

Risk Factors Comparison 2025-03-03 to 2024-02-29 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

Risks Related to Our Business and Our Industry • Various factors beyond our control could adversely affect attendance and guest spending patterns at our theme parks. • If we fail to retain and / or hire employees, our business may be adversely affected. • We could be adversely affected by a decline in discretionary consumer spending or consumer confidence, including any unfavorable impacts from Federal Reserve interest rate actions and inflation, which may influence discretionary spending, unemployment or the overall economy. • Hill Path Capital LP and its affiliates could be able to significantly influence our decisions and their interests may conflict with ours or yours in the future. • Increased labor costs and employee health and welfare benefit costs may negatively impact our operations. • We are subject to complex federal and state regulations governing the treatment of animals, which can change, and to claims and lawsuits by activist groups before government regulators and in the courts. • We are subject to scrutiny by activist and other third- party groups and / or media who can pressure governmental agencies, vendors, partners, guests and / or regulators, bring action in the courts or create negative publicity about us. • Incidents or adverse publicity concerning our theme parks, the theme park industry or zoological facilities generally could harm our brands or reputation as well as negatively impact our revenues and profitability. • A significant portion of our revenues are historically generated in the States of Florida, California and Virginia. Any risks affecting such markets, such as natural disasters, severe weather and travel- related disruptions or incidents, may materially adversely affect our business, financial condition and results of operations. • Technology interruptions or failures that impair access to our websites or information technology systems could adversely affect our business or operations. • Cyber security risks and the failure to maintain the integrity of internal or guest data could result in damages to our reputation, the disruption of operations and / or subject us to costs, fines or lawsuits. • Because we operate in a competitive industry, our revenues, profits or market share could be harmed if we are unable to compete effectively. • Featuring animals at our theme parks involves risks. • Animals in our care are important to our theme parks, and they could be exposed to infectious diseases. • The high fixed cost structure of theme park operations can result in significantly lower margins if revenues decline or we are unable to offset price increases. • Our operating results are subject to seasonal fluctuations. • Changes in consumer tastes and preferences for entertainment and consumer products could reduce demand for our entertainment offerings and products and adversely affect the profitability of our business. • **Adverse litigation judgments or settlements resulting from legal proceedings in which we may be involved in the normal course of our business could reduce our profits or limit our ability to operate our business.** • Our growth strategy may not achieve the anticipated results. • We may not be able to fund theme park capital expenditures and investment in future attractions and projects. • We may not realize the benefits of developments, restructurings, acquisitions or other strategic initiatives and we may incur significant costs associated with such activities. • Our financial condition and results of operations have been previously, and may in the future be, adversely affected by public health events. • **Unionization activities** ~~Adverse litigation judgments or settlements resulting from legal proceedings in which we may be involved in the normal course of our business could reduce our profits or our~~ **labor disputes** ~~settlements resulting from legal proceedings in which we may be involved in the normal course of our business could reduce our profits or our~~ **disrupt** ~~be involved in the normal course of our business could reduce our profits or our~~ **limit operations and affect our profitability** ~~ability to operate our business.~~ • Our intellectual property rights are valuable, and any inability to protect them could adversely affect our business. • We may be subject to claims for infringing the intellectual property rights of others, which could be costly and result in the loss of significant intellectual property rights. • If we lose licenses and permits required to exhibit animals and / or violate laws and regulations, our business will be adversely affected. ~~→ Unionization activities or labor disputes may disrupt our operations and affect our profitability.~~ • If we are unable to maintain certain commercial licenses, our business, reputation and brand could be adversely affected. • Our existing debt agreements contain, and future debt agreements may contain, restrictions that may limit our flexibility in operating our business. • Failure to maintain our current credit ratings could adversely affect our cost of funds, related margins, liquidity, and access to capital markets. • Our leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our obligations under our indebtedness. • Our insurance coverage may not be adequate to cover all possible losses that we could suffer, and our insurance costs may increase. • We may be unable to purchase or contract with third- party manufacturers for our theme park rides and attractions, or construction and / or supply chain delays may occur and impact attraction openings. • **Tariffs or other trade restrictions could adversely impact our business, financial condition and results of operations.** • Our operations and our ownership of property subject us to environmental requirements, and to environmental expenditures and liabilities. • Delays, restrictions, or inability to obtain or maintain permits for capital investments could impair our business. • We have previously identified and remediated a material weakness in our internal control over financial reporting. If we fail to maintain effective internal controls, we may conclude that our internal control over financial reporting is not effective, which could adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner. • Financial distress experienced by our strategic partners or other counterparties could have an adverse impact on us. ~~• Tariffs or other trade restrictions could adversely impact our business, financial condition and results of operations.~~ • Actions of activist stockholders, and such activism could adversely impact the value of our securities. • The policies of the U. S. President and his administration or any changes to tax laws may result in a material adverse effect on our business, cash flow, results of operations or financial condition and may impact our ability to use our net operating loss carryforwards. **Risks Related to Ownership of Our Common Stock** • Our stock price may change significantly, and you may not be able to sell shares of our common stock at or above the price you paid or at all, and you could lose all or part of your investment as a result. • We cannot guarantee that our allocation of capital to

various alternatives will enhance long- term stockholder value, and in some cases, our Share Repurchase Program could increase the volatility of the price of our common stock. • Future sales, or the perception of future sales, by us or our existing stockholders in the public market could cause the market price for our common stock to decline. • Our indebtedness could limit our ability to make restricted payments such as share repurchases and / or pay dividends on our common stock in the future. • Anti- takeover provisions in our organizational documents could delay or prevent a change of control. • The concentration of ownership of our capital stock limits your ability to influence corporate matters. • Non- U. S. holders who own or owned more than a certain ownership threshold may be subject to United States federal income tax on gains realized on the disposition of our common stock. The following risk factors should be read carefully in connection with evaluating us and this Annual Report on Form 10- K. Certain statements in “ Risk Factors ” are forward- looking statements. See “ Special Note Regarding Forward- Looking Statements ” elsewhere in this report: Various factors beyond our control could adversely affect attendance and guest spending patterns at our theme parks. These factors could also affect our suppliers, vendors, insurance carriers and other contractual counterparties. Such factors include but are not limited to: • bad weather and even forecasts of bad weather, including abnormally hot, cold, snow / ice and / or wet weather, particularly during weekends, holidays or other peak periods; • natural disasters, such as hurricanes, fires, earthquakes, tsunamis, tornados, floods, sinkholes and volcanic eruptions and man- made disasters such as oil spills, which may deter travelers from scheduling vacations or cause them to cancel travel or vacation plans; • labor shortages impacting our parks, suppliers or others in the travel industry such as airlines and hotels; • inflation; • fluctuations in foreign exchange rates; • low consumer confidence or changes in consumer taste; • supply chain delays or shortages; • outbreaks of pandemic or contagious diseases, recreational water illnesses or consumers’ concerns relating to potential exposure to travel- related health concerns such as pandemics and epidemics such as Coronavirus, Ebola, Zika, Influenza H1N1, avian bird flu, SARS and MERS; • changes in the desirability of particular locations or travel patterns of both our domestic and international guests; • adverse general economic related factors including **increasing changes in** interest rates; • economic uncertainty; • electricity, oil and natural gas prices and travel costs and the financial condition of the airline, automotive and other transportation- related industries, any travel- related disruptions or incidents and their impact on travel or decrease transportation options to cities where we have parks; • war, geopolitical events, terrorist activities or threats and heightened travel security measures instituted in response to these events; • actions or statements by U. S. and foreign governmental officials related to travel and corporate travel- related activities (including changes to the U. S. visa rules or disease related restrictions or testing requirements) and the resulting public perception of such travel and activities; • interruption of public or private utility services to our theme parks; and • workplace violence or any other threatened or actual act of violence that threatens the safety and security of, or causes harm to our guests, employees, animals or facilities. Workplace violence or other violence can be pre- meditated or spontaneous and includes the threat from terrorism or an act of terrorism, a bomb threat or actual bombing, an active shooter or mass casualty / damage event, civil unrest resulting in violent protest, any violent criminal acts such as arson, armed robbery, assault, sexual assault, and interpersonal violence such as domestic violence, gender based violence, stalking, or any other violent act occurring on our property. Any one or more of these factors could adversely affect attendance, revenue, and per capita spending at our theme parks, which could materially adversely affect our business, financial condition and results of operations. Fluctuations in foreign currency exchange rates and inflation impact our business. A strong dollar increases the cost for international tourists and inflationary pressures increase the cost of living which could impact guest’ s willingness to visit our parks or guest spending. In addition, demand for our parks is highly dependent on the general environment for travel and tourism, which can be significantly adversely affected by extreme weather events, including ice and snow conditions. In ~~2021~~, 2022 and parts of 2023, the United States encountered increased inflation and we experienced increased costs for labor, goods, food, merchandise, services and capital projects. Inflation increases the cost of goods we purchase, capital projects, wages and benefits, and services we buy. If we are not able to offset inflationary costs, our results of operations will be negatively impacted and possibly in a material manner. Any of these such events could have a material adverse effect on our business, financial condition, or results of operations. Additionally, because many of the attractions at our parks are outdoors, attendance at our parks is adversely affected by bad or extreme weather conditions and forecasts of bad or mixed weather conditions, which negatively affects our revenues and results of operations. Adverse weather events could also cause us to incur significant costs to repair or replace rides or facilities and cause extended closure times if rides or facilities have to be replaced. ~~In addition, our costs and the time to repair and replace rides and other in park locations has increased due to recent supply chain disruptions.~~ Natural disasters and adverse weather conditions can be caused or exacerbated by climate change, and the series of extreme weather events experienced in recent years presents an alarming trend. For example, attendance at our parks in ~~2023~~ **2024** was negatively impacted by significantly ~~adverse~~ **worse** weather, including **Hurricanes Milton** ~~some combination of unusual heat, cold and Debby / or rain across most of our markets~~. Separately, we have previously also experienced negative impacts from ~~adverse~~ **weather events in such as unusual heat, cold and / or** ~~our~~ **or rain parks,** particularly ~~hurricanes and severe storms~~, which have caused park closures and other weather impacts. Our success depends in part upon a number of employees, including members of our senior management team who have extensive experience in the industry, as well as our ability to attract, train, motivate and retain qualified employees to keep pace with our needs, including employees with certain specialized skills in the field of animal training and care and other areas of institutional knowledge. We also employ a significant seasonal and part- time workforce which is critical to staffing our parks during peak periods. We recruit year- round to fill thousands of part time and seasonal staffing positions each season and work to manage wages and the timing of the hiring process in an attempt to ensure the appropriate workforce is in place. **Additionally, we have focused on reducing costs and streamlining our labor structure to better align with our strategic business objectives**; however, there can be no assurance that we will be successful **with these efforts** in the future. During **2024**, 2023 and 2022, in part due to the overall labor market, including ~~wage~~ **inflationary pressures on wages** and the challenging current operating environment, we have faced increased turnover throughout the company and challenges in meeting our staffing goals. These staffing challenges

have also led to wage pressures and less than optimal staffing levels, which have impacted and could continue to impact our ability to open some of our food and beverage and retail outlets, caused us to temporarily close some rides or attractions, and / or caused longer wait times in certain areas of our parks, which has and could continue to impact the guest experience. Despite the staffing challenges we have encountered, which at times have included maintenance, security and / or animal care personnel, we have not and will not compromise the safety of our guests, ambassadors or animals. That said, if we are unable to attract and retain adequate numbers of employees to staff our parks especially during peak periods, this could materially adversely affect our business and negatively impact our results of operations and the guest experience as it could impact the number of venues, rides and / or attractions we can open. See also, “ Increased labor costs and employee health and welfare benefits may negatively impact our operations. ” Competition for employees is intense and the labor market is experiencing shortages, which has impacted, and has continued to impact, our ability to attract, recruit and retain both qualified senior executives as well as employees for our parks and our headquarters. Many competitors or other businesses in the markets in which we operate have increased wages and / or offered enhanced benefit packages, which in some cases may be superior to ours. We have been and could continue to be unable to retain employees or to attract other highly qualified employees, particularly if we do not offer employment terms that are competitive with the rest of the current market and / or provide sufficient incentives to retain our existing and future employees. Also, if we fail to maintain a culture that makes our company an attractive place to work, employee morale may be diminished and we may have difficulty retaining our workforce and recruiting new employees. Separately, minimum wage legislation impacts some of our markets which adds additional pressure to our starting wages and increases the possibility of compression which may lead to the departure of experienced personnel. We have experienced and may continue to experience turnover of key management and executive personnel, and at times we have had delays or difficulty in recruiting and hiring for these positions. In addition, we may not have an effective succession plan for some of our key leadership roles. Turnover of personnel, timing or the extent of turnover activity, failure to attract, motivate and retain our employees, or failure to develop and implement a viable succession plan for our senior management, could adversely affect our business, our ability to grow and maintain our business and our future success. Changes in our management team and / or to the Board of Directors may be disruptive to, or cause uncertainty in, our business, and any additional changes to the management team or the Board of Directors could have a negative impact on our ability to manage and grow our business effectively. Any disruption or uncertainty or difficulty in efficiently and effectively filling key management roles or maintaining and growing our workforce could have a material adverse impact on our business, results of operations and / or the price of our common stock. Our success depends to a significant extent on discretionary consumer spending. Some of the factors that may influence consumer spending on entertainment and recreational activities include general economic conditions, the availability of discretionary income, consumer confidence, high interest rates, domestic and global supply chain issues, high levels of unemployment, pandemics, higher consumer debt levels, reductions in net worth based on market declines and uncertainty, the housing market, fluctuating foreign currency exchange rates and credit availability, government measures, inflationary pressure, tax rates and general uncertainty regarding the overall future economic environment, including recessionary concerns. **From** ~~Since January 1, 2022~~ **through 2024**, the Federal Reserve raised interest rates eleven times in response to concerns about inflation. **Higher** ~~While the Federal Reserve began decreasing interest rates in 2024 and has indicated that it may further decrease interest rates in 2025, interest rates continue to remain high and there is no guarantee that the Federal Reserve will take such action.~~ **Elevated** interest rates and volatility in financial markets may increase economic uncertainty and negatively affect consumer spending. The demand for our parks, other entertainment and recreation activities generally, and discretionary travel is highly sensitive to downturns in the economy and the corresponding impact on discretionary consumer spending. Any actual or perceived deterioration or weakness in general, regional or local economic conditions, as well as other adverse economic or market conditions, may reduce our customers’ discretionary income or willingness to spend on parks, entertainment, recreation activities and travel. An increase in general price levels (due to inflationary pressure, domestic and global supply chain issues or other macroeconomic factors) could also result in a shift in consumer demand away from discretionary spending, which would adversely affect our attendance or guest spending patterns and, at the same time, increase our operating costs. We may not be able to adequately increase our prices over time at price points that consumers are willing to pay to offset such increased costs. In the past, severe economic downturns, coupled with high volatility and uncertainty as to the future global economic landscape, have had an adverse effect on consumers’ discretionary income and consumer confidence. Volatile, negative, inflationary or uncertain economic conditions and recessionary periods may adversely impact attendance figures, the frequency with which guests choose to visit our theme parks and guest spending patterns at our theme parks. The actual or perceived weakness in the economy could also lead to decreased spending by our guests. ~~For example, in 2020, we experienced a decline in attendance as a result of the COVID-19 pandemic, which in turn adversely affected our revenue and profitability. Both attendance and total revenue per capita spending at our theme parks are key drivers of our revenue and profitability, and reductions in either can materially adversely affect our business, financial condition and results of operations.~~ In 2019, Hill Path Capital LP and certain of its affiliates (“ Hill Path ”) purchased, in the aggregate, 13, 214, 000 shares of our common stock (the “ HP Purchase ”). ~~As~~ **In connection with the HP Purchase, the Company and Hill Path entered into a Stockholders Agreement (as amended February 27, 2024), a Registration Rights Agreement and an Undertaking Agreement as** described more fully in our Form 8- K dated May 27, 2019, ~~we concurrently entered into the Stockholders Agreement, the Registration Rights Agreement and the Undertaking Agreement (collectively, the “ HP Agreements ”) with Hill Path in connection with the HP Purchase.~~ On July 7, 2020, Hill Path filed with the SEC a Schedule 13D / A (the “ Schedule 13D / A ”) reporting that such persons had accumulated a total of 27, 205, 306 shares of our common stock, which represents approximately ~~42-49~~ **5-4** % of our total outstanding shares of common stock as of December 31, ~~2023-2024~~ **2023-2024**. Also, certain funds affiliated with Hill Path have other economic interests in the Company. Please refer to their most recent Schedule 13D / A filed on November ~~14-13~~ **2022-2024**. In addition, the Hill Path Schedule 13D filed on May 1, 2017, as amended, states,

among other things, that Hill Path may suggest changes in our business, operations, capital structure, capital allocation, corporate governance, and other strategic matters. Under the HP Agreements, we agreed to appoint up to three Hill Path director designees (“ Hill Path Designees ”) to our Board of Directors of which two directors may be affiliated with Hill Path and, subject to the independence standards of the New York Stock Exchange, there must be one Hill Path Designee on each committee of the Board, as determined by Hill Path and subject to the approval of the Nominating and Corporate Governance Committee. Scott Ross, founder of Hill Path, and James Chambers, a Partner at Hill Path are the Hill Path Designees. Mr. Ross currently serves as Chairman of the Board and Chairman of the Compensation Committee and also serves on the Nominating and Corporate Governance Committee and the Revenue Committee. Mr. Chambers serves as Chairman of the Nominating and Corporate Governance Committee and also serves on the Compensation Committee and the Revenue Committee. For so long as Hill Path Designees remain on our Board, Hill Path will have influence with respect to our management, business plans and policies, including the appointment and removal of our officers, and nominees for director. In addition, for so long as Hill Path continues to own a significant percentage of our stock, Hill Path will be able to influence the composition of our Board of Directors and the approval of actions requiring stockholder approval. For example, for so long as Hill Path continues to own a significant percentage of our stock, Hill Path may be able to influence whether or not a change of control of our Company or a change in the composition of our Board of Directors occurs. The concentration of ownership could deprive you of an opportunity to receive a premium for your shares of common stock as part of a sale of our Company and ultimately might affect the market price of our common stock. Labor is a primary component in the cost of operating our business. We devote significant resources to recruiting and training our employees to meet our staffing needs. Increased labor costs or turnover due to competition, inflationary pressures, increased minimum wage or employee benefit costs or otherwise has and could continue to put pressure on our margins and adversely impact our operating expenses. For example, the Patient Protection and Affordable Care Act of 2010 and the amendments thereto contain provisions that have impacted our healthcare costs. ~~Additionally, the current administration is encouraging Congress to increase the federal minimum wage more broadly to \$ 15.00 an hour in the private sector.~~ Any future amendments or new legislation could significantly increase our compensation costs, which would reduce our net income and adversely affect our cash flows. ~~In 2016, Under legislation passed by the City of San Diego passed legislation which, after the first increase on January 1, 2017, increased its minimum wage over a five-year period to \$ 15.00. Beginning~~ ~~beginning~~ on January 1, 2023, San Diego’s minimum wage was based on the consumer price index and increased to \$ 16.30 per hour-, ~~which Effective-effective~~ January 1, 2024, San Diego’s minimum wage was increased further to \$ 16.85 per hour. ~~Under current~~ Virginia ~~law, its~~ passed legislation that increased the state minimum wage to ~~is~~ \$ 12.9.50 an hour on May 1, 2021 and increases its minimum wage to \$ 15.00 an hour by ~~adjusted annually beginning January 1, 2026~~ ~~2025 based on changes in the consumer price index, which for 2025 resulted in a minimum wage of \$ 12.41~~. In November 2020, Florida passed a ballot initiative ~~raising providing for~~ its minimum wage to \$ 10.00 per hour effective September 30, 2021. Each September 30th thereafter, the minimum wage shall increase by \$ 1.00 per hour until the minimum wage reaches \$ 15.00 per hour on September 30 ~~of each year until the minimum wage reaches \$ 15.00 per hour on September 30~~, 2026. From that point forward, future minimum wage increases ~~will be shall revert to being~~ adjusted annually for inflation starting September 30, 2027. In addition, a number of companies with whom we compete for talent have announced wage and benefit increases to attract and retain employees in a tight labor market which has driven-up labor costs. Increases to the minimum wage in locations where we do business, ~~increases to~~ wages of companies ~~from with~~ whom we compete for talent and / or increased benefit costs will negatively impact our operating expenses. See also “ If we fail to hire and / or retain employees, our business may be adversely affected ”. We operate in a complex and evolving regulatory environment and are subject to various federal and state statutes and regulations and international treaties implemented by federal law. The states in which we operate also regulate zoological activity involving the import and export of exotic and native wildlife, endangered and / or otherwise protected species, zoological display and anti-cruelty statutes. We incur significant compliance costs in connection with these regulations, and violation of such regulations could subject us to fines and penalties and result in the loss of our licenses and permits, which, if occurred, could impact our ability to display certain animals. Future amendments to existing statutes, regulations and treaties or new statutes, regulations and treaties or lawsuits against the Company, government agencies or other third parties in the zoological industry may potentially restrict our ability to maintain our animals, or to acquire new ones to supplement or sustain our breeding programs or otherwise adversely affect our business. ~~On July 26, 2022, U. S. Rep. Adam Schiff (D- CA)~~ introduced the Strengthening Welfare in Marine Settings Act of 2022 (“ SWIMS Act”). This bill would establish prohibitions on capturing, importing, exporting, or breeding of orcas, beluga whales, false killer whales, or pilot whales for the purpose of public display. The bill would prohibit the National Oceanic and Atmospheric Administration from issuing any permit under the Marine Mammal Protection Act of 1972 that authorizes the taking (e. g., capturing) or importation of such orcas or whales for the purpose of public display. The bill would revise the Marine Mammal Protection Act of 1972 to make it unlawful to export such orcas or whales, unless they are being transported to marine mammal sanctuaries or for release into the wild. Further, the bill would make it unlawful under the Animal Welfare Act for any person to breed or artificially inseminate such marine mammals for purposes of using their progeny for public display. The bill was referred to the House Agriculture and Natural Resources Committees. On August 2, 2022, Sen. Dianne Feinstein (D- CA) introduced an identical version of the SWIMS Act in the U. S. Senate. The bill was referred to the Committee on Commerce, Science, and Transportation. No hearings or consideration of the bill were scheduled in the House or Senate before the 117th Congress adjourned on January 3, 2023. On January 30, 2024, the SWIMS Act was reintroduced in the U. S. House, and on January 31, 2024, identical legislation was reintroduced to the U. S. Senate by U. S. Senator Ron Wyden (D- OR). The United Kingdom Animals (Low- Welfare Activities Abroad) Act of 2023 passed its final parliamentary stage on September 18, 2023 and received Royal Assent on the same day. The bill prohibits the sale and advertising of activities abroad which involve low standards of welfare for animals. Additionally, it provides a framework for future species-specific bans to be introduced but does not itself implement any bans. Throughout the

passage in both houses, the main sentiment was broadly focused on Asian elephants and dolphins. The bill has now moved on to the secondary legislation stage where the list of low welfare activities will be developed. The House of Lords deposited into the House of Lords Library a request that zoos and aquariums that are accredited or certified in accordance with high enough welfare standards by a regional or international organization endorsed for these purposes would be excluded from the scope of the prohibited low welfare activity in question. There can be no assurance that Congress will not pass legislation, or other federal, state or local jurisdictions will not propose or enact similar laws or regulations that could materially impact the Company in the future. Additionally, the U. S. Department of Agriculture's Animal and Plant Health Inspection Service ("APHIS") has proposed regulations that could impact our business. See the further discussion of APHIS and other proposed regulations under "Recent Regulatory Developments" in the "Business" section included elsewhere in this Annual Report on Form 10-K. In light of the uncertain legal, legislative and regulatory environment and evolving public sentiment, we continue to evaluate a broad spectrum of enhancements, modifications and alternatives with respect to the display, husbandry and breeding practices, handling and care, and study and research of our animals. Any decisions regarding such matters are subject to consideration and assessment of various factors including, but not limited to, the health and welfare of the animals, guest sentiment, market conditions, anticipated impact on our business, regulatory environment, legal proceedings, and input from our conservation partners, and other factors. If we were to pursue or be required to pursue any alternative approaches with respect to the display, husbandry and breeding practices, handling and care, or study and research of our orcas or other animals in our zoological collection, the full impact of such alternatives on our business will not be known until such alternatives are finalized. In the meantime, we continue to invest significant management attention and resources to evaluate the impact of and ensure compliance with the applicable regulatory and other developments. From time to time, animal activist and other third-party groups may make claims before government agencies, bring lawsuits against us, attempt to generate negative publicity associated with our business and / or attempt to influence guests to avoid our parks. Such activities sometimes are based on allegations that we do not properly care for some of our animals. On other occasions, such activities are specifically designed to change existing law or enact new law in order to impede our ability to retain, exhibit, acquire or breed animals. While we seek to structure our operations to comply with all applicable federal and state laws and vigorously defend ourselves when sued, there are no assurances as to the outcome of claims and lawsuits that could be brought against us or new laws or changes to existing laws that could negatively impact us. Even if not successful, these lawsuits, or proposed changes to laws, can require deployment of our resources and can lead to negative publicity. Negative publicity created by activists or in the media could adversely affect our reputation and results of operations. At times, activists and other third-party groups have also attempted to generate negative publicity related to our relationships with our business partners, such as corporate sponsors, promotional partners, vendors, ticket resellers and others. These activities have at times led relationships with some ticket resellers to be terminated. Although sales from any particular ticket reseller may not constitute a significant portion of our ticket sales, if a relationship with a ticket reseller is terminated, we will attempt to find alternative distribution channels. However, there can be no assurance that we will be successful or that those channels will be as successful or not have additional costs. If we are unable to find cost effective alternative distribution channels, the loss of multiple ticket resellers could have a negative impact on our results of operations. Our brands and our reputation are among our most important assets. Our ability to attract and retain guests depends, in part, upon the external perceptions of the Company, the quality and safety of our theme parks and services and our corporate and management integrity. The operation of theme parks involves the risk of accidents, illnesses, disruptive guest behavior, environmental incidents and other incidents which may negatively affect the perception of guest and employee safety, health, security and guest satisfaction and which could negatively impact our brands or reputation and our business and results of operations. An accident or an injury at any of our theme parks or at theme parks operated by competitors, particularly an accident or an injury involving the safety of guests and employees, that receives media attention, is the topic of a book, film, documentary or is otherwise the subject of public discussions, may harm our brands or reputation, cause a loss of consumer confidence in the Company, reduce attendance at our theme parks and negatively impact our results of operations. Additionally, incidents could occur in our theme parks which may negatively affect the perception and reaction to our practices concerning certain inclusion and diversity matters. An incident involving our employees and / or our park guests which receives media attention or is otherwise the subject of public and / or social media discussions may negatively impact our results of operations. Furthermore, third-party groups may use these incidents to make claims against us and / or attempt to influence guests to avoid our parks. Such incidents have occurred in the past and may occur in the future. In addition, other types of adverse publicity concerning our business, the theme park industry or zoological facilities generally could harm our brands, reputation, and results of operations. The considerable expansion in the use of social media over recent years has compounded the impact of negative publicity. Approximately 59-58%, 46-17% and 43-14% of our revenues in 2023-2024 were generated in the States of Florida, California and Virginia, respectively. Any risks described in this Annual Report on Form 10-K, such as the occurrence of natural disasters and travel-related disruptions or incidents, affecting the States of Florida, California and Virginia generally, may materially adversely affect our business, financial condition or results of operations, especially if they have the effect of decreasing attendance at our theme parks or, in extreme cases, cause us to close any of our theme parks for any period of time. For example, in 2022-2024, Hurricane Ian-Milton led to closures at our parks in Florida and Virginia for a combined 15-14 operating days which unfavorably impacted our attendance. Also, our parks in Texas and Virginia have previously been negatively impacted by hurricanes. Although we attempt to manage our exposure to such events by implementing our hurricane preparedness plan, our theme parks located in Orlando and Tampa, Florida and in Williamsburg, Virginia have previously experienced closures as a result of storms, which negatively impacted attendance and results of operations. Furthermore, changing climate conditions could add to the frequency and severity of natural disasters and create additional uncertainty as to future trends and exposures. The satisfactory performance, reliability and availability of our web sites and our infrastructure are critical to the conduct of our business. Any system interruptions that result in the unavailability or slowness of our websites

could impact our ability to market or sell admissions or other products which could adversely affect our results of operations and / or result in negative publicity. We have in the past experienced, and may in the future experience, temporary system interruptions for a variety of reasons, including security incidents, viruses, telecommunication and other network failures, power failures, programming errors, undetected bugs, design faults, data corruption, denial- of- service attacks, legacy systems, poor scalability or network overload from an overwhelming number of traffic trying to reach our websites at the same time. Even a disruption as brief as a few minutes could have a negative impact on our online activities and could result in a loss of revenue. For example, there have been instances when our websites experienced slow performance and unavailability for some guests. Although these issues were short- lived and did not have a material impact to our results of operations, prolonged or repeat system interruptions and network failures could adversely impact our operations as a significant portion of our admissions revenues are from ticket purchases and reservations made online. Additionally, damage, failures or interruptions to our information technology systems may require a significant investment to update, remediate or replace with alternate systems, and we may suffer interruptions in our operations as a result. In addition, costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could also disrupt or reduce the efficiency of our operations and / or result in negative publicity. Any material interruptions or failures in our systems, including those that may result from our failure to adequately develop, implement and maintain a robust disaster recovery plan and backup systems could severely affect our ability to conduct normal business operations and, as a result, could adversely affect our business operations and financial performance. For example, there have been instances of third- party vendors upgrading to newer versions of software which are no longer compatible with our legacy systems. We collect internal and customer data for business purposes. This data may include personal identifiable information held in our various information technology systems which collect, process, summarize, and report such data. We also maintain personally identifiable information about our employees. The integrity and protection of our customer, employee and company data is critical to our business. Our guests and employees have a high expectation that we will adequately protect their personal information. The regulatory environment, as well as the requirements imposed on us by the credit card industry, governing information, security and privacy laws is increasingly demanding and continues to evolve. For example, the California Consumer Privacy Act took effect in January 2020 and imposes requirements for identifying, managing, securing, tracking, producing and deleting consumer privacy information in California. Maintaining compliance with applicable security and privacy regulations may increase our operating costs and / or adversely impact our ability to market our theme parks, products, and services to our guests. We also rely on accounting, financial and operational management information technology systems to conduct our operations. If these information technology systems suffer severe damage, disruption or shutdown and our business continuity plans do not effectively resolve the issues in a timely manner, our business, financial condition and results of operations could be materially adversely affected. We, along with our third party service providers, face security threats, including but not limited to cyber security attacks on our data infrastructure. Like other public companies, our computer systems are regularly subject to and will continue to be the target of computer viruses, malware or other malicious codes (including ransomware), rogue employee activity, unauthorized access, cyber- attacks **(including through the use of artificial intelligence)** or other computer- related penetrations. We expect to continue devoting significant resources to the security of our information technology systems and the training of our employees and we utilize various procedures and controls to monitor and mitigate technological threats. There can be no assurance that these procedures, investments and / or controls, nor those of our third party service providers, will be sufficient to prevent penetrations, malicious acts or disruptions to our systems. Furthermore, a penetrated or compromised data system or the intentional, inadvertent or negligent release or disclosure of data could result in theft, loss, fraudulent or unlawful use of guest, employee, company or protected data which could harm our reputation or result in remedial and other costs, fines or lawsuits and require significant management attention and resources to be spent. In addition, our insurance coverage and indemnification arrangements that we enter into, if any, may not be adequate to cover all the costs related to cyber security attacks or disruptions resulting from such events. Although to date, cyber security attacks directed at us have not had a material impact on our financial results, due to the evolving nature of security threats, the impact of any future incident cannot be predicted. Our theme parks compete with other theme, water and amusement parks and with other types of recreational facilities and forms of entertainment, including movies, home entertainment options, family entertainment centers, sports attractions, restaurants and vacation travel. Principal direct competitors of our theme parks include theme parks operated by The Walt Disney Company, Universal Parks and Resorts, Six Flags Entertainment Corporation, **Cedar Fair, L. P.**, Merlin Entertainments Ltd., Herschend Family Entertainment and Hershey Entertainment and Resorts Company. The principal competitive factors of a theme park include location, price, originality and perceived quality of the rides and attractions, the atmosphere and cleanliness of the theme park, the quality of its food, entertainment and employees, weather conditions, ease of travel to the theme park (including direct flights by major airlines), and availability and cost of transportation to a theme park. Certain of our direct competitors have substantially greater financial resources than we do, and they may be able to adapt more quickly to changes in guest preferences or devote greater resources to their attractions or promotion of their offerings and attractions than us. Our competitors may be able to attract guests to their theme parks in lieu of our own through the development or acquisition of new rides, attractions or shows that are perceived by guests to be of a higher quality and entertainment value. As a result, we may not be able to compete successfully against such competitors. If we are unable to compete with new and existing attractions **or new theme parks**, our results of operations could be negatively impacted. Our theme parks feature numerous displays and interactions that include animals. All animal enterprises involve some degree of risk. All animal interactions by our employees and our guests in attractions in our theme parks, where offered, involve risk. While we maintain strict safety procedures for the protection of our guests, employees and the animals in our care, injuries or death, while rare, have occurred in the past. For example, in February 2010, a trainer was killed while engaged in an interaction with an orca. Following this incident, we were subject to an inspection by the Department of Labor' s Occupational Safety and Health

Administration (“ OSHA ”), which resulted in citations concerning alleged violations of the Occupational Safety and Health Act and certain regulations thereunder. In connection with this incident, we reviewed and revised our safety protocols and made certain safety- related facility enhancements such as revising training protocols used in animal presentations. This incident has also been and continues to be the subject of significant media attention, including extensive television and newspaper coverage, books, at least one documentary and discussions in social media. This incident and similar events that may occur in the future may harm our reputation, reduce attendance and negatively impact our business, financial condition and results of operations. See also, “ Our insurance coverage may not be adequate to cover all possible losses that we could suffer, and our insurance costs may increase.” Many of our theme parks are distinguished from those of our competitors in that we offer guest interactions with animals in our care. Individual animals, specific species of animals or groups of animals in our zoological collection could be exposed to infectious diseases or could expose guests to infectious diseases. An outbreak of an infectious disease among any animals in our theme parks or the public’ s perception that a certain disease could be harmful to human health may materially adversely affect our zoological collection, our business, financial condition and results of operations. Additionally, outbreaks and / or illnesses in our zoological collection could impact the availability of certain guest experiences. A large portion of our expenses is relatively fixed because the costs for employees, maintenance, animal care, utilities, property taxes and insurance do not vary significantly with attendance. These fixed costs may increase at a greater rate than our revenues especially during inflationary periods and may not be able to be reduced at the same rate as declining revenues. For example, our costs of food, merchandise and other sources of revenues are influenced by inflation and fluctuations in global commodity prices. If cost-cutting efforts are insufficient to offset increased costs or declines in revenues or are impracticable, we could experience a material decline in margins, revenues, profitability and reduced or negative cash flows. Such effects can be especially pronounced during ~~pandemics such as was seen during the COVID-19 pandemic in 2020 or~~ periods of inflation or economic contraction or slow economic growth. We have historically experienced and expect to continue to experience seasonal fluctuations in our annual theme park attendance and revenue, which are typically higher in our second and third quarters, partly because four of our theme parks were historically only open for a portion of the year. As a result, approximately two- thirds of our attendance and revenues were historically generated in the second and third quarters of the year and we generally incurred a net loss in the first quarter. In addition, the timing of school vacations and school start dates also cause fluctuations in our quarterly theme park attendance and revenue. For example, revenues can shift between the first and second quarters due to the timing of Easter and spring break holidays and between the first and fourth quarters due to the timing of holiday breaks around Christmas and New Year. Even for our theme parks that have historically been open year- round, attendance patterns have significant seasonality, driven by holidays, school vacations and weather conditions. Changes in school calendars that impact traditional school vacation breaks could also impact attendance patterns. The operating season at some of our theme parks, including SeaWorld San Antonio, Aquatica San Antonio, Adventure Island, Busch Gardens Williamsburg, Water Country USA, Sesame Place Philadelphia and ~~our former Aquatica San Diego park (rebranded as Sesame Place San Diego in 2022)~~, has historically been of limited duration. Any changes to the operating schedule of a park such as increasing operating days for our seasonal parks, could change the impact of seasonality in the future. During 2021, we began year- round operations at SeaWorld San Antonio and began to operate on select days on a year round basis at both Busch Gardens Williamsburg and Sesame Place in Pennsylvania. ~~Additionally, in March 2022, we opened our Sesame Place San Diego park which has been, and is expected to continue to be, open more operating days than the Aquatica San Diego park it replaced, particularly in the first and fourth quarters of the year.~~ When conditions or events described in this Risk Factors section occur during the operating season, particularly during the second and third quarters, there is only a limited period of time during which the impact of those conditions or events can be mitigated. Accordingly, such conditions or events may have a disproportionately adverse effect on our revenues and cash flow. In addition, historically most of our expenses for maintenance and costs of adding new attractions at our seasonal theme parks are incurred when the operating season is over, which may increase the need for borrowing to fund those expenses during such periods. The success of our business depends on our ability to consistently provide, maintain, and expand theme park attractions as well as create online material and consumer products that meet changing consumer preferences. In addition, consumers from outside the United States constitute an important portion of our theme park attendance, and our success depends in part on our ability to successfully predict and adapt to tastes and preferences of this consumer group. If our entertainment offerings and products do not achieve sufficient consumer acceptance or if consumer preferences change, our business, financial condition or results of operations could be materially adversely affected. **We are subject to allegations, claims and legal actions arising in the ordinary course of our business, which may include claims by third parties, including guests who visit our theme parks, our employees, vendors, stockholders and / or regulators. We are currently subject to securities litigation and other disputes. We are also subject to audits, inspections and investigations by, or receives requests for information from, various federal and state regulatory agencies, including, but not limited to, the U. S. Department of Agriculture’ s Animal and Plant Health Inspection Service (“ APHIS ”), the U. S. Department of Labor’ s Occupational Safety and Health Administration, the California Occupational Safety and Health Administration (“ Cal- OSHA ”), state departments of labor, the Florida Fish & Wildlife Commission (“ FWC ”), the Equal Employment Opportunity Commission (“ EEOC ”), the Internal Revenue Service (“ IRS ”), the U. S. Department of Justice (“ DOJ ”) and the Securities and Exchange Commission (“ SEC ”). From time to time, various parties may also bring lawsuits against us. We discuss securities litigation and other litigation to which we are subject in greater detail in “ Item 3. Legal Proceedings ” and Note 14 – Commitments and Contingencies to our consolidated financial statements included elsewhere in this Annual Report on Form 10- K. If any proceedings, audits, inspections or investigations were to be determined adversely against us or resulted in legal actions, claims, regulatory proceedings, enforcement actions, or judgments, fines, or settlements involving a payment of material sums of money, or if injunctive relief were issued against us, our business, financial condition and results of operations could be materially adversely affected. Even the**

successful defense of legal proceedings may cause us to incur substantial legal costs and may divert management's attention and resources.

Our future success will depend on our ability to grow our business, including through capital investments to improve existing and develop or acquire additional theme parks, rides, attractions and shows, as well as in-park product offerings and product offerings outside of our theme parks that are complementary to our parks. Our growth and innovation strategies require significant commitments of management resources and capital investments and may not grow our revenues at the rate we expect or at all. As a result, we may not be able to recover the costs incurred in developing our new projects and initiatives or to realize their intended or projected benefits, which could materially adversely affect our business, financial condition or results of operations. A principal competitive factor for a theme park is the originality and perceived quality of its rides and attractions. We need to make continued capital investments through maintenance and the regular addition of new rides and attractions. Our ability to fund capital expenditures will depend on our ability to generate sufficient cash flow from operations and to raise capital from third parties. We cannot assure you that our operations will be able to generate sufficient cash flow to fund such costs, or that we will be able to obtain sufficient financing on adequate terms, or at all, which could cause us to delay or abandon certain projects or plans. Our business strategy may include selective expansion, both domestically and internationally, through acquisitions of assets or other strategic initiatives, such as joint ventures, that allow us to profitably expand our business and leverage our brands. For example, in 2016 we announced our partnership with Miral Asset Management LLC to develop SeaWorld Abu Dhabi, a first-of-its-kind marine life themed park on Yas Island, which opened in May 2023. There is no assurance that the Miral partnership or our other strategic initiatives will be successful. Any international transactions and partnerships are subject to additional risks, including foreign and U. S. regulations on the import and export of animals, the impact of economic fluctuations in economies outside of the United States, difficulties and costs of staffing and managing foreign operations due to distance, language and cultural differences, as well as political instability and lesser degree of legal protection in certain jurisdictions, currency exchange fluctuations and potentially adverse tax consequences of overseas operations. In addition, the success of any acquisition depends on effective integration of acquired businesses and assets into our operations, which is subject to risks and uncertainties, including realization of anticipated synergies and cost savings, the ability to retain and attract personnel, the diversion of management's attention from other business concerns, and undisclosed or potential legal liabilities of acquired businesses or assets. We are continuing our efforts to identify cost reductions and efficiency opportunities as well as incremental pricing and revenue opportunities to help offset recent inflationary pressures relating to the costs for labor, goods, services and capital projects. There is no assurance that we will be able to achieve and / or sustain the cost savings, realize or sustain operational efficiencies or achieve other benefits that we may initially expect. In addition, such actions may result in various one-time costs and temporary operational inefficiencies and could negatively impact business, guest experiences and employment relationships during transitional periods. See further discussion under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations — Principal Factors and Trends Affecting Our Results of Operations — Costs and Expenses" included elsewhere in this Annual Report on Form 10-K. We could face risks related to public health events, including epidemics and pandemics. Preventive measures taken to contain or mitigate public health events including quarantines or lockdowns, travel restrictions, social distance policies, and limiting operations of certain non-essential businesses may materially impact our financial condition and results of operations. For example, our results of operations were impacted by the global COVID-19 pandemic in 2020, 2021 and 2022 due in part to a decline in both international and group-related attendance, capacity limitations, modified / limited operations and / or temporary park closures and decreased demand. In addition, the COVID-19 pandemic, along with other geopolitical and economic factors, disrupted global supply chains and caused labor shortages and inflationary pressures. The full impact of another public health event on our financial condition and results of operations will depend on various factors, such as the ultimate duration and scope of the crisis, its impact on our customers, employees, suppliers and vendors, imposed restrictions on travel, quarantines and other measures, capacity limitations and enforced social distancing requirements and the duration and magnitude of an economic downturn caused by such crisis. Any of these impacts could have a material adverse effect on our business. Additionally, our properties are subject to the risk that operations could be halted for a temporary or extended period of time due to a public health event. If there is a prolonged disruption at any of our properties, our business, financial condition, results of operations and prospects will likely be materially adversely affected. ~~Although none~~ ~~We are subject to allegations, claims and legal actions arising in the ordinary course of our business, which may include claims by third parties, including guests who visit our theme parks, our employees, vendors, stockholders and / or regulators. We are currently~~ ~~are currently~~ covered under collective bargaining agreements, we cannot guarantee that our employees will not elect to be represented by labor unions in the future. For example, in the recent past, we have experienced union organizing activities and these activities were resolved favorably. If some or all of our employees were to become unionized and collective bargaining agreement terms were significantly different from our current compensation arrangements, however, it could adversely affect our business, financial condition or results of operations. In addition, a labor dispute involving some or all of our employees may disrupt our operations and reduce our revenues, and resolution of labor and employment-related disputes may increase our costs. Although we maintain binding policies that require employees to submit to a mandatory alternative dispute resolution procedure in lieu of other remedies, as employers, we ~~may be~~ subject to securities litigation and other disputes. We are also subject to audits, inspections and investigations by, or receives requests for information from, various ~~employment~~ federal and state regulatory agencies, including, but not limited to, the U. S. Department of Agriculture's Animal and Plant Health Inspection Service ("APHIS"); the U. S. Department of Labor's Occupational Safety and Health Administration, the California Occupational Safety and Health Administration ("Cal-~~related claims~~ OSHA"), state departments of ~~such as individual or class actions or government enforcement actions relating to alleged employment discrimination, employee classification and related withholding, wage-hour,~~ labor ~~standards or healthcare~~; the Florida Fish & Wildlife Commission ("FWC"), the Equal Employment Opportunity Commission ("EEOC"), the Internal Revenue Service ("IRS"), the U. S. Department of Justice ("

DOJ”) and **benefit issues** the Securities and Exchange Commission (“SEC”). **Such actions** From time to time, **if brought** various parties may also bring lawsuits against us. For example, on February 11, 2020, we announced that we had entered into a settlement agreement with respect to a previously disclosed class action lawsuit commenced in 2014, captioned Baker v. SeaWorld Entertainment, Inc., et al., Case No. 14-CV-02129-MMA (AGS) (“Baker”). The settlement required us to pay \$ 65.0 million for claims alleging violations of Sections 10 (b) and 20 (a) of the Securities Exchange Act of 1934, as well as the costs of administration and legal fees and expenses. The settlement does not include or constitute an **and admission successful in whole or in part**, concession, **may affect** or **our** finding of any fault, liability **ability**, or wrongdoing by us or any defendant. We discuss securities litigation and other litigation to **compete** which we are subject in greater detail in “Item 3: Legal Proceedings” and Note 14—Commitments and Contingencies to our **or materially** consolidated financial statements included elsewhere in this Annual Report on Form 10-K. If any proceedings, audits, inspections or investigations were to be determined adversely **affect** against us or resulted in legal actions, claims, regulatory proceedings, enforcement actions, or judgments, fines, or settlements involving a payment of material sums of money, or if injunctive relief were issued against us, our business, financial condition and **or** results of operations could be materially adversely affected. Even the successful defense of legal proceedings may cause us to incur substantial legal costs and may divert management’s attention and resources. Our intellectual property, including our trademarks, service marks, domain names, copyrights, patent and other proprietary rights, constitutes a significant part of our value. To protect our intellectual property rights, we rely upon a combination of trademark, copyright, patent, trade secret and unfair competition laws of the United States and other countries, as well as contract provisions and third-party policies and procedures governing internet / domain name registrations. However, there can be no assurance that these measures will be successful in any given case, particularly in those countries where the laws do not protect our proprietary rights as fully as in the United States. We may be unable to prevent the misappropriation, infringement or violation of our intellectual property rights, breaching any contractual obligations to us, or independently developing intellectual property that is similar to ours, any of which could reduce or eliminate any competitive advantage we have developed, adversely affect our revenues or otherwise harm our business. We have obtained and applied for numerous U. S. and foreign trademark and service mark registrations and will continue to evaluate the registration of additional trademarks and service marks or other intellectual property, as appropriate. We cannot guarantee that any of our pending applications will be approved by the applicable governmental authorities. Moreover, even if the applications are approved, third parties may seek to oppose or otherwise challenge these registrations. A failure to obtain registrations for our intellectual property in the United States and other countries could limit our ability to protect our intellectual property rights and impede our marketing efforts in those jurisdictions. We are actively engaged in enforcement and other activities to protect our intellectual property rights. If it became necessary for us to resort to litigation to protect these rights, any proceedings could be burdensome, costly and divert the attention of our personnel, and we may not prevail. In addition, any repeal or weakening of laws or enforcement in the United States or internationally intended to protect intellectual property rights could make it more difficult for us to adequately protect our intellectual property rights, negatively impacting their value and increasing the cost of enforcing our rights. We cannot be certain that we do not and will not infringe the intellectual property rights of others. We have been in the past, and may be in the future, subject to litigation and other claims in the ordinary course of our business based on allegations of infringement or other violations of the intellectual property rights of others. Regardless of their merits, intellectual property claims can divert the efforts of our personnel and are often time-consuming and expensive to litigate or settle. In addition, to the extent claims against us are successful, we may have to pay substantial money damages or discontinue, modify, or rename certain products or services that are found to be in violation of another party’s rights. We may have to seek a license (if available on acceptable terms, or at all) to continue offering products and services, which may significantly increase our operating expenses. We are required to hold government licenses and permits, some of which are subject to yearly or periodic renewal, for purposes of possessing, exhibiting, and maintaining animals. Although our theme parks’ licenses and permits have always been renewed in the past, in the event that any of our licenses or permits are not renewed or any of our licenses or permits are revoked, portions of the affected theme park might not be able to remain open for purpose of displaying or retaining the animals covered by such license or permit. Such an outcome could materially adversely affect our business, financial condition and results of operations. In addition, we are subject to periodic inspections by federal and state agencies and the subsequent issuance of inspection reports. While we believe that we comply with, or exceed, requisite care and maintenance standards that apply to our animals, government inspectors can cite us for alleged statutory or regulatory violations. In unusual instances when we are cited for an alleged deficiency, we are most often given the opportunity to correct any purported deficiencies without penalty. It is possible, however, that in some cases a federal or state regulator could seek to impose monetary fines on us. In the past, when we have been subjected to governmental claims for fines, the amounts involved were not material to our business, financial condition or results of operations. However, while unlikely, we cannot predict whether any future fines that regulators might seek to impose would materially adversely affect our business, financial condition or results of operations. Moreover, many of the statutes under which we operate allow for the imposition of criminal sanctions. While neither of the foregoing situations are likely to occur, either could negatively affect the business, financial condition or results of operations at our theme parks. **Although none of our employees are currently..... financial condition or results of operations.** We rely on a license from Sesame to use the Sesame Place trade name and trademark and certain other intellectual property rights, including titles, marks, characters, logos and designs from the Sesame Street television series within our Sesame Place theme park located in Langhorne, Pennsylvania (the “Langhorne Sesame Place”) **and** the Sesame Place theme park located in Chula Vista, California (the “San Diego Sesame Place”) **and any additional future Sesame Place theme parks in the United States** (collectively, the “Standalone Parks”) and with respect to Sesame Street themed areas within certain areas of some of our other theme parks, as well as in connection with the sales of certain Sesame Street themed products. The License Agreement with Sesame (the “Sesame License Agreement”) has an initial term through December 31, 2031, with an automatic additional 15-year extension plus a 5-year option added from

each new Standalone Park opening. Our use of these intellectual property rights is subject to the approval of Sesame and the parties have certain termination rights under the Sesame License Agreement, including without limitation Sesame's right to terminate the Sesame License Agreement in whole or in part under certain limited circumstances, including a change of control of United Parks (or of SeaWorld Parks and Entertainment, Inc., a wholly-owned subsidiary of United Parks), our bankruptcy or uncured breach of the Sesame License Agreement, or the termination of the Sesame License Agreement regarding the Langhorne Sesame Place and San Diego Sesame Place theme parks. If we were to lose or have to renegotiate the Sesame License Agreement, our business may be adversely affected. ABI is the owner of the Busch Gardens trademarks and domain names. ABI has granted us a perpetual, exclusive, worldwide, royalty-free license to use the Busch Gardens trademark and certain related domain names in connection with the operation, marketing, promotion and advertising of certain of our theme parks, as well as in connection with the production, use, distribution and sale of merchandise sold in connection with such theme parks. Under the license, we are required to indemnify ABI against losses related to our use of the marks. If we were to lose or have to renegotiate this license, our business may be adversely affected. Our existing debt agreements contain, and documents governing our future indebtedness may contain, financial and operating covenants that limit the discretion of management with respect to certain business matters. These covenants place restrictions on, among other things, our ability to incur additional indebtedness, pay dividends and other distributions, make capital expenditures, make certain loans, investments and other restricted payments, enter into agreements restricting our subsidiaries' ability to pay dividends, engage in certain transactions with stockholders or affiliates, sell certain assets or engage in mergers, acquisitions and other business combinations, amend or otherwise alter the terms of our indebtedness, alter the business that we conduct, guarantee indebtedness or incur other contingent obligations and create liens. Our existing debt agreements also require, and documents governing our future indebtedness may require, us to meet certain financial ratios and tests. Our ability to comply with these and other provisions of the existing debt agreements is dependent on our future performance, which will be subject to many factors, some of which are beyond our control. The breach of any of these covenants or non-compliance with any of these financial ratios and tests could result in an event of default under the existing debt agreements, which, if not cured or waived, could result in acceleration of the related debt and the acceleration of debt under other instruments evidencing indebtedness that may contain cross-acceleration or cross-default provisions. We discuss certain key covenants and financial ratios to which we are subject under our debt agreements in greater detail under the caption "Restrictive Covenants" in Note 11 – Long-Term Debt to our accompanying consolidated financial statements included elsewhere in this Annual Report on Form 10-K and under "Management's Discussion and Analysis of Financial Condition and Results of Operations — Our Indebtedness — Covenant Compliance".

Moody's Investor Service and Standard & Poor's Financial Services routinely evaluate our debt and issue ratings on our Senior Secured Credit Facilities. These ratings are based on a number of factors, which included their assessment of our financial strength, liquidity, capital structure, asset quality, and sustainability of cash flow and earnings. Due to changes in these factors, the pandemic and market conditions, we may not be able to maintain our current credit ratings, which could adversely affect our cost of funds and related margins, liquidity and access to capital markets. For example, as of December 31, ~~2023~~ **2024**, our Senior Secured Credit Facilities and Senior Unsecured Credit Facilities were rated by Standard and Poor's Financial Services (corporate credit rated ~~BB~~ **with a positive-stable outlook, the Senior Secured Credit Facilities rated BB**, and the Senior Unsecured Credit Facilities rated ~~B~~ **)** and Moody's Investors Service (corporate family rated ~~Ba3~~ **with a stable outlook, the Senior Secured Credit Facilities rated Ba2, and the Senior Unsecured Credit Facilities rated B2**). We disclose these ratings to enhance the understanding of our sources of liquidity and the effects of these ratings on our costs of funds and related margins, liquidity and access to capital markets. Our borrowing costs depend, in part, on our credit ratings and any actions taken by these credit rating agencies to lower our credit ratings could increase our borrowing costs. As of December 31, ~~2023~~ **2024**, our total indebtedness was approximately \$ ~~2.126~~ **263** billion. Our high degree of leverage could have important consequences, including the following: (i) a substantial portion of our cash flow from operations is dedicated to the payment of principal and interest on indebtedness, thereby reducing the funds available for operations, capital expenditures, future business opportunities and / or share repurchases of our common stock; (ii) our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate purposes in the future may be limited; (iii) certain of the borrowings are at variable rates of interest, which will increase our vulnerability to increases in interest rates; (iv) we are at a competitive disadvantage to less leveraged competitors; (v) we may be unable to adjust rapidly to changing market conditions; (vi) the debt service requirements of our other indebtedness could make it more difficult for us to satisfy our financial obligations; and (vii) we may be vulnerable in a downturn in general economic conditions or in our business and we may be unable to carry out activities that are important to our growth. During 2021, 2022 and parts of 2023, the United States experienced ~~increasing~~ **increasing elevated levels of** inflation. Increased inflation is likely to cause interest rates (including SOFR) to ~~increase~~ **remain high**. ~~From~~ **For example, since January 1, 2022 through 2024, in light of increasing inflation, the Federal Reserve increased raised** interest rates eleven times **in response to concerns about inflation. While the Federal Reserve began decreasing interest rates in 2024 and has indicated that it may further decrease interest rates in 2025, interest rates continue to remain high and there is no guarantee that the Federal Reserve will take such action**. Any further increase ~~in interest rates~~ could increase our borrowing costs on variable debt and adversely affect our business. We do not currently have any of our debt hedged. A hypothetical increase in ~~Adjusted~~ Term SOFR of 100 bps would increase our annual interest expense by approximately \$ ~~11.15~~ **7.4** million. Increased debt service costs would adversely affect our cash flow and net income. There can be no assurance that if we intend to enter into a hedge, that we will be able to enter into hedging arrangements on favorable terms or at all. Our ability to make scheduled payments of the principal of, or to pay interest on, or to refinance indebtedness depends on and is subject to our financial and operating performance, which in turn is affected by general and regional economic, financial, competitive, business and other factors beyond our control, including the availability of financing in the banking and capital markets. If we are unable to generate sufficient cash flow to service our debt or to fund our

other liquidity needs, we will need to restructure or refinance all or a portion of our debt, which could cause us to default on our obligations and impair our liquidity. There can be no assurance that any refinancing of our indebtedness will be possible and any such refinancing could be at higher interest rates and may require us to comply with more onerous covenants that could further restrict our business operations. We from time to time may increase the amount of our indebtedness, modify the terms of our financing arrangements, make capital expenditures, issue dividends and take other actions that may substantially increase our leverage. Despite our significant leverage, we may incur additional amounts of debt, which could further exacerbate the risks associated with our significant leverage. Our insurance coverage may not be adequate to cover all possible losses that we could suffer, and our insurance costs may increase. Although we maintain various safety and loss prevention programs and carry property and casualty insurance to cover certain risks, our insurance policies do not cover all types of losses and liabilities. Additionally, many of our policies are subject to deductibles and / or self- insured retentions and co- insurance. There can be no assurance our insurance will be sufficient to cover the full extent of all losses or liabilities for which we are insured and may be significantly less than the expected and actual replacement cost of rebuilding facilities “ as was ” if there was a total loss. For example, our losses in 2020 related to the impacts of the COVID- 19 pandemic were not covered by insurance available to us. We cannot guarantee that we will be able to renew our current insurance policies on favorable terms, or at all. In addition, if we or other theme park operators sustain significant losses or make significant insurance claims, then our ability to obtain future insurance coverage at commercially reasonable rates could be materially adversely affected. We may be unable to purchase or contract with third parties to build high quality rides and attractions and to continue to service and maintain those rides and attractions at competitive or beneficial prices, or to provide the replacement parts needed to maintain the operation of such rides. The costs of fuel, construction, repairs and maintenance, labor, freight and utilities are all subject to inflationary pressures that have recently increased the costs of building and maintaining our rides and attractions. Furthermore, global supply chain issues have, and could continue to, cause delays in the receipt of required goods or services which could negatively impact ride availability. In addition, if our third- party suppliers’ financial condition deteriorates or they go out of business, we may not be able to obtain the full benefit of manufacturer warranties or indemnities typically contained in our contracts or may need to incur greater costs for the maintenance, repair, replacement or insurance of these assets. We have incurred and may in the future incur unanticipated construction delays in completing capital projects which could adversely affect ride or attraction opening dates which could impact our attendance or revenues. Further, when rides and / or attractions have downtime and / or closures, our guest experience, attendance or revenue could be adversely affected. **We incur costs to comply with....., financial condition, and cash flows.** We purchase some of our merchandise for resale and other products used in our business from entities which are located in foreign countries. Additionally, some of our ride manufacturers may be located in foreign countries or utilize components manufactured or sourced from foreign countries. These relationships expose us to risks associated with doing business globally, including changes in tariffs, quotas and other restrictions on imports (collectively “ Trade Restrictions ”) as well as escalating global trade tensions and the potential for international supply chain disruptions due to geopolitical events. The United States has **increased imposed, and the new presidential administration has indicated may further impose,** tariffs on certain imports from China and other countries. Such Trade Restrictions have resulted in **, and any further restrictions may further result in,** increased costs and could result in lower gross margin on impacted products and / or will likely result in increases in the cost of capital projects, unless we are able to successfully take any one or more of the following mitigating actions: increase our prices, move production to countries with no or lower tariffs or away from domestic vendors who source from China or other tariff impacted countries, or alter or cease offering certain products. Any increase in pricing, alteration of products or reduced product offering could reduce the competitiveness of our products. Furthermore, any retaliatory counter- measures imposed by countries subject to such tariffs could increase our, or our vendors’, import expenses. Additionally, even if the products we import are not directly impacted by tariffs, the imposition and maintenance of such tariffs on goods imported into the United States could cause increased prices for consumer goods, in general, which could have a negative impact on consumer spending for discretionary items reducing attendance or spending at our parks. These direct and indirect impacts of increased tariffs or Trade Restrictions implemented by the United States, both individually and cumulatively, could have a material adverse effect on our business, financial condition and results of future operations. We **incur costs to** comply with environmental requirements,such as those relating to water use,wastewater and storm water management and disposal,air emissions control,hazardous materials management,solid and hazardous waste disposal,and the clean- up of properties affected by regulated materials.We have been required and continue to investigate and clean- up hazardous or toxic substances or chemical releases,and other releases,from current or formerly owned or operated facilities.In addition,in the ordinary course of our business,we generate,use and dispose of large volumes of water,including saltwater,which requires us to comply with a number of federal,state and local regulations and to incur significant expenses.Failure to comply with such regulations could subject us to fines and penalties and / or require us to incur additional expenses.Although we are not now classified as a large quantity generator of hazardous waste,we do store and handle hazardous materials to operate and maintain our equipment and facilities and have done so historically.We cannot assure you that we will not incur substantial costs to comply with new or expanded environmental requirements in the future or to investigate or clean- up new or newly identified environmental conditions,which could also impair our ability to use or transfer the affected properties and to obtain financing.Our capital investments require regulatory permits from one or more governmental agencies in order to improve existing or build new theme parks,rides,attractions and shows.Such permits are typically issued by state agencies,but federal and local governmental permits may also be required.The requirements for such permits vary depending on the location of such capital investments.As with all governmental permitting processes,there is a degree of uncertainty as to whether a permit will be granted,the time it will take for a permit to be issued,and the conditions that may be imposed in connection with the granting of the permit.Therefore,our capital investments in certain areas may be delayed,interrupted,or suspended for varying lengths of time,causing a loss of revenue to us,increasing cost,and / or adversely affecting our results of operations.We have previously

identified and remediated a material weakness in our internal control over financial reporting. If we fail to maintain effective internal controls, we may conclude that our internal control over financial reporting is not effective, which could adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner. Our management is responsible for establishing and maintaining adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles (“GAAP”). Our management is likewise required, on a quarterly basis, to evaluate the effectiveness of our internal controls and to disclose any changes and material weaknesses identified through such evaluation in those internal controls. ~~As described Part II “Item 9A. Controls and Procedures” of this Annual Report on Form 10-K, a material weakness in the Company’s internal control over financial reporting existed previously which was initially disclosed as of September 30, 2021.~~ A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company’s annual or interim financial statements will not be prevented or detected on a timely basis. The Company identified and implemented a number of actions that effectively remediated the previously- disclosed material weakness and concluded that as of December 31, ~~2023~~ **2024**, its internal control over financial reporting was effective. However, the Company cannot provide assurances that the remediated material weakness will not reoccur in the future, or that a new material weakness will occur. The existence of any material weakness could require management to devote significant time and incur significant expense to remediate any such material weakness and management may not be able to remediate any such material weakness in a timely manner. If such material weakness is not remediated effectively or in a sufficient amount time, the Company could be impacted by a material misstatement of our annual or interim financial statements that was not prevented or detected in a timely basis, which could have a negative effect on our results of operations and / or the trading price of our securities. We are party to numerous contracts of varying durations. Certain of our agreements are comprised of a mixture of firm and non- firm commitments, varying tenures, and varying renewal terms, among other terms. There can be no guarantee that, upon the expiration of our contracts, we will be able to renew such contracts on terms as favorable to us, or at all. Although we attempt to assess the creditworthiness of our strategic partners and other contract counterparties, there can be no assurance as to the creditworthiness of any such strategic partner or contract counterparty. Financial distress experienced by our strategic partners or other counterparties could have an adverse impact in the event such parties are unable to pay us for the services we provide or otherwise fulfill their contractual obligations. We are exposed to the risk of loss in the event of non- performance by such strategic partners or other counterparties. Some of these counterparties may be highly leveraged and subject to their own operating, market and regulatory risks, and some are experiencing, or may experience in the future, severe financial problems that have had or may have a significant impact on their creditworthiness. In addition, the sale or transfer of our common stock owned by affiliates of Hill Path, or the perception that such sales or transfers could occur, could harm the prevailing market price of shares of our common stock. Any material nonpayment or nonperformance from our contract counterparties due to inability or unwillingness to perform or adhere to contractual arrangements could have a material adverse impact on our business, results of operations, financial condition and ability to make cash distributions to our stockholders. Furthermore, in **the case of financially distressed strategic partners, such events might otherwise force such strategic partners to curtail their commercial relationships with us, which could have a material adverse effect on our results of operations, financial condition, and cash flows.** We value constructive input from our stockholders and the investment community. Our Board and management team are committed to acting in the best interests of all of our stockholders. There is no assurance that the actions taken by our Board and management in seeking to maintain constructive engagement with our stockholders will be successful. Responding to actions by activist stockholders can be costly and time- consuming, disrupting our operations and diverting the attention of management and our employees. Such activities could also interfere with our ability to execute our strategic plan and our long- term growth. The perceived uncertainties as to our future direction caused by activist actions could affect the market price of our securities, result in the loss of potential business opportunities and make it more difficult to attract and retain qualified personnel, board members and business partners. In addition, any interference with our annual meeting process, including but not limited to a proxy contest for the election of directors at our annual meeting, could require us to incur significant legal and other advisory fees and proxy solicitation expenses and require significant time and attention by management and our Board. **The policies of the U. S. President and their administration or any changes to tax laws may result in a material adverse effect on our business, cash flow, results of operations or financial condition and may impact our ability to use our net operating loss carryforwards.** While we cannot predict the changes that the current administration will make, certain policy changes regarding **increases in minimum wage tariffs on imported goods**, limitation or restrictions on travel to the United States, foreign trade barriers, domestic travel rules, changes to labor laws or regulations, and / or changes to environmental or animal welfare regulations could adversely affect our business. Additionally, policies that strengthen the U. S. dollar against a variety of foreign currencies could impact international tourist spending, including at our theme parks. While there is currently a substantial lack of clarity and uncertainty around the likelihood, timing and details of any such policies and reforms, such policies and reforms may materially and adversely affect our business, financial condition and results of operations and the value of our securities. ~~The President signed an Executive Order with the goal of increasing the minimum wage for federal workers and contractors to \$ 15. 00 an hour, which became effective January 30, 2022. Additionally, the current administration is encouraging Congress to increase the federal minimum wage more broadly to \$ 15. 00 an hour in the private sector.~~ Separately, the Tax Cuts and Jobs Act (the “Tax Act”), which was enacted on December 22, 2017, contained a number of changes to U. S. federal tax laws. The Tax Act, among other changes, imposed limitations on the deductibility of interest. On August 16, 2022, the Inflation Reduction Act (“IRA”) of 2022 was signed into law. This legislation includes a 15 % corporate alternative minimum tax and a 1 % excise tax on stock repurchases among its key tax provisions effective for years beginning after December 31, 2022. While the IRA has not had a material impact on our operations, there can be no guarantee that this will

continue to be the case. The relationship between the United States and foreign countries could impact consumers' willingness to spend discretionary income, the availability and / or cost of goods, the availability of international flights or visas, and / or the ability or desire of foreign tourists to visit the United States. Additional guidance may be issued by the Internal Revenue Service (" IRS"), the Department of the Treasury, or other governing body that may significantly differ from our interpretation of the law. In addition, our future effective tax rates could be favorably or unfavorably affected by changes in tax rates, changes in the valuation of our deferred tax assets or liabilities, the effectiveness of current and future tax planning strategies or changes in tax laws. Such factors may result in a material adverse effect on our business, cash flow, results of operations or financial conditions. We continue to monitor changes and proposed changes to tax and other laws that may impact our business, results of operations, and financial condition and liquidity. It is currently unclear how the agenda of the current or future administration will impact our business. The trading price of our common stock has been, and may continue to be, volatile. Since shares of our common stock were sold in our IPO in April 2013 through December 31, ~~2023~~ **2024**, our common stock close price has ranged from \$ 7. 46 to \$ 74. 44. In addition to the risk factors discussed in this Annual Report on Form 10- K, the trading price of our common stock may be adversely affected due to a number of factors, many of which are beyond our control, including: • results of operations that vary from the expectations of securities analysts and investors; • results of operations that vary from those of our competitors; • changes in expectations as to our future financial performance, including financial estimates and investment recommendations by securities analysts and investors; • declines in the market prices of stocks generally, or those of amusement and theme parks companies; • strategic actions by us or our competitors; • announcements by us or our competitors of significant contracts, new products, acquisitions, joint marketing relationships, joint ventures, other strategic relationships or capital commitments; • changes in general economic or market conditions or trends in our industry or markets; • changes in business or regulatory conditions; • future sales of our common stock or other securities; • repurchases of our common stock; • investor perceptions or the investment opportunity associated with our common stock relative to other investment alternatives; • the public' s response to press releases or other public announcements by us or third parties, including our filings with the SEC; • rumors and market speculation involving us or other companies in our industry, particularly with respect to strategic transactions; • announcements relating to litigation; • guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance; • the development and sustainability of an active trading market for our stock; • actions by institutional or activist stockholders; • changes in accounting principles; and • other events or factors, including those resulting from pandemics, natural disasters, war, acts of terrorism or responses to these events. Our goal is to invest capital to maximize our overall long- term returns. This includes spending on capital projects and expenses, managing debt levels, and periodically returning capital to our stockholders through share repurchases and / or dividends. There can be no assurance that our capital allocation decisions will enhance stockholder value. Our Board has previously authorized a share repurchase **program of up to \$ 250. 0 million of our common stock (the " Former Share Repurchase Program ")**, of which **approximately \$ 18. 3 million remained available under the Former Share Repurchase Program as of December 31, 2024 and a share repurchase program of up to \$ 500. 0 million of our common stock (the " Share Repurchase Program ")**, of which approximately \$ ~~38. 37~~ **5. 2** million remained available under the Share Repurchase Program as of December 31, ~~2023~~ **2024**. The number of shares to be purchased and the timing of purchases will be based on our trading windows and available liquidity, general business and market conditions and other factors, including legal requirements and alternative opportunities. The IRA, which was passed in August 2022, contains a 1 % excise tax on share repurchases, which may impact our future decisions on how to return value to shareholders in the most tax efficient manner and would increase the cost of share repurchases. During ~~2023~~ **2024**, we completed share repurchases of ~~313. 9~~ **750. 365, 000** shares for an aggregate total of approximately \$ ~~17. 482~~ **9** million. Repurchases of our common stock pursuant to the **2022 Former Share Repurchase Program and** Share Repurchase Program could affect our stock price and increase its volatility. The existence of the Share Repurchase Program could cause our stock price to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity for our stock. There can be no assurance that any share repurchases will enhance stockholder value because the market price of our common stock may decline below the levels at which we repurchased shares of stock. Although the Share Repurchase Program is intended to enhance long- term stockholder value, there is no assurance that it will do so and short- term stock price fluctuations could reduce such program' s effectiveness. See Note 18 – Stockholders' Deficit in the notes to the consolidated financial statements included elsewhere in this Annual Report on Form 10- K. The sale of a substantial number of shares of our common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. Shares held by Hill Path and certain of our directors, officers and employees are eligible for resale, subject to volume, manner of sale and other limitations under Rule 144. In addition, pursuant to a registration rights agreement entered into in connection with the HP Purchase, we granted Hill Path the right, subject to certain conditions, to require us to register the sale of their shares of common stock under the Securities Act. If Hill Path exercises their registration rights, the market price of our shares of common stock could drop significantly. This factor could also make it more difficult for us to raise additional funds through future offerings of our shares of common stock or other securities. In addition, the shares of our common stock reserved for future issuance under the 2017 Omnibus Incentive Plan will become eligible for sale in the public market once those shares are issued, subject to provisions relating to various vesting agreements, any applicable lock- up agreements in effect from time to time and Rule 144, as applicable. A total of 15, 000, 000 shares of common stock were reserved for issuance under the 2017 Omnibus Incentive Plan, of which approximately 6, ~~920. 267~~ **000** shares of common stock remain available for future issuance as of December 31, ~~2023~~ **2024**. In the future, we may also issue our securities in connection with investments or acquisitions. The number of shares of our common stock issued in connection with an investment or acquisition could constitute a material portion of our then- outstanding shares of our common stock. Any issuance of additional securities in connection with

investments or acquisitions may result in additional dilution to you. Our ability to make restricted payments such as share repurchases and / or declare dividends is limited by covenants in our senior secured credit facilities pursuant to a credit agreement dated as of August 25, 2021, as the same may be amended, restated, supplemented or modified from time to time (the “Senior Secured Credit Facilities”). We have not paid a dividend since September 2016. Dividends, if any, and the timing of declaration of any such dividends, will be at the discretion of the Board and will depend upon many factors, including, but not limited to, our results of operations, financial condition, level of indebtedness, capital requirements, contractual restrictions, restrictions in our debt agreements and in any preferred stock, business prospects and other factors that the Board deems relevant. See Note 11 – Long- Term Debt in the notes to the consolidated financial statements included elsewhere in this Annual Report on Form 10- K. Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws may have an anti- takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders. These provisions provide for, among other things: • the ability of our Board of Directors to issue one or more series of preferred stock; • advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings; • certain limitations on convening special stockholder meetings; • the removal of directors with or without cause only by the affirmative vote of the holders of at least 66. 67 % in voting power of all the then- outstanding shares of our stock entitled to vote thereon, voting together as a single class; and • that certain provisions may be amended only by the affirmative vote of the holders of at least 66. 67 % in voting power of all the then- outstanding shares of our stock entitled to vote thereon, voting together as a single class. These anti- takeover provisions could make it more difficult for a third party to acquire us, even if the third- party’ s offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. Our executive officers, directors, current 5 % or greater stockholders and entities affiliated with them beneficially owned (as determined in accordance with the rules of the SEC) approximately 49-59. 8-2% of our common stock outstanding as of December 31, 2023-2024. This significant concentration of share ownership may adversely affect the trading price for our common stock because investors often perceive disadvantages in owning stock in companies with controlling stockholders. Also, these stockholders, acting together, may be able to control our management and affairs and matters requiring stockholder approval, including the election of directors and the approval of significant corporate transactions, such as mergers, consolidations or the sale of substantially all of our assets. Consequently, this concentration of ownership may have the effect of delaying or preventing a change of control, including a merger, consolidation or other business combination involving us, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control, even if that change of control would benefit our other stockholders. We believe that we are currently a U. S. real property holding corporation for U. S. federal income tax purposes. So long as our common stock continues to be regularly traded on an established securities market, a non- U. S. stockholder who holds or held (at any time during the shorter of the five- year period preceding the date of disposition or the holder’ s holding period) more than 5 % of our common stock will be subject to United States federal income tax on the disposition of our common stock. Non- U. S. holders should consult their own tax advisors concerning the consequences of disposing of shares of our common stock. 40-39