 Act or Rule 144 under the 1933 Act; and
4. the insider may not have more than one Rule 10b5-1 trading plan effective at any time.

The Compliance Officer has full discretion to determine whether to approve any 10b5-1 plan, whether or not such plan complies with the procedures set forth above. Any amendment or early termination of any approved 10b5-1 trading plan must be submitted for authorization and pre-clearance by the Compliance Officer. Any amendment to the amount, price or timing of the purchase or sale of securities under a contract or plan is a termination of such contract or plan.

Section 16 Persons are strongly encouraged, should they wish to trade in shares of Forward Air common stock, to do so through a 10b5-1 trading plan. Anyone else desiring to trade through such a plan may also do so in compliance with any specific requirements or guidelines established by Forward Air.

Trading plans must be pre-approved by and filed with the Compliance Officer. Information regarding a trading plan that you may enter may be publicly disclosed, as required by law.

If you do not follow the above requirements, you may be subject to disciplinary action, up to and including termination of your relationship with Forward Air, as well as civil and criminal penalties as described in the section titled “*What are the Consequences of Insider Trading?*” below.

When is our Blackout Period?

To limit the likelihood of trading at times when there is a significant risk of insider trading exposure, Forward Air has instituted quarterly trading blackout periods and may institute special trading blackout periods from time to time. Whether or not a blackout period is in effect, you must comply with this Policy and may not trade on the basis of material nonpublic information.

Quarterly blackout periods

Except as discussed in the section titled “*Are there any transactions permitted under this Policy?*” Section 16 Persons as well as certain employees, consultants and advisors of Forward Air who have regular access to material nonpublic information relating to Forward Air in the normal course of their job (“Covered Persons”) and have been informed of their status as a Covered Person, may not engage in transactions involving shares of Forward Air common stock during quarterly blackout periods. Quarterly blackout periods begin at the end of the fifteenth day of the last month in each fiscal year (i.e., March 15, June 15, September 15, and December 15) and ends at the start of the second full trading day following the date of public disclosure of the financial results for that fiscal quarter. This period is a particularly sensitive time for transactions involving shares of Forward Air common stock from the perspective of compliance with applicable securities laws due to the fact that, during this period, individuals may often possess or have access to material nonpublic information relevant to the expected financial results for the quarter.

Special blackout periods

From time to time, we may also implement additional blackout periods when, in the judgment of the Compliance Officer, a trading blackout is warranted. We will generally impose special blackout periods when there are material developments known to us that have not yet been disclosed to the public. For example, we may impose a special blackout period in anticipation of announcing interim earnings guidance or a significant transaction or business development. However, special blackout periods may be declared for any reason.

We will notify you if you are subject to a special blackout period. If you receive this notification, you may not disclose to others the fact that you are subject to the special blackout period and may not engage in any transaction involving shares of Forward Air’s common stock until approved by the Compliance Officer.

Are there any transactions permitted under this Policy?

Yes, there are limited permitted transactions under this Policy, which are described below. Please note that there may be instances where you suffer financial harm or other hardship or are otherwise required to forgo a planned transaction because of the restrictions imposed by this Policy. Personal financial emergency or other personal circumstances are not mitigating factors under securities laws and will not excuse a failure to comply with this Policy.

1. Receipt, vesting and exercise of stock awards

The trading restrictions under this Policy do not apply to the acceptance or purchase of stock options, restricted stock or the like issued or offered by Forward Air, nor do they apply to the vesting, cancellation, forfeiture of stock options, restricted stock, restricted stock units or stock appreciation rights or the acquisition or repurchase of shares pursuant to option exercises under our option plans.

2. Sale of shares to cover tax withholdings

The trading restrictions under this Policy do not apply to the sale of shares of Forward Air common stock issued upon vesting of restricted stock units for the limited purpose of covering tax withholding obligations (and any associated broker or other fees), provided that, prior to such sale, you irrevocably elect to sell such shares to cover tax withholding obligations in connection with your execution of an equity award agreement, or in a manner approved by the Compliance Officer or their delegate.

3. Purchases from the Forward Air Employee Stock Purchase Plan

The trading restrictions in this Policy do not apply to purchases of Company securities in the Company's 2005 Employee Stock Purchase Plan (the "ESPP") resulting from your payroll deductions and lump sum contributions. This Policy does apply, however to your initial election to participate in the ESPP, changes to your election to participate in the ESPP for any enrollment period, and to your sales of Company securities purchased pursuant to ESPP.

4. Stock splits, stock dividends and similar transactions

The trading restrictions under this Policy do not apply to a change in the number of securities held as a result of a stock split or stock dividend applying equally to all securities of a class, or similar transactions.

5. Bona fide gifts, inheritance or change in form of ownership

Other than as set forth herein, trading restrictions under this Policy do not apply to bona fide gifts involving Forward Air securities, transfers by will or the laws of descent and distribution or transfers for tax planning purposes in which your beneficial ownership and pecuniary interest in the transferred Forward Air securities does not change. However, bona fide gifts are subject to pre-clearance provisions in order to ensure that all bona fide gifts are reported on a timely basis on Form 4 within two business days of the effective date of the gift. Some transactions that involve merely a change in the form in which you own securities may be permitted.

6. Other exceptions

Any other exception from this Policy must be approved by the Compliance Officer in consultation with the Board.

Please be aware that even if a transaction falls within one of the exceptions described above, you will need to separately assess whether the transaction complies with applicable law. If you have any questions, please consult with the Compliance Officer.

What are the Consequences of Insider Trading?

Penalties for violating insider trading laws can include disgorging profit made or loss avoided by trading, paying the loss suffered by the persons who purchased securities from, or sold securities to, the insider tippee, paying civil and/or criminal penalties, and/or serving a jail term. Forward Air and/or supervisors of the person violating the rules may also be required to pay civil or criminal penalties and could be subject to private lawsuits. Violating this Policy may also result in immediate termination of your employment.

A violation of this Policy is not necessarily a violation of law. In fact, for reasons explained in this Policy, it is not necessary for us to wait for the filing or conclusion of any civil or criminal action against an alleged violator before taking disciplinary action as your employer. In addition, please remember that we may prohibit a transaction from being completed to enforce compliance with this Policy.

What should I do if I suspect that this Policy has been violated?

Please promptly report violations or suspected violations of this Policy to the Compliance Officer, or to the Company's Ethics Reporting Hotline as follows:

For U.S. callers, use: 1-800-688-3085 or 1-866-921-6714.

For international callers, please refer to the chart listed on Schedule II, attached hereto and incorporated herein by reference.

Priority of Statutory or Regulatory Trading Restrictions

The trading prohibitions and restrictions set forth in this Policy will be superseded by any greater prohibitions or restrictions prescribed by federal or state securities laws and regulations, or contractual restrictions on the sale of securities.

Amendments

Forward Air is committed to continuously reviewing and updating its policies, and Forward Air therefore reserves the right to amend this Policy at any time, for any reason, subject to applicable law.

FORWARD AIR CORPORATION
SUBSIDIARIES

	State of Incorporation
Forward Air Corporation	Tennessee
Central States Logistics, Inc.	Illinois
Clue Parent Merger Sub LLC	Delaware
Clue Opco LLC	Delaware
Forward Air, LLC	Tennessee
Forward Air Royalty, LLC	Delaware
Forward Air Services, LLC	Delaware
Forward Air Tech. & Logistics Services LLC	Tennessee
FACSB, LLC	Delaware
Towne Holdings, LLC	Delaware
Synergy Cargo Logistics, Inc.	California
TAF, LLC	Indiana
Towne Air Freight, LLC	Indiana
FAF, LLC	Tennessee
TQI Holdings, LLC	Delaware
Forward Air Logistics Services, LLC	Michigan
TQI LLC	Michigan
Central States Trucking LLC	Delaware
Omni Newco, LLC	Delaware
Omni Parent, LLC	Delaware
Omni Intermediate Holdings, LLC	Delaware
Omni Holdco, LLC	Delaware
Omni Logistics, LLC	Delaware
Bigger, Farther, Faster, LLC	Delaware
Epic Freight Solutions LLC	Wyoming
IVIA Services, LLC	Delaware
Mach 1 Air Services, LLC	Delaware
Mach 1 Air Services (Hong Kong) Ltd.	Hong Kong
Mach 1 Global Services (Hong Kong) Ltd. – 60%	Hong Kong
Mach 1 Air Services (Mexico), LLC	Delaware
Mach 1 Aero Servicios, S. de R.L. de C.V.	Mexico
Mach 1 Servicios Administrativos, S de RL de CV	Mexico
Mach 1 Air Services (Hong Kong), LLC	Delaware
Mach 1 Global Services (India), LLC	Delaware
Mach 1 Global Supply Chain Services India Pvt. Ltd.	India
Mach 1 Global Services (Indonesia), LLC	Delaware
Mach 1 Global Services (U.A.E.), LLC	Delaware

Millhouse Express Services, LLC	Delaware
Millhouse Logistics Services, LLC	Delaware
Millhouse Romania SRL	Romania
Omni Trade Services, LLC	Delaware
Pacific Logistics, LLC	Delaware
Trinity Logistics USA, Inc.	New York
A G World Transport, Inc.	California
AG Customs Brokerage, Inc.	California
Ground Express Service, Inc.	California
Trinity Logistics Worldwide Canada Inc.	Canada
Omni Logistics (Japan) Co., Ltd.	Japan
Omni All In (Singapore) Pte. Ltd.	Singapore
Omni Logistics (Hong Kong) Ltd.	Hong Kong
Omni Logistics (Chengdu) Ltd.	PRC
Omni Logistics (Shanghai) Co., Ltd.	PRC
Omni Logistics (Shenzhen) Ltd.	PRC
Omni Logistics (Zhengzhou) Ltd.	PRC
Trinity Logistics (H.K.) Co., Ltd.	Hong Kong
Trinity Logistics Viet Nam Inc Co., Ltd.	Vietnam
Ho Chi Minh Branch	
T L World (Pvt.) Ltd. – 40%	Sri Lanka
Air & Ground Logistics (H.K.) Ltd.	Hong Kong
Air & Ground Logistics (Taiwan) Ltd.	Taiwan
Air & Ground Logistics (Vietnam) Co., Ltd.	Vietnam
Air & Ground Logistics (China) Ltd.	PRC
Beijing Branch	
Guangzhou Branch	
Shenzhen Branch	
Air & Ground Logistics Pte. Ltd.	Singapore
A&G World Inc. – 39.99%	Philippines
Omni Philippines Freight Services, Inc.	Philippines
Omni All In (UK) Ltd.	UK
Omni Logistics (Taiwan) Ltd.	Taiwan
Omni Logistics Germany GmbH	Germany
Omni Logistics (Malaysia) Sdn Bhd	Malaysia
Air & Ground Logistics B.V.	NL
Omni Logistics (Chile) SpA	Chile
Omni Logistics (Thailand) Ltd.	Thailand
Omni Logistics Co., Ltd.	South Korea
Canadian Omni Logistics Ltd.	Canada
Omni Logistics (Peru) S.R.L.	Peru
Millhouse Mexico S. de R.L. de C.V.	Mexico
Omni Logistics Colombia S.A.S.	Colombia

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form S-8 No. 333-151198) pertaining to the Forward Air Corporation Amended and Restated Stock Option and Incentive Plan,
2. Registration Statement (Form S-8 No. 333-134294) pertaining to the Forward Air Corporation 2006 Non-Employee Director Stock Plan,
3. Registration Statement (Form S-8 No. 333-125872) pertaining to the Forward Air Corporation 2005 Employee Stock Purchase Plan,
4. Registration Statement (Form S-8 No. 333-120250) pertaining to the Forward Air Corporation 2000 Non-Employee Director Stock Option Award,
5. Registration Statement (Form S-8 No. 333-120249) pertaining to the Forward Air Corporation Non-Employee Director Stock Plan, as amended, and the Forward Air Corporation 1999 Stock Option and Incentive Plan, as amended,
6. Registration Statement (Form S-8 No. 333-94249) pertaining to the Forward Air Corporation 1999 Stock Option and Incentive Plan,
7. Registration Statement (Form S-8 No. 333-211256) pertaining to the Forward Air Corporation 2016 Omnibus Incentive Compensation Plan and the Forward Air Corporation Amended and Restated Non-Employee Director Stock Plan

of our reports dated March 24, 2025, with respect to the consolidated financial statements and schedule of Forward Air Corporation and the effectiveness of internal control over financial reporting of Forward Air Corporation included in this Annual Report (Form 10-K) of Forward Air Corporation for the year ended December 31, 2024.

/s/ Ernst & Young LLP

Atlanta, GA
March 24, 2025

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULE 13a-14(a) (17 CFR 240.13a-14(a))**

I, Shawn Stewart, Chief Executive Officer of Forward Air Corporation, certify that:

1. I have reviewed this report on Form 10-K for the year ended December 31, 2024 of Forward Air Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 24, 2025

/s/ Shawn Stewart

Shawn Stewart
Chief Executive Officer

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULE 13a-14(a) (17 CFR 240.13a-14(a))**

I, Jamie Pierson, Chief Financial Officer of Forward Air Corporation, certify that:

1. I have reviewed this report on Form 10-K for the year ended December 31, 2024 of Forward Air Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 24, 2025

/s/ Jamie Pierson

Jamie Pierson
Chief Financial Officer

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

In connection with the Annual Report on Form 10-K of Forward Air Corporation (the "Company") for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Shawn Stewart, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 24, 2025

/s/ Shawn Stewart

Shawn Stewart
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Forward Air Corporation and will be retained by Forward Air Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

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

In connection with the Annual Report on Form 10-K of Forward Air Corporation (the "Company") for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jamie Pierson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 24, 2025

/s/ Jamie Pierson

Jamie Pierson
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Forward Air Corporation and will be retained by Forward Air Corporation and furnished to the Securities and Exchange Commission or its staff upon request.