Risk Factors Comparison 2024-02-22 to 2023-02-23 Form: 10-K

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Our business and financial results are subject to risks and uncertainties ~~, including those described below~~ , which could adversely affect our business, results of operations, financial condition, and cash flows. The risk factors section below contains a description of the significant risks facing our Company and should be carefully considered in full. The following is only a summary of the principal risks that make an investment in our securities speculative or risky. Risk Factors Summary Industry and Business Risks • Adverse changes in market conditions for travel services; • The effects of competition; • Our ability to successfully manage growth and expand our global business ~~; • The adverse impact of the COVID- 19 pandemic on our business, financial performance, and travel demand~~ ; • Adverse changes in relationships with travel service providers and restaurants and other third parties on which we are dependent; • Our performance marketing efficiency and the ~~general~~ effectiveness of our marketing efforts; • Our ability to respond to and keep up with the rapid pace of technological and market changes; • Our ability to attract and retain qualified personnel ~~; • Any change by our search and meta- search partners in how they present travel search results or conduct their auctions for search placement that would impact us negatively; • Any write-downs or impairments of goodwill or intangible assets related to acquisitions or investments, any increases in provisions for expected credit losses on receivables from and cash advances made to our travel service provider and restaurant partners, and any increases in cash outlays to refund consumers for prepaid reservations~~ ; Information Security, Cybersecurity, and Data Privacy Risks • Risks related to data privacy obligations and cyberattacks; • IT systems- related failures or security breaches; **Tax Risks • Risks related to exposure to additional tax liabilities and maintaining tax benefits;** Legal ~~, Tax~~ , Regulatory, Compliance, and Reputational Risks • ~~Tax, legal~~ **Legal** ~~,~~ and regulatory risks; • Risks associated with the facilitation of payments; Financial Risks • Fluctuations in foreign currency exchange rates and other risks associated with doing business in multiple currencies and jurisdictions; • Financial risks including increased debt levels and stock price volatility; and • Success of investments and acquisitions, including integration of acquired businesses. Declines or disruptions in the travel industry could adversely affect our business and financial performance. Our financial results ~~and prospects are almost entirely dependent~~ --- **depend** upon ~~the sale~~ **sales** of travel services ~~. Travel~~ , **which can fluctuate based** ~~including accommodation, rental car, and airline ticket reservations, is significantly dependent~~ on **consumer** discretionary spending levels. Demand for and sales of travel services often decline during periods of perceived or actual adverse economic conditions and times of political or economic uncertainty ~~as consumers engage in less discretionary spending, are concerned about unemployment or inflation, have reduced access to credit, or experience other concerns or effects that reduce their ability or willingness to travel~~ . **Economic and political uncertainty can negatively impact** ~~In the past, we experienced volatility in~~ transaction growth rates, ~~increased~~ cancellation rates, and ~~weaker trends in~~ accommodation average daily rates (" ADRs") ~~in countries experiencing economic and political uncertainties, which we believed were due at least in part to these macroeconomic conditions and concerns~~ . While lower occupancy rates **can** ~~have historically resulted in accommodation providers increasing~~ **increase** ~~their~~ distribution of accommodation reservations through third- party intermediaries such as us, **if there are** ~~our remuneration for accommodation reservation transactions changes proportionately with price. Lower~~ **lower** ADRs **, it** generally ~~have~~ **has** a negative effect on our ~~accommodation reservation business and on our~~ revenues and results of operations. For a discussion of ~~the impact of COVID-19 on~~ occupancy rates and ADRs, see Part II, Item 7, Management ~~'~~ **'** s Discussion and Analysis of Financial Condition and Results of Operations- Trends. Macroeconomic uncertainties have led to significant volatility in ~~the~~ **currency** exchange rates ~~between the U. S. Dollar and the Euro, the British Pound Sterling, and other currencies~~ , stock markets, and oil prices, which can ~~also~~ impact consumer travel behavior ~~. For example, although lower oil prices may lead to increased travel activity as consumers could have more discretionary funds and airline fares decrease, declines in oil prices may be indicative of broader macroeconomic weakness, which in turn could negatively affect the travel industry, our business, and results of operations. Conversely, higher oil prices may result in higher airfares and decreased travel activity, which can negatively affect our business and results of operations~~ . The uncertainty of macroeconomic factors and their impact on consumer behavior ~~, which may differ across regions,~~ makes it ~~more~~ difficult to forecast industry and consumer trends and the timing and degree of their impact on our ~~markets and~~ business, which ~~in turn~~ could adversely affect our ability to effectively manage our business and adversely affect our results of operations. Other events beyond our control such as **pandemics and epidemics,** terrorist attacks, ~~extreme weather or~~ natural disasters, wars and regional hostilities, travel- related accidents, or increased focus on the environmental impact of travel may disrupt **or** ~~travel,~~ limit the ability or willingness of travelers to visit certain locations, or ~~otherwise~~ result in declines in demand for our travel offerings ~~and adversely affect our business and results of operations~~ . ~~Furthermore, responses~~ **Responses** to such events by governments ~~,~~ **or global** organizations ~~like the United Nations, or others,~~ could **restrict** ~~limit or prohibit~~ travel in ways that ~~are not foreseeable and~~ could impact our ability to conduct our business. Because these events and their impacts **and** ~~, as well as international~~ responses to **them** ~~such events,~~ are largely unpredictable, they can dramatically and suddenly affect travel behavior by consumers, demand for and provision of our services, and relationships with travel service providers and other partners, any of which can adversely affect our business and results of operations. Intense competition could reduce our market share and harm our financial performance. We compete globally with both online and traditional travel and restaurant reservation and related services. The markets for the services we offer are intensely competitive ~~,~~ **and** constantly evolving **.** ~~, and subject to rapid change, and current~~ **Current** and new competitors ~~can and do~~ launch new services at a relatively low cost. Some of our current and potential competitors **include the largest global technology companies** , **which** ~~such as Google, Apple, Alibaba, Tencent, Amazon, Uber, and Meta,~~ have significantly more customers or users, consumer data, and ~~financial and other~~

resources than we do, and may be able to leverage other aspects of their businesses (e. g., search or mobile device businesses **or generative AI capabilities**) to compete ~~more effectively~~ with us. For example, Google ~~'~~ **'** s online travel offerings have grown rapidly by linking travel search services to its dominant search functionality through flight, hotel, and alternative accommodations meta- search products, and integrating **such** ~~its hotel meta- search products and restaurant information and reservation~~ products into Google Maps. **The structure of** ~~As the economy and~~ the travel industry ~~recover from the impact of~~ **or consumer preferences could also change in ways that disadvantage us and benefit competitors or new entrants. For example, during** the COVID- 19 pandemic, ~~the structure of the travel industry or consumer preferences could change in ways that could disadvantage us and benefit certain of our existing competitors or new entrants. For example, as a result of the COVID- 19 pandemic and the resulting international travel restrictions and social distancing practices,~~ we saw a shift in favor of domestic travel and alternative accommodations **, which** ~~. This shift could benefit~~ **benefited** competitors ~~that are~~ more ~~well~~ established in ~~domestic markets and alternative accommodations. As a result, our historical strengths may not provide the~~ **those areas** ~~competitive advantages that they did prior to the pandemic~~ . If we are unable to successfully adapt to **such** changes ~~in how the travel industry operates or to changes in the ways in which consumers purchase travel services~~ , our ability to compete, and ~~therefore~~ our business and results of operations, would be adversely affected. We currently, or may in the future, compete with companies that provide a variety of products and services, including: • online ~~travel~~ **platforms, including accommodation and alternative accommodation search or** reservation services ~~; •~~ **, travel meta- search and price comparison services, and large** online ~~accommodation~~ **companies including in** search **, social networking, marketplace, artificial intelligence,** and **ride- sharing** ~~/ or reservation services that are focused primarily on alternative accommodations~~ ; • travel service providers (e. g., accommodations, rental car companies, or airlines) **,** ~~that have their own branded online platforms to~~ which ~~they drive business and~~ may ~~be able to~~ offer lower prices on their direct channel than they provide to us; • ~~large online companies, including search, social networking, and marketplace companies; •~~ traditional travel agencies, travel management companies, wholesalers and tour operators ~~, many of which combine physical locations, telephone services, and online services; • online travel meta- search and price comparison services; •" Super apps" that offer consumers a wide range of everyday and other services including travel bookings; • companies offering car- or ride- sharing services that affect demand for rental cars, some of which have developed innovative technologies to improve efficiency of point- to- point transportation and extensively utilize mobile platforms; • online restaurant reservation services~~ ; and • companies offering technology services and software solutions to travel service providers, including large global distribution systems (" GDSs") and hospitality software and payments platforms. Meta- search services ~~leverage their search technology to~~ aggregate travel search results for the consumer' s specific itinerary across travel service providers, ~~online travel companies ("~~ OTCs ~~")~~ , and other online platforms and ~~in many instances~~ compete directly with us for customers. Google leverages its general search business to **compete with Kayak** ~~promote its meta- search offerings~~ by showing **its own** meta- search results at the top of its organic search results **,** and ~~it~~ offers its meta- search services free to travel service providers. **Furthermore,** ~~Google and other~~ meta- search services may evolve into more traditional OTCs by offering consumers the ability to make travel reservations directly ~~through their~~ **. We compete with constantly evolving online and / or mobile application** platforms. **The** ~~If consumers book travel services through such a service or directly with a travel service provider without using an OTC like us, or if meta- search services limit our participation within their search results or evolve into more traditional OTCs, we may need to increase our marketing or other customer acquisition costs to maintain or grow our reservation bookings and our business and results of operations could be adversely affected. As the~~ market for **accommodations covers** ~~travel services has evolved, there has also been~~ a ~~proliferation~~ **wide range** of ~~new channels through which~~ **property types including alternative** ~~accommodation~~ **accommodations** ~~providers can offer reservations~~ . ~~Companies~~ **As** such ~~as~~ **, companies like** Airbnb and **Vrbo (owned by** Expedia **)** ~~Group, primarily through Vrbo, offer services providing alternative accommodation property owners an online place to list their accommodations where travelers can search and book such properties and~~ compete directly with our ~~alternative accommodation services. In addition, companies such as Airbnb that have in the past exclusively provided alternative~~ accommodations **businesses** ~~have expanded into traditional accommodation offerings~~ . Meta- search services may lower the cost for new companies to enter the market by providing a distribution channel without the cost of promoting the new entrant' s brand ~~to drive consumers directly to its platform~~ . **Moreover,** ~~Some~~ **some** of our competitors and potential competitors offer a variety of online ~~services, such as food delivery, shopping, gaming, or search~~ services, many of which are used by consumers more frequently than online travel services ~~, and new travel~~ **or have created" super** - ~~related~~ **apps" where consumers can use such various** services **without leaving** ~~are frequently being introduced to~~ the ~~market~~ **company' s app** . A ~~competitor or potential~~ competitor that has established other, more frequent online or app- based interactions with consumers may be able to more easily or cost- effectively acquire customers for its online travel services than we can. ~~For example, global companies with widely used mobile applications that enter the travel industry, such as Uber, have the potential to grow quickly.~~ Some competitors ~~or potential competitors with more frequent online interactions with consumers have created or are seeking to create" super- apps" where consumers can use many online services without leaving that company' s app, in particular in Asia where online activity (including e- commerce) is conducted primarily through apps on mobile devices. Some competitors and new entrants to the travel services industry~~ include private equity **-** funded ~~entities~~ **platforms** , which can more easily withstand significant losses for an extended period of time while ~~such new entrants build~~ **building** market share through heavy marketing and / or discounting of their services. **In addition,** ~~If any of these~~ competitors ~~are successful~~ **may more effectively invest** in ~~offering~~ new **online** ~~travel- related services or services similar to ours to consumers who would otherwise use our platforms or if we are unable to offer our services to consumers within these super- apps, our customer acquisition efforts could be less effective and our customer acquisition costs, including our~~ marketing ~~expenses, could increase, either of which would harm our business and results of operations. Travel service providers with which we conduct business compete with us in online~~ channels ~~to drive consumers directly to their own platforms. Travel service providers,~~ such as **TikTok, which could hinder growth of our**

services if they ~~large~~ -- **are** ~~hotel chains,~~ **more successful at promoting their platform via social media. For** ~~may~~ **many** ~~charge lower~~ **consumers, the price of the travel service is the primary factor determining whether to book a reservation. It is increasingly important to offer travel services at competitive** prices **, whether through** ~~and offer advantages such as loyalty points or special~~ discounts ~~to members of~~ **, coupons,** closed- user ~~groups~~ - **group rates or** ~~(such as~~ loyalty ~~program~~ **programs** ~~participants~~ **, increased flexibility in cancellation policies, or otherwise. In some cases,** ~~or~~ **our competitors are willing to** ~~consumers with registered accounts), any of which could~~ make **little** ~~their offerings more attractive to consumers than our~~ - **or no profit on a transaction or offer travel** services **at a loss in order** ~~. We also offer various incentives~~ to ~~consumers and~~ **gain market share. As a result, in certain markets, we** may need to ~~offer additional~~ **provide discounts** or ~~increased~~ **other** incentives **in order to be competitive, which may make it difficult for us** to maintain or grow **market share** ~~our reservation bookings~~ , **maintain historical** ~~which could adversely impact our~~ profit margins **, and may also result in lower ADRs and lower revenues as a percentage of gross bookings** . Further, consolidation among travel service providers could result in lower OTC commission rates, increased discounting, and greater incentives for consumers to join closed- user groups as such travel service providers expand their offerings. If we are ~~not as effective as our competitors in offering discounted prices and other incentives or value to consumers, our ability to grow and compete and our results of operations could be harmed. Although we believe that providing an extensive collection of properties, excellent customer service, and an intuitive, easy- to- use consumer experience are important factors influencing a consumer' s decision to make a reservation, for many consumers the price of the travel service is the primary factor determining whether to book a reservation. It is increasingly important to offer travel services at competitive prices, whether through discounts, coupons, closed- user group rates or loyalty programs, increased flexibility in cancellation policies, or otherwise. Discounting and couponing coupled with a high degree of consumer shopping behavior has become typical throughout the world, particularly in Asian markets. In some cases, our competitors are willing to make little or no profit on a transaction or offer travel services at a loss in order to gain market share. As a result, in certain markets we may need to provide discounts or other incentives in order to be competitive, which may make it difficult for us to maintain or grow market share, maintain historical profit margins, and may also result in lower ADRs and lower revenues as a percentage of gross bookings. If we are~~ unable to effectively offer competitive prices, our market share, business, and results of operations could be materially adversely affected. We face risks related to the growth rate and the global expansion of our business. We derive a substantial portion of our revenues and have significant operations outside the United States. Before the COVID- 19 pandemic, our OTC operations outside of the United States historically had achieved significant year- over- year growth in their gross bookings ~~, in particular Booking. com' s accommodation reservation services~~ . Without taking into consideration the recent declines caused by the COVID- 19 pandemic, these growth rates ~~, which contributed significantly to our historical growth in consolidated revenues and earnings,~~ had generally declined over time as the absolute level of our gross bookings increased and online travel growth rates declined. In addition to the general slowing growth rates of online travel ~~and the effects of the COVID- 19 pandemic~~ , other factors may also slow the growth rates of our businesses outside of the United States, including ~~worldwide or regional~~ economic conditions, strengthening of the U. S. Dollar versus ~~the Euro, the British Pound Sterling, and~~ other currencies, declines in ADRs, increases in cancellations, adverse changes in travel market conditions, and ~~the competitiveness~~ --- **competition** ~~of the market~~ . Any decline in the growth rates of our businesses **could** ~~outside of the U. S.~~ negatively ~~impacts~~ - **impact** our revenue and earnings growth rates and as a consequence our stock price. **We** ~~Our long- term strategy involves continued expansion throughout the world, and we~~ are **also** subject to ~~associated~~ risks ~~typical of~~ **related to expanding our business** ~~international~~ **internationally** ~~businesses~~ . International markets may have strong local competitors with an established brand and travel service provider or restaurant relationships **making** ~~that may make~~ expansion in that market difficult or costly ~~and take more time than anticipated~~ . Certain markets in which we operate have unique localized preferences and lower operating margins compared to other markets. Scaling and growing our business in ~~these~~ **such** markets ~~, in particular in Asia,~~ could require significant investment, which could have a negative impact on our profit margins. In some markets such as China, legal and other regulatory requirements may **restrict** ~~prohibit or limit~~ participation by foreign businesses ~~,~~ **.** ~~such~~ **Such restrictions** ~~as by making foreign ownership or management of internet or travel- related businesses illegal or difficult, or may make direct participation in those markets uneconomical, which~~ could make our entry into and expansion in those markets difficult or impossible, require that we work with a local partner, or result in higher operating costs. If we are unsuccessful in expanding in new and existing markets and ~~effectively~~ managing that expansion, our business and results of operations could be adversely affected. We **believe that** ~~intend to continue to improve~~ the **breadth, variety, and quality of** ~~accommodation~~ **accommodations** ~~choices available for reservation~~ on our platforms ~~, however the~~ **is a key driver of our growth. The** growth rate of the number of accommodations on our platforms may vary in part as a result of removing accommodations from our platforms from time to time. Many of the newer accommodations we add to our travel reservation services, especially in highly- penetrated markets, may have fewer rooms or higher credit risk and may appeal to a smaller subset of consumers (e. g., hostels and bed and breakfasts). **If** ~~We believe that the number, variety, and quality of accommodations on our platforms, and the corresponding access to accommodation room nights, had been a key driver of the growth of our accommodation reservation business prior to the COVID- 19 pandemic. As accommodation providers recover from the COVID- 19 pandemic and~~ occupancy rates increase, **accommodation providers often** ~~they may wish to~~ limit the amount of business that flows through certain distribution channels. Also, certain jurisdictions have instituted regulations intended to address the issues of" overtourism" and the impact of tourism on climate, including by restricting accommodation offerings ~~in city centers or~~ near popular tourist destinations, ~~such~~ **which** ~~as~~ **has limited** ~~by restricting construction of new hotels or the renting of homes or apartments, introducing quota or registration systems, or increasing visitor fees or taxes. Such restrictions could also include limiting~~ the number of tourists permitted to visit and stay near popular areas ~~during peak seasons or as a general matter~~ . As a result, we may experience constraints on the number of listings ~~,~~ or accommodation room nights ~~,~~ actually available to us or could experience a decrease in demand if consumers cannot book the experiences they would like during their trip, which could negatively impact our business growth rate and results of operations. ~~The COVID- 19 pandemic has materially adversely affected, and may further adversely impact, our business and financial performance. In response to the COVID- 19 pandemic, certain governments and businesses around the world continue to implement a variety of restrictive measures to reduce the spread of COVID- 19. These measures have had a significant adverse effect on many of the partners on which our business relies, including hotels and other accommodation providers, airlines, and restaurants, as well as on our consumers, operations, and workforce. The spread of variants of COVID- 19 and ongoing restrictive measures in certain places have caused uncertainty. We cannot predict the long- term effects of the pandemic on our business or the travel and restaurant industries as a whole. If the travel and restaurant industries are fundamentally changed by the COVID- 19 pandemic in ways that are detrimental to our operating model, our business may continue to be adversely affected even as the broader global economy recovers. Our financial results and prospects are almost entirely dependent on facilitating the sale of travel- related services. While the year began with the Omicron variant surge which resulted in a decrease in consumers traveling and dining out, most of the government restrictions on travel- related services have subsided and travel demand has generally returned. See Part II, Item 7, Management' s Discussion and Analysis of Financial Condition and Results of Operations- Trends. The ongoing impact of the COVID- 19 pandemic on our business, results of operations, cash flows, and growth prospects depends on any resurgences of the pandemic; efficacy of vaccines and other medical interventions to alleviate or treat COVID- 19, and their impacts on the travel and restaurant industries and consumer spending more broadly; actions taken by national, state, and local governments to contain the disease or treat its impact; employee engagement, including the health and productivity of management and our employees; any impact on our contracts and relationships with our partners; and the duration, timing, and severity of the impact on customer spending, including other economic impacts such as inflation that have resulted in part from the pandemic. The effects of the pandemic, including the imposition of travel restrictions, may continue to fluctuate throughout the world, which could continue to affect our business. If ongoing effects of the COVID- 19 pandemic adversely affect our business and financial performance, it may also heighten many of the other risks identified in this section.~~ We are dependent on **travel service** providers ~~of accommodations~~ , ~~rental cars, and airline tickets and on~~ restaurants **, search platforms, and other third parties** . We rely on providers of accommodations, rental cars, and airline tickets, and on restaurants, to make their services available to consumers **for reservation** through us. Our arrangements with travel service providers generally do not require them to make available any specific quantity of ~~accommodation~~ reservations, ~~rental cars, or airline tickets,~~ or to make ~~accommodation~~ reservations ~~, rental cars, or airline tickets~~ available in any geographic area, for any particular route, or at any particular price. Similarly, our arrangements with restaurants generally do not require them to provide all of their available tables and reservations to customers through us. ~~We~~ **Our arrangements with OTCs and travel service providers to provide pricing, schedules, availability, and other information in connection with Kayak' s meta- search services** are ~~in regular dialogue~~ **non- exclusive and can be terminated** with **little notice. A significant reduction on the part of any of** our major travel service providers **,** ~~about the nature and extent of their participation in our~~ - **or restaurants,** ~~services. A significant reduction on the part of any of our major travel service providers or providers that are particularly popular with consumers~~ for a sustained period of time or their complete withdrawal **from** ~~in favor of one of~~ our ~~competitors'~~ services ~~or requiring consumers to purchase directly from them~~ could have a material adverse effect on our business, market share, and results of operations ~~. During periods of higher occupancy rates, accommodation providers may decrease their distribution of accommodation reservations through third- party intermediaries like us, particularly with regard to our discounted offerings~~ . Further, as consolidation among travel service providers increases, the potential adverse effect of a decision by **a** ~~any particular~~ significant travel service provider ~~(such as a large hotel chain, airline, or rental car company)~~ to withdraw from or reduce its participation in our services also increases. In ~~particular~~ **addition** , the potential harm to our business and results of operations is greater if any ~~larger~~ **significant** partners ~~such as airlines, hotel chains, or large rental car companies~~ declare bankruptcy or close. ~~To~~ **Moreover, to** the extent **partners withdraw from Kayak' s meta- search** ~~restaurants limit the availability of reservations through OpenTable or if a significant number of restaurants cease to participate in our~~ services, consumers may not **view** ~~continue to use~~ - **us as a reliable source of comprehensive travel service information and fewer consumers are likely to utilize** our **meta- search websites, which would have a negative impact on our advertising revenue and results of operations. We rely upon Google to generate a significant portion of traffic to our platforms and to a lesser extent, other search and meta- search** services **, principally through pay- per- click marketing campaigns. The pricing** and ~~/~~ **operating dynamics on these platforms can experience rapid change commercially, technically, and competitively. If the logic determining placement and display of results of a consumer' s search changes, the placement of links to** ~~or~~ **our platforms can be negatively affected and our costs to improve** ~~our~~ - **or** ~~revenues~~ **maintain our placement in search results** ~~pay- per- click arrangements that~~ can ~~be terminated with little~~ **increase.In addition,a decline** or ~~no notice.If one~~ **slowing growth in travel search traffic negatively impacts** ~~or~~ **our** ~~more of such arrangements is terminated~~ **ability to efficiently generate traffic to our platforms through performance marketing on general search platforms** , **which could have an adverse effect on** our business ~~,market share,~~ and results of operations ~~could be adversely affected~~ .We rely on various third- party distribution channels (i.e.,marketing affiliates) to distribute accommodation,rental car,and airline ticket reservations.Should one or more of such third parties cease distribution of reservations made through us,or suffer deterioration in its search or meta- search ranking, ~~due to changes in search or meta- search algorithms or otherwise,~~ our business,market share, and results of operations could be adversely affected. We offer a range of ~~optional~~ insurance products ~~and coverages~~ related to our travel offerings **,** primarily through ~~unaffiliated~~ third- party insurance providers ~~. We are dependent on such providers to make their services available to consumers through us~~ . Our business and reputation may be adversely affected if such ~~insurers~~ **providers** no longer make such ~~insurance~~ offerings available to us on economically reasonable terms or at all ~~or if such insurance providers fail to pay out under these insurance policies. KAYAK, a meta- search service, depends on access to information related to travel service pricing, schedules, availability, and other related information from OTCs and travel service providers to attract consumers. Many of KAYAK' s agreements with~~

~~OTCs and travel service providers are short- term agreements that may be terminated on 30 days' notice. To the extent OTCs or travel service providers no longer provide such information to KAYAK, KAYAK' s ability to provide comprehensive travel service information to consumers could be diminished and its brand, business, and results of operations could be harmed. To the extent consumers do not view KAYAK as a reliable source of comprehensive travel service information, fewer consumers would likely visit its websites, which would also likely have a negative impact on KAYAK' s advertising revenue and results of operations. In addition, if OTCs or travel service providers choose not to advertise with KAYAK or choose to reduce or eliminate the fees paid to KAYAK for referrals from query results, KAYAK' s business and results of operations could be adversely affected~~ . We face risks related to the growth of our alternative accommodations business. **Our** ~~As our~~ alternative accommodations business **may** ~~continues to grow, we~~ face ~~new~~ risks relating to ~~characteristics of this business that impact our profits and other metrics. We may also face new~~ claims of liability **,** ~~and are subject to~~ regulatory developments ~~that affect our business~~ **, and continued growth and profitability** . Because alternative accommodations are often either a single unit or a small collection of independent units, **and may have additional costs to be offered on our platforms,** these properties generally represent more limited booking opportunities **and lower profit margins** than hotels, motels, and resorts ~~, which generally have more units to rent per property~~ . Further, alternative accommodations ~~in general~~ may be subject to increased seasonality or may not be available at peak times due to use by ~~the~~ property owners. **To the extent** ~~Lower profit margins are associated with~~ alternative ~~accommodation properties due to certain additional costs related to offering these~~ accommodations ~~on our platforms. As we increase our alternative accommodation business, these different characteristics negatively impact our profit margins and to the extent these properties~~ represent an increasing percentage of the properties we add to our platforms, we expect that our room- night growth rate and property growth rate will continue to diverge over time ~~(since each such alternative accommodation property has fewer booking opportunities). As a result~~ , **and** ~~as the percentage of alternative accommodation properties increases,~~ the number of reservations per property will likely continue to decrease. In addition, ~~as our~~ alternative ~~accommodation~~ **accommodations are subject to** ~~reservation business grows, we may experience~~ claims of liability based on ~~events~~ **injury, death, discrimination, or criminal activities** occurring at **these** properties ~~listed on our platforms such as robbery, injury, death, discrimination, or other criminal activities~~ . We have no control over the actions ~~or ability to predict the actions~~ of our consumers, property owners, and other third parties during the customer ~~'~~ **'** s stay, and ~~as a result we~~ cannot guarantee the safety of **such individuals** ~~our consumers, property owners, and third parties~~ . In addition, we have not in the past and may not in the future undertake to ~~independently~~ **systematically** verify the safety ~~, suitability, location~~ , quality, and legal compliance ~~, such as fire code compliance or the presence~~ of ~~carbon monoxide detectors, of all~~ our alternative accommodation listings. We ~~have in the past relied and may in the future~~ rely on property owners to disclose information relating to their listings and such information may be inaccurate or incomplete. In addition, Booking. com facilitates the provision of partner liability insurance that may protect alternative accommodation partners against liability claims, lawsuits by third parties for bodily injury, or personal property damage that occur during a stay at a partner property ~~reserved via Booking. com~~ . This partner liability insurance, if applicable to the claim, may provide partners with up to $ 1. 0 million equivalent (policy limit) of third party liability coverage related to ~~investigation, defense, and / or other costs related to~~ the underlying claim. The Company could be required to pay amounts in excess of the partner liability policy limit. Any resulting complaints or claims ~~, even if such a claim does not result in liability,~~ could result in negative publicity and increased costs, which could adversely affect our reputation, business, and results of operations. **The** ~~Further, the~~ regulatory environment related to the alternative accommodations business is evolving, and laws, regulations, or property association rules could impose restrictions or burdens on ~~these~~ property owners and managers that limit or negatively affect their ability to rent their properties. For example, the European Commission has ~~proposed~~ **adopted** a short- term rental regulation **that imposes new** ~~which, if enacted, could have a material impact on the way short- term rentals are regulated in the European Union and the~~ obligations ~~on platforms including~~ around ~~data sharing or the need to~~ **property owner registration, property verification, and** ~~enforce~~ **enforcement of** local registration schemes, and in conjunction with the Digital Services Act. For additional discussion regarding the Digital Services Act, see ~~below Part I, Item 1A, Risk Factors~~ -" Our business is subject to various competition / anti- trust, consumer protection, and online commerce laws ~~, rules,~~ and regulations around the world, and as the size of our business grows, scrutiny of our business by legislators and regulators in these areas may intensify." Some jurisdictions have adopted or are considering **legal restrictions** ~~statutes or ordinances~~ that prohibit owners and managers from renting certain properties for fewer than a stated number of consecutive days or for more than an aggregate total number of days per year or that require **online platforms,** owners or managers to obtain a license to rent ~~their properties~~ **or list alternative accommodations** . From time to time, we are subject to inquiries related to compliance with alternative accommodation **legal requirements** ~~laws, rules, and regulations~~ that we may not be able to respond to in a timely manner or in full satisfaction ~~of such requests~~ . The outcome of such inquiries has resulted in fines and could result in additional fines, adversely affect our reputation, or require modifications to our business operations **.** ~~, which could result in increased legal~~ **Legal** ~~and compliance costs. In addition, several jurisdictions have adopted or are considering adopting statutes or ordinances requiring online platforms that list certain alternative accommodations to obtain a license to list such accommodations and / or to comply with other restrictions or~~ requirements ~~. Laws, rules, and regulations~~ applicable to alternative accommodations are evolving and can be ~~distinct and~~ inconsistent among **each individual locality** ~~the various municipalities, regions, and countries in which we operate. As a result, tracking and compliance with these laws, rules, and regulations can be difficult and costly~~ . As governments adopt new **legal requirements** ~~laws, rules, and regulations~~ related to alternative accommodations, we are unable to predict what ~~, if any,~~ effect they may have on our business. This dynamic regulatory environment requires us to expend significant time and resources and could negatively impact the growth and / or size of our alternative accommodation reservation business. We ~~rely on~~ **face risks relating to our** marketing ~~channels to generate a significant amount of traffic to our platforms and grow our business. Maintaining and strengthening our brands are important aspects of our~~ efforts ~~to attract and retain customers~~ . We ~~have invested~~ -- **invest** considerable resources in the establishment and maintenance of our brands, and we intend to continue to invest resources in marketing and other brand building efforts to preserve and enhance consumer awareness of our brands ~~when~~ and **attract and retain customers. Performance marketing costs** to **grow traffic to our platforms are variable because** ~~the~~ **they are dependent on others'** ~~extent we deem appropriate. Our~~ marketing spend **in** ~~is influenced by~~ the **same** ~~marketing spend of our competitors as we seek to maintain and increase our brand recognition and to maintain and grow traffic to our platforms through performance marketing~~ channels ~~. We may not be able to successfully maintain or enhance consumer awareness and acceptance of our brands, and even if we are successful in our branding efforts such efforts may not be cost- effective~~ . If we are unable to maintain or enhance consumer awareness and acceptance of our brands ~~in a~~ **or if such efforts are not** cost- effective ~~manner~~ , our business, market share, and results of operations would be materially adversely affected. Our marketing efficiency, expressed as marketing expense as a percentage of revenues, is impacted by a number of factors that are subject to variability and are in some cases outside of our control, including ADRs, costs per click, cancellation rates, foreign currency exchange rates, our ability to convert paid traffic to booking customers, and the extent to which consumers come directly to our websites or mobile apps for bookings. ~~Deterioration in~~ **If our marketing efforts are less effective at generating new bookings,** our marketing efficiency could ~~result in reduced~~ **deteriorate and our margins,** revenues ~~or revenue growth~~ , ~~or marketing expenses increasing faster than revenues, which would reduce margins~~ and earnings growth **could be adversely affected** . For example, competition for desired rankings in search results and / or a decline in ad clicks by consumers could increase our costs- per- click and ~~impede~~ **negatively impact** our marketing efficiency. For more information regarding the role of online search engines in generating traffic to our websites, see ~~Part I, Item 1A, Risk Factors~~ -" ~~Our business could be negatively affected by changes in online~~ **We are dependent on travel service providers, restaurants,** search **platforms,** and **other third parties** ~~meta- search algorithms and dynamics or traffic- generating arrangements~~ ." At times we may pursue a strategy of increasing marketing returns on investment (" ROIs"), which could negatively affect our gross bookings and revenue growth rates. ~~When evaluating our performance marketing spend generally, we consider several factors for each channel, such as the customer experience on the advertising platform, the incrementality of the traffic we receive, the anticipated repeat rate from a particular platform, and the likelihood of cancellation.~~ Pursuing a strategy of improving **performance** marketing ROIs along with factors such as competitors' actions in the bidding environment, the amount of marketing invested by these channels to generate demand, and overall marketing platform traffic growth trends, ~~which have shown volatility and long- term deceleration of growth rates,~~ may also impact growth rates for marketing channels. **Additionally,** ~~Many~~ **many** factors could cause consumers to increase their shopping activity before making a travel purchase. Increased shopping activity impedes our marketing efficiency and effectiveness because traffic becomes less likely to result in a reservation through our platforms, and such traffic is more likely to be obtained through paid marketing channels than through direct channels. **Any negative trends in** ~~Further, consumers may favor travel services offered by search or~~ **our marketing efficiency** ~~meta- search companies over OTCs~~ , **performance marketing ROIs,** ~~which could reduce traffic to our~~ - **or** ~~travel reservation platforms, increase~~ consumer **shopping activity could negatively impact** ~~awareness of our competitors' brands and platforms, increase our marketing and other customer acquisition costs, and adversely affect~~ our business, ~~margins~~ **market share** , and results of operations ~~. To the extent any such increased shopping behavior leads to growth in our KAYAK meta- search business, such growth may not result in sufficient increases in revenues from our KAYAK meta- search business to offset any related decrease in revenues or increase in marketing and other customer acquisition costs experienced by our OTC brands~~ . We may not be able to keep up with rapid technological or other market changes. ~~The~~ **We compete in** markets ~~in which we compete are~~ characterized by rapidly changing technology, evolving industry standards, consolidation, frequent ~~new~~ service **developments** ~~announcements, introductions and enhancements~~ , and changing consumer ~~demands and~~ preferences ~~. These characteristics are changing at an even greater pace as OTCs and travel service providers seek to address consumer needs and preferences that resulted from the COVID- 19 pandemic. We may not be able to keep up with these rapid changes~~ . In addition, these market characteristics are heightened by the progress of technology adoption in various markets, including the continuing adoption of ~~the internet and~~ online commerce in certain geographies and the growth of the use of ~~smartphones, tablets, and other~~ smart devices for mobile e- commerce transactions. **We may not be able** ~~New developments in other areas such as cloud computing could make entering our markets easier for competitors due~~ to **keep up with these rapid changes** ~~lower upfront technology costs. It is increasingly important for us to effectively offer our services on mobile devices through mobile apps and mobile- optimized websites and to tailor our services to varying devices and platforms~~ . See ~~below Part I, Item 1A, Risk Factors~~ -" Consumer adoption and use of mobile devices creates challenges and may enable device companies such as Google and Apple to compete directly with us." Additionally, our ability to achieve our long- term strategy to build the Connected Trip ~~depends on successfully integrating and developing new and evolving technologies, which~~ will require increased financial and personnel investments that could have an adverse impact on our results of operations until we achieve the expected return on these investments. While we believe that we have the ability to achieve our long- term strategy to build the Connected Trip, the development of the Connected Trip is subject to uncertainties, including further ~~technical~~ development of the ~~flight, accommodation, and other~~ verticals and technological capabilities necessary for the Connected Trip experience, the ability to collect, store, and use customer data in a compliant and integrated fashion, and the attraction and retention of employees dedicated to this development effort. As a result, it may take longer than we expect to ~~build~~ **realize** the Connected Trip **vision** or it may not achieve the expected return on investment ~~. Consumer demand for the Connected Trip may also not be sustained at the levels that we anticipate~~ . These efforts may also not be successful in improving the travel experience or retaining and attracting new customers. Further, regulatory authorities may subject us to existing or new ~~rules or~~ restrictions that could prevent us from successfully commercializing the Connected Trip or expose us to unanticipated claims or liabilities. With any technical innovation such as the Connected Trip effort, there could be bugs, vulnerabilities, and other system failures, which could result in lost business, harm to our brand or reputation, consumer complaints, and other adverse consequences, any of which could adversely affect our business and results of operations. We are working toward enhancing our payments capabilities, including by offering alternative payment solutions to consumers even when those payment solutions may not be accepted by the travel service provider or restaurant. In many markets, ~~particularly in Asia where credit cards are not readily available and / or e- commerce is largely carried out through mobile devices,~~ alternative payment methods ~~like Alipay, Paytm, and WeChat Pay that operate closed loop payments systems~~ are the exclusive or preferred means of payment for many consumers. If we are unable to offer consumers their preferred method of payment by integrating new or emerging payment methods into our platforms, we may not be able to effectively offer our services to these consumers, which would limit our growth opportunities in these markets and our business and results of operations could be harmed. Furthermore, in the future the competitive pressure to innovate could encompass a wider range of services and technologies, including services and technologies that may be outside of our historical core business, and our ability to keep pace may slow. Emerging start- ups may be able to innovate and focus on developing a particularly new product or service faster than we can or may foresee consumer need for new services or technologies before we do. ~~Some of our competitors have more resources or more established or varied relationships with consumers than we have, and they could use these advantages to innovate in ways that could affect our competitive position.~~ In addition, the widespread adoption of new ~~internet, networking, or telecommunications~~ technologies, such as **generative** artificial intelligence ~~including~~ **and** machine learning (" AI"), ~~smart home devices, chatbot, virtual reality technologies, development of the metaverse, and the creation of new" super- apps"~~ could influence how customers search for and book travel, ~~and~~ require us to ~~incur substantial expenditures to~~ modify or adapt our services or infrastructure **, and subject us to new regulatory frameworks** , which could adversely affect our results of operations or financial condition. For example, **the development, adoption, and uses for AI technologies, which** we **are** ~~incorporate~~ **incorporating** ~~AI~~ into certain of our offerings **, are still in their early stages and the regulatory framework for its use is uncertain** . The use of AI presents risks and challenges ~~including~~ **because in some instances we may make use of third- party foundational models** that ~~algorithms may be flawed, datasets~~ **have been pre- trained on data which** may be insufficient, erroneous, stale, ~~or~~ contain biased information, or ~~content chosen for display to users~~ **infringe IP rights. Additionally, the output produced** by **these models may be inaccurate, misleading, discriminatory, offensive, illegal or otherwise harmful. Such risks are heightened if we or third- party developers or vendors lack sufficient responsible AI development or governance practices. These deficiencies and other failures of** AI systems ~~may be discriminatory, offensive, illegal, or otherwise harmful. These deficiencies and other failures of AI systems~~ could subject us to competitive harm, regulatory action, legal liability, and brand or reputational harm ~~. Our future success will depend on our ability to adapt to rapidly changing technologies, to adapt our services and online platforms to evolving industry standards and local preferences, and to continually innovate and improve the performance, features, and reliability of our services and online platforms in response to competitive service offerings and the evolving demands of the marketplace~~ . We rely on the performance of highly skilled employees; and, if we are unable to retain or motivate key employees or hire, retain, and motivate well- qualified employees, our business would be harmed. Our performance is largely dependent on the talents and efforts of highly skilled individuals, including key senior management in the United States, Europe, and Asia. We may not be able to retain the services of ~~members of our senior management or other~~ key employees, the loss of whom could harm our business and competitive position ~~. We had approximately 21, 600 employees worldwide at December 31, 2022~~ . Our future success and ability to innovate depends on our continuing to identify, attract, hire, develop, motivate, and retain a highly skilled, global, diverse workforce. In addition, our customer service resources and outsource arrangements for customer support may be unable to provide adequate customer service support ~~, particularly during peak periods~~ . ~~The COVID- 19 pandemic has had and will have a long- term effect on how and from where~~ **There** ~~people work, the attractiveness of our office environments, and remote working policies, and there~~ may continue to be operational and workplace cultural challenges that may adversely affect our business, including talent retention, in **connection with changes to work environments due to** the ~~shorter term~~ **COVID- 19 pandemic** . Competition for well- qualified employees in all aspects of our business, especially software engineers, mobile communication talent, product professionals, and other technology professionals, is intense and costly. In particular, our success in **global** markets ~~across Europe, the United States, and Asia~~ has led to increased efforts by our competitors and others to hire our employees. These difficulties may be amplified by increased ability to work remotely, evolving restrictions on immigration ~~and travel~~ or availability of visas or work permits for skilled technology workers, **requirements of applicable collective bargaining agreements,** and laws ~~or regulations~~ in jurisdictions where we operate **that make recruiting senior talent more difficult** , such as ~~a new cap on~~ the ~~Dutch~~ **reductions in the** (partial) tax exemption that benefits certain non- Dutch citizens working in the Netherlands. The competition for talent in our industry **and with** ~~, including among established technology~~ companies ~~and startups,~~ **with whom we did not historically compete** combined with inflationary pressure on compensation has caused our personnel expenses to attract and retain key talent to increase, which may adversely affect our results of operations. ~~There is also competition for technology talent from companies with whom we did not historically compete for talent that are transitioning to digital. The competition for talent is exacerbated by an increased willingness of certain companies to offer flexible and remote working policies, which expands the pool of candidates from which our competitors may attract talent.~~ If we do not succeed in attracting and retaining well- qualified employees, our business, our ability to grow and innovate, competitive position, reputation, and results of operations would be adversely affected. We use Google to generate a significant...... of operations could be adversely affected. Widespread adoption of mobile devices, **particularly** ~~such as the iPhone and Android- enabled~~ smartphones, coupled with the web browsing functionality and development ~~of thousands~~ of apps available on these devices, continues to drive substantial online traffic and commerce to mobile platforms. We have experienced a significant shift of business, both direct and indirect, to mobile platforms **, and we believe that mobile bookings are necessary to maintain and grow our business as consumers increasingly turn to mobile devices instead of a personal computer** . The revenues earned on a mobile transaction may be less than a typical desktop transaction due to different consumer purchasing patterns. ~~For example, accommodation reservations made on a mobile device typically are for shorter lengths of stay, have lower ADRs, and are not made as far in advance.~~ To the extent mobile devices or platforms enable users to block advertising content, our advertising revenue and our ability to market our brands ~~and acquire new consumers~~ may also be negatively affected. Given the device sizes and technical limitations of smartphones, mobile consumers may not be willing to download multiple apps ~~from multiple companies~~ providing a similar service and instead prefer to use one or a limited number of apps for their mobile travel and restaurant ~~research and~~ reservation activity. As a result, the consumer experience with mobile apps as well as brand recognition and loyalty ~~continue to be increasingly important. Our mobile offerings have received generally strong reviews and an increasing percentage of our room nights~~ are **critical** ~~booked on mobile devices~~ . **It** ~~We believe that mobile bookings are necessary to maintain and grow our business as consumers increasingly turn to mobile devices instead of a personal computer. As a result, it~~ is increasingly important for us to ~~develop and maintain effective mobile platforms to~~ provide consumers with an appealing, easy- to- use mobile **platform** experience and that the features of our mobile platforms are competitive ~~with our peers~~ . If we are unable to ~~continue~~ **attract consumers** to **our** ~~rapidly innovate and create new, user- friendly, and differentiated~~ mobile ~~offerings, and efficiently and effectively advertise and distribute on these~~ platforms ~~, or if our mobile offerings are not used by consumers~~ , we could lose market share and our business, future growth, and results of operations could be adversely affected. **As the primary smartphone manufacturers,** Google and Apple ~~each have substantial market share in the smartphone markets and provide the leading operating systems for smartphones. As a result, they~~ could leverage their operating systems to give a competitive advantage to their services that overlap with ours. We rely heavily on Google and Apple ~~’~~**'** s app stores to provide our mobile ~~application~~ **apps** to users, and each of Google and Apple have more experience developing mobile apps and access to greater resources than us. To the extent Google or Apple use their mobile operating systems, app distribution channels, mobile payment systems, or search or other marketplace services to favor their services that overlap with ours, our business and results of operations could be harmed. Impairments of goodwill, long- term investments, and long- lived assets, increases in provisions for expected credit losses on receivables from and cash advances made to our travel service provider and restaurant partners, and increases in cash outlays to refund consumers for prepaid reservations have a negative impact on our results of operations. We have recorded and may in the future record impairments of goodwill, long- term investments, or long- lived assets. Future events and changing market conditions, like significant adverse changes in the market valuations of companies in the travel and technology industries, may ~~lead us to re- evaluate the assumptions to estimate the fair value of our goodwill, long- term investments, and long- lived assets, including assumptions related to the recovery from the COVID- 19 pandemic and performance following the pandemic, which may~~ result in the need to recognize goodwill, investment, and asset impairment charges, which could have a material adverse effect on our results of operations. Any significant increase in our provision for expected credit losses and any significant increase in cash outlays to refund consumers ~~, for instance relating to a downturn in the global travel industry affecting our travel service provider and restaurant partners and marketing affiliates,~~ could have a corresponding adverse effect on our results of operations and related cash flows. We could experience a high level of cancellations of existing reservations which could result in higher than normal cash outlays to refund consumers for prepaid reservations. In some instances, where we had agreed to provide free cancellations to consumers for non- refundable reservations, we did not estimate a recovery of prepayment already made to a travel service provider. **We** ~~In certain instances, we~~ may **also** offer cancellable room rates on behalf of a partner to provide flexibility to our consumers even if the partner has not provided a cancellable room rate, which could have a negative impact on our revenues if we are unable to facilitate booking from another customer. We face risks related to our operational and technological infrastructures.Historically,our brands operated on a largely independent basis and many of them focused on particular services or geographies. **We** ~~As we look to develop our Connected Trip vision and pursue our other strategic objectives,we~~ continue to optimize collaboration among our brands.As we manage this shift,in addition to managing any changes in our workforce,we may find it difficult to maintain the beneficial aspects of our corporate culture at the brand companies and throughout the organization as a whole.In addition,any future expansion or shift increases the complexity of our business and places additional strain on our management,operations,technical performance,financial resources,and administrative,legal,tax,internal ~~control~~ **controls** ,and financial reporting functions.Our current and planned employees and outsourced resources,systems,procedures,and controls may not be adequate to support and effectively manage growth and increased complexity,or could result in actual or perceived disruption of our service or customer support,especially as we have employees and outsourced resources in multiple geographic locations around the world and increase the number and variety of our products and payment systems.In addition,we are **conducting** ~~in the early stages of~~ a multi- year phased migration to integrate and upgrade certain ~~cross- brand global~~ systems and processes.The implementation of new information technology,payment,enterprise resource planning,or other systems ~~could~~ **is disruptive and costly and may not** be ~~disruptive and / or costly or we may experience difficulty successfully~~ -- **successful** ~~integrating new systems into existing systems or migrating to new systems from existing systems~~ , ~~any of~~ which could adversely affect our business and results of operations **.For example,during a recent upgrade of certain financial systems,some of Booking.com' s partners experienced delays in receiving payment from us** .Any failure to implement or adapt to new technologies in a timely manner or at all could adversely affect our ability to compete,increase our consumer acquisition costs or otherwise adversely **affect our business,brand,market share,reputation,or results of operations.** ~~Investment~~ **Investments** in new business strategies and acquisitions could disrupt our ongoing business and present risks not originally contemplated. We have invested and in the future may invest in new business strategies and acquisitions of complementary businesses ~~in furtherance of our mission to make it easier for everyone to experience the world~~ . ~~For example, we acquired Getaroom in December~~ **Such endeavors may not be successful. In** ~~2021~~ **2023** ~~to enhance~~ our ~~business- to- business distribution capabilities for hotel partners and more effectively support our accommodations affiliate partners, and in November 2021 we entered into an~~ agreement to acquire European- based flights booking provider Etraveli Group **was terminated after the European Commission blocked the transaction** . **Additionally,** ~~Such~~ **such ventures** ~~endeavors may not be successful and~~ may involve significant risks and uncertainties, including diversion of management' s attention from current operations, greater than expected liabilities and expenses, increased regulatory scrutiny, inadequate return on capital, new risks with which we are not familiar, legal and compliance obligations that previously did not apply to us, integration risks, and ~~difficulties and~~ unidentified issues not discovered in our ~~investigations and~~ evaluations of those strategies and acquisitions. Further, we may issue shares of our common stock in these transactions, which could result in dilution to our stockholders. As a result, entering new businesses involves risks and costs that could, if realized, have an adverse effect on our business, reputation, results of operations, profit margins, cash flows or financial condition, as well as on our ability to achieve the expected benefits of any such investments or acquisitions. ~~We~~ **In addition, we** may decide to make minority investments, including through joint ventures, in which we have limited or no management or operational control. The controlling person in such a case may have ~~business~~ interests ~~, strategies, or goals~~ that are inconsistent with ours, and decisions of the company or venture in which we invested may result in harm to our reputation or business or adversely affect the value of our investment. We may not be able to successfully integrate acquired businesses or combine internal businesses. The integration of acquired businesses requires significant time and resources, and we may not manage these processes successfully. In addition to acquired businesses, we have integrated certain of our businesses that had been managed independently, integrated certain functions across our businesses, and restructured or ceased operating certain assets or businesses, and we may do so in the future, including through divestitures. Integrations are complex, **costly** ~~often involve additional or unexpected costs~~, and create a variety of ~~issues and~~ risks, including: • disruption or harm to the businesses involved, or to our other businesses, including ~~as a result of~~ the need for management to spend time and attention on the integration; • difficulty combining different company cultures, systems, **processes** ~~reporting structures~~, ~~titles, job descriptions,~~ and ~~compensation schemes~~ **human resource policies and practices** , or implementing and maintaining effective **internal** controls, procedures, and policies; • problems retaining key personnel ~~, in particular at the acquired or integrated company~~ ; and • loss of travel service providers, restaurants, or **other** partners of the acquired business. We may not successfully integrate companies or achieve the strategic, financial, or operating objectives of an acquisition or integration, any of which could adversely affect our business, results of operations, or value of our acquisitions. We face risks related to our operational...... share, and results of operations. Our processing, storage, use, and disclosure of personal data exposes us to risks of **data** ~~internal or external security~~ breaches and could give rise to liabilities and / or damage our reputation. We are ~~an innovative technology company~~ dependent on sophisticated software applications and computing infrastructure **for the operation of our business** . If threat actors such as cyber- criminals, hackers, and state- sponsored organizations are able to circumvent our security **measures** ~~controls and capabilities~~ , including as a result of our own acts or omissions, it could result in a compromise or breach of consumer **, partner,** or employee data. ~~In e- commerce, data~~ **Data** security is essential to maintaining consumer and partner confidence in our services and the uninterrupted availability of our web and mobile platforms is essential for our business. Consumers **may** ~~who use certain of our services~~ provide us with their personal identity data and payment information, which in turn attracts attention from threat actors ~~and fraudsters~~ . Cyberattacks are increasing in frequency and sophistication and are constantly evolving. We may not be able to defend against ~~a persistent,~~ sophisticated ~~cyberattack~~ **cyberattacks** from ~~a~~ determined ~~adversary~~ **adversaries** . In addition, our security policies and ~~internal security~~ controls may not keep pace with the continuous innovation of our offerings. Vulnerabilities in our consumer and partner account security and workflow practices could and have resulted in unauthorized access to **personal and** confidential data. These risks are likely to increase as we expand our offerings, integrate our products and services **,** ~~including as we~~ incorporate AI and ~~machine learning~~ **Large Language Models** , and store and process more data, including personal information and payment data. The disclosure of non-public Company- sensitive information by our workforce or other parties ~~, through external media channels such as social media,~~ could lead to information loss, reputational harm, or loss of a competitive advantage. We expend significant resources to protect against security breaches ~~,~~ and ~~regularly increase our security- related expenditures to~~ maintain or increase our systems' security. We have experienced and responded to cyberattacks, which we believe have not had a material impact on the integrity of our systems or the security of data, including personal information maintained by us. Security breaches could result in negative publicity, damage our reputation, expose us to risk of loss or litigation and possible liability, subject us to regulatory penalties and sanctions, or cause consumers to lose confidence in our security and choose to use the services of our competitors, any of which would have an adverse effect on our brands, market share, results of operations, and financial condition. See ~~Part I, Item 1A, Risk Factors -~~ " Cyberattacks and system vulnerabilities could lead to sustained service outages, data loss, reduced revenue, increased costs, liability claims, or harm to our competitive position." **Our efforts to protect information from unauthorized access may also result in the rejection of legitimate attempts to book reservations through our services, which could result in lost business.** Additionally, our consumers' personal data could be affected by security breaches at third parties upon which we rely ~~, such as travel service providers, connectivity partners, payroll providers, health plan providers, payment processors, data exchange services (for example, XML Providers), or GDSs~~ . See ~~below Part I, Item 1A, Risk Factors -~~ " Our business relies on a global supply chain of third party services providers and we are exposed to risks because we rely on the resilience, security, and legal compliance of their products and services." ~~Our efforts to protect information from unauthorized access may also result in the rejection of legitimate attempts to book reservations through our services, which could result in lost business.~~ In the operation of our business, we receive and store a large volume of personally identifiable data and payment information. ~~This~~ **The handling and storage of such** data ~~is increasingly~~ **, as well as privacy rights of consumers, are** subject to ~~legislation~~ **complex and evolving laws** and regulations in numerous jurisdictions ~~around the world~~ . ~~The~~ **Regulations such as the** European Union' s General Data Protection Regulation (the" GDPR") **, the California Consumer Privacy Act (the" CCPA"), the California Privacy Rights Act, and the Digital Markets Act (" DMA") add complexity and** ~~imposes~~ - **impose** significant compliance obligations and costs on us. **For example,** ~~Under~~ **under** the GDPR, violations could result in fines of up to 20 million Euros or up to 4 % of the annual global revenues of the infringer, whichever is greater. Several data protection authorities have imposed significant fines on companies ~~of various sizes across industry sectors~~ for violations of the GDPR. ~~The California Consumer Privacy Act (the" CCPA"), which became operative in January 2020, and the~~

~~California Privacy Rights Act, which became operative in January 2023, each impose new privacy requirements and rights for consumers in California and has resulted and will continue to result in additional complexity and costs related to compliance. Many other states in the United States and jurisdictions globally have adopted or may adopt similar data protection regulations.~~ These regulations ~~are~~ typically ~~intended~~ -- **intend** to protect the **integrity and** security of personal data that is collected, processed, and transmitted in or from the governing jurisdiction as well as to give individuals greater rights and / or control over how their data is processed. In many cases, these laws apply not only to third- party transactions, but also to transfers of information between us and our subsidiaries, including employee information. These laws and their interpretations continue to develop and may be inconsistent from jurisdiction to jurisdiction. ~~Furthermore, enforcement actions often cause interpretation of these new laws to evolve, which could require changing our initial responses to these laws. For example, the invalidation of the EU- US Privacy Shield in 2020 altered one of the acceptable approaches which many companies relied upon to ensure compliant data transfers between the European Union and the United States.~~ Additionally, some of these regulations, such as the CCPA, give consumers a private right of action against companies for violations of these rules. While we ~~have invested and continue to~~ invest significant resources to comply with **a growing patchwork of** ~~the GDPR, CCPA, and other~~ privacy regulations, many of these regulations (such as the Personal Information Protection Law in the People' s Republic of China **and the Digital Personal Data Protection Act in India**) are ~~new,~~ complex ~~,~~ **to implement** and subject to **uncertain** interpretation. Non- compliance with these laws could result in negative publicity, damage to our reputation, significant penalties, or other legal liability. If ~~legislation~~ **laws** or regulations are expanded to require changes in our business practices **,** or ~~if governing jurisdictions interpret~~ **interpreted** ~~or implement their legislation or regulations~~ in ways that negatively affect our business, our results of operations, financial condition, or competitive position could be adversely affected. If our systems cannot cope with the level of demand required to service our consumers and ~~accommodations~~ **partners** , we could experience unanticipated disruptions in service, slower response times, decreased customer service and customer satisfaction, and delays in the introduction of new services. As an online business, we are dependent on the internet **,** ~~and maintaining~~ connectivity ~~between ourselves and consumers~~ , ~~sources of internet traffic, such as Google,~~ and ~~our travel service providers and restaurants. As consumers increasingly turn to~~ mobile ~~and other smart devices, we also depend on consumers' access to the internet through mobile carriers and their~~ systems **throughout the world** . Disruptions in internet access ~~, especially if widespread or prolonged,~~ could materially adversely affect our business and results of operations. While we maintain redundant systems and hosting services, **they are not always sufficient to prevent disruption** ~~it is possible that we could experience an interruption in our business~~ , and we do not carry business interruption insurance sufficient to compensate us for all losses that may occur. We have computer hardware for operating our services located in hosting facilities around the world. **Although we** ~~We do not~~ have ~~a comprehensive~~ disaster recovery ~~plan~~ **plans** ~~in every geographic region in which we conduct business~~ , ~~and~~ these systems and operations are vulnerable to damage or interruption ~~from human error, misconduct, or catastrophic~~ **and they may not cover us in every region. If such** events **were** ~~. In the event of any disruption of service at such facilities or the failure by such facilities~~ to ~~provide our~~ **occur** ~~required data communications capacity~~ , we may not be able to switch to back- up systems immediately and it could result in lengthy interruptions or delays in our services ~~. In addition to placing increased burdens on our engineering staff, these outages could create a significant amount of consumer questions and complaints that need to be addressed by customer support~~ . Any system failure that causes an interruption or delay in service could impair our reputation, damage our brands, increase customer service costs, or result in lost business, any of which could adversely ~~effect~~ **affect** our business and results of operations. We **seek** ~~have taken and continue to take steps~~ to increase the reliability and redundancy of our systems. These steps are expensive, may reduce our margins, and may not be successful in reducing the frequency or duration of unscheduled downtime. We have experienced targeted and organized malware, phishing, and account takeover attacks, and may in the future experience these and other forms of attack such as ransomware, SQL injection (where a third party attempts to insert malicious code into our software through data entry fields in our websites in order to gain control of the system), and attempts to use our websites as a platform to launch a denial- of- service attack on another party. Our existing security measures may not be successful in preventing attacks on our systems. For instance, ~~from time to time,~~ we have ~~experienced denial- of-~~ **incurred costs related to customer reimbursement and customer** service **, reputational harm, and lost revenue from fictitious listings and partner account takeovers** ~~type attacks on our systems that have made portions of our websites slow or unavailable for periods of time~~ . Our existing IT business continuity and disaster recovery practices are less effective against certain types of attacks such as ransomware, which could result in **interruption of** our services ~~being unavailable for an extended period of time~~ , ~~nullify our~~ data ~~, expose~~ **exposure , and /** ~~our~~ **or** ~~payment card and personal data, or expose us to~~ an extortion attempt. Reductions in the availability and response time of our online services could cause loss of substantial business volumes ~~during the occurrence of any such attack on our systems~~ and measures we may take to divert suspect traffic ~~in the event of such an attack~~ could result in the diversion of bona fide customers. These issues are more difficult to manage during any expansion of the number of places where we operate and the variety of services we offer, and as the tools and techniques used in such attacks become more advanced. We use sophisticated technology to identify cybersecurity threats; however, a cyberattack may go undetected for a period of time resulting in harm to our computer systems and the loss of data. This could result in ~~financial penalties being imposed by the regulators~~ **regulatory fines** and reputational harm **, among other costs** . Our insurance policies have coverage limits and may not be adequate to reimburse us for all losses caused by security breaches. Successful attacks could result in significant interruptions in our operations, severe damage to our information technology infrastructure, negative publicity, ~~damage our reputation~~ **reputational harm** , and **/ or** prevent consumers from using our services during the attack, any of which could cause consumers to use the services of our competitors, which would have a negative effect on the value of our brands, ~~our~~ market share, business, and results of operations. We use both internally- developed ~~systems~~ and third- party systems to operate our services, including transaction processing, order management, and financial and accounting systems. If the number of consumers using our services increases substantially, or if critical third- party systems stop operating as designed, we may need to ~~significantly~~ **repair,** expand ~~and~~ **or** upgrade our ~~technology, transaction processing~~ systems ~~, financial and accounting systems,~~ or ~~other~~ infrastructure. **If we are** ~~We may not be able~~ **unable** to **meet the demand** ~~upgrade our systems and infrastructure to accommodate such conditions~~ in a timely manner, ~~and, depending~~ **it could have a negative impact** on ~~the~~ **our business. Many of our processes and** systems ~~affected, our transactional, financial, and accounting systems could be impacted for a meaningful amount of time before upgrade, expansion, or repair. Many of our processes and systems, including those related to processing and recording revenue,~~ are highly automated and involve multiple inputs from various IT systems, which can mitigate the risk of human error but which can also make testing, troubleshooting, and auditing more difficult. As a result, it may be difficult to quickly detect and correct errors embedded in these processes or systems. We rely on certain third- party computer systems and third- party service providers, including GDSs and computerized central reservation systems of the accommodation, rental car, and airline industries in connection with providing some of our services. Any damage to, breach of **,** or interruption in these third- party services and systems or deterioration in their performance could prevent us from booking related ~~accommodation, rental car, and airline~~ reservations and have a material adverse effect on our business, brands, and results of operations. Third party business partners, service providers, and consultants may be given access to our computer networks. A cyberattack against one of these third parties that compromises their credentials may result in unauthorized access to our systems and data, resulting in a cyberattack against us. Furthermore, our agreements with some third- party service providers ~~are terminable upon short notice and often~~ do not provide recourse for service interruptions **, and** ~~. In the event our arrangement with any~~ such **service interruptions** ~~third party is terminated, we may not be able to find an alternative source of systems support on a timely basis or on commercially reasonable terms and, as a result, it~~ could have a **negative impact** ~~material adverse effect~~ on our business and results of operations. Consumers generally are concerned with security and privacy on the internet, and any publicized privacy and security problems could negatively affect consumers' willingness to **use** ~~provide private information or effect online commercial transactions generally, including through~~ our services. Some of our business is conducted with third- party marketing affiliates, which may generate travel reservations through our infrastructure or through other systems. A security breach at any third- party that we conduct business with, such as the security breach experienced by **MGM Resorts International** ~~Intercontinental Hotels Group Plc.~~ in ~~September 2022~~ **2023** , could be perceived by consumers as a security breach of our systems and could result in negative publicity, subject us to notification requirements, damage our reputation, expose us to risk of loss or litigation ~~and possible liability~~ , and subject us to regulatory penalties and sanctions, even if we had no direct involvement in the breach. In addition, such third parties may not comply with applicable disclosure requirements or with parameters within which we permit them to process data, which could expose us to liability. We depend upon various third parties to process payments, including credit cards, ~~for~~ - **or** ~~our merchant transactions around the world. In addition, we rely on third parties~~ to provide credit card numbers **for** ~~which we use as a~~ payment ~~mechanism~~ for **our** merchant transactions. If any such third party were ~~wholly or partially~~ compromised or ceased or suspended operations, our cash flows could be disrupted or we may not be able to generate merchant transactions (and related revenues) for a period of time and this could have a negative effect on our business, reputation, and results of operations and, in certain cases of the insolvency of such a partner ~~,~~ could result in additional payments by us and loss of the total transaction value. We may have exposure to additional tax liabilities. As an international business providing ~~reservation and marketing~~ services around the world, we are subject to **various** ~~income taxes and non- income- based~~ taxes. Although we believe that our tax filing positions are reasonable and comply with applicable law, we regularly review **them** ~~our tax filing positions, especially in light of tax law or business practice changes,~~ and we may change our positions or determine that previous positions should be amended, either of which could result in additional tax liabilities. The final determination of tax audits or ~~tax~~ disputes may be different from what is reflected in our historical ~~income~~ tax provisions and accruals. **We** ~~To date, we~~ have been audited in many taxing jurisdictions. If ~~current or future~~ audits find that additional taxes are due, we may be subject to incremental tax liabilities, possibly including interest and penalties, which could have a material adverse effect on our results of operations, financial condition, and cash flows **. An unfavorable outcome or settlement of pending litigation or audit proceedings could encourage the commencement of additional litigation, audit proceedings, or other regulatory inquiries** . See Notes 15 and 16 to our Consolidated Financial Statements for more information regarding certain tax matters and tax contingencies. ~~In general, governments~~ **Governments** are increasingly focused on ways to increase tax revenues, which has contributed to an increase in audit activity, more aggressive positions taken by tax authorities, more time and difficulty to resolve any audits or disputes **,** and an increase in new tax legislation. Any such additional taxes or other assessments may be in excess of our current tax provisions or may require us to modify our business practices in order to reduce our exposure to additional taxes going forward, any of which could have a material adverse effect on our business, results of operations, and financial condition. ~~In December 2017, the~~ **The United States' s** Tax Cuts and Jobs Act (the" Tax Act") ~~was enacted into law in the United States. The Tax Act~~ introduced a tax on 50 % of global intangible low- taxed income (" GILTI"), which is income determined to be in excess of a specified routine rate of return on qualifying business assets. The Tax Act further introduced a base erosion and anti- abuse tax (" BEAT") aimed at preventing the erosion of the U. S. tax base and a new tax deduction with respect to certain foreign- derived intangible income. If we are unable to operate our business so that BEAT does not impact us, our effective tax rate, results of operations and cash flows would be adversely affected. The interpretation and implementation of the Tax Act ~~and regulations, rules, or guidance that have been or may be adopted under, or result from, the Tax Act~~ have had and could have a negative impact on our results of operations and cash flows. In **addition** ~~August 2022~~ , the **United States' s recently enacted** Inflation Reduction Act **includes** ~~was enacted into law in the United States. The key tax provisions applicable to us are~~ a 15 % corporate minimum tax on book income and a 1 % excise tax on stock repurchases ~~, both of which are effective January 1, 2023~~ . The interpretation and implementation of these provisions could have a negative impact on our results of operations and cash flows. ~~In addition, increases~~ **Increases** in the U. S. corporate income tax rate, increasing the percentage of GILTI subject to tax in the United States, or other changes **to** ~~included in any adopted~~ U. S. federal tax ~~legislation~~ **laws** could have a negative impact on our results of operations and cash flows. Certain countries have taken steps to unilaterally introduce a digital services tax to address the issue of multinational businesses carrying on business in their jurisdiction without a physical presence and therefore generally not being subject to income tax in those jurisdictions. These digital services taxes are calculated as a percentage of revenue rather than income or profits. The interpretation and implementation of the various digital services taxes (especially if there is inconsistency in the application of these taxes across tax jurisdictions) could ~~have a materially adverse~~ **adversely** impact ~~on~~ our results of operations and cash flows. Further, digital services taxes may not apply to our competitors ~~such as hotel chains and smaller OTCs~~, which could harm our business and competitive position. Additionally, there have been significant changes made and proposed to international tax laws that increase the complexity, burden, and cost of tax compliance. The Organisation for Economic Co- operation and Development (" OECD") has been working on the" base erosion and profit shifting" (" BEPS") project to ensure international tax standards keep pace with changes in global business practices. This project could change various aspects of the existing rules under which our tax obligations are determined ~~in many of the countries in which we do business~~. In 2021, more than 130 countries agreed to a new OECD framework on BEPS that, among other provisions, includes proposed changes to how the right to tax income would be allocated among countries and imposes a 15 % global minimum tax. The OECD recently issued additional commentary related to the 15 % minimum tax, including the intention that provisions be incorporated into law with an effective date of January 1, 2024. **Several member countries outside the U. S. have adopted these rules, effective January 1, 2024.** The rules for the calculation of the 15 % minimum tax are complex and additional guidance continues to be issued by the OECD ~~. Until~~ **and its** member countries ~~enact legislation~~ **. The** ~~implementing~~ **implementation of** ~~the~~ **these rules could have a negative** ~~15 % minimum tax, it is not certain how it will~~ impact ~~us~~ **on our results of operations or cash flows** . Due to the large scale of our business activities outside of the United States, any changes in U. S. or international taxation of our activities, such as new definitions of permanent establishment, new nexus and profit allocation rules, or the combined effect of tax laws in multiple jurisdictions, may increase our worldwide effective tax rate, increase the complexity and costs associated with tax compliance, and adversely affect our cash flows and results of operations. We are also subject to other non- income- based taxes, such as value- added, payroll, sales, use, excise, net worth, property, hotel occupancy, and goods and services ~~taxes~~. We refer generally to taxes on travel transactions (e. g., value- added taxes, sales taxes, excise taxes, hotel occupancy taxes, etc.) as" travel transaction taxes." From time to time, we are under audit or investigation by tax authorities or involved in legal proceedings related to these non- income- based taxes or we may revise ~~or amend~~ our tax positions, which may result in additional non- income- based tax liabilities. A number of jurisdictions in the United States have initiated lawsuits or other proceedings against OTCs, including us, related to, among other things, the payment of certain travel transaction taxes ~~(such as hotel occupancy taxes)~~ that could include historical taxes that are claimed to be owed, interest, penalties, punitive damages and / or attorney' s fees and costs. Additional jurisdictions may assert that we are subject to travel transaction taxes and could seek to collect such taxes, either retroactively, prospectively or both. We continue to defend against these lawsuits and, where appropriate, intend to continue to assert that we should not be subject to such taxes. Although we believe we do not owe the taxes claimed in these lawsuits, litigation is uncertain, and if there was an adverse outcome in this litigation, or any similar litigation in other jurisdictions, it could result in liabilities for past and / or future bookings, and it could have an adverse effect on our business, profit margins, and results of operations ~~. An unfavorable outcome or settlement of pending litigation could encourage the commencement of additional litigation, audit proceedings, or other regulatory inquiries~~. Jurisdictions could also seek to amend their tax statutes in order to collect travel transaction taxes from us on a prospective basis. Additionally, ~~a number of~~ jurisdictions ~~in the United States and other countries~~ have adopted or may adopt laws that require us to collect and remit travel transaction **or other** taxes **on the total travel transaction value or** on behalf of travel service providers, which in some instances may negatively impact our revenue ~~and may be difficult to implement. Adverse tax decisions or new laws could have a material adverse effect on our business~~, margins, cash flows **,** and results of operations **and may require significant and costly system changes to implement** . We may not be able to maintain our" Innovation Box Tax" benefit. The Netherlands corporate income tax law provides that income generated from qualifying innovative activities is taxed at the rate of 9 % beginning in January 2021 and 7 % prior to 2021 (" Innovation Box Tax") rather than the Dutch statutory rate of 25 %. Effective January 1, 2022, the Netherlands corporate income tax rate increased from 25 % to 25. 8 %. A portion of Booking. com' s earnings historically has qualified for Innovation Box Tax treatment. In order to be eligible for Innovation Box Tax treatment, Booking. com must, among other things, apply for and obtain a research and development (" R & D") certificate from a Dutch governmental agency every six months confirming that the activities that Booking. com intends to be engaged in over the subsequent six- month period are" innovative." The R & D certificate is current but should Booking. com fail to secure such a certificate in any future period- for example, because the governmental agency does not view Booking. com' s new or anticipated activities as innovative ~~- or should this agency determine that the activities performed in a prior period were not performed as contemplated or did not comply with the agency' s requirements, Booking. com may lose its certificate and, as a result~~, the Innovation Box Tax benefit may be reduced or eliminated. Booking. com intends to apply for continued Innovation Box Tax treatment for future periods. However, Booking. com' s application may not be accepted, or, if accepted, the amount of qualifying earnings may be reduced. The loss of the Innovation Box Tax benefit (or any material portion thereof) ~~, whether due to a change in tax law or a determination by the Dutch government that Booking. com' s activities no longer qualify,~~ could substantially increase our effective tax rate and adversely impact our results of operations and cash flows in the future. We ~~, the travel industry, and the technology industry generally~~ are subject to competition and consumer protection laws and regulations around the world. These laws and regulations **constantly** evolve ~~and change~~, and their interpretation, application, and enforcement can also change, be unpredictable, or be affected by changing political or social pressures. As we expand our business into new areas, including our evolution towards the Connected Trip **vision** , we may become subject to additional laws and regulations. **We** ~~At times, online travel platforms, including us,~~ have been the subject of investigations or inquiries by ~~various~~ national competition authorities (" NCAs") or other governmental authorities. For example, we **are** ~~have been and continue to be~~ involved in investigations related to whether Booking. com' s contractual parity arrangements with accommodation providers ~~, sometimes also referred to as" most favored nation" or" MFN" provisions,~~ are anti- competitive because they require **partners** ~~accommodation providers~~ to provide Booking. com with ~~room~~ rates, conditions, and availability ~~that are~~ at least as favorable as those offered to other OTCs or ~~through~~ **by the partner itself. Recently, the Comisión Nacional de los Mercados y la Competencia in Spain issued a draft decision to impose a fine and to restrict certain business practices based on the allegation that certain practices by Booking. com may produce adverse effects for hotels and** ~~the~~ **other** ~~accommodation provider' s website~~ **OTCs. Additionally, in September 2017 the Swiss Price Surveillance Office opened an investigation into the level of commissions of Booking. com in Switzerland. The Swiss investigation is ongoing and if there is an adverse outcome in the investigation and any appeal, Booking. com could be required to reduce its commissions in Switzerland** . To resolve and close certain of the investigations, we have ~~from time to time~~ made commitments to the investigating authorities regarding future business practices or activities, such as agreeing to narrow the scope of our parity arrangements . Additionally, these types of investigations...... us specifically could occur and have occurred . While we believe that we are complying with ~~our~~ **the** commitments **we have made** , investigating authorities or third parties may determine **otherwise** ~~that we are not complying with the commitments we have made~~ and decide to pursue legal action to compel compliance or seek other remedies ~~. Further, in September 2017 the Swiss Price Surveillance Office opened an investigation into the level of commissions of Booking. com in Switzerland and the investigation is ongoing. If there is an adverse outcome and Booking. com is unsuccessful in any appeal, Booking. com could be required to reduce its commissions in Switzerland~~ . We are cooperating with regulators where applicable, but we are unable to predict what, if any, effect any investigations or **their** ~~resolutions~~ - **resolution** ~~thereof~~ , including the effect of any commitments we might make, will have on our business, industry practices, or online commerce more generally. **An unfavorable outcome of an investigation could encourage additional regulatory inquiries that could become widespread over time,significantly increasing the potential financial and reputational impact on the Company** .Additionally,these types of investigations can result and have resulted in the assessment of fines **,private litigation,and negative publicity.See Note 16 to our Consolidated Financial Statements for more information regarding our contingencies** .We have also been involved in investigations or inquiries involving consumer protection matters and we have previously made certain voluntary commitments to consumer authorities to resolve investigations or inquiries that have included showing prices inclusive of all mandatory taxes and charges,providing information about the effect of money earned on search result rankings on or before the search results page,and making certain adjustments to how discounts and statements concerning popularity or availability are shown to consumers. ~~To the extent that these or any other investigations or inquiries result in additional commitments,fines,damages,or other remedies,our business,financial condition,and results of operations could be harmed.As markets evolve and NCAs or other governmental authorities continue to monitor our~~ To the extent that **these** ~~regulatory authorities impose fines on us~~ or ~~require~~ **any other investigations or inquiries result in additional commitments,** changes to our business practices ~~or to those currently common to the industry~~ , ~~our business, competitive position, and results of operations could be materially and adversely affected. Negative~~ **negative** publicity ~~regarding competition and / or consumer law investigations could adversely affect our brands and therefore our business~~ , **fines** ~~market share~~ , **damages from** ~~and results of operations. Competition and consumer law- related investigations, legislation, or issues have and could in the future result in~~ private litigation ~~.~~ **, or** ~~Another~~ -- **other remedies, it could have a material adverse effect** ~~area of regulatory inquiry involves contractual search term bidding restrictions where one contracting party agrees not to bid~~ on ~~certain key search terms related to the other party (e. g., such other party' s name). In some of our contracts, we or~~ **our** ~~the other party have agreed to bidding restrictions. If bidding restrictions are held to be illegal or otherwise unenforceable or if we remove them from all of our contracts, it could negatively impact our performance marketing efficiency,~~ business **, financial condition** , and results of operations. There is significant legislative and public focus on the technology industry, especially as technology companies become larger. In some instances, countries have passed legislation that goes further to restrict business activities than actions taken by NCAs or other regulatory authorities. **Various jurisdictions in Europe** ~~France, Italy, Belgium, Portugal, and Austria~~ have passed legislation prohibiting ~~parity contract clauses in their entirety and, last year, a German court ruled that our~~ - **or** ~~narrow~~ **restricting the use of** parity clauses **in contracts** ~~are not permitted~~ . Additionally, the EU' s Platform to Business Regulation regulates the relationship between online platforms such as Booking. com and European business users of online platforms. The ~~Digital Markets Act ("~~ DMA ~~")~~ and Digital Services Act (" DSA") give regulators in the EU more instruments to investigate and regulate digital businesses and impose ~~new~~ **additional** rules and requirements on platforms designated as" gatekeepers" under the DMA and online platforms more generally, with separate rules for" Very Large Online Platforms" (" VLOPs") under the DSA. **As a result,** ~~If the European Commission determines that~~ we are **and** ~~a gatekeeper or one of our brands is a VLOP, we~~ will ~~be~~ **in the future become** subject to additional rules and regulations that may not be applicable to our competitors. For example, the DMA ~~imposes new restrictions~~ --- **restricts** ~~and requirements, including in areas such as~~ parity arrangements and **imposes requirements regarding** the usage of ~~personal~~ data across services, which could adversely impact our business. Designated gatekeepers ~~will~~ also need to establish an independent compliance function to monitor compliance with the DMA. **The Company** ~~An initial designation as~~ **has** ~~a gatekeeper could take place later this year,~~ **met the quantitative notification criteria set forth in the DMA** and ~~key~~ **expects to notify the European Commission of that fact within the required deadline. Certain of the DMA' s** requirements **will** ~~are expected to~~ become enforceable **later** ~~against designated gatekeepers~~ in ~~early~~ 2024. **As a result of the DMA, compliance costs may increase and changes to our products or business practices may be required.** The ~~requirements for gatekeepers are also~~ **DMA and DSA will likely be** subject to further interpretation and regulatory engagement ~~, and such designation may be subject to a review process~~ . Under the DSA, we **are** ~~may be~~ required to collect more information from partners, which could disincentivize certain partners from using our services. Further, **as** ~~if one of our brands is designated~~ a VLOP, ~~it would be~~ **Booking. com is** subject to additional scrutiny, obligations, and costs, such as payment of an annual supervisory fee,

~~requirements to carry out~~ annual risk assessments and independent audits, and ~~needing to establish~~ **establishing** an independent compliance function. The DMA and DSA each have significant penalties for non- compliance. The European Commission ~~will designate~~ **designates** VLOPs based on a platform' s number of EU" monthly active recipients" (" MARs"). The European Commission requires counting users to whom information was displayed, even if a user does not make a transaction on the platform. The assessment of MARs and any other published information by our brands represents an estimate based on the data available to us and limited guidance, and is subject to limitations. The estimate is published solely as a requirement under the DSA, may be inaccurate, and should not be used for any other purpose. For information we consider relevant to the performance of our business, see Part II, Item 7, Management' s Discussion and Analysis of Financial Condition and Results of Operations. **New state** ~~Additionally, in July 2021 President Biden of the United States signed an~~ **and federal laws and regulations, including the U. S.** executive order aimed at restricting anticompetitive practices **and** ~~, including~~ those **under consideration by** ~~within the technology industry. Any rules or regulations that result from this executive order, as well as any other~~ -- **the Federal Trade Commission,** ~~new laws and regulations and changing public perception relating to the technology industry~~ could impact our services, require us to change our business practices, **and impose** ~~or otherwise cause us to incur~~ additional ~~operating~~ **complexity and** costs ~~to comply with or address these developments~~ . **As** ~~Further, as~~ market conditions change as a result of investigations, litigation, legislation, **changing public perception of the industry,** or political or social pressure, we may decide to ~~voluntarily~~ modify our business practices beyond what is required, the full effects of which may not be known when making the decision, but which could harm our competitive position and adversely affect our business and results of operations. With additional attention on the size of travel or technology companies generally, our size and market share may negatively affect our ability to obtain regulatory approval of proposed acquisitions **or other opportunities** , our ability to expand into complementary businesses **,** or our latitude in dealing with travel service providers (such as by limiting our ability to provide discounts, rebates, or incentives or to exercise contractual rights), any of which could adversely affect our business, results of operations **,** or ability to grow and compete **. Another area of potential regulatory inquiry involves contractual online search term bidding restrictions where one contracting party agrees not to bid on certain key search terms related to the other party (e. g., such other party' s name). In some of our contracts, we or the other party have agreed to bidding restrictions. If bidding restrictions are held to be illegal or otherwise unenforceable or if we remove them from all of our contracts, it could negatively impact our performance marketing efficiency, business, and results of operations** . Regulatory and legal requirements and uncertainties could subject us to business constraints, increased compliance costs and complexities, or otherwise harm our business. ~~Our ability to provide our services and any future services is and will continue to be affected by legal~~ **Legal** ~~regulations~~ **requirements** of ~~national and local~~ governments and regulatory authorities, many of which are evolving and subject to ~~the possibility of new or~~ revised interpretations **, impact our ability to provide our services and can result in private litigation** . For example, we currently offer optional rental car- related insurance products to customers protecting them against accidental damage to their rental vehicles, optional room and flight cancellation insurance products, and we intend to offer additional trip- related insurance products in the future, which subjects us to certain insurance distribution regulations and related increased compliance costs and complexities, any of which could negatively impact our business and results of operations. **Any increase in the number or complexity of the laws and regulations applicable to us and our businesses could increase our compliance costs and burdens and negatively affect our business and results of operations.** Laws in some countries relating to data localization, registration as a travel agent, and other local requirements could, if applicable to us, adversely affect our ability to conduct business in those countries. ~~Any increase in the number or complexity of the laws and regulations applicable to us and our businesses could increase our compliance costs and burdens and negatively affect our business and results of operations.~~ For example, in the European Union and the United Kingdom, the Package Travel Directive and other local laws governing the sale of travel services (the" Package Directive") ~~sets~~ - **set** out broad requirements such as local registration, certain mandatory financial guarantees, disclosure requirements, and other rules regulating the provision of single travel sales, travel packages, and linked travel arrangements **, and certain** ~~. The Package Directive also creates additional~~ liability for ~~a provider of travel packages, which could be the OTC, for~~ performance of the ~~travel~~ services ~~within a packaged trip under certain circumstances~~ . Some parts of our business are already subject to the broad scope of the Package Directive, and as our offerings continue to diversify and expand, we may become subject to additional requirements ~~of the Package Directive~~ . Compliance with this directive could be costly and complex or, as a result of these requirements, we could choose to limit offerings that would otherwise be beneficial for the business, any of which could adversely affect our business, results of operations, or ability to grow and compete. Any changes to the Package Directive ~~, including any changes to the scope of the travel services covered, increased levels of consumer protections, or changes to the requirements of financial guarantees~~ could be costly or complex to comply with and may also adversely affect our business, results of operations, or ability to grow and compete ~~in the future~~ . The implementation of unfavorable regulations or unfavorable interpretations of existing regulations by judicial or regulatory bodies could require us to incur significant compliance costs, cause the development of the affected markets to become impractical and otherwise have a material adverse effect on our business and results of operations. For example, ~~in connection with a lawsuit begun in 2015 by the Association of~~ Turkish ~~Travel Agencies, a Turkish court~~ **courts have ruled** ~~ordered in 2019~~ that Booking. com ~~must meet~~ **is subject to** certain registration requirements in order to offer **domestic** ~~Turkish hotels and~~ accommodations to Turkish residents. If **the** ~~Booking. com does not successfully~~ appeal **of** this decision ~~or meet the~~ **is not successful, Booking. com would be subject to** Turkish registration requirements **in order** ~~, Booking. com will be unable~~ to resume offering **domestic** ~~Turkish hotels and~~ accommodations to Turkish residents, which would continue to negatively impact our ~~results of operations. There can be no assurance that there will not be an adverse outcome to any such litigation or that such an outcome would not result in an adverse impact on our~~ business ~~, financial condition, or results of operations~~ . Compliance with the **legal requirements** ~~laws and regulations~~ of multiple jurisdictions increases our cost of doing business. Examples of these laws and regulations, which sometimes conflict, include the U. S. Foreign Corrupt Practices Act, the U. K. Bribery Act, the DSA and DMA, and local laws which also prohibit corrupt payments to governmental officials or third parties, data privacy requirements, **emerging regulations governing the development, marketing, and use of AI,** labor relations laws, non- discrimination, human rights or anti- human trafficking laws ~~and regulations, such as the U. K. Modern Slavery Act 2015~~ , tax laws, anti- trust or competition laws, U. S., E. U., or U. N. sanctioned country or sanctioned persons mandates, and consumer protection laws. Violations of these laws and regulations have resulted in the past and could result in the future in fines, penalties, and / or criminal sanctions against us, our officers, or our employees and / or prohibitions on how or where we conduct business. Any such violations could delay or prevent potential acquisitions, and could materially damage our reputation, ~~our~~ brands, ~~our~~ global expansion efforts, ~~our~~ ability to attract and retain employees and business partners, ~~our~~ business, and ~~our~~ operating results. Even if we comply with these laws and regulations, doing business in certain jurisdictions or violations of these laws and regulations by the parties with whom we conduct business could harm our reputation and brands, which could adversely affect our results of operations or stock price. In addition, **if** these restrictions **are not applicable to competitors, it** may provide **them** a competitive advantage ~~to our competitors unless they are also subject to comparable restrictions~~ . Our success depends, in part, on our ability to anticipate these risks and manage these difficulties. Additionally, our employees in certain countries in Europe are represented by works councils and / or trade unions. We are required to consult with works councils on certain matters such as restructurings, acquisitions and divestitures, and other matters that could impact our labor force. ~~Consultations~~ **Consultation** may not be completed on terms satisfactory to us and ~~, as a result,~~ could result in increases in our cost of labor, diversion of management' s attention away from operating our business, delays in certain initiatives, and expose us to claims and litigation. We are also subject to a variety of other regulatory, legal, and public policy risks and challenges in managing an organization operating in various countries, including ~~those related to~~ : • additional complexity to comply with regulations in multiple jurisdictions, as well as overlapping or inconsistent legal regimes, in particular with respect to tax, labor, consumer protection, digital content, advertising, promotions, privacy, and competition laws; • difficulties in transferring funds from or converting currencies in certain ~~countries; • reduced protection for intellectual property rights in some~~ countries; and • changes in social or political conditions or policies relating to a wide range of sustainability topics. We have made efforts and expect to make further efforts to integrate access to travel services across our various brands. These changes add complexity to legal and tax compliance and our internal controls, and our size and operating history may increase the likelihood that we will be subject to regulatory scrutiny or audits by tax authorities in various jurisdictions. ~~In addition, by virtue of Booking. com' s size and presence in the Netherlands, it is required to have a supervisory board to oversee the strategy and operations of Booking. com. While the existence of the supervisory board has not had a material impact on our operations, under certain circumstances, this governance structure could require Booking. com to obtain supervisory board approval in order to take certain actions, which could result in delays or other unanticipated strategic or operational challenges.~~ There are various risks associated with the facilitation of payments ~~from consumers~~ , including risks related to fraud, compliance with evolving rules and regulations, and reliance on third parties. Our results have been and will likely continue to be negatively impacted by consumer purchases made using fraudulent payment cards ~~(such as credit, debit, prepaid, or similar cards)~~ , claims the consumer did not authorize the purchase, or consumers who have closed bank accounts or have insufficient funds in their bank accounts to satisfy payments. We may be held liable for accepting fraudulent payment cards ~~(such as stolen or cloned cards)~~ on our platforms or in connection with other fraudulent transactions on our platforms, as well as other payment disputes ~~with consumers~~ . Accordingly, we calculate and record an allowance for the resulting chargebacks. ~~We must also continually implement and evolve measures to detect and reduce the risk of fraud, in particular as these methods become increasingly sophisticated.~~ If we are unable to successfully ~~combat~~ **implement and evolve measures to detect and reduce** the ~~use~~ **risk** of **fraud** ~~fraudulent payment cards~~ on our platforms, our business, profit margins, results of operations, and financial condition could be materially adversely affected. We are processing more of our transactions on a merchant basis where we facilitate payments from travelers through the use of payment cards and other payment methods ~~(such as PayPal, Alipay, Paytm, and WeChat Pay)~~ . While processing transactions on a merchant basis allows us ~~to process transactions for properties that do not otherwise accept payment cards and~~ to increase our ability to offer a variety of payment methods and flexible transaction terms to consumers, we incur additional payment processing costs (which are typically higher for foreign currency transactions) and other costs related to these transactions, such as costs related to fraudulent payments and transactions and fraud detection. As we expand our payments services to consumers and ~~business~~ partners, in addition to the revenues from these transactions, we may experience a significant increase in these costs, and our results of operations and profit margins could be materially adversely affected, in particular if we experience a significant increase in non- variable costs related to fraudulent payments and transactions. As a greater percentage of our transactions involve us processing payments, our global systems and processes must be managed on a larger scale, which adds complexity, administrative burdens and costs, and increases the demands on our systems and controls, which could adversely affect our results of operations. In addition, as our payment processing activities continue to develop, we expect to be subject to additional regulations, including financial services regulations, which we expect to result in increased compliance costs and complexities, including those associated with the implementation of new or advanced internal controls, including, by way of example, those arising from the E. U. ~~'~~ **'** s Payment Services Directive 2 and similar **or successor** legislation. The implementation of these processes may result in increased compliance costs and administrative burdens. Regulators (or we) may determine, and in some cases are likely to determine, that certain aspects of our business are subject to laws that govern payments activities, such as money transmission and online payments processing, which could require us to obtain licenses to continue to operate in certain jurisdictions or result in modification of our business plans. **Certain of our subsidiaries that may provide payment services in support of our brands are subject to licensing and regulations that impose notice and approval obligations on investors that seek indirect or direct ownership, in the aggregate, of 10 % or more of our outstanding shares.** Regulations relating to operational resilience, banking **(including consumer protection)** , privacy, and security of our processes ~~could~~ also apply to us. Further, our payments systems are susceptible to illegal and improper uses, including money laundering, terrorist financing, fraudulent sales of goods or services, and transactions by or with sanctioned parties. We have invested and will need to continue to invest substantial resources to comply with applicable laws and regulations, and failure to maintain compliance could lead to fines or require us to modify or interrupt our business practices, plans, or operations, any of which could negatively impact our business, results of operations, and profit margins. We are also subject to payment card association rules and obligations under our contracts with the card schemes and our payment card processors, and indirectly to the rules of payment systems in respect of credit (i. e., account to account) transfers. The rules of the card schemes and payment systems are **often** updated **or interpreted by the schemes** in ~~cycles~~ **different ways** , and we may need to adjust our systems and / or processes to comply with any updated obligations. **If we fail to comply with such obligations, we may lose our ability to accept certain credit and debit** ~~Card~~ **card payments from our customers, or facilitate other types of online payments, which would negatively impact our business and operating results. Under card** association rules **,** ~~include~~ **including** the Payment Card Industry Data Security Standard (the" Standard") ~~. Under the Standard and these association rules and obligations~~ , if information is compromised, we could be liable to payment card issuers for associated expenses and penalties, and in some cases, we could be restricted in our ability to accept payment cards. Under certain circumstances in our agreements with the card schemes and in relation to the Standard, we are also subject to periodic audits, self- assessments, and other assessments of our compliance with the rules and obligations of the payment card associations and the Standard, which could result in additional expenses and administrative burdens. In addition, if we fail to follow payment card industry security standards, even if no consumer information is compromised, we could incur significant fines or experience a significant increase in payment card transaction costs. Additionally, compliance with the Standard may not prevent all security incidents. If we are fined or required to pay additional processing fees or if our ability to accept payment cards is restricted in any way as a result of our failure to comply with these payment card industry rules, or otherwise, it could adversely impact our business, results of operations, and profit margins. We rely on banks, card schemes, and other payment processors to execute certain components of the payments process. For inbound payments, we pay these third parties interchange fees and other processing and gateway fees to help facilitate payments from consumers to travel service providers. As a result, if we are unable to maintain our relationships with these third parties on favorable terms ~~or~~ **,** if ~~these~~ fees are increased for any reason **, or if we provide security** , our profit margin, business, and results of operations could be harmed. Additionally, if these third parties experience service disruptions or if they cease operations, consumers and travel service providers could have difficulty making or receiving payments, which could adversely impact our reputation, business, and results of operations. In addition, in the event that one of our major travel service providers voluntarily or involuntarily declares bankruptcy or otherwise ceases or limits operations, we could experience an increase in chargebacks from customers with travel reservations with such travel service provider and we could experience financial loss from certain prepayments made to such travel service provider if we are not able to recover the prepayment. We face risks relating to our environmental, social, and governance (" ESG") objectives, including climate **-** related commitments we have made that require us to invest effort, resources, and management time, and failing to meet those objectives may adversely impact our reputation, employee retention, and willingness of customers and partners to do business with us. Investors, **regulatory authorities,** proxy advisory services ~~,~~ ~~regulatory authorities~~ , and other stakeholders are increasingly focused on our ESG practices. We have made climate **-** related commitments to reduce our scope 1 & 2 emissions by 95 % and our scope 3 emissions by 50 % by the end of 2030, and to achieve net zero by 2040. Additionally, we committed to making it easier for our customers to find more sustainable trip options and we continue to work on enhancing related disclosure of goals, progress, and other ESG matters. Our ability to achieve ESG goals and initiatives is subject to risks including: (1) the availability and cost of limiting or offsetting our use of carbon- based energy sources and technologies, (2) evolving regulatory requirements affecting ESG standards and disclosures, (3) our ability to work with partners and providers that can meet our sustainability and other standards, (4) the availability of vendor or other third- party data, (5) the impact of our organic growth and acquisitions or dispositions of businesses or operations on our ESG goals, and (6) customers ~~’~~ **'** actual demand for ESG- oriented product offerings, which may be more expensive and less available than other options. We may need to invest significant effort ~~,~~ **and** resources ~~, and time~~ to progress our ESG objectives, including our climate commitments, and external factors such as rapidly changing regulations, policies, and related interpretation may arise that may lead us to revise our timelines, commitments, or how we measure and report ESG data. **There are several** ~~For example, stricter regulation~~ **regulatory developments regarding** ~~related to certification schemes applicable to~~ sustainability **labeling that** ~~labels under consideration in Europe~~ could ~~impact~~ **result in changes to, or require the discontinuation of,** our Travel Sustainable ~~program~~ **Program** ~~commitments~~ . If our ESG practices do not meet evolving investor or other stakeholder expectations or regulatory requirements, then our reputation, ability to attract or retain employees, and our attractiveness as an investment or business partner could be negatively impacted. Similarly, our failure or perceived failure to pursue or fulfill our ESG- related objectives or to satisfy ~~various~~ **increasingly broad** reporting ~~standards~~ **obligations** could expose us to government enforcement actions, private litigation, and actions by stockholders or stakeholders, and adversely impact our business, brands, or reputation. We face risks related to our intellectual property. We regard our intellectual property as important to our success, and we rely on intellectual property such as trademarks, copyrights, patents, and trade secrets to support our business as well as domain names or other intangible rights or property secured through purchase, licensing or other agreements with our employees, travel service providers, partners, and other parties. We have filed ~~various~~ applications for protection of certain aspects of our intellectual property in the United States and other jurisdictions, and we currently hold a number of issued patents in several jurisdictions. **In** ~~Further, in~~ the future we may acquire additional intellectual property portfolios, which could require significant cash expenditures. However, we may choose not to register or otherwise protect some of our intellectual property and instead rely on trade secret or other means of protection. We have licensed in the past, and may license in the future, certain of our proprietary rights, such as trademarks or copyrighted material, to third parties, and these licensees may take actions that diminish the value of our proprietary rights or harm our reputation. We also have procured various intellectual property licenses from third parties. **There is uncertainty about the validity and enforceability of intellectual property rights that may result from our use of generative AI.** Effective intellectual property protection may not be available in every country in which our services are made available, particularly in certain jurisdictions in which we operate in which theft of intellectual property may be more prevalent. We may be required to expend significant time and resources to prevent infringement or to enforce our intellectual property rights. We ~~believe that our intellectual property rights help to protect our business. We~~ endeavor to defend our intellectual property rights diligently, but intellectual property litigation is expensive and time- consuming, and may divert managerial attention and resources from our business objectives. We may not be able to successfully defend our intellectual property rights or our intellectual property rights may not be sufficient to effectively protect our business, which could adversely affect our business, brands, and results of operations. From time to time, in the ordinary course of our business, we may be subject to legal proceedings and claims relating to the intellectual property rights of others, and we expect that third parties will continue to assert intellectual property claims against us. Successful infringement claims against us could result in a significant monetary liability and / or prevent us from operating ~~our business, or portions of~~ our business, or require us to change business practices or develop non- infringing alternatives, which could require significant effort and expense. In addition, resolution of claims may require us to obtain licenses to intellectual property rights belonging to third parties, which may be expensive to procure, or possibly require us to cease using those rights altogether. Any of these events could have an adverse effect on our business, results of operations, and financial condition. Our use of" open source" software could adversely affect our ability to protect our proprietary software and subject us to possible litigation. We periodically use open source software in connection with our software development. From time to time, companies that use open source software have faced claims challenging the use of open source software and / or compliance with open source license terms. We could be subject to suits by parties claiming ownership of what we believe to be open source software, or claiming non- compliance with open source licensing terms. ~~Some open source licenses require users who distribute software containing open source to make available all or part of such software, which in some circumstances could include valuable proprietary code of the user.~~ While we monitor our use of open source software and try to ensure that none is used in a manner that would require us to disclose our proprietary source code or that would otherwise breach the terms of an open source agreement, such use could inadvertently occur, in part because open source license terms are often ambiguous. Any requirement to disclose our proprietary source code or pay damages for breach of contract could be harmful to our business, results of operations, or financial condition, and could help our competitors develop services that are similar to or better than ours. Regulations and policies impacting the way corporations use cookies and other online tracking technologies could negatively impact the way we do business. There are several privacy- driven initiatives that are changing the gathering and use of consumer data in the digital marketing ecosystem. These include **:** phasing out the use of third- party cookies (and other tracking technologies) by browsers such as Safari and Google Chrome ~~,~~ **;** restrictions on the use of the identifier for advertisers (such as the Apple" IDFA") by mobile device manufacturers **;** ~~, the adoption of regulations by many jurisdictions that govern the use of cookies, and~~ Apple' s iCloud Private Relay ~~,~~ **(** which hides a user' s IP address from websites that the user accesses in favor of other IP addresses provided by Apple ~~'~~ **'** s partners **); and** ~~. Google Chrome has announced that they~~ - **the adoption** ~~will not permit the use~~ of **regulations** ~~third- party cookies on Chrome~~ by ~~the end of 2024 and other browsers have already stopped their use. Apple has begun to require app developers to gain consent to use the IDFA and other identifiers with their own consent framework. Apple' s paying iCloud customers who update to current versions of iOS, iPadOS and OS X have access to iCloud Private Relay when using the Safari browser to hide such user' s IP address from websites. These initiatives impact a small portion of our digital advertising practices. These changes are not unique to the digital advertising at our Company. While we believe that our primary performance marketing spend will not be directly impacted by these changes, we are prepared to utilize alternative digital marketing techniques for the portion of our marketing spend that could be impacted. In addition,~~ many jurisdictions **that** ~~have adopted regulations governing~~ --- **govern** the use of cookies. For example, in the EU, the ePrivacy Directive regulates the use of cookies and similar technologies, including limitations on the use of data and guidelines for enabling users to accept or reject cookies. Authorities may assert, and in some cases are likely to determine, that our collection, use, or management of customer and other data is inconsistent with laws and regulations, including laws that apply to cookies or similar technology, and there may be significant penalties for non- compliance. In the EU, the ePrivacy Directive is implemented in national laws as a result of which different interpretations and requirements apply on a country by country basis. EU regulators continue to issue guidance concerning the ePrivacy Directive' s requirements regarding the use of cookies and similar technologies and may impose specific measures which could impact our use of such technologies. In addition, the ePrivacy Directive and national implementation laws impose additional limitations on the use of data across messaging products and include significant penalties for non- compliance. In the U. S., disclosure requirements and limitations may apply to the use of certain cookies and other online tracking technologies deemed to be sales of personal information under the CCPA or other state laws. If these **privacy- driven initiatives or** regulations impair our ability to serve customers optimally or if we are less effective than our competitors in addressing these issues, our ability to improve performance on our platforms, business, market share, and results of operations could be adversely affected. Further, any failure to comply with evolving privacy regulations, guidance, and interpretations could result in significant fines, government enforcement actions, private litigation, and harm to our business, results of operations, or reputation. Our liquidity, credit ratings, and ongoing access to capital could be materially and negatively affected by global financial conditions and events. Our continued access to sources of liquidity depends on multiple factors, including global economic conditions, the condition of global financial markets, the availability of sufficient amounts of financing, our ability to meet debt covenant requirements, our operating performance, and our credit ratings. Increased volatility in the financial and securities markets in recent years has generally made access to capital less certain. Further, if our credit ratings were to be downgraded or if financing sources were to ascribe higher risk to our rating levels, our industry or us, our access to capital, and the cost of any financing would be negatively impacted. We currently have $ 2 ~~. 0~~ billion available under our revolving credit facility, which ~~provides an additional potential source of liquidity. The revolving credit facility~~ contains certain financial covenants ~~, compliance~~ **that we need to comply** with **in order** ~~which is a condition~~ to **access such liquidity** ~~our ability to borrow thereunder~~. There can be no assurance that we will be able to meet the covenant requirements at any particular time ~~, and our ability to borrow under the revolving credit facility depends on such compliance~~. Further, the lenders have the right to require repayment of any amounts borrowed under the facility if we are not in compliance. There is no guarantee that additional debt financing will be available in the future ~~to fund our obligations, or that it will be available~~ on commercially reasonable terms **or at all**, in which case we may need to seek other sources of funding. In addition, the terms of future debt agreements could include more restrictive covenants, which could restrict our business operations. See Part II, Item 7, Management ~~'~~ **'** s Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources for more information on our liquidity and capital resources. We are exposed to fluctuations in foreign currency exchange rates. We conduct a substantial majority of our business outside the United States but we report our results in U. S. Dollars. As a result, we face exposure to movements in foreign currency exchange rates as the financial results of our businesses outside of the U. S. are translated from local currency (principally Euros and British Pounds Sterling) into U. S. Dollars. When the U. S. Dollar strengthens against other currencies in which we transact, our foreign- currency- denominated net assets, gross bookings, revenues, operating expenses, and net income are lower as expressed in U. S. Dollars. When the U. S. Dollar weakens against other currencies in which we transact, our foreign- currency- denominated net assets, gross bookings, revenues, operating expenses, and net income are higher as expressed in U. S. Dollars. Foreign currency exchange rate fluctuations on transactions denominated in currencies other than the functional currency result in gains and losses that are reflected in our financial results ~~. Recent years have seen volatility in the exchange rate between the Euro, the British Pound Sterling, the U. S. Dollar, and other currencies~~. Significant fluctuations in foreign currency exchange rates can affect consumer travel behavior. Consumers traveling from a country whose currency has weakened against other currencies may book lower ADR accommodations, choose to shorten or cancel their international travel plans or choose to travel domestically rather than internationally, any of which could adversely affect our gross bookings, revenues, and results of operations. ~~Volatility in foreign currency exchange rates and its impact on consumer behavior, which may differ across regions, make it more difficult to forecast industry and consumer trends and the timing and degree of their impact on our markets and business, which in turn makes it more difficult to manage our business and forecast our financial and operational performance.~~ Our stock price is highly volatile. The market price of our common stock is highly volatile and is likely to continue to be subject to wide fluctuations in response to factors such as the following, some of which are beyond our control: • financial or operating results that vary from the expectations of securities analysts and investors or any publicly- disclosed estimates **,** ~~; • quarterly variations in our financial or operating results; •~~ changes in expectations as to our future financial or operating performance **, or changes in our capital structure** ; • worldwide economic conditions in general and in Europe in particular ~~; •~~ **, including the effects of inflation, changes in interest rates, trading volume fluctuations or other market volatility, or** fluctuations in foreign currency exchange rates, particularly between the U. S. Dollar and the Euro; • ~~the effects of inflation; • changes in interest rates; •~~ occurrence of a significant security breach **or business interruptions, such as may result from catastrophes or other events; • impact of our share repurchase and dividend programs** ; • changes in ~~our capital structure; • changes in~~ market valuations of other internet or online service companies ~~; •~~ **, or** announcements of significant business or operational changes by us or our competitors; • loss of a major travel service provider participant ~~, such as a hotel chain, rental car company, or airline,~~ from our services; • **initiation of significant claims, litigation, or regulatory proceedings against us or adverse developments in pending proceedings, or** changes in the status of our intellectual property rights; • lack of success in expanding our business; **and** ~~• business interruptions, such as may result from catastrophes or other events; • announcements by third parties of significant claims or initiation of litigation proceedings against us or adverse developments in pending proceedings;~~ • additions or departures of key personnel ~~; and • trading volume fluctuations or other market volatility~~. Sales of a substantial number of shares of our common stock, including through the conversion of our convertible notes, could adversely affect the market price of our common stock by introducing a large number of sellers or short sellers to the market. ~~Given the volatility that exists for our shares, such~~ **Such** sales could cause the market price of our common stock to decline significantly. In addition, fluctuations in our stock price and our price- to- earnings multiple may have made or may make our stock attractive to momentum, hedge, or day- trading investors who often shift funds into and out of stocks rapidly, exacerbating price fluctuations in either direction ~~, particularly when viewed on a quarterly basis~~. The trading prices of technology company stocks in general, including ours, have experienced extreme price and volume fluctuations. To the extent that the public' s perception of the prospects of technology ~~or~~ **,** e- commerce **,** or travel companies is negative, our stock price could decline, regardless of our results. Other broad market and industry factors, such as market fluctuations or political and economic conditions, may decrease the market price of our common stock, regardless of our operating performance. Negative market conditions could adversely affect our ability to raise additional capital or the value of our stock for purposes of acquiring other companies or businesses. In the past, we have been a defendant in securities class action litigation. Securities class action litigation ~~has~~ **is** often ~~been~~ brought against a company following periods of volatility in the market price of its securities. To the extent our stock price declines or is volatile, we may in the future be the target of additional litigation. This additional litigation could result in substantial costs and divert management' s attention and resources, either of which could adversely affect our business, financial condition, and results of operations. We face increased risks if the level of our debt increases. We have a substantial amount of outstanding indebtedness and we may incur substantial additional indebtedness in the future ~~, including through public or private offerings of debt securities~~. Our outstanding indebtedness and any additional indebtedness we incur may have significant consequences, which may be amplified if our cash flow and earnings decrease, and ~~which~~ could include: • requiring the dedication of a portion of our cash flow from operations to service our indebtedness, thereby reducing the amount of cash flow available for other purposes ~~, including capital expenditures, meeting~~

~~our operating expenses, share repurchases, and acquisitions~~ ; • increased vulnerability to downturns in our business, competitive pressures, and adverse changes in general economic and industry conditions **, and less flexibility when planning for or reacting to changes in our business and industry** ; **and** • decreased or lost ability to obtain additional financing on terms acceptable to us ~~for working capital, capital expenditures, acquisitions, share repurchases, or other general corporate purposes; and • decreased flexibility when planning for or reacting to changes in our business and industry~~ . Our ability to make payments of principal and interest on our indebtedness depends upon our future performance, which **is** ~~will be~~ subject to **many** ~~general economic conditions, industry cycles and financial, business, and other~~ factors ~~affecting our results of operations and financial condition, many of which are~~ beyond our control. Further, we may not have access to equity or debt markets or other sources of financing, or such financing may not be available to us on commercially reasonable terms, to repay or refinance our debt as it comes due or, in the case of our convertible notes, upon conversion. **Our ability to make share repurchases and the payment of dividends rely on our access to capital, which depends on cash flow generated by our business and the availability of financing.** The value of our investments could decline, which could adversely affect our financial condition and results of operations. We maintain an investment portfolio **, which** ~~of various and diverse holdings. Our portfolio~~ typically includes marketable debt securities ~~,~~ **and** equity securities of publicly- traded companies, the values of which are subject to market price volatility, and investments in private companies. Credit losses, impairments, and changes in the fair values of our investments could be volatile and they have had, and are likely to continue to have, a significant impact on our quarterly net income (or loss). See Notes 5 and 6 to our Consolidated Financial Statements. Our investments in private companies are inherently risky in that such companies are typically at an early stage of development, may have no or limited revenues, may not be or ever become profitable, may not be able to secure additional funding, or their technologies, services, or products may not be successfully developed or introduced to the market. Further, our ability to liquidate any such investments is typically dependent on a liquidity event, such as a public offering or acquisition, as no public market exists for such securities. Valuations of privately- held companies are inherently complex and uncertain due to the lack of a liquid market for such securities. If we determine that any of our equity investments in such companies have experienced a decline in value, we are required to recognize the change in the Consolidated Statements of Operations. For investments classified as debt securities, any decline in value attributed to credit losses is also recognized in the Consolidated Statements of Operations. We could lose the full amount of any of our investments, and impairment of our investments have previously and could in the future have a material adverse effect on our financial condition and results of operations.