Risk Factors Comparison 2024-02-09 to 2023-02-10 Form: 10-K

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You should carefully consider each of the following risks and uncertainties associated with our company and the ownership of our securities. If any of the following risks occur, our business and / or financial performance could be materially adversely affected. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business and / or financial performance. ~~COVID- 19 Pandemic and Travel~~ Industry Risks ~~The COVID- 19 pandemic had, and may continue to have, a material adverse impact on the travel industry and our business, financial performance and liquidity position. Since early 2020, the COVID- 19 pandemic and efforts to contain it have severely restricted the level of economic activity around the world and have had an unprecedented effect on the global travel industry. Containment measures have included, and in some cases continue to include, travel restrictions, bans and advisories, social distancing measures, curfews, quarantine restrictions after travel in certain locations, border closures " shelter- in- place " orders, required closures of non-essential businesses, vaccination mandates or requirements for businesses to confirm employees' vaccination status, and other restrictions. The pandemic had, and may continue to have, a number of material adverse impacts on our business, financial performance and liquidity position. For example, in 2020, we experienced significantly reduced levels of new bookings, significantly heightened levels of cancellations, and instigated traveler- centric modifications to our cancellation policies. As a result, we experienced a significant increase in refunds, which led to materially negative cash flow that negatively impacted our cash balance and overall liquidity position. The pandemic also had a significant adverse effect on many of the partners on which our business relies, including accommodation providers and airlines, as well as on the traveling public generally and our employees. In addition, the pandemic impeded global economic activity for an extended period and could continue to do so, leading to a continuation of the already significant decrease in per capita income and disposable income, increased and sustained unemployment or a decline in consumer confidence, all of which would significantly reduce discretionary spending on travel. In turn, that could have a negative impact on demand for our services and could lead our partners, or us, to reduce prices or offer incentives to attract travelers. We also cannot predict the long- term effects of the COVID- 19 pandemic on our partners and their business and operations or the ways that the pandemic may fundamentally alter the travel industry or consumer habits. In particular, we may need to adapt to a travel industry with fewer and different suppliers as well as structural changes to certain types of travel. Our mitigation efforts in response to the impacts of COVID- 19 on our businesses have had, or may continue to have, negative impact. For example, in response to the spread of COVID- 19 in early 2020, we incurred significant additional indebtedness and took other actions, including the ultimate adoption of a hybrid work policy, that could lead to disruptions in our business, reduced employee morale and productivity, increased attrition, and problems retaining existing and recruiting future employees, all of which could have a material adverse impact on our business, financial condition, results of operations and cash flows. The ultimate extent of the impact of the pandemic, including as a result of possible subsequent outbreaks of COVID- 19 or of new variants thereof and measures taken in response thereto, will depend on future developments, which remain highly uncertain and cannot currently be predicted. Additional impacts and risks that we are not currently aware of may arise. It is therefore difficult to estimate with accuracy the impact to our future revenues, results of operations, cash flows, liquidity or financial condition, but such impacts have been, and may continue to be, significant and could continue to have a material adverse effect on our business, financial condition, results of operations, cash flows and liquidity position for the foreseeable future.~~ We operate in an intensely competitive global environment and we may be unable to compete successfully with our current or future competitors. The market for the services we offer is intensely competitive. We compete with both established and emerging online and traditional providers of travel- related services, including online travel agencies; alternative accommodation providers; wholesalers and tour operators; travel product suppliers (including hotels, airlines and car rental companies); search engines and large online portal websites; travel metasearch services; corporate travel management service providers; mobile platform travel applications; social media websites; eCommerce and group buying websites; **B2B businesses** and other participants in the travel industry. Online travel agencies and alternative accommodations providers. In particular, we face intense competition from other OTAs and alternative ~~accommodations~~ **accommodation providers** in many regions, such as Booking Holdings (through its Booking. com, Priceline. com and Agoda. com ~~websites~~ **brands**), Airbnb, and Trip. com, any of which may have more favorable offerings for travelers or suppliers, including pricing and supply breadth. Our OTA competitors are increasingly expanding the range of travel services they offer and the global OTA segment continues to consolidate, with certain competitors merging or forming strategic partnerships. Airbnb, Booking Holdings and other providers of alternative accommodations provide an alternative to hotel rooms and compete with alternative accommodation properties available through Expedia Group brands, including Vrbo. The continued growth of alternative accommodation providers could affect overall travel patterns generally, and the demand for our services specifically, in facilitating reservations at hotels and alternative accommodations. Furthermore, Airbnb has, and similar providers could, increasingly look to add other travel services, such as tours, activities, hotel and flight bookings, any of which could further extend their reach into the travel market as they seek to compete with the traditional OTAs. Travel suppliers. Travel suppliers, such as hotels, airlines and rental car companies, may offer products and services on more favorable terms to consumers who transact directly with them. Many of these competitors have been steadily focusing on increasing online demand on their own websites and mobile applications in lieu of third- party distributors through favorable rates and bonus or loyalty points for direct bookings, surcharges for booking outside of the supplier' s own website or preferred booking technologies, suppliers combining to establish a single search platform and other tactics to drive traffic directly to supplier websites. Search engines and large online portal websites. We also face intense competition from Google and other search engines. There could be a material adverse impact on our business and financial performance to the extent that Google continues to use its market position to disintermediate online travel agencies through its own offerings or capabilities, refer customers directly to suppliers or other favored partners, increase the cost of traffic directed to our websites, offer the ability to transact on its own website, or promote its own competing products by placing its own offerings at the top of organic search results. In recent years, search engines have increased their focus on acquiring or launching travel products that provide increasingly comprehensive travel planning content and direct booking capabilities, comparable to OTAs. For example, Google has continued to add features and functionality to its Google Travel, Google Flights ~~”~~, ~~and~~ Hotel Ads ~~travel~~ **and alternative accommodations** metasearch products. In addition, Google may be able to leverage the data they collect on users to the detriment of us and other OTAs. Search engines may also continue to expand their voice and artificial intelligence **(" AI")** capabilities. To the extent these actions have a negative effect on our search traffic or the cost of acquiring such traffic, our business and financial performance could be adversely affected. In addition, our brands, or brands in which we hold a significant ownership position, including trivago, compete for advertising revenue with these search engines, as well as with large internet portal sites that offer advertising opportunities for travel- related companies. Competition could result in higher traffic acquisition costs, reduced margins on our advertising services, loss of market share, reduced customer traffic to our websites and reduced advertising by travel companies on our websites. Travel metasearch websites. Travel metasearch websites, including Kayak. com (a subsidiary of Booking Holdings), trivago (a majority- owned subsidiary of Expedia Group), TripAdvisor, Skyscanner and Qunar (both are subsidiaries of Trip. com), aggregate travel search results for a specific itinerary across supplier, travel agent and other websites. In addition, some metasearch websites have looked to add various forms of direct or assisted booking functionality to their sites in direct competition with certain of our brands. To the extent metasearch websites limit our participation within their search results, or consumers utilize a metasearch website for travel services and bookings instead of ours, our traffic- generating arrangements could be affected in a negative manner, or we may be required to increase our marketing costs to maintain share, either of which could have an adverse effect on our business and results of operations. In addition, as a result of our majority ownership interest in trivago, we also compete more directly with other metasearch engines and content aggregators for advertising revenue. To the extent that trivago’ s ability to aggregate travel search results for a specific itinerary across supplier, travel agent and other websites is hampered, whether due to its affiliation with us or otherwise, or if OTA advertisers or suppliers choose to limit their participation in trivago’ s metasearch marketplace, trivago’ s business and therefore our results of operations could be adversely affected and the value of our investment in trivago could be negatively impacted. Corporate travel management service providers. By virtue of our minority ownership stake in, and long- term supply agreement with, GBT, we compete indirectly with online and traditional corporate travel providers, as well as vendors of corporate travel and expense management software and services. Our brands also compete to attract unmanaged business travelers. Mobile and other platform travel applications. The demand for and functionality of smartphones, tablet computers and home assistants continue to grow and improve significantly. If we are unable to offer innovative, user- friendly, feature- rich mobile applications and mobile- responsive websites for our travel services, along with effective marketing and advertising, or if our mobile applications and mobile-responsive websites are not used by consumers, we could lose share to existing competitors or new entrants and our future growth and results of operations could be adversely affected. Applications and social media websites. Applications and social media websites, including Facebook, **Instagram and TikTok,** continue to develop search functionality for data included within their websites and mobile applications, which may in the future develop into alternative research and booking resources for travelers, resulting in additional competition. eCommerce and group buying websites. Traditional consumer eCommerce platforms, including Amazon and Alibaba, and group buying websites have periodically undertaken efforts to expand their local offerings into the travel market. For example, traditional consumer eCommerce and group buying websites may add hotel offers or other travel services to their sites. To the extent our travelers use these websites, these websites may create additional competition and could negatively affect our businesses **. B2B businesses. Our B2B business faces competition from other online travel agencies with B2B offerings as well as other competitors such as independent B2B businesses. If we are unable to deliver competitive supply, products, features and commercial terms to our B2B partners, this may result in slower growth and / or a loss of share** . Other participants in the travel industry. Other participants or existing competitors may begin to offer or expand other services to the travel industry that compete with the services we offer to our travelers, our travel industry affiliates and partners, or our corporate clients. For example, ride- sharing apps increasingly compete with traditional car rental services and **are adding other transportation and experience offerings, and** travel services continue to proliferate. To the extent any of these services gain market share over time, it may create additional competition and could negatively affect our businesses. In general, increased competition has resulted in, and may continue to result in, reduced margins, as well as loss of travelers, transactions and brand recognition and we cannot assure you that we will be able to compete successfully against any current, emerging and future competitors or on platforms that may emerge, or offer differentiated products and services to our travelers. Increasing competition from current and emerging competitors, the introduction of new technologies and the continued expansion of existing technologies, such as metasearch and other search engine technologies, may force us to make changes to our business models, which could affect our financial performance and liquidity. Some of our competitors may also have other significant advantages, such as greater financial resources or name recognition, more favorable corporate structures, or a broader global presence, among others. Declines or disruptions in the travel industry could adversely affect our business and financial performance. **Our** ~~In addition to the impact of the COVID- 19 pandemic and other potential pandemic or health-related events, our~~ business and financial performance are affected by the overall health of the worldwide travel industry. **Most recently, the COVID- 19 pandemic and efforts to contain it severely restricted the level of economic activity around the world, had an unprecedented negative impact on the global travel industry, and materially impacted our business, financial performance and liquidity position, as well as those of many of the partners on which our business relies. Other**

~~Factors~~ **factors beyond our control** that could ~~negatively~~ **materially and adversely** affect the travel industry in general and our business in particular ~~, potentially materially,~~ include: **• adverse** macroeconomic ~~concerns~~ **conditions** , ~~including~~ **such as slow growth or** ~~recessions~~ - **recession** , **high unemployment, inflation, tighter credit, higher interest rates, heightened bankruptcies or liquidations, significant changes in oil prices, and currency fluctuations; •** political instability **, including increased incidents of actual or threatened terrorism,** and geopolitical conflicts (such as the war in Ukraine **and the Israel-Hamas war**) **; • major public health** ~~, trade disputes, significant fluctuations in currency values, sovereign debt~~ issues, **including pandemics such as** ~~bans on travel to and from certain countries, significant changes in oil prices, continued air carrier and hotel chain consolidation, reduced access to discount fares, travel strikes or labor unrest, labor shortages, whether due to the impact of~~ the COVID- 19 pandemic ~~or otherwise~~ **; • fluctuations in hotel supply** , ~~bankruptcies or liquidations, increased incidents~~ **occupancy and Average Daily Rates (" ADRs"); • changes in airline capacity and airline ticket prices; • the imposition** of ~~actual~~ **taxes** or ~~threatened terrorism,~~ **surcharges by regulatory authorities; • extreme weather or** natural disasters, **including fires, floods, droughts, and hurricanes; • continued air carrier and hotel chain consolidation, travel strikes, trade disputes, labor unrest, or labor shortages; •** travel- related accidents or grounding of aircraft due to safety concerns ~~,~~ **;** and **• travel bans,** changes to visa and immigration requirements or border control policies ~~. Our business is also sensitive to fluctuations in hotel supply, occupancy and Average Daily Rates (“ ADRs ”), changes in airline capacity and airline ticket prices and the imposition of taxes or surcharges by regulatory authorities, all of which we have experienced historically~~ . Because these events or concerns, and the full impact of their effects, are largely unpredictable, they can dramatically and suddenly affect travel behavior by consumers ~~and~~ **. Any associated** decrease ~~demand. Decrease~~ in demand, depending on its scope and duration, together with any future issues affecting travel safety, could significantly and adversely affect our business, working capital and financial performance over the short and long- term. In addition, the disruption of the existing travel plans of a significant number of travelers upon the occurrence of certain **of these** events, such as severe weather conditions **, fires** , actual or threatened terrorist activity, war or travel- related health events, could result in significant additional costs and decrease our revenues leading to constrained liquidity, particularly if we, as we often have done historically in the case of severe weather conditions and travel- related health events, provide relief to affected travelers by refunding the price or fees associated with airline tickets, hotel reservations and other travel products and services. Our business depends on our relationships with travel suppliers and other B2B partners. An important component of our business success depends on our ability to maintain and expand relationships with travel suppliers (including owners and managers of alternative accommodation properties), GDS partners and ~~other~~ B2B partners. A substantial portion of our revenue is derived from compensation negotiated with travel suppliers, in particular lodging suppliers, airlines and GDS partners for bookings made through our channels. **We** ~~Each year we~~ typically negotiate or renegotiate numerous supplier contracts **each year** . No assurances can be given that travel suppliers will elect to participate in our platform, or that our compensation, access to inventory or access to inventory at competitive rates will not be further reduced or eliminated in the future, or that travel suppliers will not reduce the cost of their products or services (for example, ADRs or ticket prices); attempt to implement costly direct connections; charge us for or otherwise restrict access to content; increase credit card fees or fees for other services; fail to provide us with accurate booking information or otherwise take actions that would increase our operating expenses. Likewise, no assurance can be given that our ~~other~~ **current** B2B partners will ~~elect~~ **continue** to participate in our platform or that our compensation will not be reduced. Any of these actions, or other similar actions, could reduce our revenue and margins thereby adversely affecting our business and financial performance. Financial Risks We may experience constraints in our liquidity **due to factors out of our control** and may **be unable to access capital when necessary or desirable** , ~~whether~~ -- **either** ~~due to~~ **of which could harm our financial position. If our liquidity is materially diminished, as it was during** the COVID- 19 pandemic ~~or other factors out of our control, be unable to access capital when necessary or desirable, either of which could harm our financial position. If our liquidity is materially diminished~~ , we may not be able to timely pay debts ~~or~~ **,** leases **,** or comply with material provisions of our contractual obligations. Although our cash flows from operations and available capital, including the proceeds from financing transactions, have been sufficient to meet **our** obligations and commitments to date, we cannot predict ~~how the COVID- 19 pandemic and resulting economic impacts could affect our liquidity in the~~ future **outcomes if the travel industry were to experience a significant decline or disruption** . Our indebtedness, the availability of assets as collateral for loans or other indebtedness, and market conditions may make it difficult for us to raise additional capital on commercially reasonable terms to meet potential future liquidity needs. In addition to the impact of the COVID- 19 pandemic and other potential pandemic or health- related events, we have experienced, and may experience in the future, declines in seasonal liquidity and capital provided by our merchant hotel business, which has historically provided a meaningful portion of our operating cash flow and is dependent on several factors, including the rate of growth of our merchant hotel business and the relative growth of businesses which consume rather than generate working capital, such as our agency hotel, and advertising businesses, and payment terms with suppliers. If, as was the case during the COVID- 19 pandemic, our merchant hotel business declines, it would likely result in further pressure on our working capital cash balances, cash flow over time and liquidity. Our ability to raise financing depends in significant measure on characteristics of the capital and credit markets and liquidity factors over which we exert no control. Due to uncertainty in the capital and credit markets, we cannot guarantee that sufficient financing will be available on desirable, or any terms, to fund investments, acquisitions, stock repurchases, dividends, debt refinancing or other actions or that our counterparties in any such financings would honor their contractual commitments. In addition, any downgrade of our debt ratings by Standard & Poor’ s, Moody’ s Investor Service, Fitch or similar ratings agencies, deterioration of our financial condition, increase in general interest rate levels and credit spreads or overall weakening in the credit markets could increase our cost of capital (including, with respect to ratings downgrades, the interest rate applicable to certain of our outstanding senior notes). Our indebtedness could adversely affect our business and financial condition. As of December 31, ~~2022~~ **2023** , we have outstanding long- term indebtedness, excluding current maturities, with a face value of $ 6. 3 billion and we have an essentially untapped revolving credit facility of $ 2. 5

billion. Risks relating to our indebtedness include: • ~~Increasing~~ **increasing** our vulnerability to general adverse economic and industry conditions; • ~~Requiring~~ **requiring** us to dedicate a portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of cash flow to fund working capital, capital expenditures, acquisitions and investments and other general corporate purposes; • ~~Making~~ **making** it difficult for us to optimally capitalize and manage the cash flow for our businesses; • ~~Limiting~~ **limiting** our flexibility in planning for, or reacting to, changes in our businesses and the markets in which we operate; • ~~Placing~~ **placing** us at a competitive disadvantage compared to our competitors that are less levered; • ~~Requiring~~ **requiring** us to use cash and / or issue shares of our Class A common stock to settle any conversion obligations of our convertible notes; • ~~Diluting~~ **diluting** our earnings per share as a result of the conversion provisions in our convertible notes; and • ~~Limiting~~ **limiting** our ability to borrow additional funds or to borrow funds at undesirable rates or terms we find acceptable. The agreements governing our indebtedness contain various covenants that may limit our ability to effectively operate our businesses, including those that restrict our ability to, among other things: • ~~Cause~~ **cause** or permit certain subsidiaries to borrow money, and guarantee or provide other support for indebtedness of third parties including guarantees; • ~~Grant~~ **grant** certain liens on certain of our assets; **and** • ~~Enter~~ **enter** ~~into certain asset sale transactions; and • Enter~~ into sale and leaseback transactions. In addition, our revolving credit facility contains a leverage ratio covenant, which effectively limits our ability to incur and / or maintain indebtedness. Any failure to comply with the restrictions of our credit facility or any agreement governing our other indebtedness (including the indentures governing our outstanding senior notes) may result in an event of default under those agreements. Such default may allow the creditors to accelerate the related debt, which acceleration may trigger cross- acceleration or cross- default provisions in other debt. In addition, lenders may be able to terminate any commitments they had made to supply us with further funds. In addition, it is possible that we may need to incur additional indebtedness in the future in the ordinary course of business or otherwise. The terms of our revolving credit facility and the indentures governing our outstanding senior notes allow us to incur additional debt subject to certain limitations. If new debt is added to current debt levels, the risks described above could intensify. Operational Risks Our business could be negatively affected by changes in search engine algorithms and dynamics or other traffic- generating arrangements. We rely heavily on internet search engines, such as Google, through the purchase of travel- related keywords and through organic search, to generate a significant portion of the traffic to our websites and the websites of our affiliates. Search engines frequently update and change the logic that determines the placement and display of results of a user' s search, such that the placement or cost of links to our websites and those of our affiliates can be negatively affected. In addition, a significant amount of traffic is directed to our websites and those of our affiliates through participation in pay- per- click and display advertising campaigns on search engines, including Google, and travel metasearch websites, including Kayak, TripAdvisor and trivago. Pricing and operating dynamics for these traffic sources can change rapidly, both technically and competitively. Moreover, a search or metasearch engine could, for competitive or other purposes, alter its search algorithms or display of results which could cause a website to place lower in search query results or inhibit participation in the search query results. In particular, Google has in the past, and may continue to in the future, change its algorithms or results in a manner that negatively affects the search engine ranking, paid and unpaid, of our websites, the websites of our affiliates and those of our third- party distribution partners, which adversely impacts our business and financial performance. Google has also increasingly added its own travel search functionality and content at the expense of traditional paid listings and organic search results, which may continue to reduce the amount of traffic to our websites or those of our affiliates. If Google or other search or metasearch companies continue to pursue these or similar strategies, which is out of our control, or we do not successfully manage our paid and unpaid search strategies, we could face a significant decrease in traffic to our websites and / or increased costs related to replacing unpaid traffic with paid traffic. We rely on the value of our brands, and the costs of maintaining and enhancing our brand awareness are increasing. We invest considerable financial and human resources in our brands in order to retain and expand our customer base in existing and emerging markets. We expect that the cost of maintaining and enhancing our brands will continue to increase and given current economic uncertainty and unpredictability, decisions we make on investing in brands could be less effective and costlier than expected. ~~In recent years, certain~~ **Certain** online travel companies and metasearch websites **have** expanded their offline and digital advertising campaigns globally, increasing competition for share of voice, and we expect this activity to continue in the future. Our efforts to preserve and enhance consumer awareness of our brands may not be successful, and, even if we are successful in our branding efforts, such efforts may not be cost- effective, or as efficient as they have been historically, resulting in less direct traffic and increased customer acquisition costs. Moreover, branding efforts with respect to some brands within the Expedia Group portfolio have in the past and may in the future result in marketing inefficiencies and negatively impact growth rates of other brands within our portfolio. In addition, our decisions over allocation of resources and choosing to invest in branding efforts for certain brands in our portfolio at the expense of not investing in, or reducing our investments in, other brands in our portfolio could have an overall negative financial impact. If we are unable to maintain or enhance consumer awareness of our brands and generate demand in a cost- effective manner, it could have a material adverse effect on our business and financial performance. We are subject to payments- related risks. Payments Regulations. The processing and acceptance of a variety of payment methods is subject to various laws, rules, regulations, legal interpretations, and regulatory guidance, including those governing cross- border and domestic money transmission and funds transfers; foreign exchange; payment services; and consumer protection. If we were found to be in violation of applicable laws or regulations, we could be subject to additional requirements and civil and criminal penalties, or forced to cease providing certain services. Moreover, for existing and future payment options we offer to both our customers and suppliers, we are and may increasingly be subject to additional regulations and compliance requirements including obligations to implement enhanced authentication processes **and** ~~, such as the EEA' s Revised Payment Services Directive (" PSD2 "), which came into effect on January 1, 2021. PSD2 imposed~~ new standards for payment security and strong customer authentication (" SCA ") that have and may increasingly make it more difficult and costly to carry out a payment transaction successfully. ~~The~~ **For example, the** lack of industry **-** wide adoption of

SCA may continue to add to the complexity of payment transactions for us and our suppliers. Third- Party Payment Service Providers. We rely on agreements with third- party service providers to process our voluminous customer credit and debit card transactions and for the facilitation of customer bookings of travel services from our travel suppliers. Upon the occurrence of specified events, including material adverse changes in our financial condition, these agreements may allow the payment processors to withhold a significant amount of our cash (referred to as a " holdback "), require us to otherwise post security equal to a portion of bookings that have been settled by a provider but where the traveler has have not traveled, or suspend their processing services. An imposition of a holdback or suspension of payment processing services by one or more of our payment processors could materially reduce our liquidity. Further, the software and services provided by payment processors may fail to meet our expectations, contain errors or vulnerabilities, be compromised, or experience outages. Any of these risks could cause us to lose our ability to process payments, and our business and operating results could be adversely affected. Payment Card Networks. The payment card networks, such as Visa, MasterCard and American Express, may increase the interchange fees and assessments that they charge for each transaction that accesses their networks and may impose special fees or assessments on such transactions. Certain of our payment processors also have the right to pass any increases in interchange fees and assessments on to us, which could significantly increase our costs and thereby adversely affect our financial performance. In addition, the payment card networks have adopted rules and regulations that apply to all merchants who process and accept payment cards and include payment card association operating rules, the Payment Card Industry Data Security Standards, or the PCI DSS. Moreover, the payment card networks could adopt new operating rules or interpret or reinterpret existing rules that we or our payment processors might find difficult or even impossible to comply with, or costly to implement. If we fail to comply with these rules or requirements, or if our data security systems are breached or compromised, we may lose our ability to accept credit and debit card payments from our customers, or facilitate other types of online payments, and be liable for card issuing banks' costs, subject to fines and higher transaction fees, and our business and operating results could be adversely affected. We are subject to payments- related fraud risks. Our results of operations and financial positions have been negatively affected by our acceptance of fraudulent bookings made using **payment options including** credit and debit cards or fraudulently obtained loyalty points. We are sometimes held liable for accepting fraudulent bookings on our websites or other bookings for which payment is subsequently disputed by our customers both of which lead to the reversal of payments received by us for such bookings (referred to as a " charge **-** back "). In addition, the payment card networks have rules around acceptable charge **-** back ratios. Accordingly, we calculate and record an allowance for the resulting ~~credit and debit card~~ charge **-** backs. Our ability to detect and combat fraudulent schemes, which have become increasingly common and sophisticated, may be negatively impacted by the adoption of new payment methods, the emergence and innovation of new technology platforms (such as historically occurred with the introduction of smartphones, tablet computers and in- home assistants), and our global expansion, including into markets with a history of elevated fraudulent activity. In addition, we have not broadly adopted certain protective capabilities across our platform, such as mobile application- based multi- factor authentication or third- party identify verification, which approach could result in significantly increased fraudulent activity on our platform in the future. If we are unable to effectively combat fraudulent bookings on our websites or mobile applications or if we otherwise experience increased levels of charge backs, we may also be subject to significant fines and higher transaction fees or payment card networks may revoke our access to their networks meaning we would be unable to continue to accept card payments, either of which could have a material adverse effect on our results of operations and financial positions. In addition, we may be subject to fraudulent supplier schemes. For example, when onboarding suppliers to our websites, we may fail to identify falsified or stolen supplier credentials, which may result in fraudulent bookings or unauthorized access to personal or confidential information of users of our websites and mobile applications. A fraudulent supplier scheme could also result in negative publicity, damage to our reputation, and could cause users of our websites and mobile applications to lose confidence in the quality of our services. **The rapid evolution and increased adoption of AI technologies may increase the risk of fraudulent bookings and fraudulent supplier scheme risks.** Any of these events ~~would~~ **could** have a **significant** negative effect on the value of our brands, which could have an adverse impact on our financial performance. We work closely with various business partners and rely on third-parties for many systems and services, and therefore could be harmed by their activities. We have numerous significant commercial arrangements with business partners **,** and we rely on third- party service providers for a broad ranges of key services, including both external, customer- facing services such as customer support and booking fulfillment and internal services related to our operations, technology development and infrastructure. If these partners or service providers fail to meet our requirements or legal or regulatory requirements, it could damage our reputation, make it difficult for us to operate some aspects of our business, or expose us to liability for their actions. Likewise, if one of our third- party service providers were to cease operations, face financial distress or other business disruption, we could suffer increased costs and disruption to our own business operations until an equivalent alternative could be sourced or developed, any of which could also have an adverse impact on our business and financial performance. Our international operations involve additional risks and our exposure to these risks will increase as our business expands globally. We operate in a number of jurisdictions outside of the United States and intend to continue to expand our international presence. Laws and business practices that favor local competitors or prohibit or limit foreign ownership of certain businesses or our failure to adapt our practices, systems, processes and business models effectively to the traveler and supplier preferences (as well as the regulatory and tax landscapes) of each country into which we expand, could slow our growth or prevent our ability to compete effectively in certain markets. For example, to compete in certain international markets we have in the past, and may in the future, adopt locally- preferred payment methods, which has increased our costs and instances of fraud. Certain international markets in which we operate have lower margins than more mature markets, which could have a negative impact on our overall margins if the proportion of our overall revenue from these markets grow over time. Additionally, some countries have enacted or are considering enacting various regulations, such as data localization laws, that make competition by foreign companies costly or operationally difficult in those markets. In addition to the risks outlined elsewhere in this section, our international operations are also subject to a number of other risks, including: • ~~Exposure~~ **exposure** to local economic or political instability and threatened or actual acts of terrorism; • ~~Compliance~~ **compliance** with U. S. and non- U. S. regulatory laws and requirements relating to anti- corruption, antitrust or competition, economic sanctions, data content and privacy, consumer protection, employment and labor laws, health and safety, information reporting and advertising and promotions; • ~~Weaker~~ **weaker** enforcement of our contractual and intellectual property rights; • ~~Lower~~ **lower** levels of credit card usage and increased payment and fraud risk; • ~~Longer~~ **longer** payment cycles, and difficulties in collecting accounts receivable; • ~~Preferences~~ **preferences** by local populations for local providers; • ~~Restrictions~~ **restrictions** on, or adverse tax and other consequences related to the repatriation of cash, the withdrawal of non- U. S. investments, cash balances and earnings, as well as restrictions on our ability to invest in our operations in certain countries; • ~~Changes~~ **changes** to trade policy or agreements that limit our ability to offer, or adversely affect demand for, our products and services; • ~~Our~~ **our** ability to support technologies or marketing channels that may be prevalent in a particular international market and used by local competitors, but are not scalable for an international company offering services in many markets around the world; and • ~~Uncertainty~~ **uncertainty** regarding liability for services and content, including uncertainty as a result of local laws and lack of precedent. Acquisitions, investments, divestitures or significant commercial arrangements could result in operating and financial difficulties. We have acquired, invested in, divested or entered into significant commercial arrangements with a number of businesses in the past, and our future success may depend, in part, on such transactions, any of which could be material to our financial condition and results of operations. Certain financial and operational risks related to such transactions that may have a material impact on our business are: • ~~Diversion~~ **diversion** of management' s attention or other resources from our existing businesses; • ~~Use~~ **use** of cash resources and incurrence of debt and contingent liabilities in funding and after consummating acquisitions may limit other potential uses of our cash, including stock repurchases, dividend payments and retirement of outstanding indebtedness; • ~~Amortization~~ **amortization** expenses related to acquired intangible assets and other adverse accounting consequences, including changes in fair value of contingent consideration; • ~~Expected~~ **expected** and unexpected costs incurred in pursuing acquisitions, if unsuccessful could result in unexpected litigation or regulatory exposure, unfavorable accounting treatment, unexpected increases in taxes due, a loss of anticipated tax benefits or other adverse effects on our business, operating results or financial condition; • ~~Impairment~~ **impairment** of relationships with employees, suppliers, customers, vendors and affiliates of our business and the acquired business; • ~~The~~ **the** assumption of known and unknown debt and other liabilities and obligations of the acquired company; • ~~Difficulties~~ **difficulties** and expenses in integrating or separating, as the case may be, the operations, products, technology, privacy protection systems, information systems or personnel of an acquired or divested company, including in the case of a divestiture our reliance on performance by the acquiring company; • ~~Failure~~ **failure** of the acquired company to achieve anticipated integration synergies, traffic, transactions, revenues, earnings or cash flows or to retain key management or employees; • ~~Failure~~ **failure** to generate adequate returns on our acquisitions and investments, or returns in excess of alternative uses of capital; • ~~Entrance~~ **entrance** into markets or segments in which we have no direct prior experience resulting in increased complexity in our business; • ~~Challenges~~ **challenges** relating to the structure of an investment, such as governance, accountability and decision- making conflicts that may arise in the context of a joint venture or other majority ownership investments; • ~~Costs~~ **costs** associated with remediating fraud, information security, or other similar incidents at an acquired company; • ~~Impairment~~ **impairment** of goodwill or other intangible assets such as trademarks or other intellectual property arising from our acquisitions; • ~~Costs~~ **costs** associated with litigation or other claims arising in connection with the acquired company; • ~~Increased~~ **increased** or unexpected costs or delays to obtain governmental or regulatory approvals for acquisitions; • ~~Divestitures~~ **divestitures** of functions, assets or operations may impede our ability to successfully operate our business, result in liability to purchasers, or consume significant resources; • ~~Divested~~ **divested** assets may be worth more than the consideration we receive in respect thereof; • ~~Increased~~ **increased** competition amongst potential acquirers for acquisition targets could result in a material increase in the purchase price for such targets or otherwise limit our ability to consummate acquisitions; • ~~Increased~~ **increased** regulatory scrutiny of our core or acquired business; and • ~~Adverse~~ **adverse** market reaction to divestitures, acquisitions or investments or failure to consummate such transactions. Moreover, we often rely heavily on the representations and warranties and related indemnities provided to us by the sellers of acquired private companies, including as they relate to creation, ownership and rights in intellectual property and compliance with laws and contractual requirements. Our failure to address these risks or other problems encountered in connection with past or future acquisitions and investments could cause us to fail to realize the anticipated benefits of such acquisitions or investments, incur unanticipated liabilities and harm our business generally. We rely on the performance of our employees and, if we are unable to retain, motivate or hire qualified personnel, our business would be harmed. Our performance is largely dependent on the talents and efforts of our employees. Our future success depends on our continuing ability to identify, hire, develop, motivate and retain highly skilled personnel for all areas of our organization. Competition for well- qualified employees is intense in almost all categories, including for software engineers, developers, product management personnel, development personnel, and other technology professionals, and in all geographies. The competition for talent is also 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. ~~This could continue in the future due to other companies recruiting and hiring our employees, an actual or perceived slower pace of recovery of the travel industry as a result of the COVID- 19 pandemic than other industries and other factors beyond our control.~~ If we do not succeed in attracting and retaining well- qualified employees, our business, our ability to execute and innovate, our competitive position, and results of operations would be adversely affected. The current labor market is highly competitive and our personnel expenses to attract and retain key talent ~~are increasing and~~ may increase further, which may adversely affect our results of operations. **Our employees in certain countries, primarily European, are represented by works councils, health and safety committees, and / or trade unions, which we collectively refer to as Employee Representative Bodies (" ERBs"). We are required to engage with our ERBs on certain matters such as restructurings, acquisitions and**

divestitures, and other matters that could impact our labor force. This engagement may include informing, consulting, or requesting consent or approval and ultimately may not result in terms satisfactory to us, which could result in increases in our cost of labor, diversion of management' s attention away from operating our business, delays in certain initiatives, and exposure to claims and litigation. In addition, the contributions of Barry Diller, our Chairman and Senior Executive, Peter Kern, our Vice Chairman and **current** Chief Executive Officer **, and Ariane Gorin, who has been appointed to succeed Mr. Kern as Chief Executive Officer in May of 2024** , as well as other members of our travel leadership team are critical to the overall management of the ~~company~~ **Company . Leadership transitions can be difficult to manage, and may cause disruption to our business due to, among other things, diverting management' s attention away from the Company' s financial and operational goals** . Expedia Group cannot ensure that it will be able to retain the services of Mr. Diller, Mr. Kern **, Ms. Gorin** or any other member of our senior management or key employees, the loss of whom could seriously harm our business. We do not maintain any key person life insurance policies. We may not achieve some or all of the expected benefits of our strategic initiatives or our efforts to increase our operational efficiencies, which may adversely affect our business. In recent years, we have undertaken a number of significant, multi- year strategic initiatives to provide greater services and value to our travelers, suppliers and business partners. ~~The~~ **Some of our** most significant ~~of these~~ initiatives are described ~~below~~ **above** in Part I. Item 1. Business, under the caption " Market Opportunity and Business Strategy. " We may not realize the benefits we expect to achieve from these and our other strategic initiatives or our efforts may negatively impact our business and operations due to a variety of factors, including, but not limited to, unexpected delays, operational or technological challenges, or higher than expected costs or expenses. As a result, our business operations, financial condition and results of operations could be materially and adversely impacted. We are exposed to various counterparty risks. We are exposed to the risk that various counterparties, including financial entities, will fail to perform. This creates risk in a number of areas, including with respect to our bank deposits and investments, foreign exchange risk management, insurance coverages, letters of credit, and for certain of our transactions, the receipt and holding of traveler payments and subsequent remittance of a portion of those payments to travel suppliers. As it relates to deposits, as of December 31, ~~2022~~ **2023** , we held cash in bank depository accounts of approximately $ ~~3~~ **4** . ~~8~~ **0** billion and ~~held term deposits~~ **money market funds** of approximately $ ~~18~~ **168** million. Additionally, majority- owned subsidiaries held cash of approximately $ ~~96~~ **42** million and held term deposits of approximately $ ~~218~~ **99** million. As it relates to foreign exchange, as of December 31, ~~2022~~ **2023** , we were party to forward contracts with a notional value of approximately $ ~~2~~ **3** . ~~8~~ **7** billion, the fair value of which was a net ~~asset~~ **liability** of approximately $ ~~15~~ **9** million. We employ forward contracts to hedge a portion of our exposure to foreign currency exchange rate fluctuations. At the end of the deposit term or upon the maturity of the forward contracts, the counterparties are obligated, or potentially obligated in the case of forward contracts, to return our funds or pay us net settlement values. If any of these counterparties were to liquidate, declare bankruptcy or otherwise cease operations, it may not be able to satisfy its obligations under these term deposits or forward contracts, our ability to recover losses or to access or recover our assets held may be limited by the counterparty' s liquidity or the applicable laws governing the insolvency or bankruptcy proceeding, and the receipt and remittance of payments via such counterparties would be severely limited or cease. In addition, we face significant credit risk and potential payment delays with respect to non-financial contract counterparties including our B2B and Vrbo partners, which may be exacerbated by economic downturns. The realization of any of these risks could have an adverse impact on our business and financial performance. We have foreign exchange risk. We face exposure to movements in currency exchange rates (particularly those related to the Euro, British pound, Canadian dollar, Australian dollar, Brazilian real, and ~~Swiss Franc~~ **Japanese Yen** currencies) that revalue our cash flows, monetary assets and liabilities, and translate our foreign subsidiary financial results to U. S. dollars. In particular, we face exposure related to fluctuations in accommodation revenue due to relative currency movements from the time of booking to the time of stay as well as the impact of relative exchange rate movements on cross- border travel such as from Europe to the United States and the United States to Europe. Depending on the size of the exposures and the relative movements of exchange rates, if we choose not to hedge or fail to hedge effectively our exposure, we could experience a material adverse effect on our financial statements and financial condition. We make a number of estimates in conducting hedging activities including in some cases cancellations and payments in foreign currencies. In addition, an effective exchange rate hedging program is dependent upon effective systems, accurate and reliable data sources, controls and change management procedures. In the event our estimates differ significantly from actual results or if we fail to adopt effective hedging processes, we could experience greater volatility as a result of our hedging activities. Legal and Regulatory Risks Our alternative accommodations business is subject to legal and regulatory risks, which could have a material adverse effect on our operations and financial results. Our alternative accommodations business has been, and continues to be, subject to regulatory developments that affect the alternative accommodation industry and the ability of companies like us to list those alternative accommodations online. For example, certain domestic and foreign jurisdictions have adopted or are considering statutes or ordinances that prohibit or limit the ability of property owners and managers to rent certain properties for fewer than 30 consecutive days, **including laws that place many difficult obligations on property owners that must be complied with to offer their properties,** or that regulate platforms' ability to list alternative accommodations, including prohibiting the listing of unlicensed properties. Other domestic and foreign jurisdictions may introduce similar regulations. Many homeowners, condominium and neighborhood associations have adopted rules that prohibit or restrict short- term rentals. In addition, many of the laws that impose taxes or other obligations on travel and lodging companies were established before the growth of the internet and the alternative accommodation industry, which creates a risk of those laws being interpreted in ways not originally intended that could burden property owners and managers or otherwise harm our business. **Governments also are looking at additional taxes specific to alternative accommodations that, if implemented, could make the business of operating an alternative accommodation less attractive or prohibitively expensive.** These new and evolving regulatory schemes may decrease listings available on our sites and add significant compliance risks to our business, including the risk of fines for noncompliance, as well as substantial internal costs and the allocation of resources to develop new internal compliance systems and processes. These obligations include gathering information about property owners, verification of registration status of properties and the ongoing provision of information to governments about short- term rental owners and operators and requirements to withhold and report taxable income to governments. For example, short- term rental regulations currently under consideration in the European Union could require us to provide data to ~~governments~~ **all EU countries** about short- term rentals listed on our sites ~~in multiple EU countries~~ . We may also remove properties from our websites if alternative accommodation owners or operators do not provide information we require to comply with applicable regulations. We are not in a position to eliminate risks ~~,~~ such as personal injury, ~~robbery~~ **property damage** or other harm, at alternative accommodation properties and we **generally** do not ~~inspect or~~ verify safety, such as fire code compliance or the presence of carbon monoxide detectors, which could result in claims of liability based on events occurring at properties listed on our platforms. We have also experienced instances where properties listed on our sites are copied and travelers booking these properties outside of our websites are the subject of fraudulent requests for payment. In other cases, travelers have been asked to pay for their booking of properties listed on our website directly to the alternative accommodation operator and outside of our website, resulting in loss of revenue for us and increased risk of fraud for the traveler. These risks could have a material adverse effect on our alternative accommodations business, including impacting our reputation and brand, as well as the results of operations of our alternative accommodations business, which in turn could have a material adverse effect on Expedia Group' s operations and financial results. A failure to comply with current laws, rules and regulations or changes to such laws, rules and regulations and other legal uncertainties may adversely affect our business, financial performance, results of operations or business growth. Our business and financial performance could be adversely affected by changes in or interpretations of existing laws, rules and regulations or the promulgation of new laws, rules and regulations applicable to us and our businesses, including those relating to travel and alternative accommodation licensing and listing requirements, the provision of travel packages, the internet and online commerce, internet advertising and price display, consumer protection, licensing and regulations relating to the offer of travel insurance and related products, anti- corruption, anti- trust and competition (including our contractual provisions regarding pricing and travel suppliers), economic and trade sanctions, tax, banking, **machine learning and AI,** data security, the provision of payment services and privacy. ~~For example, there~~ **There** are, and will likely continue to be, an increasing number of laws and regulations pertaining to the internet and online commerce that ~~may~~ relate to **website display and messaging, including prices,** liability for information retrieved from or transmitted over the internet ~~, display of certain taxes and fees~~ , online editorial and user- generated content, user privacy, behavioral targeting and online advertising, taxation, liability for third- party activities and the quality of products and services, and our contractual relationships with travel suppliers who list on our sites **. In 2023, for example, the Federal Trade Commission proposed new rules and the State of California passed new laws, in each case focused on fees and related pricing display practices. These new laws and regulations may significantly impact the profitability or competitiveness of our business** . Additionally, some jurisdictions have implemented or are considering implementing regulations that restrict or could restrict access to city centers and popular destinations as well as impact our ability to offer accommodations, such as by limiting the construction of new hotels or renting of alternative accommodations. Also, compliance with the European Economic Community (" EEC ") Council Directive on Package Travel, Package Holidays and Package Tours could be costly and complex ~~,~~ and could adversely impact our ability to offer certain packages in the EEC. Likewise, the SEC, Department of Justice (" DOJ ") and Office of Foreign Assets Controls (" OFAC "), as well as foreign regulatory authorities, have continued to increase the enforcement of economic sanctions and trade regulations, anti- money laundering, and anti- corruption laws, across industries. As regulations continue to evolve and regulatory oversight continues to increase, we cannot guarantee that our programs and policies will be deemed compliant by all applicable regulatory authorities. For example, on May 17, 2019, we entered into a settlement agreement with OFAC regarding 2, 221 potentially non- compliant Cuba- related travel transactions that occurred between 2011- 2014, which we voluntarily disclosed to OFAC in 2014. In connection with the settlement agreement, we made significant enhancements to our economic sanctions' compliance program and associated controls. OFAC agreed to release us, without any finding of fault, from all civil liability in connection with the potential violations. In the event our controls should fail or are found to be out of compliance for other reasons, we could be subject to monetary damages, civil and criminal money penalties, litigation and damage to our reputation and the value of our brands. We also have been subject, and we will likely be subject in the future, to inquiries or legal proceedings from time to time from regulatory bodies concerning compliance with economic sanctions, consumer protection, competition, tax **, payments** and travel industry- specific laws and regulations, including but not limited to investigations and legal proceedings relating to the travel industry and, in particular, parity provisions in contracts between hotels and online travel companies, including Expedia Group, and the presentation of information to consumers, as described in Part I. Item 3. Legal Proceedings — Competition and Consumer Matters. The failure of our businesses to comply with these laws and regulations could result in fines and / or proceedings against us by governmental agencies and / or consumers which, if material, could adversely affect our business, financial condition and results of operations. Application of existing tax laws, rules or regulations are subject to interpretation by taxing authorities. The application of domestic and international income and non- income tax laws, rules and regulations to our products and services is subject to interpretation by the relevant taxing authorities. The taxing authorities have become more aggressive in their interpretation and enforcement of such laws, rules and regulations, resulting in increased audit activity and audit assessments. As such, potential tax liabilities may exceed our current tax reserves. Taxing authorities have made inquiries, filed lawsuits, and / or levied assessments asserting we are required to collect and / or remit state and local sales or use taxes, value added taxes, or other transactional taxes related to our travel facilitation services, including the legal proceedings described in Part I. Item 3. Legal Proceedings. Judgment and estimation are required in determining our worldwide tax liabilities. In the ordinary course of our business, there are calculations and transactions for which the ultimate tax determination is uncertain or otherwise subject to interpretation. Taxing authorities may disagree with our tax calculations, including transfer pricing. We believe our tax estimates are reasonable, however the final determination of tax audits may be materially different from our historical tax provisions and accruals in which case we may be subject to additional tax liabilities, including interest and penalties, or may require payment of tax assessments prior to contesting the validity of the assessment, any of which could have a material adverse effect on our cash flows, financial condition and results of operations. We could be subject to changes in tax rates, the adoption of new U. S. or international tax legislation, or exposure to additional tax liabilities. Our future tax liabilities may be adversely affected by legislative and other changes to taxing regimes, as well as changes in our business operating structure and the mix of revenue and earnings in countries with differing tax rates. Due to the pace of legislative changes and the scale of our business activities, any substantial changes in tax policies or legislative initiatives may materially and adversely affect our business, the taxes we are required to pay, our financial position, and results of operations. Taxing jurisdictions around the world have focused legislative efforts on tax reform, transparency, base erosion, and have enacted or are considering enacting digital services taxes, which could lead to inconsistent and potentially overlapping international tax regimes. The Organization for Economic Cooperation and Development (**"** OECD **"**) continues to advance proposals relating to its initiative for modernizing international tax rules, with the goal of having the participant countries implement a modernized and aligned international tax framework ~~, however there can be no guarantee this will occur~~ . Many of the current tax laws, rules, and regulations imposing taxes and other obligations were enacted before the growth of the digital economy. Certain jurisdictions have enacted legislation directed at taxing the digital economy and multi- national businesses. If existing tax laws, rules, or regulations change, by amendment or new legislation, the result could increase our tax liabilities and reporting obligations, including requirements to provide information about travel suppliers, customers, and transactions on our technology platform. The outcome of these changes may have an adverse effect on our business or financial performance, including a decrease in demand for our products and services if we pass on such costs to the consumer; an increase in the volume and cost of our tax reporting and compliance obligations; or limit the scope of our business activities if we decide not to conduct business in particular jurisdictions. We are involved in various legal proceedings and may experience unfavorable outcomes, which could adversely affect our business and financial condition. We are involved in various legal proceedings and disputes involving taxes, personal injury, contract, alleged infringement of third- party intellectual property rights, antitrust, consumer protection, securities laws, and other claims, including, but not limited to, the legal proceedings described in Part I, Item 3, Legal Proceedings. These matters may involve claims for substantial amounts of money or for other relief that might necessitate changes to our business or operations. ~~The~~ **While the Company maintains insurance coverage for certain types of claims, such insurance coverage may be insufficient to cover all losses or all types of claims that may arise and the** defense of these actions has been, and will likely continue to be, both time consuming and expensive and the outcomes of these actions cannot be predicted with certainty. Determining reserves for pending litigation is a complex, fact- intensive process that requires significant legal judgment. It is possible that unfavorable outcomes in one or more such proceedings could result in substantial payments that could adversely affect our business, consolidated financial position, results of operations, or cash flows in a particular period. We cannot be sure that our intellectual property and proprietary information is protected from all forms of copying or use by others, including potential competitors. Our websites and mobile applications rely on content, brands, trademarks, domain names and technology, much of which is proprietary. We establish and protect our intellectual property by relying on a combination of trademark, domain name, copyright, trade secret and patent laws in the U. S. and other jurisdictions, license and confidentiality agreements, and internal policies and procedures. In connection with our license agreements with third parties, we seek to control access to, and the use and distribution of, our proprietary information and intellectual property. Even with these precautions, however, third parties may copy or otherwise obtain and use our intellectual property or confusingly similar trademarks or domain names without our authorization or to develop similar intellectual property independently. Effective trademark, domain name, copyright, patent and trade secret protection may not be available in every jurisdiction in which our services are available and policing unauthorized use of our intellectual property is difficult and expensive. We cannot be sure that the steps we have taken will prevent misappropriation or infringement of intellectual property. Any misappropriation or violation of our rights could have a material adverse effect on our business. Furthermore, we may need to go to court or other tribunals to enforce our intellectual property rights, to protect our trade secrets or to determine the validity and scope of the proprietary rights of others. These proceedings might result in substantial costs and diversion of resources and management attention. We currently license from third parties some of the technologies, content, and brands incorporated into our websites. We also license content from suppliers for our creative campaigns. As we continue to build our creative production work and introduce new services that incorporate new technologies, content and brands, we may be required to license additional technology, content, and brands. We cannot be sure that such technology, content and brand licenses will be available on commercially reasonable terms, if at all. We also cannot be sure that content obtained from suppliers won' t be subject to intellectual property infringement claims by a third party. Technology, Information Protection and Privacy Risks We rely on information technology to operate our businesses and maintain our competitiveness, and if we fail to adequately maintain or improve our information technology systems, or to adapt them to technological developments and industry trends, our business and operations could be adversely affected. We depend on the use of sophisticated information technologies and systems in many areas of our business including technology and systems used for website and mobile applications, reservations, customer service, supplier connectivity, marketing, communications, procurement, payments, tax collection and remittance, fraud detection and administration, which we must continuously improve and upgrade. Our future success also depends on our ability to adapt our services and infrastructure to meet rapidly evolving consumer trends and demands while continuing to improve the performance, features and reliability of our service in response to competitive service and product offerings. Cloud computing, the continued growth of alternative platforms and mobile computing devices, the emergence of niche competitors who may be able to optimize products, services or strategies that use cloud computing or for such platforms, as well as other technological changes, including new devices, services and home assistants, and developing technologies, have, and will continue to require, new and costly investments. Transitioning to these new technologies may be disruptive to resources and the services we provide ~~,~~ and may increase our reliance on third party service providers **. Most recently, we have incorporated third- party AI technology in certain of our products, services and business operations. Our research, development and deployment of AI technologies remains ongoing. AI presents risks, challenges, and unintended consequences that could affect our and our customers' adoption and use of this technology. AI algorithms and training methodologies may be flawed. Additionally, AI technologies are complex and rapidly evolving, and we face significant competition in the market from other companies regarding the research, development and deployment of such technologies. While we aim to develop and deploy AI responsibly and attempt to identify and mitigate ethical and legal issues presented by its use, we may be unsuccessful in identifying or resolving issues before they arise. AI- related issues, deficiencies and / or failures could (i) give rise to legal and / or regulatory action as a result of new applications of existing data protection, privacy, intellectual property, and other laws, including with respect to proposed legislation regulating AI in jurisdictions in which we operate; (ii) damage our reputation; or (iii) otherwise materially harm our business** . We have been engaged in a multi- year effort to migrate products, data storage and processing, key portions of our consumer and affiliate sites, as well as back- office application functionality, to new technology platforms and significantly increase our utilization of public cloud computing services, such as Amazon Web Services (" AWS "), to enable us to improve conversion, innovate more rapidly, achieve better search engine optimization and improve our site merchandising and transaction processing capabilities, among other anticipated benefits. Implementations and system enhancements such as these have been in the past, and may continue to be in the future, more time consuming and expensive than originally anticipated, and the resources devoted to those efforts have in the past adversely affected, and may in the future adversely affect, our ability to develop new site features. We may be unable to successfully migrate and improve our technology as planned or we may not achieve the expected benefits from any such initiatives, and as a result our business, including customer relationships, reputation and operations, could be materially adversely affected. System interruption, security breaches and unplanned outages in our information systems may harm our businesses. The risk of a cybersecurity- related attack by criminal organizations, hacktivists, foreign governments, and terrorists, is persistent. Due to the size and scale of our technology infrastructure and overall operations, vulnerabilities present within our systems may result in unauthorized access to confidential data including our own proprietary data, that of our partners or the personal data of our customers, including payment data. In addition, given the nature of our operations, consumer personal and payment data may also be accessed inappropriately within partner systems should those partners also experience a breach. In addition, we continue to encounter attempted external attacks in a variety of forms, including ransomware, account takeovers, phishing, **disinformation,** and denial of service attacks **. Additionally, some actors are using AI technology to launch more sophisticated, automated, targeted and coordinated attacks that are more difficult to detect** . As these continue, there is a risk that successful attacks may cause a significant cybersecurity incident which impacts our critical operations. Successful attacks have the potential to damage our reputation, increase costs, and result in regulatory scrutiny or fines. As we continue to migrate legacy systems to newer information technology systems, we increase the risk of system interruptions. We have experienced and may in the future experience system interruptions that make some or all of these systems unavailable or prevent us from efficiently fulfilling orders or providing services to third parties. Significant interruptions, outages or delays in our internal systems, or systems of third parties that we rely upon- including multiple co- location providers for data centers, cloud computing providers for application hosting, and network access providers- and network access, or deterioration in the performance of such systems, would impair our ability to process transactions, decrease our quality of service that we can offer to our customers, damage our reputation and brands, increase our costs and / or cause losses. We also face risks related to our ability to maintain data and hardware security with respect to remote working. No assurance can be given that our backup systems or contingency plans will sustain critical aspects of our operations or business processes in all circumstances. Although we have put measures in place to protect certain portions of our facilities and assets, any of these events could cause system interruption, delays and loss of critical data, and could prevent us from providing services to our travelers and / or third parties for a significant period of time. In addition, as a result of our migration of key portions of our platform functionality to AWS, we now depend on the availability of AWS' s services and any incident affecting AWS' s infrastructure and availability, which have occurred a number of times in the recent past, could adversely affect the availability of our platform and our ability to serve our customers, which could in turn damage our reputation with current and potential customers, expose us to liability, result in substantial costs for remediation, cause us to lose customers, or otherwise harm our business, financial condition, or results of operations. We may also incur significant costs for using alternative hosting sources or taking other actions in preparation for, or in reaction to, events that compromise the AWS services we use. We process, store and use customer, supplier and employee personal, financial and other data, which subjects us to risks stemming from possible failure to comply with governmental regulation and other legal obligations, as well as litigation and reputational risks associated with the failure to protect such data from unauthorized use, theft or destruction. There are numerous laws regarding the storing, sharing, use, processing, disclosure and protection of customer and employee personal, financial, and other data, the scope of which is changing, subject to differing interpretations, and may be inconsistent between countries or conflict with other rules. We strive to comply with all applicable laws, policies, legal obligations, and industry codes of conduct relating to privacy and data protection. It is possible, however, that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or the practices of our businesses. Any failure or perceived failure by us, or our service providers, to comply with, privacy- related legal obligations or any compromise of security that results in the unauthorized use, theft, or destruction of such data, may result in a material loss of revenues from the potential adverse impact to our reputation and brand, our ability to retain customers or attract new customers, and the potential disruption to our business and plans. The risk of a data incident due to cybersecurity- related privacy event remains persistent. In addition, such an event could result in violations of applicable U. S. and international laws, governmental enforcement actions and consumer or securities litigation. We are subject to privacy regulations, and compliance with these regulations could impose significant compliance burdens. The regulatory framework for privacy issues worldwide is currently in flux and is likely to remain so for the foreseeable future. Practices regarding the collection, use, storage, transmission and security of personal information by companies operating over the internet have recently come under increased public scrutiny. Several U. S. states, including California, have passed comprehensive privacy legislation or are considering privacy legislation. In addition, the General Data Protection Regulation, or GDPR, that went into effect in the European Union in May 2018, requires companies to implement and remain compliant with regulations regarding the handling of personal data. Enforcement of GDPR regulations, and fines for non- compliance, continue to increase and a significant number of additional jurisdictions are expected to enact similar privacy regulations in the future. As additional jurisdictions enact privacy regulations and laws, we will experience increased compliance costs and uncertainty as to how such laws will be interpreted. Although we have invested, and expect to continue to invest, significant resources to comply with the GDPR and other privacy laws and regulations, the number and variety of regulations combined with our multi- product, multi- brand, global businesses, could nevertheless result in compliance failures. Failure to meet any of the requirements of these laws and regulations could result in significant penalties or legal liability, adverse publicity and / or damage to our reputation, which could negatively affect our business, results of operations and financial condition. Environmental, Social and Governance Risks Mr. Diller may be deemed to beneficially own shares representing approximately ~~27~~ **30** % of the outstanding voting power of Expedia Group. As of December 31, ~~2022~~ **2023** , Mr. Diller may be deemed to have beneficially owned 100 % of Expedia Group' s outstanding Class B common stock, representing approximately ~~27~~ **30** % of the total voting power of all shares of Expedia Group common stock and Class B common stock outstanding. In the future, Mr. Diller' s ownership percentage in Expedia Group could increase if he acquires additional shares of Expedia Group common stock in open market purchases or otherwise, or if Expedia Group repurchases **additional** shares of its common stock. Mr. Diller is also currently the Chairman of Expedia Group' s Board of Directors and Senior Executive of Expedia Group. Expedia Group' s amended and restated certificate of incorporation provides that the Chairman of the Board may only be removed without cause by the affirmative vote of at least 80 % of the entire Board of Directors, which provision may not be amended, altered changed or repealed, or any provision inconsistent therewith adopted, without the approval of at least (1) 80 % of the entire Board of Directors and (2) 80 % of the voting power of Expedia Group' s outstanding voting securities, voting together as a single class. As a result of Mr. Diller' s ownership interests and voting power, Mr. Diller is in a position to influence, and potentially control, significant corporate actions, including corporate transactions such as mergers, business combinations or dispositions of assets. Additionally, in the future, another holder of the Class B Shares might have such a position of influence by virtue of ownership interests in the Class B Shares. This concentrated ownership position could discourage others from initiating any potential merger, takeover or other change of control transaction that may otherwise be beneficial to Expedia Group stockholders. Actual or potential conflicts of interest may develop between Expedia Group management and directors, on the one hand, and the management and directors of IAC, on the other. Mr. Diller serves as our Chairman of the Board of Directors and Senior Executive, while retaining his role as Chairman of the Board of Directors and Senior Executive of IAC / InterActiveCorp, or IAC. Each of Ms. Clinton and Mr. von Furstenberg also serves as a member of the Board of Directors of both Expedia Group and IAC. These overlapping relationships could create, or appear to create, potential conflicts of interest for the directors or officers when facing decisions that may affect both IAC and Expedia Group. Mr. Diller in particular may also face conflicts of interest with regard to the allocation of his time between the companies. Our amended and restated certificate of incorporation provides that no officer or director of Expedia Group who is also an officer or director of IAC will be liable to Expedia Group or its stockholders for breach of any fiduciary duty by reason of the fact that any such individual directs a corporate opportunity to IAC instead of Expedia Group, or does not communicate information regarding a corporate opportunity to Expedia Group because the officer or director has directed the corporate opportunity to IAC. This corporate opportunity provision may have the effect of exacerbating the risk of conflicts of interest between the companies because the provision effectively shields an overlapping director / executive officer from liability for breach of fiduciary duty in the event that such director or officer chooses to direct a corporate opportunity to IAC instead of Expedia Group. Increased focus on our environmental, social, and governance (" ESG") responsibilities have and will likely continue to result in additional costs and risks, and may adversely impact our reputation, employee retention, and willingness of customers and partners to do business with us. Institutional, individual, and other investors, proxy advisory services, regulatory authorities, consumers, employees and other stakeholders are increasingly focused on ESG practices of companies, including climate change, diversity, equity and inclusion, human capital management, data privacy and security, supply chains (including human rights issues), among other topics. These evolving stakeholder expectations and our efforts and ability to respond to and manage these issues, provide updates on them, and establish and meet appropriate goals, commitments, and targets present numerous operational, regulatory, reputational, financial, legal, and other risks and impacts, any of which may be outside of our control or could have a material adverse impact on our business, including on our reputation and stock price. Our efforts in this area may result in a significant increase in costs and may nevertheless not meet investor or other stakeholder expectations and evolving standards or regulatory requirements, which may negatively impact our financial results, our reputation, our ability to attract or retain employees, our attractiveness as a service provider, investment, or business partner, or expose us to government enforcement actions, private litigation, and actions by stockholders or stakeholders. **Moreover, we may be subject to criticism by ESG detractors for our ESG initiatives or for any revisions made to these initiatives. We may also be subject to adverse responses by government entities, like anti- ESG laws or punitive legislative actions, or from consumers, through actions like boycotts or adverse media campaigns, aimed at Expedia Group that could negatively affect our reputation, business operations, financial results, and growth.** Climate change may have an adverse impact on our business. Our businesses may also be negatively impacted by direct and indirect impacts of climate change. Direct impacts may include disruptions to travel and to our operations due to more frequent or severe storms, hurricanes, flooding, rising sea levels, shortages of water, droughts and wildfires. Indirect impacts may include a significant shift in consumer preferences, which we may not successfully adapt to, or the general harm to our business as a result of a general perception of travel as an environmental harm. These and other climate change related impacts could have a significant adverse impact on our business in both the short, medium and long term. Further, there is uncertainty around the accounting standards and climate- related disclosures associated with emerging laws and reporting requirements and the related costs to comply with the emerging regulations could be significant. Risks Related to Ownership of our Stock Our stock price is highly volatile. The market price of our common stock is highly volatile and could continue to be subject to wide fluctuations in response to, among other risks, the risks described in this Item 1A, as well as: • ~~Quarterly~~ **quarterly** variations in our operating and financial results as well as ~~that~~ **those** of our peer companies; • ~~Operating~~ **operating** and financial results that vary from the expectations of securities analysts and investors, including failure to **meet or exceed forward- looking guidance we have given or** deliver **expected** returns on investments or key initiatives; • ~~Changes~~ **changes** in our capital or governance structure; • ~~Repurchases~~ **repurchases** of our common stock **, including failure to meet internal or external expectations around the timing or price of shares repurchases, and any reductions or discontinuances of repurchase activities** ; • ~~Changes~~ **changes** in the stock price or market valuations of trivago, our majority-owned, publicly traded subsidiary, whose stock price is also highly volatile; • ~~Changes~~ **changes** in device and platform technologies and search industry dynamics, such as key word pricing and traffic, or other changes that negatively affect our ability to generate traffic to our websites; • ~~Announcements~~ **announcements** by us or our competitors of significant contracts, acquisitions, divestitures, strategic partnerships, joint ventures or capital commitments as well as technological innovations, new services or promotional and discounting activities; • ~~Dilution~~ **dilution** resulting from any conversion of our convertible debt into common stock; • ~~Loss~~ **loss** of a major travel supplier, such as an airline, hotel or car rental chain; **and** • ~~Lack~~ **lack** of success in our efforts to increase our market share ~~; and •~~ **. In addition, if the market for technology stocks or the greater securities market in general experiences uneven investor confidence, the market** ~~Price~~ **price of our common** ~~and volume fluctuations in the~~ stock ~~markets in general~~ **could decline for reasons unrelated to our business, operating results or financial condition** . Volatility in our stock price could also make us less attractive to certain investors, and / or invite speculative trading in our common stock or debt instruments.