Risk Factors Comparison 2024-02-28 to 2023-03-01 Form: 10-K

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

The following is a summary of the material risk factors that could adversely affect our business, financial condition, and results of operations ~~Risk Factor Summary~~ Risks Related to Our Financial Condition and Business ● Improvements in operating results from expected savings in operating costs from Project Athens and other cost saving and business improvement initiatives may not be realized in the anticipated amounts, may take longer to be realized, or could be realized only for a limited period. ● Our subsidiary QVC depends on the television distributors that carry its programming, and no assurance can be given that QVC will be able to maintain and renew its affiliation agreements on favorable terms or at all. ● ~~The COVID- 19 pandemic negatively impacted~~ **Our businesses are subject to risks of adverse government regulation** , and **we** ~~future pandemics or epidemics~~ may ~~negatively impact,~~ **be subject to claims for representations made in connection with the sale and promotion of merchandise** ~~our~~ - **or for harm experienced by customers who purchase merchandise from us** ~~business, key financial and operating metrics, and results of operations in numerous ways that remain unpredictable~~ . ● New legislation or regulations related to climate change and increased focus by governmental and non- governmental organizations, stockholders and customers on sustainability issues may have a material adverse ~~I- 17effect~~ -- **effect** on our business and results of operations ~~. ● Our businesses are subject to risks of adverse government regulation~~ . ● Our subsidiaries and business affiliates conduct their businesses under highly competitive conditions. ● The sales and operating results of our businesses depend on their ability to attract new customers, retain existing customers and predict or respond to consumer preferences. ● ~~We depend on the continued growth of e- commerce in general and Zulily depends on the flash sales model in particular. ●~~ The failure of **our subsidiary** QVC to maintain suitable placement for its programming or to adapt to changes in consumer behavior driven by online video distribution platforms for viewing content could adversely affect its ability to attract and retain television viewers and could result in a decrease in revenue. ● Any continued or permanent inability of QVC to transmit its programming via satellite would result in lost revenue and could result in lost customers. ● ~~Certain of our subsidiaries and business affiliates may fail to adequately protect their intellectual property rights or may be accused of infringing intellectual property rights of third parties. ●~~ Our subsidiaries offer installment payment options on most of their respective merchandise. Failure to effectively manage such installment payment options could negatively impact our results of operations. ● ~~Increases in labor costs~~ **Certain of our subsidiaries and business affiliates may fail to adequately protect their intellectual property rights or may be accused of infringing intellectual property rights of third parties** . ● Natural disasters, political crises, and other catastrophic events or other events outside of our control, including climate change, may damage our facilities or the facilities of third parties on which we depend, adversely affect our ability to operate our businesses and have broader effects. ● **Increases in labor costs could adversely affect our business, financial condition and results of operations. ● The COVID- 19 pandemic negatively impacted, and future pandemics or epidemics may negatively impact, our business, key financial and operating metrics, and results of operations in numerous ways. I- 16 ●** Impairment of our goodwill or other intangible assets **could have a material adverse effect on our business, results of operations and financial condition. ● Use of social media and influencers may materially and adversely affect our reputation or subject us to fines or other penalties** . Risks Related to Technology and Information Security ~~● We have identified a material weakness in our internal control over financial reporting, that, if not properly remediated, could adversely affect our business and results of operations.~~ ● Rapid technological advances could render the products and services offered by our subsidiaries and our business affiliates obsolete or non- competitive. ● Our E- commerce business could be negatively affected by changes in third- party digital platform algorithms and dynamics as well as our inability to monetize the resulting web traffic. ● System interruption and the lack of integration and redundancy in the systems and infrastructures of our subsidiary QVC and our other online commerce and catalog businesses may adversely affect their ability to, as applicable, operate their businesses, transmit their television programs, operate websites, process and fulfill transactions, respond to customer inquiries and generally maintain cost- efficient operations. ● The processing, storage, sharing, use, disclosure and protection of personal data could give rise to liabilities as a result of governmental regulation, conflicting legal requirements or differing views of personal privacy rights. ● Our businesses may experience difficulty in the ongoing development, implementation and customer acceptance of applications for personal electronic devices, which could harm their business. ● Our businesses **and information systems** are subject to ~~cyber security~~ **cybersecurity** risks, including ~~security~~ **cybersecurity** ~~breaches~~ **threats** and ~~identity theft~~ **cybersecurity incidents** . Risks Related to our Facilities and Third- Party Suppliers and Vendors ● Our programming and online commerce businesses rely on distribution facilities to operate their business, and any damage to one of these facilities, or any disruptions caused by incorporating new facilities into their operations, could have a material adverse impact on their business. ● Our home television and online commerce businesses rely on independent shipping companies to deliver the products they sell. ● Our programming and online commerce businesses depend on their relationships with third party suppliers and vendors and any adverse changes in these relationships could adversely affect our results of operations. ● The unanticipated loss of certain larger vendors or the consolidation of our programming and online commerce businesses' vendors could negatively impact their sales and profitability on a short term basis. ~~I- 18Risks~~ -- **Risks** Related to the Seasonality of Our Business ● Certain of our businesses face significant inventory risk. ● The seasonality **of certain** of our businesses places increased strain on their operations. Risk Related to Management and Key Personnel ● The success of our home television and online commerce businesses depends in large part on their ability to recruit and retain key personnel capable of executing their unique business models. ● We have overlapping directors and officers with LMC, **Liberty** TripAdvisor Holdings, **Inc. (" TripAdvisor Holdings "),** Liberty Broadband, and ~~, following LMC' s proposed~~

~~split- off of its subsidiary~~ Atlanta Braves Holdings, Inc. (" ABH "), ~~are expected to have overlapping directors and officers with ABH,~~ which may lead to conflicting interests. Risks Related to Economic Conditions ● Certain of our subsidiaries and business affiliates have operations outside of the U. S. that are subject to numerous operational and financial risks. **● Fluctuations in currency exchange rates may lead to lower revenues and earnings. I- 17** ● Weak and uncertain economic conditions worldwide may reduce consumer demand for our businesses' products and services. ● Increases in market interest rates could increase our operating costs and decrease consumer demand, which may adversely affect our businesses. ● Significant developments stemming from U. S. and international trade policy with China, including in response to forced labor and human rights abuses in China, may adversely impact our businesses and operating results. Risks Related to Our Indebtedness and Common Stock ● **Our subsidiary** QVC has significant indebtedness, which could limit its flexibility in responding to current market conditions, restrict its business activity and adversely affect our financial condition. ● QVC may need to refinance its indebtedness. ● Covenants in QVC' s debt agreements restrict its business in many ways. ● ~~QVC may be adversely affected by the discontinuance of the London Inter- Bank Offered Rate and the transition to alternative reference rates. ●~~ A substantial portion of our consolidated debt **and other liabilities** is held above the operating subsidiary level, and we could be unable in the future to obtain cash in amounts sufficient to service ~~that debt~~ **those liabilities** and our other financial obligations. ● We have disposed of the reference shares underlying the exchangeable debentures of LI LLC, which exposes us to liquidity risk. ● Transactions in our common stock by our insiders could depress the market price of our common stock. ● It may be difficult for a third party to acquire us, even if doing so may be beneficial to our stockholders. Risks Related to Our Financial Condition and Business Improvements in operating results from expected savings in operating costs from Project Athens and other cost saving and business improvement initiatives may not be realized in the anticipated amounts, may take longer to be realized, or could be realized only for a limited period. In 2022, Qurate Retail announced Project Athens, a five- point turnaround plan designed to stabilize and differentiate its ~~core~~ **QVC U. S. and** HSN ~~and QVC- U. S.~~ brands and expand the Company' s leadership in video streaming commerce. **The** ~~During 2022 the~~ first phase of Project Athens was commenced **in 2022** , ~~and~~ **which** included actions to reduce inventory and a planned workforce reduction **that was completed in February 2023** . It is expected that Project Athens will complete its objectives by the end of 2025. However, in order to implement this or any other future cost savings or business improvement initiatives, we have incurred, or expect to incur, additional expenses, which could adversely impact our financial results prior to the realization of the expected benefits associated with the initiatives. These initiatives could also divert the attention of management and cause disruptions in the Company' s business, which could have an adverse impact on the business and financial results. Due to numerous factors or future developments, we may not achieve cost reductions or other business improvements consistent with our expectations or the benefits may be delayed. These factors or future ~~I- 19developments~~ -- **developments** could include the incurrence of higher than expected costs or delays in workforce reduction measures, actual savings differing from anticipated cost savings, anticipated benefits from business improvement initiatives not materializing and disruptions to normal operations or other unintended adverse impacts resulting from the initiatives. Our subsidiary QVC depends on the television distributors that carry its programming, and no assurance can be given that QVC will be able to maintain and renew its affiliation agreements on favorable terms or at all. QVC currently distributes its programming through affiliation or transmission agreements with many television service providers, including, but not limited to, Comcast, DIRECTV, Charter, DISH, Verizon, and Cox in the U. S., Vodafone ~~Kabel Deutschland GmbH~~ **TV Connect and Vodafone GigaTV** , **Freenet TV** ~~Media Broadcast GmbH~~ , SES ASTRA, ~~SES Platform Services GmbH,~~ Telekom ~~Deutschland GmbH~~ **Matenta TV** , **PYUR** ~~Unitymedia GmbH~~ , **A1 Xplore TV** ~~Tele Columbus and Primacom in Germany~~ , Jupiter Telecommunications, Ltd., **BS Nippon Corporation, The** Sky Perfect ~~and~~ **JSAT Group,** World Hi- Vision Channel, Inc. ~~in Japan~~ , ~~A1 Telekom Austria AG and UPC Telekabel Wien GmbH in Austria, British~~ Sky ~~Broadcasting~~ **UK** , Freesat, Freeview ~~and~~ **,** Virgin Media ~~in the U. K.~~ , **Tivu Tivusat** ~~and Mediaset, Hot Bird~~ and Sky Italia **internationally** ~~in Italy~~ . **The majority of** QVC' s affiliation agreements with its distributors are scheduled to expire between ~~2023~~ **2024** and ~~2026~~ **2029 unless renewed prior to the applicable expiration** . As part of normal course renewal discussions, occasionally QVC has disagreements with its distributors over the terms of its carriage, such as channel placement or other contract terms. If not resolved through business negotiation, such disagreements could result in litigation or termination of an existing agreement. Termination of an existing agreement **I-** ~~resulting~~ **18resulting** in the loss of distribution of QVC' s programming to a material portion of its television households may adversely affect its growth, net revenue and earnings. The renewal negotiation process for affiliation agreements is typically lengthy. In some cases, renewals are not agreed upon prior to the expiration of a given agreement while the programming continues to be carried by the relevant distributor without an effective agreement in place. QVC does not have distribution agreements with some of the cable operators that carry its programming. In total, QVC is currently providing programming without affiliation agreements to distributors representing approximately ~~7~~ **6** % of its QVC U. S. distribution, and approximately 1 % of its HSN **cable television** distribution. Some of QVC' s international programming may continue to be carried by distributors after the expiration dates on its affiliation agreements with such distributors have passed. QVC may be unable to obtain renewals with its current distributors on acceptable terms, if at all. QVC may also be unable to successfully negotiate affiliation agreements with new or existing distributors to carry its programming and no assurance can be given that they will be successful in negotiating renewals with these distributors or that the financial and other terms of these renewals will be acceptable. Although QVC considers its current levels of distribution without written agreement to be ordinary course, ~~no assurance can be given that QVC will be successful in negotiating renewals with all these~~ -- **the** ~~operators or that the financial and other terms of renewal will be on acceptable terms. The~~ failure to successfully renew or negotiate new affiliation agreements covering a material portion of television households ~~on acceptable terms~~ could result in a discontinuation of carriage that may adversely affect its viewership, growth, net revenue and earnings. ~~The COVID- 19 pandemic negatively impacted our business, and future pandemics or epidemics may negatively impact, our business, key financial and operating metrics, and results of operations in numerous ways that remain unpredictable. The COVID- 19 pandemic, resulted in significant disruption~~

~~to the global economy, has negatively impacted us and our operations, and is expected to continue to impact us and our operations in 2023. Ongoing or heightened resurgences of COVID- 19 including new variants, or the occurrence of another pandemic or epidemic could recreate and / or exacerbate the risks and adverse impacts described below. For example, during the outbreak of COVID- 19, the stay at home restrictions imposed in response to COVID- 19 led many traditional brick- and- mortar retailers to temporarily close their stores but allowed distance retailers, such as QVC, to continue operating. As a result, QVC initially experienced an increase in new customers and an increase in demand for certain categories, such as home and electronics. However, as the stay- at- home restrictions were moderated, traditional brick- and- mortar retailers were allowed to reopen their stores and consumers were able to resume prepandemic shopping habits. Beginning in the second quarter of 2021, and continuing through the fourth quarter of 2022, QVC observed a decline in customers and a decline in demand for its products. As a result of resource constraints related to the global response to COVID- 19, QVC experienced delays in receiving merchandise at certain fulfillment centers. As a result, QVC had to limit the number of products it is able to promote on air. QVC' s programming could be further disrupted if any of its on- site employees were suspected or confirmed of having COVID- 19 or other illnesses and such illness required it to quarantine some or all such employees or disinfect our locations. Additionally, in some cases, the move to a remote work arrangement for QVC' s employees will be permanent, which has I-20allowed QVC to reduce office space. COVID- 19 also has had an adverse impact on QVC' s supply chain due to factory closures, shipping and trucking delays and labor shortages, resulting in shipping delays and other resource constraints related to the products it imports and those it produces domestically. As a result, QVC' s manufacturers and vendors were unable to produce and deliver the products is sells, either on a timely basis or at all. Additionally, factory closures, shipping and trucking delays and labor shortages resulted in QVC' s manufacturers and vendors experiencing financial difficulties. Ongoing or heightened resurgences of COVID- 19, including new variants in the future, or the occurrence of another pandemic or epidemic could result in the inability of manufacturers and vendors to meet QVC' s supply needs in a timely manner, or at all, could cause QVC to shift product promotion to items which are available, but possibly not in demand, which could have a negative impact on sales. For example, beginning in the second quarter of 2021, QVC saw increased product shortages as a result of high market demand in some product categories such as home and electronics. As a result, although QVC normally plans its product presentations months in advance based on its expectations of consumer demand, supply chain issues required that it shift or reschedule a number of product presentations due to a lack of product availability. In some cases, the products were part of a broader marketing campaign, which also impacted the sale of related items that were originally intended to leverage off of the shifted product promotion. Delays by manufacturers and vendors could also result in delays to delivery dates to QVC' s customers, which could result in the cancellation of orders, customers' refusal to accept deliveries, a reduction in purchase prices and ultimately, termination of customer relationships. For example, beginning in the second quarter of 2021, QVC experienced escalating shipping disruptions due to challenges in the global supply chain and labor market. Although these product shortages and supply chain disruptions have moderated, in the event of ongoing or heightened resurgences of COVID- 19, including new variants in the future, or the occurrence of another pandemic or epidemic, QVC cannot be certain that it will be able to identify alternative sources for its products without delay or without greater cost to QVC. Additionally, the COVID- 19 pandemic, or a future pandemic or epidemic, may adversely impact QVC' s ability to comply with various legal and contractual obligations and may expose it to increased litigation, including labor and employment claims, breach of contract claims and consumer claims by its customers. QVC' s insurance coverage may not be applicable to, or sufficient to cover, all claims, costs, and damages it may incur as a result of COVID- 19, or future pandemic or epidemic, related claims, which would result in QVC bearing such costs and could have a material adverse effect on its business, financial condition and results of operations. In addition, there are several adverse impacts of COVID- 19 that have caused and could continue to cause a material negative impact to QVC' s financial results, including its capital and liquidity, for 2023 and beyond. These include reduced demand for products it sells; decreases in the disposable income of existing and potential new customers; the impacts of inflation or recession; increased currency volatility resulting in adverse currency rate fluctuations; higher interest rates, higher unemployment; labor shortages; and an adverse impact to QVC' s supply chain and shipping disruptions for both the products it imports and purchases domestically and the products it sells, including essential products experiencing higher demand, due to factory closures, labor shortages and other resource constraints. There can be no assurance that QVC will be able to accurately predict or plan for any long- term effects on its business, and thus the ultimate impacts of COVID- 19, or a future pandemic or epidemic, on its business, financial condition and result of operations remain uncertain. Even after the COVID- 19 pandemic subsides, or in the event of a heightened resurgences of COVID- 19, including new variants in the future, or the occurrence of another pandemic or epidemic, the U. S. economy and other major global economies may experience a recession, and QVC anticipates its businesses and operations would be materially adversely affected by a prolonged recession in the U. S. and other major markets.~~ Our businesses are subject to risks of adverse government regulation **, and we may be subject to claims for representations made in connection with the sale and promotion of merchandise or for harm experienced by customers who purchase merchandise from us** . Our programming business **,** QVC **,** markets and provides a broad range of merchandise through television shopping programs and proprietary websites. ~~Similarly, our online commerce business Zulily markets and provides a broad range of merchandise and / or services through its proprietary websites.~~ As a result, our businesses are subject to a wide variety of ~~statutes~~ **laws** , rules, regulations, policies and procedures in various jurisdictions, including foreign jurisdictions, which are subject to change at any time, including laws regarding consumer protection, ~~data~~ privacy ~~and security~~ , the regulation of retailers generally, the license requirements for television retailers in foreign jurisdictions, the importation, sale and promotion of merchandise and the operation of retail stores and warehouse facilities, as well as laws and regulations applicable to the Internet and businesses engaged in ~~online~~ **e-** commerce, such as those regulating the sending of unsolicited, commercial electronic mail and texts. **Additionally, QVC accepts payments for its products using a variety of methods. For existing and future payment options QVC offers to its customers, QVC currently is subject to, and may become subject**

to additional, regulations and compliance requirements (including obligations to implement enhanced authentication processes that could result in significant costs and reduce the ease of use of its payment products). The failure by our ~~I- 21businesses~~ -- **businesses** to comply with these laws and regulations could result in a revocation of required licenses, fines and / or proceedings by governmental agencies and / or consumers, which could adversely affect our businesses, financial condition and results of operations. Moreover, unfavorable changes in the laws, rules and regulations applicable to our businesses could decrease demand for our businesses' products and services, increase costs and / or subject our businesses to additional liabilities. Similarly, new disclosure and reporting requirements, established under existing or new state, federal or foreign laws, such as regulatory rules regarding requirements to disclose efforts to identify the origin and existence of certain " conflict minerals " or abusive labor practices in portions of QVC' s supply chains, could increase the cost of doing business, adversely affecting our results of operations. In addition, certain of these regulations may impact the marketing efforts of our businesses and their brands. As mentioned above, the manner in which certain of our subsidiaries and business affiliates sell and promote merchandise and related claims and representations made in connection with these efforts is regulated by federal, state and local law, as well as the laws of the foreign countries in which they operate. Certain of our subsidiaries and business affiliates may be exposed to potential liability from claims by purchasers or by regulators and law enforcement agencies, including, but not limited to, claims for personal injury, wrongful death and damage to personal property relating to merchandise sold and misrepresentation of merchandise features and benefits. In certain instances, these subsidiaries and business affiliates have the right to seek indemnification for related liabilities from their respective vendors and may require such vendors to carry minimum levels of product liability and errors and omissions insurance. These vendors, however, may be unable to satisfy indemnification claims, obtain suitable coverage or maintain this coverage on acceptable terms, or insurance may provide inadequate coverage or be unavailable with respect to a particular claim. ~~In~~ **I- 19In** addition, programming services, cable television systems, the Internet, telephony services and satellite service providers are subject to varying degrees of regulation in the U. S. by the FCC and other entities and in foreign countries by similar regulators. Such regulation and legislation are subject to the political process and have been in constant flux over the past decade. The application of various sales and use tax provisions under state, local and foreign law to the products and services of our subsidiaries and certain of our business affiliates sold via the Internet, television and telephone is subject to interpretation by the applicable taxing authorities, and no assurance can be given that such authorities will not take a contrary position to that taken by our subsidiaries and certain of our business affiliates, which could have a material adverse effect on their businesses. In addition, there have been numerous attempts at the federal, state and local levels to impose additional taxes on online commerce transactions. Moreover, most foreign countries in which our subsidiaries or business affiliates have, or may in the future make, an investment, regulate, in varying degrees, the distribution, content and ownership of programming services and foreign investment in programming companies and the Internet. Certain of our businesses are subject to consent decrees issued by the FTC barring them from making deceptive claims for specified weight- loss ~~products and dietary supplements and prohibiting them from making certain claims about specified weight- loss~~ , dietary supplement and anti- cellulite products unless they have competent and reliable scientific evidence to substantiate such claims. **In October 2023, HSN entered into a settlement agreement with the Consumer Product Safety Commission (" CPSC ") in which HSN agreed to pay a civil penalty of $ 16 million to settle the CPSC' s claims that HSN allegedly failed to timely submit a report under the Consumer Product Safety Act (" CPSA ") in relation to handheld clothing steamers sold by HSN under the Joy Mangano brand names My Little Steamer and My Little Steamer ® Go Mini that were subject to a voluntary recall previously announced on May 26, 2021. The settlement agreement also requires HSN to implement and maintain a compliance program to ensure compliance with the CPSA.** Violation of these consent decrees **and settlement agreements** may result in the imposition of significant civil penalties for non- compliance and related redress to consumers and / or the issuance of an injunction enjoining these businesses from engaging in prohibited activities. Further material changes in the law and increased regulatory requirements must be anticipated, and there can be no assurance that our businesses and or any of our assets will not become subject to increased expenses or more stringent restrictions as a result of any future legislation, new regulation or deregulation. New legislation or regulations related to climate change and increased focus by governmental and non- governmental organizations, stockholders and customers on sustainability issues may have a material adverse effect on our business and results of operations. Federal, state and local governments, as well as some of our customers, are beginning to respond to climate change issues. This increased focus on sustainability may result in new legislation or regulations and customer requirements that could negatively affect us as we may incur additional costs or be required to make changes to our operations in order to comply with any new regulations or customer requirements. On March 21, 2022, the SEC proposed new rules relating to the disclosure of a range of climate- related risks **, with final rules expected to be adopted in April 2024** . We are currently assessing the proposed rule, but at this time we cannot predict the costs of implementation or any potential adverse impacts resulting from the rule as proposed. To the extent this rule is finalized as proposed, we could incur increased costs relating to the assessment and disclosure of climate- related risks. ~~I- 22Legislation~~ -- **Legislation** or regulations related to climate change that potentially impose restrictions, caps, taxes or other controls on energy use, packaging and waste, sustainable supply chain practices, animal health and welfare and water use may have a material adverse effect on our results of operations. Such restrictions, caps, taxes or other controls related to climate change may also increase the operating costs of our various vendors, which in turn could increase our cost of doing business or impact our revenues. Additionally, if our various vendors are unable or unwilling to comply with providing us the necessary greenhouse gas information potentially required by legislative or regulatory actions related to climate change, our cost of disclosure, revenues or reputation may be materially adversely affected. In addition, our revenues could decrease if we are unable to meet customer sustainability requirements or competitive pressures to source products that are perceived as " green. " These additional costs, changes in operations or loss of revenues may have a material adverse effect on our business and results of operations. Our subsidiaries and business affiliates conduct their businesses under highly competitive conditions. Although QVC is one of the nation' s largest home shopping networks, it has numerous and varied competitors at the national and local levels, ranging from large department stores to specialty shops, electronic retailers, direct marketing retailers, wholesale clubs, discount retailers, infomercial retailers, and Internet retailers. In addition, QVC competes with other televised shopping retailers, such as ShopHQ **and Jewelry TV** in the U. S., Shop Channel in Japan, HSE 24 in Germany and **Austria, GM24 in** Italy, and Ideal World in the U. K., infomercial retailers, Internet retailers, including livestream **I-** ~~shopping~~ **20shopping** retailers, and mail- order and catalog companies. QVC also competes for access to customers and audience share with other providers of televised, online and hard copy entertainment and content. Similarly, ~~Zulily and~~ CBI ~~compete~~ **competes** with e- commerce businesses such as Amazon. com, Inc. and Alibaba Group, the e-commerce platforms of traditional retailers such as Target Corporation and Wal- Mart Stores, Inc., and online marketplaces such as eBay Inc. CBI also competes with other mail- order and catalog companies. ~~Zulily expects increased competition with companies employing a flash sales model as there are no significant barriers to entry.~~ Competition is characterized by many factors, including assortment, advertising, price, quality, services, accessibility, the attractiveness and ease of use of digital platforms, cost and speed of options for delivery, reputation and credit availability, as well as the financial, technical and marketing expertise of competitors. For example, many of our businesses' competitors have greater resources, longer histories, more customers and greater brand recognition than our businesses do, and competitors may secure better terms from vendors, adopt more aggressive pricing, offer free or subsidized shipping and devote more resources to technology, fulfillment and marketing. In addition, many retailers, especially online retailers with whom our subsidiaries and business affiliates compete, are ~~increasingly~~ **currently** offering customers ~~aggressive~~ **more competitive** shipping **and returns** terms **than QVC** , including **faster delivery and** free or discounted ~~expedited~~ shipping **and returns** . As **a result of** these practices ~~become more prevalent~~, our subsidiaries and business affiliates may experience further competitive pressures to attract customers and / or to change their shipping programs. Other companies also may enter into business combinations or alliances that strengthen their competitive positions. Such business combinations or alliances may result in competitors with greatly improved financial resources, improved access to merchandise, greater market penetration than they previously enjoyed and other improvements in their competitive positions. This may cause QVC' s customers to elect to purchase products from a competitor that they would have historically purchased from QVC, resulting in less revenue to QVC. If our subsidiaries and business affiliates do not compete effectively with regard to these factors, our results of operations could be materially and adversely affected. Moreover, although our subsidiaries and business affiliates sell a variety of exclusive products, one of the most significant challenges our subsidiaries and business affiliates face is competition on the basis of price. Price is of great importance to most customers, and price transparency and comparability continues to increase, particularly as a result of digital technology. The ability of consumers to compare prices on a real- time basis puts additional pressure on our subsidiaries and business affiliates to maintain competitive prices. Additionally, as a result of inflationary pressures currently being experienced in many markets, our cost to obtain, import and deliver the products we sell has increased, which has required us to charge consumers more for those products, or reduce our margin on those products, or both. These price increases may result in us being unable to maintain competitive prices with other retailers. In addition, many retailers, especially online retailers with whom our subsidiaries and business affiliates compete, are ~~increasingly~~ **currently** offering customers ~~aggressive~~ **more competitive** shipping **and returns** terms, including **faster delivery and** free or discounted ~~expedited~~ shipping **and returns** . As **a result of** these practices ~~become more prevalent~~, our subsidiaries and business affiliates may experience further competitive pressures to attract customers and / or to change their shipping programs. Our subsidiaries and business affiliates ability to be competitive on delivery times and shipping costs depends on many factors, and their failure to successfully manage these factors and offer competitive shipping terms could negatively impact the demand for their products and our profit margins. ~~I- 23The~~ -- **The** sales and operating results of our businesses depend on their ability to attract new customers, retain existing customers and predict or respond to consumer preferences. In an effort to attract and retain customers, these businesses engage in various merchandising and marketing initiatives, which involve the expenditure of money and resources. For example, QVC and CBI have spent, and expect to continue to spend, increasing amounts of money on, and devote greater resources to, certain of these initiatives, particularly in connection with the growth and maintenance of their brands generally, as well as in the continuing efforts of their businesses to increasingly engage customers through online digital marketing. These initiatives, however, may not resonate with existing customers or consumers generally or may not be cost- effective. In addition, costs associated with the production and distribution of television programming (in the case of QVC), paper and printing costs for catalogs (in the case of CBI) and costs associated with digital marketing, including marketing on third- party platforms such as Google and Facebook, have increased and are likely to continue to increase in the foreseeable future and, if significant, could have a material adverse effect to the extent that they do not result in corresponding increases in net revenue. These companies also continuously develop new retail concepts and adjust their product mix in an effort to satisfy customer demands. Any sustained failure to identify and respond to emerging trends in lifestyle and consumer preferences could have a material adverse effect on the businesses of these subsidiaries and business affiliates. Consumer spending may be affected by many factors outside of their control, including competition from store- **I-** ~~based~~ **21based** retailers, mail- order and third- party Internet companies, consumer confidence and preferences, and general economic conditions ~~. We depend on the continued growth of e- commerce in general and Zulily depends on the flash sales model in particular. The business of selling products over the Internet, particularly on the flash sales model, is dynamic and evolving. The market segment for the flash sales model has grown significantly, and this growth may not be sustainable. If customers cease to find the flash sales model shopping experience fun, entertaining and a good value, or otherwise lose interest in shopping in this manner, Zulily may not acquire new customers at rates consistent with its historical or projected periods, and existing customers' buying patterns and levels may be less than historical or projected rates. If Zulily is unable to successfully deliver emails or mobile alerts to its subscribers, or if subscribers decline to open its emails or mobile alerts, Zulily' s net sales and profitability would be adversely affected. In addition, changes in how webmail application providers, such as Google Inc. and Yahoo! Inc., prioritize, filter and deliver email may also reduce the number of subscribers opening Zulily' s emails which may also result in a decline in~~

~~net sales. If the market segment for the flash sales model were to become saturated or decline overall, Zulily may not be able to acquire new customers or engage existing customers, which could adversely affect our financial condition and operating results~~ . The failure of our subsidiary QVC to maintain suitable placement for its programming or to adapt to changes in consumer behavior driven by online video distribution platforms for viewing content could adversely affect its ability to attract and retain television viewers and could result in a decrease in revenue. QVC is dependent upon the continued ability of its programming to compete for viewers. Effectively competing for television viewers is dependent, in substantial part, on its ability to negotiate and maintain placement of its programming at a favorable channel position, such as in a basic tier or within a general entertainment or general broadcasting tier. Less favorable channel position for QVC' s programming, such as placement adjacent to programming that does not complement its programming, a position next to its televised home shopping competitors or isolation in a" shopping" tier **or lack of high- definition formatted presentation** could adversely affect QVC' s ability to attract television viewers to its programming ~~. In addition, if QVC' s programming is carried exclusively by a distributor on a digital programming tier, QVC may experience a reduction in revenue to the extent that the digital programming tier has less television viewer penetration than the basic or expanded basic programming tier. QVC may experience a further reduction in revenue due to increased television viewing audience fragmentation to the extent that not all television sets within a digital cable home are equipped to receive television programming in a digital format~~ . Changes in consumer behavior driven by online video distribution platforms for viewing content may have an adverse impact on QVC' s business. Distribution platforms for viewing content over the internet have been, and will likely continue to be, developed that further increase the competition for viewers of programming. These distribution platforms are driving changes in consumer behavior as consumers seek more control over when, where and how they consume content. Consumers are increasingly turning to online sources for viewing content, which has and likely will continue to reduce the number of viewers of our television programming. Although QVC has attempted to adapt its offerings to changing consumer behaviors, virtual multichannel video providers, online video distributors and programming networks ~~I- 24providing~~ -- **providing** their content directly to consumers over the internet rather than through traditional television services continue to emerge, gain consumer acceptance and disrupt traditional television distribution services, which QVC relies on for the distribution of its television programming. An increasing number of companies offering streaming services, including some with exclusive high- quality original video programming, as well as programming networks offering content directly to consumers over the internet, have increased the number of entertainment choices available to consumers, which has intensified audience fragmentation. The increase in entertainment choices adversely affects the viewership of our ~~programming. Additionally, time- shifting technologies, such as video on demand services and DVR and cloud- based recording services, could adversely affect QVC' s ability to attract television viewers to its~~ programming. QVC' s future success will depend, in part, on its ability to anticipate and adapt to technological changes and to offer elements of its programming via new technologies in a cost- effective manner that meet customer demands and evolving industry standards. QVC' s failure to effectively anticipate or adapt to emerging technologies or competitors or changes in consumer behavior, including among younger consumers, could have an adverse effect on QVC' s competitive position, businesses and results of operations. Any continued or permanent inability of QVC to transmit its programming via satellite would result in lost revenue and could result in lost customers. The success of our subsidiary QVC is dependent upon its continued ability to transmit its programming to television providers from its satellite uplink facilities, and for QVC' s distributors to continue to receive its programming at its satellite earth station downlink facilities. These transmissions are subject to FCC regulation and compliance with the U. S. and foreign regulatory requirements in QVC' s international operations. In most cases, QVC has entered into long- term satellite transponder leases to provide for continued carriage of its programming on replacement transponders and / or replacement satellites, as applicable, in the event of a failure of either the transponders and / or satellites currently carrying its programming. Although QVC believes that it takes reasonable and customary measures to ensure continued satellite transmission capability and believes that these international transponder service agreements can be renewed (or replaced, if necessary) in the ordinary course of business, termination or interruption of satellite transmissions may occur, particularly if QVC is not able to successfully negotiate renewals or replacements of any of its expiring transponder service agreements in the future. ~~In order to free up additional spectrum for the provision of next-generation commercial wireless broadband services, commonly referred to as 5G, the FCC has adopted rules to reallocate for 5G a portion of the 500 MHz in the 3. 7 to 4. 2 GHz (" C- Band ") spectrum, which is currently used for the delivery of QVC' s programming, and other video programming, to its distributors' satellite earth stations. The FCC has established December 5, 2025 as the deadline for the relocation of the C- Band. QVC has worked closely with its satellite uplink and downlink operators in an effort to minimize disruptions to QVC' s television programming distribution operations that might result from the conversion of those portions of C- Band to 5G usage. However, QVC can give no assurance that there will not be any disruptions to QVC' s television programming distribution operations during this transition.~~ Our subsidiaries offer their installment payment option on most of their merchandise and, in certain circumstances offer it as the default payment option. The failure of our subsidiaries QVC U. S., QVC International ~~,~~ **and** HSN ~~and Zulily~~ to effectively manage ~~the~~ **their installment sales plans** ~~Easy- Pay, Flexpay, Smart- Pay~~ and revolving credit card programs as applicable, could negatively impact our results of operations. QVC offers an installment payment option in all of its markets other than Japan, which is available on certain merchandise it sells. This installment payment option is called " Easy- Pay " at QVC ~~U~~ **I- 22U** . S. and in the U. K., " Q- Pay " in Germany and Italy, and " Flex- Pay " at HSN. QVC' s installment payment option is currently offered on most of its merchandise and for QVC U. S. website and ~~mobile sales and QVC U. K.~~ mobile sales, is set as the default payment option on all products on which it is offered. Full payment for merchandise at the time of sale would require the customer to affirmatively change to that option. QVC' s installment payment option, when offered, allows customers to pay for certain merchandise in multiple interest- free monthly installments. When the installment payment option is offered by QVC U. S. and QVC International and elected by the customer (or if the customer inadvertently purchases merchandise using the installment payment option because it was the default payment option), the first installment is typically billed to the customer' s credit or debit card upon shipment. Generally, the customer' s credit or debit card is subsequently billed in additional monthly installments until the total purchase price of the products has been billed. QVC U. S. and QVC International cannot predict whether customers will pay their installments when due or **at** ~~I- 25at~~ all, regardless of whether the customer would have preferred to pay in one lump- sum but did not opt out of the installment payment option. Accordingly, QVC maintains an allowance for customer bad debts arising from these late and unpaid installments. This provision for customer bad debts is provided as a percentage of accounts receivable based on QVC' s historical experience in the period of sale and is included within selling, general and administrative expense **(" SG & A ")** . To the extent that customers elect installment payment options at greater rates, or to the extent the number of customers failing to opt out of the default installment payment option increases, QVC would be required to maintain a greater allowance for customer bad debt and to the extent that installment payment option losses exceed historical levels, our and QVC' s results of operations may be negatively impacted ~~. Zulily offers Smart- pay, a program which customers may pay for certain merchandise in two or three payments. Zulily maintains allowances for estimated losses resulting from the inability of customers to make required payments. Actual losses due to the inability of customers to make required payments may increase in a given period or exceed related estimates. Zulily may experience these losses at greater rates, which will require it to maintain greater allowances for credit losses of estimated losses than it has historically~~ . Most major retailers either directly or through third parties offer some form of Buy Now Pay Later (" BNPL ") financing arrangements that typically charge interest or late fees. Recently, a number of jurisdictions in ~~which we operate~~ **Europe and the U. S.** have indicated that these BNPL financing arrangements ~~will~~ **could** be subject to increased regulation to ensure compliance with various consumer protection laws and regulations. Although we do not charge interest or impose late fees as part of our installment payment options, changes to existing laws and regulations or their interpretation, or the adoption of new laws or regulations could require mandatory changes to our installment payment options. Implementing these changes may increase our costs to maintain our installment payment options and may make our installment payment options less desirable to our customers which could lead to a decline in sales; additionally, failure to comply with these laws and regulations could result in the imposition of fines and penalties, any of which could have an adverse effect on our results of operations. In addition, **QxH has** ~~QVC U. S., HSN and Zulily have~~ agreements with a large consumer financial institution (the " Bank ") pursuant to which the Bank provides revolving credit directly to U. S. customers for the sole purpose of purchasing merchandise from QVC ~~U. S., HSN and Zulily~~ with a ~~branded~~ **private label** credit card (for QVC U. S. the " Q Card " ~~,~~ **and** for HSN the " HSN Credit Card " ~~and for Zulily the " Zulily Credit Card "~~). We cannot predict the extent to which QVC ~~U. S., HSN and Zulily~~ ' s customers will use the Q Card ~~,~~ **or** the HSN Credit Card, ~~or the Zulily Credit Card~~ nor the extent that they will make payments on their outstanding balances, especially during **period** ~~the duration~~ of ~~the COVID- 19 pandemic~~ **high economic uncertainty or in response to inflationary pressures** . As QVC receives a portion of the net economics from the credit card program, the ability of customers to make payments on their outstanding balances due to circumstances related to ~~the pandemic~~ **economic uncertainty or inflationary pressures** could result in reduced private label credit card income **to QxH** from the ~~financial institution providing the revolving~~ **Bank. Additionally, proposed regulations limiting late fees on** credit **card payments could also result in reduced private label credit card income** to ~~our customers~~ **QxH from the Bank** . Certain of our subsidiaries and business affiliates may fail to adequately protect their intellectual property rights or may be accused of infringing intellectual property rights of third parties. Our subsidiaries and business affiliates regard their respective intellectual property rights, including service marks, ~~tradenames~~ **trademarks, patents** and domain names, copyrights (including their programming and their websites), trade secrets and similar intellectual property, as critical to their success. These businesses also rely heavily upon software codes, informational databases and other components that make up their products and services. From time to time, these businesses are subject to legal proceedings and claims in the ordinary course of business, including claims of alleged infringement of the tradenames, patents, copyrights and other intellectual property rights of third parties. In addition, litigation may be necessary to enforce the intellectual property rights of these businesses, protect trade secrets or to determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect the business, financial condition and results of operations of these businesses and in turn our financial condition and results of operations. The failure of these businesses to protect their intellectual property rights, particularly their proprietary brands, in a meaningful manner or third party challenges to related contractual rights could result in erosion of brand names and limit the ability of these businesses to **I-** ~~control~~ **23control** marketing on or through the Internet using their various domain names, which could adversely affect the business, financial condition and results of operations of these businesses, as well as the financial condition and results of operations of our Company. ~~I- 26Natural~~ -- **Natural** disasters, political crises, and other catastrophic events or other events outside of our control, including climate change, may damage our facilities or the facilities of third parties on which we depend, adversely affect our ability to operate our businesses and have broader effects. Our businesses operate regional headquarters and administrative offices, distribution centers and contact centers worldwide. If any of these facilities or the facilities of our businesses' vendors or third- party service providers are affected by natural disasters (such as fires, earthquakes, tsunamis, power shortages or outages, floods or monsoons), public health crises (such as pandemics and epidemics), political crises (such as terrorism, war, political instability, insurrections or other conflict), or other events outside of our businesses' control, our businesses, financial condition and results of operations could be materially adversely affected. For example, on December 18, 2021, QVC experienced a fire at its Rocky Mount, Inc. fulfillment center in North Carolina, during which one contractor lost his life. Rocky Mount was QVC' s second- largest fulfillment center processing 25 % to 30 % of volume for QVC ~~-~~ U. S. and also served as QVC ~~-~~ U. S.' s primary returns center for hard goods. QVC **sold** ~~does not plan to reopen~~ the Rocky Mount facility ~~. Instead~~ **in 2023 and as a result** , **is making investments to expand capacity and increase throughput.** ~~inbound~~ **Inbound** deliveries ~~have been diverted~~ **and customer returns that were previously sent** to **the Rocky Mount facility are now routed through** other distribution facilities within QVC' s distribution network and **to** third- party logistic service providers. Climate change may also have indirect effects on our businesses by increasing the cost of, or making unavailable, property insurance on terms we find acceptable. To the extent that significant changes in the climate occur in areas where our properties are located, we may experience more frequent extreme weather events, which may result in physical damage to our or our third parties' facilities and may adversely affect our businesses, results of operations and financial condition. In addition, any of these events occurring at our or our businesses' vendors' facilities also could impact its businesses' reputations and their customers' perception of the products they sell, and adversely affect our business, financial condition and results of operations. Moreover, these types of events could have broader effects causing macro- level issues in the areas where its businesses operate. For example these types of events could negatively impact consumer spending in the impacted regions or depending upon the severity, globally, which could adversely impact its business, financial condition and results of operations. Increases in labor costs could adversely affect our business, financial condition and results of operations Labor is a significant portion of our cost structure and is subject to many external factors, including unemployment levels, prevailing wage rates, minimum wage laws, exempt status salary statutory thresholds, potential collective bargaining arrangements, general inflationary pressures, health and other insurance costs and changes in employment and labor legislation or other workplace regulation. From time to time, legislative proposals are made to increase federal, state and local minimum wage rates **, to limit exemptions from federal and state minimum wage laws for white collar jobs,** and to create or extend benefit programs, such as health insurance and paid **sick and other** leave programs. As minimum wage rates increase or related laws and regulations change **, or as labor market demand increases** , we may need to increase the wages paid to our hourly or salaried employees. Any increase in the cost of our labor could have an adverse effect on our business, financial condition and results of operations or, if we fail to pay such higher wages we could suffer increased employee turnover. In addition, increases in labor costs could force us to increase prices, which could adversely impact our sales. If competitive pressures or other factors prevent us from offsetting increased labor costs by increases in prices, our profits may decline and could have a material adverse effect on our business. Additionally, any increase in the cost of labor for our third party carriers and suppliers could increase our cost of shipping and materials, which may adversely affect our ability to increase or maintain our revenue. **The COVID- 19 pandemic negatively impacted our business, and future pandemics or epidemics may negatively impact, our business, key financial and operating metrics, and results of operations in numerous ways. The COVID- 19 pandemic resulted in significant disruption to the global economy and negatively impacted us and our operations. For example, as a result of COVID- 19, many traditional brick- and- mortar retailers were required to temporarily close their stores while distance retailers, such as QVC, were able to continue operating. As a result, QVC initially experienced an increase in new customers and an increase in demand for certain categories, such as home and electronics. However, as I- 24traditional brick- and- mortar retailers were allowed to reopen their stores and consumers were able to resume pre- pandemic shopping habits, QVC observed a decline in customers and a decline in demand for its products. Additionally, QVC experienced delays in receiving merchandise at certain fulfillment centers and had to limit the number of products it was able to promote on air. COVID- 19 also had an adverse impact on QVC' s supply chain due to factory closures, shipping and trucking delays and labor shortages, resulting in delays and other resource constraints related to both imported and domestically produced products. As a result, QVC' s manufacturers and vendors were unable to produce and deliver the products it sells, either on a timely basis or at all and a number of QVC' s manufacturers and vendors experienced financial issues as a result of these constraints. Further, QVC experienced increased product shortages due to high market demand in some product categories such as home and electronics. In addition, as a result of COVID- 19 QVC experienced material negative impacts to its financial results, including its capital and liquidity, decreases in the disposable income of existing and potential new customers, heightened inflation, increased currency volatility resulting in adverse currency rate fluctuations and higher interest rates. It is unclear whether and to what extent a future pandemic or epidemic, including future COVID- 19 outbreaks or concerns, could impact QVC' s financial condition and results of operations. If QVC' s manufacturers and vendors are unable to meet QVC' s supply needs in a timely manner, or at all, QVC may be required to shift product promotion to items which are available, but possibly not in demand, which could have a negative impact on sales. Future delays by manufacturers and vendors could result in delays to delivery dates to QVC' s customers, which could result in the cancellation of orders, customers' refusal to accept deliveries, a reduction in purchase prices and ultimately, termination of customer relationships. QVC cannot be certain that it will be able to identify alternative sources for its products without delay or without greater cost to QVC. Additionally, a future pandemic or epidemic, including a resurgence of COVID- 19, may adversely impact QVC' s ability to comply with various legal and contractual obligations and may expose it to increased litigation, including labor and employment claims, breach of contract claims and consumer claims by its customers. QVC' s insurance coverage may not be applicable to, or sufficient to cover, all claims, costs, and damages it may incur as a result of COVID- 19, or future pandemic or epidemic, which would result in QVC bearing such costs and could have a material adverse effect on its business, financial condition and results of operations. There can be no assurance that the long- term effects of COVID- 19, or the future occurrence of a pandemic or epidemic, will not result in recession in the U. S and other major global economies and QVC anticipates its businesses and operations would be materially adversely affected by a prolonged recession in the U. S. and other major markets.** Impairment of our goodwill or other intangible assets could have a material adverse effect on our business, results of operations and financial condition. From time to time we review the recoverability of goodwill and other certain identifiable intangible assets, including whenever events or circumstances indicate that the carrying value of a reporting unit, including goodwill or an identifiable intangible asset, may not be recoverable. We may incur impairment charges on goodwill or identifiable intangible assets if we determine that the fair values of a reporting unit, including goodwill or identifiable intangible assets, are less than their current carrying values. We evaluate, on a regular basis, whether events or circumstances have occurred that indicate all, or a portion, of the carrying amount of goodwill may no longer be recoverable, in which case an impairment charge to earnings would become necessary. **For the year ended December 31, 2023, the Company identified an impairment for the QxH reporting unit related to goodwill.** As ~~a result of recent financial performance and macroeconomic conditions~~ **previously reported, for the year ended December 31, 2022** , the Company identified significant impairments ~~of~~ **for the QxH reporting unit related to the HSN tradename and** goodwill ~~for the year ended December 31, 2022 for the QxH and Zulily reporting units and the HSN and Zulily tradenames~~ . ~~I- 27Recent~~ -- **Recent** business trends and global economic conditions may continue to make it a challenge for our reporting units to be able to realize their current long- term forecast. The Company will continue to monitor its reporting units' current business performance versus the current and updated long- term forecasts, among other relevant considerations, to determine if the carrying value of its assets (including goodwill and trademarks) is appropriate. Future outlook declines in revenue, cash flows, or other factors could result in a further decrease in fair value that may result in a determination that carrying value adjustments are required, which could be material, and we could be required to record additional impairment **I-** ~~charges~~ **25charges** on our goodwill or other identifiable intangible assets in the future, which could result in reductions to stockholders' equity and material non- cash charges to our earnings and may negatively impact our stock price and financial condition. **Use of social media and influencers may materially and adversely affect our reputation or subject us to fines or other penalties. Our businesses use third- party social media platforms as, among other things, marketing tools. Many of our businesses' products are endorsed by celebrities, designers and other well- known personalities, and in the case of QVC, often join QVC' s presenters on its live programming and provide lead- in publicity on their own social media pages, websites and other customer touchpoints. As existing e- commerce and social media platforms continue to rapidly evolve and new platforms develop, our businesses must continue to maintain a presence on these platforms and establish presences on new or emerging popular social media platforms. If our businesses are unable to cost- effectively use social media platforms as marketing tools or if the social media platforms our businesses use change their policies or algorithms, our businesses may not be able to fully optimize such platforms, and our businesses ability to maintain and acquire customers and our financial condition may suffer. Furthermore, as laws and regulations and public opinion rapidly evolve to govern the use of these platforms and devices, the failure by our businesses, their employees, or their network of celebrities, designers and other well- known personalities to abide by applicable laws and regulations in the use of these platforms and devices or otherwise could subject us to regulatory investigations, litigation, liability, fines or other penalties and have a material adverse effect on our business, financial condition and operating results. In addition, an increase in the use of social media for product promotion and marketing may cause an increase in the burden on us and our businesses to monitor compliance of such materials, and increase the risk that such materials could contain problematic product or marketing claims in violation of applicable regulations. For example, in some cases, the FTC has sought enforcement action where an endorsement has failed to clearly and conspicuously disclose a financial relationship or material connection between an influencer and an advertiser. Although our businesses require their influencers to agree to comply with their terms and conditions, as well as applicable laws, regulations, guidelines, and other requirements applicable to the activities of our influencers, our businesses do not specifically prescribe what their influencers post. In some cases, we may ask an influencer to edit or remove unsubstantiated claims or statements that could be misleading to our consumers. However, if we were held responsible for the content of their posts or their actions, we could be fined or forced to alter our practices, which could have an adverse impact on our business. Negative commentary regarding our businesses, their products or influencers and other third parties who are affiliated with us may also be posted on social media platforms and may be adverse to our and our businesses' reputations or business. Influencers with whom our businesses maintain relationships could engage in behavior or use their platforms to communicate directly with customers in a manner that reflects poorly on our brands and may be attributed to us or otherwise adversely affect us and our businesses. It is not possible to prevent such behavior, and the precautions we take to detect this activity may not be effective in all cases. Our target consumers often value readily available information and often act on such information without further investigation and without regard to its accuracy. The harm may be immediate, without affording us an opportunity for redress or correction.** Risks Related to Technology and Information **SecurityRapid** ~~SecurityWe have identified a material weakness in our internal control over financial reporting, that, if not properly remediated, could adversely affect our business and results of operations. 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 the Company' s annual or interim consolidated financial statements will not be prevented or detected on a timely basis. As described in " Item 9A. Controls and Procedures, " we have concluded that our disclosure controls and procedures were ineffective as of December 31, 2022 due to a material weakness in our internal control over financial reporting. The identified material weakness relates to information technology general controls (" ITGCs ") at Zulily, which also include an inventory management system in place for certain QVC and HSN fulfillment centers. Specifically, the ITGCs were not designed and operating effectively to ensure (i) that access to applications and data, and the ability to make program changes, were adequately restricted to appropriate personnel, (ii) that the activities of individuals with access to modify data and make program and job changes were appropriately monitored and (iii) that changes introduced in the production environment had undergone sufficient testing and review. Our business process controls (automated and manual) that are dependent on the affected ITGCs were also deemed ineffective because they could have been adversely impacted. While the control deficiencies identified did not result in any identified misstatements, a reasonable possibility exists that a material misstatement to the annual or interim consolidated financial statements and disclosures will not be prevented or detected on a timely basis. As further described in " Item 9A. Controls and Procedures, " we are taking the necessary steps to remediate the material weakness. However, as the reliability of the internal control process requires repeatable execution, the successful on- going remediation of this material weakness will require on- going review and evidence of effectiveness prior to concluding that the controls are effective. Therefore, we cannot assure you that the~~

~~remediation efforts will remain effective following their completion in the future or that additional or a similar material weakness will not develop or be identified. Implementing any further changes to our internal controls may distract our officers and employees and entail material costs to implement new processes and / or modify our existing processes. Moreover, these changes do not guarantee that we will be effective in maintaining the adequacy of our internal controls, and any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could harm our business. In addition, investors' perceptions that our internal controls are inadequate or that we are unable to produce accurate financial statements on a timely basis may harm the price of our common stock. Rapid~~ technological advances could render the products and services offered by our subsidiaries and our business affiliates obsolete or non- competitive. Our subsidiaries and business affiliates must stay abreast of rapidly evolving technological developments and offerings to remain competitive and increase the utility of their products and services. As their operations grow in size and scope, our subsidiaries and business affiliates must continuously improve and upgrade their systems and infrastructure while maintaining or improving the reliability and integrity of their systems and infrastructure. These subsidiaries and business affiliates must be able to incorporate new technologies into their products and services in order to address the needs of their customers. The emergence of alternative platforms such as mobile and tablet computing devices and the emergence of niche competitors who may be able to optimize products, services or strategies for such platforms will require new investment in technology. New developments in other areas, such as cloud I- ~~28computing~~ **26computing** , could also make it easier for competition to enter their markets due to lower up-front technology costs. There can be no assurance that our subsidiaries and business affiliates will be able to compete with advancing technology or be able to maintain existing systems or replace or introduce new technologies and systems as quickly as they would like or in a cost- effective manner, and any failure to do so could result in customers seeking alternative products or service providers, thereby adversely impacting our revenue and operating income. Our ~~E~~ **e** - commerce businesses could be negatively affected by changes in third- party digital platform algorithms and dynamics as well as their inability to monetize the resulting web traffic. The success of our online commerce businesses **and our online marketing efforts** depends on a high degree of website traffic, which is dependent on many factors, including the availability of appealing website content, user loyalty and new user generation from various digital marketing channels that charge a fee. Third- party digital platforms, such as Google and Facebook, frequently update and change the logic that determines the placement and display of results of a user' s search, or advertiser content, such that the purchased or algorithmic placement of advertisements or links to the websites of our online commerce businesses can be negatively affected. If a major search engine or third- party digital platform changes its algorithms in a manner that negatively affects their paid advertisement distribution or unpaid search ranking, the business and financial performance of our online commerce businesses would be adversely affected, potentially to a material extent. Additionally, Mobile application distribution platforms, such as Apple' s App Store and the Amazon Appstore for Android, may require that third party digital platforms and **e-** ~~ecommerce~~ - **commerce** companies present users with an option where the user chooses to opt- in or opt- out of tracking technology used by these third party digital platforms or included in mobile applications. To the extent that users opt- out of tracking technology used by third party digital platforms on which our online commerce businesses advertise or users of our online commerce businesses' applications opt- out of tracking technology included in our online commerce businesses' applications, the ability to monitor and improve customer experience and track the effectiveness of our online commerce businesses' digital marketing strategies would be adversely impacted. Furthermore, the failure of our online commerce businesses to successfully manage their digital marketing strategies could result in a substantial decrease in traffic to their websites, as well as increased costs if they were to replace free traffic with paid traffic. Even if our online commerce businesses are successful in generating a high level of website traffic, no assurance can be given that our online commerce businesses will be successful in achieving repeat user loyalty or that new visitors will explore the offerings on their sites. Monetizing this traffic by converting users to consumers is dependent on many factors, including availability of inventory, consumer preferences, price, ease of use and website quality. Globally, the cost of digital marketing has increased significantly, and no assurance can be given that the fees our businesses pay to third- party digital platforms will not exceed the revenue generated by their visitors. The increasing costs of digital marketing may require that we find more cost- effective ways of reaching and retaining consumers, which may not be as effective as the current methods of digital marketing. Any failure to sustain user traffic or to monetize such traffic could materially adversely affect the financial performance of our online commerce businesses and, as a result, adversely affect our financial results. System interruption and the lack of integration and redundancy in the systems and infrastructures of our subsidiary QVC and our other online commerce and catalog businesses may adversely affect their ability to, as applicable, operate their businesses, transmit their television programs, operate websites, process and fulfill transactions, respond to customer inquiries and generally maintain cost- efficient operations. The success of our subsidiaries and business affiliates depends, in part, on their ability to maintain the integrity of their transmissions, systems and infrastructures, including the transmission of television programs (in the case of QVC), as well as their websites, information and related systems, contact centers and fulfillment facilities. These subsidiaries and business affiliates may experience occasional system interruptions that make some or all transmissions, systems or data unavailable or prevent them from transmitting their signals or efficiently providing services or fulfilling orders, as the case may be. QVC **relies on legacy systems that are often difficult to update and maintain. As a result, QVC** maintains an ongoing process of implementing new technology systems and upgrading others. The failure to properly implement new systems, delays in implementing new systems or failing to integrate new systems with our legacy systems could impair the ability of our subsidiaries and business affiliates to provide services and content, fulfill orders and / or process transactions. Each of QVC and CBI also rely on affiliate and third- party computer systems, broadband, transmission and other communications systems and service providers in connection with the transmission of its respective signals, as well as to facilitate, process and fulfill transactions. Any interruptions, outages or delays in its signal transmissions, systems and infrastructures, or any deterioration in the performance of these transmissions, systems and infrastructures, could impair its ability to provide services, fulfill orders and / or process transactions. Fire, flood, power loss, telecommunications failure, hurricanes, tornadoes, earthquakes, public health crises (such as pandemics and epidemics) acts of war or terrorism, acts of God and **I-** ~~similar~~ **27similar** events or disruptions may damage or interrupt television ~~I- 29transmissions~~ -- **transmissions** , computer, broadband or other communications systems and infrastructures at any time. Any of these events could cause transmission or system interruption, delays and loss of critical data, and could prevent our subsidiaries and business affiliates from providing services, fulfilling orders and / or processing transactions. While our subsidiaries and business affiliates have backup systems for certain aspects of their operations, these systems are not fully redundant and disaster recovery planning is not sufficient for all possible risks. In addition, some of our subsidiaries and business affiliates may not have adequate insurance coverage to compensate for losses from a major interruption. The processing, storage, sharing, use, disclosure and protection of personal data could give rise to liabilities as a result of governmental regulation, conflicting legal requirements or differing views of personal privacy rights. In the processing of consumer transactions and managing their employees, our businesses receive, transmit and store a large volume of personally identifiable information and other user data. The processing, storage, sharing, use, disclosure and protection of this information are governed by the privacy and data security policies maintained by these businesses. Moreover, there are federal, state and international laws regarding privacy and the processing, storage, sharing, use, disclosure and protection of personally identifiable information and user data. Specifically, personally identifiable information is increasingly subject to changing legislation and regulations, in numerous jurisdictions around the world, which are intended to protect the privacy **and provide consumers more control** of personal information that is collected, processed and transmitted in or from the governing jurisdiction. Compliance with these laws and regulations may be onerous and expensive and may be inconsistent from jurisdiction to jurisdiction, further increasing the cost of compliance. For example, the European Court of Justice in 2015 invalidated the U. S.- E. U. Safe Harbor Framework, which facilitated personal data transfers to the U. S. in compliance with applicable European data protection laws. The E. U.- U. S. Privacy Shield, which replaced the U. S.- E. U. Safe Harbor Framework, and became fully operational in 2016, provided a mechanism to comply with data protection requirements when transferring personal data from the E. U. to the U. S. On July 16, 2020, the Court of Justice of the European Union invalidated the E. U.- U. S. Privacy Shield, and imposed new obligations on the use of standard contractual clauses (" SCCs ")- another key mechanism to allow data transfers between the U. S. and the E. U. The European Commission adopted revised SCCs on June 4, 2021. In March 2022, the U. S **.** and the European Commission announced a new Transatlantic Data Privacy Framework (" DPF ") to replace the E. U.- U. S. Privacy Shield. On December 13, 2022, the European Commission issued an adequacy decision initiating the formal adoption process for the DPF **and the E. U. formally adopted the adequacy decision on July 10, 2023. The U. S. and the E. U. implemented the DPF in July 2023** . Further, the General Data Protection Regulation (" GDPR "), which became effective on May 25, 2018, gives consumers in the E. U. additional rights and imposes additional restrictions and penalties on companies for illegal collection and misuse of personal information. ~~On February 10, 2021, the Council of the~~ E. U. ~~adopted final~~ **government entities and** ~~regulations~~ - **regulatory authorities continue to pursue** ~~regarding privacy and electronic communications that would complement the GDPR, including~~ additional regulation of **" cookies " and** ~~the~~ **other** Internet tracking tools ~~known as " cookies. " The~~ **but the timing of enactment of the** final regulations **is uncertain** ~~are subject to review by the European Parliament and European Commission, and may be enacted in 2023~~ . Following the" Brexit" withdrawal of the U. K. from the E. U., on June 28, 2021, the European Commission determined that the U. K.' s data protection laws essentially are equivalent to data protection laws in the European Economic Area. As a result, personal data transfers from the E. U. to the ~~UK~~ **U. K.** may continue without a new data transfer framework. California has enacted the ~~California Consumer Privacy Act of 2018 ("~~ CCPA ~~")~~ , which, among other things, allows California consumers to request that certain companies disclose the types of personal information collected by such companies. The CCPA became effective on January 1, 2020. The California Attorney General has issued **draft implementing** regulations and guidance regarding the law. In November 2020, California voters approved the ~~California Privacy Rights Act of 2020 ("~~ CPRA ~~")~~ , which amends and expands the CCPA and establishes the California Privacy Protection Agency to implement and enforce consumer privacy laws. Most of the CPRA' s provisions became effective on January 1, 2023. **A growing number of states have enacted privacy laws in recent years. In 2023, Delaware, Florida, Indiana, Iowa, Montana, Oregon, Tennessee and Texas enacted such laws.** In addition **to California, Colorado** , Virginia **, Utah and Connecticut previously had** enacted ~~the~~ **comprehensive privacy legislation. In addition to broad** ~~Consumer~~ **consumer privacy laws, states are enacting and may continue to enact sectoral- specific privacy laws focused on health** ~~Data~~ **data** ~~Protection Act in March 2021~~ , ~~which regulates~~ **data about people under the age of 18, biometric data, the use of algorithms by organizations, and** ~~the~~ **other** ~~handling~~ **matters. Private litigants are also using federal and state laws to pursue litigation related to the use** of personal data ~~and became effective on January 1~~ , ~~2023~~ **video content** , **chat tools** and ~~Colorado enacted a personal data protection law in July 2021, the~~ **other communication tools** ~~Colorado Privacy Act~~ , ~~which~~ **and** ~~takes~~ **trackers commonly used by organizations in the operation of** ~~effect on July 1, 2023. Utah and Connecticut also have enacted~~ consumer **- facing websites** ~~privacy statutes. Other states in the U. S. are also separately proposing laws to regulate privacy~~ and **applications** ~~security of personal data~~ . QVC' s ~~,~~ **and** CBI ~~' s and Zulily~~ ' s failure, and / or the failure by the various third party vendors and service providers with which QVC ~~,~~ **and** CBI ~~and Zulily~~ do business, to comply with applicable privacy policies or federal, state or similar **I-** ~~international~~ **28international** laws and regulations, or changes in applicable laws and regulations, or any compromise of security that results in the unauthorized release of personally identifiable information or other user data could damage QVC' s ~~,~~ **and** CBI ~~' s and Zulily~~ ' s reputations and the reputation of their third party vendors and service providers, discourage potential users from trying their products and services and / or result in fines and / or proceedings by governmental agencies and / or consumers, any one or all of which could adversely affect QVC' s ~~,~~ **and** CBI' s ~~and Zulily' s~~ business, financial condition ~~I- 30and~~ -- **and** results of operations and, as a result, our Company. In addition, we, our subsidiaries or our business affiliates may not have adequate insurance coverage to compensate for losses. Our businesses may experience difficulty in the ongoing development, implementation and customer acceptance of applications for personal electronic devices, which could harm their business. Although our online commerce businesses have developed services and applications to address user and consumer interaction with website content on personal electronic devices, such as smartphones and tablets, the ways in which consumers use or rely on these personal electronic devices is continually changing. If the services or applications we develop in response to changes in consumer behavior are ~~less~~ **defective, unstable or viewed as** ~~effective~~ **ineffective** ~~or are not accepted~~ by consumers, our online commerce businesses may experience difficulty attracting and retaining traffic and, in turn, advertisers, on these platforms. Any failure to attract and retain traffic on these personal electronic devices could materially adversely affect the financial performance of our online commerce businesses and, as a result, adversely affect our financial results. Additionally, as new devices and new platforms are continually being released, it is difficult to predict the challenges that may be encountered in developing versions of our online commerce businesses' offerings for use on these alternative devices, and our online commerce businesses may need to devote significant resources to the creation, support, and maintenance of their services on such devices. To the extent that revenue generated from advertising placed on smartphone computing devices becomes increasingly more important to their businesses and they fail to adequately evolve and address this market, their business and financial performance could be negatively impacted. Our businesses **and information systems** are subject to ~~cyber security~~ **cybersecurity** risks, including ~~security~~ **cybersecurity** ~~breaches~~ **threats** and ~~identity theft~~ **cybersecurity incidents** . Through their operations, sales, marketing activities, and use of third- party information, our businesses collect and store certain non- public personal information that customers provide to purchase products, enroll in promotional programs, register on websites, or otherwise communicate with them. This may include demographic information, phone numbers, driver license numbers, contact preferences, personal information stored on electronic devices, and payment information, including credit and debit card data. Our businesses also gather and retain information about employees and job applications in the normal course of business. Our businesses may share information about such persons with vendors, contractors and other third- parties that assist with certain aspects of their business. In addition, our businesses' online operations depend upon the transmission of confidential information over the Internet, such as information permitting cashless payments. Like many e- commerce companies, we frequently encounter unauthorized parties attempting to gain access to our businesses' or our businesses' vendors' **information** systems by, among other things, hacking those systems, through fraud or other means of deceiving our businesses' employees, partners or vendors, or burglaries. We also face cybersecurity risks from errors by our or our vendors' employees, misappropriation of data by employees, vendors or unaffiliated third- parties, or other irregularities that may result in disruption of services or persons obtaining unauthorized access to our businesses' data. **Additionally** ~~As part of the response to the COVID- 19 pandemic~~ , ~~our businesses have significantly~~ **as a result of the** increased ~~the~~ number of employees working remotely ~~. This led to the introduction~~ , ~~in 2022, of a new flexible distributed workforce model which allows some of~~ our businesses **,** ~~' employees to have the option to work from home most of the time. As our~~ businesses' vendors ~~and other business partners move to remote work as well, our~~ - **or** ~~businesses and~~ our businesses' partners ~~may be more~~ **working remotely increases our** ~~vulnerable~~ **vulnerability** to ~~cyber~~ **cybersecurity incidents and** attacks. The techniques used to gain access to our businesses' or our businesses' vendors' information ~~technology~~ systems, our businesses' data or customers' data, disable or degrade service, or sabotage systems are constantly evolving, **including from emerging technologies such as advanced forms of artificial intelligence. These techniques** may be difficult to detect quickly, and often are not recognized until launched against a target. Increasingly, unauthorized parties are exploiting access they gain to third party vendors to target companies that do business with these vendors, which may include third party vendors with whom we do business. Our businesses have implemented measures and processes intended to secure their information ~~technology~~ systems and prevent disruptions in services or unauthorized access to or loss of sensitive data, but as with all companies, these security measures may not be sufficient for all eventualities and there is no guarantee that they will be adequate to safeguard against all ~~cyber- attacks~~ **cybersecurity threats or cybersecurity incidents** , **information** system compromises or misuses of data. Although we have not detected a material security breach or **other** cybersecurity incident to date, we have been the target of events of this nature and expect to be subject to similar attacks in the future. Any disruptions of our ~~computer~~ **information** systems or misappropriation or misuse of customer, employee or other personal information, whether at our businesses' or any of our businesses' vendors, could cause interruptions in the operations of our businesses and subject them to increased costs, fines, litigation, regulatory **I-** ~~actions~~ **29actions** and other liabilities. Security breaches **and other cybersecurity incidents** could also significantly damage their reputation with their customers and third parties with whom they do business, which could result in lost sales and customer and vendor attrition. Our businesses continue to invest in new and emerging technology and other solutions to protect their retail commerce websites, mobile commerce applications and information systems, but there can be no assurance that these investments and solutions will prevent any of the risks described above. If our businesses are unable to maintain the security **of** ~~I- 31of~~ their retail commerce websites and mobile commerce applications, they could suffer loss of sales, reductions in traffic **, damage to our reputation, loss of consumer confidence** , diversion of management attention, and deterioration of their competitive position and incur liability for any damage to customers whose personal information is accessed without authorization **or claims, investigations, penalties and fines imposed by governmental regulators** . Our businesses may be required to expend significant additional capital and other resources to protect against and remedy any potential or existing security breaches and their consequences, such as additional infrastructure capacity spending to mitigate any system degradation and the reallocation of resources from development activities. Our businesses also face similar risks associated with security breaches **and other cybersecurity incidents** affecting third parties with which they are affiliated or otherwise conduct business. The loss of confidence in **and damage to the reputation of** our online commerce businesses resulting from any such **cybersecurity incidents, such as** security breaches or identity theft **,** could adversely affect the business, financial condition and results of operations of our online commerce businesses and, as a result, our Company. Risks Related to Our Businesses' Facilities and Third Party Suppliers and VendorsOur programming and online commerce businesses rely on distribution facilities to operate their business, and any damage to one of these facilities, or any disruptions caused by incorporating new facilities into their operations, could have a material adverse impact on their business. Our programming and online commerce businesses operate a limited number of distribution facilities worldwide. Their ability to meet the needs of their customers depends on the proper operation of these distribution facilities. If any of these distribution facilities were to shut down or otherwise become inoperable or inaccessible for any reason, these businesses could suffer a substantial loss of inventory and disruptions of deliveries to their customers. For example, any ~~resurgence of COVID- 19, or~~ future pandemic or epidemic, in the areas where these distribution facilities are located, or if these businesses are unable to adequately staff the distribution facilities to meet demand in the future, or if the cost of such staffing is higher than historical or projected costs due to wage increases, labor shortages, regulatory changes, or other factors, could harm our operating results. In addition, they could incur significantly higher costs and longer lead times associated with the distribution of their products during the time it takes to reopen or replace the impacted facility. Any of the foregoing factors could result in decreased sales and have a material adverse effect on our business, financial condition and operating results. In addition, these businesses have been implementing new warehouse management systems to further support their efforts to operate with increased efficiency and flexibility. There are risks inherent in operating in new distribution environments and implementing new warehouse management systems, including operational difficulties that may arise with such transitions. Our businesses may experience shipping delays should there be any disruptions in their new warehouse management systems or warehouses themselves. In December 2021, QVC' s distribution facility located in Rocky Mount, North Carolina suffered significant fire damage. Rocky Mount was QVC' s second largest distribution facility and processed most of its returned merchandise. **In February 2023,** QVC **sold** ~~does not plan to reopen~~ the Rocky Mount facility **to a third party** . ~~Instead~~ **Order fulfilment** , inbound deliveries ~~have been diverted to~~ **and customer returns that were previously handled at the Rocky Mount facility are now routed through** other distribution facilities within QVC' s distribution network and ~~to~~ third party logistic service providers. Additional disruptions or delays as a result of shifting capacity or failing to maintain arrangements with its third party logistic service providers could cause disruptions to QVC' s order fulfillment process, causing delays in delivering product to customers which would result in lost sales, strain its relationships with customers, and cause harm to its reputation, any of which could have a material adverse impact on its business, financial condition and operating results. QVC maintains property **, general liability,** and business interruption insurance coverage. **In June 2023** ~~As of the date of this report~~ , QVC **agreed to a final insurance settlement** ~~are still in the process of assessing the valuation of loss~~ with its ~~insurer~~ - **insurance company and received all remaining proceeds** ~~to determine the recovery of certain fire~~ related **to** ~~costs and damages in connection with~~ the Rocky Mount **claim** ~~fire. For the year ended December 31~~ , ~~2021, QVC received an advance~~ **which resulted in cumulative insurance proceeds** of $ **660** ~~100 million from its insurance provider related to initial fire related costs. In 2022, QVC received an additional $ 280~~ million from its insurance provider. Our home television and online commerce businesses rely on independent shipping companies to deliver the products they sell. Our home television and online commerce businesses rely on third party carriers to deliver merchandise from vendors and manufacturers to them and to ship merchandise to their customers. As a result, they are subject to carrier disruptions and delays due to factors that are beyond their control, including employee strikes, labor shortages, inclement **I-** ~~weather~~ **30weather** and regulation and enforcement actions by customs agencies. For example, as a result of COVID- 19 many consumers significantly increased their use of **e-** ~~ecommerce~~ - **commerce** which resulted in a significant increase in the volume of packages handled by third- party carriers, including those our businesses rely on, which result in delayed merchandise and cause our businesses' customers to experience delays in their order delivery. Any failure to deliver products to their customers in a timely and accurate manner may damage their reputation and brand and could cause them to lose customers. Enforcement actions by customs agencies can also cause the costs of imported goods to increase, negatively affecting ~~I- 32profits~~ -- **profits** . These businesses are also impacted by increases in shipping rates charged by third party carriers, which over the past few years have increased significantly in comparison to historical levels, and it is currently expected that shipping and postal rates will continue to increase. In the case of deliveries to customers, in each market where they operate, they have negotiated agreements with one or more independent, third party shipping companies, which in certain circumstances provide for favorable shipping rates. If any of these relationships were to terminate or if a shipping company ~~was~~ **were** unable to fulfill its obligations under its contract for any reason, these businesses would have to work with other shipping companies to deliver merchandise to customers, which would most likely be at less favorable rates. Other potential adverse consequences of changing carriers include ~~reduced visibility of order status and package tracking,~~ delays in order processing and product delivery, and reduced shipment quality, which may result in damaged products and customer dissatisfaction **. Additionally, as a result of recent acts of violence against commercial container ships in the Red Sea, QVC' s carriers have experienced longer shipping times and increased freight costs. Although these disruptions have not yet had a material impact on QVC' s business, its carriers may experience further delays or rescheduled deliveries or further increases in freight costs, which would adversely impact its business** . Any increase in shipping rates and related fuel and other surcharges passed on to these businesses by their current carriers or any other shipping company would adversely impact profits, given that these businesses may not be able to pass these increased costs directly to customers or offset them by increasing prices without a detrimental effect on customer demand. Our programming and online commerce businesses depend on their relationships with third party suppliers and vendors and any adverse changes in these relationships could adversely affect our results of operations. An important component of the success of our programming and online commerce businesses is their ability to maintain their existing, as well as build new, relationships with a limited number of local and foreign suppliers, manufacturers and vendors, among other parties. There can be no assurance that our subsidiaries and business affiliates will be able to maintain their existing supplier or vendor arrangements on commercially reasonable terms or at all or, with respect to goods sourced from foreign markets, if the supply costs will remain stable. In addition, our subsidiaries and business affiliates cannot guarantee that goods produced and delivered by third parties will meet applicable quality standards, which is impacted by a number of factors, some of which are not within the control of these parties. Adverse changes in existing relationships or the inability to enter into new arrangements with these parties on favorable terms, if at all, could result in lost sales or cause a failure to meet customer expectations and timely delivery of products, which could in turn have a significant adverse effect on our results of operations. The unanticipated loss of certain larger vendors or the consolidation of our programming and online commerce businesses' vendors could negatively impact their sales and profitability on a short term basis. It is possible that one or more of the larger vendors for our programming and online commerce businesses could experience financial difficulties, including bankruptcy, or otherwise could elect to cease doing business with our businesses. While these businesses have periodically experienced the loss of a major vendor, if multiple major vendors ceased doing business with these businesses, or did not perform consistently with past practice, this could have a material adverse impact on our business, financial condition and operating results. Further, there has been a trend among these vendors towards consolidation in recent years that may continue. This consolidation could exacerbate the foregoing risks and increase these vendors' bargaining power and their ability to demand terms that are less favorable to our businesses. Risks Related to the Seasonality of Our BusinessCertain of our businesses face significant inventory risk. Certain of our businesses are exposed to significant inventory risks that may adversely affect their operating results as a result of seasonality, new product launches, rapid changes in product cycles and pricing, defective merchandise, changes in consumer demand, consumer spending patterns, changes in consumer tastes with respect to their products, spoilage, and other factors. ~~For example, there is significant uncertainty over potential changes in consumer behavior and shopping patterns as a result of the COVID- 19 pandemic, or any resurgence of COVID- 19, or a future pandemic or epidemic.~~ These businesses endeavor to accurately predict these trends and avoid overstocking or understocking products they sell. Demand for products, however, can change significantly between the time inventory or components are ordered and the date of sale. In addition, when these businesses begin selling a new product, it may be difficult to establish vendor relationships, determine appropriate **I-** ~~product~~ **31product** or component selection, and accurately forecast demand. The acquisition of certain types of inventory or components may require significant lead- time and prepayment and they may not be returnable. These businesses carry a broad selection and significant inventory levels of certain products, such as consumer electronics, and at times they may be unable to sell products in sufficient quantities or to meet demand during the relevant selling seasons. Any one of the inventory risk factors set forth above may adversely affect their operating results. ~~I- 33The~~ -- **The** seasonality of certain of our businesses places increased strain on their operations. The net revenue of our home television and online commerce businesses in recent years indicates that these businesses are seasonal due to a higher volume of sales in certain months or calendar quarters or related to particular holiday shopping. For example, in recent years, QVC has earned, on average, between ~~21~~ **22** % and 24 % of its global revenue in each of the first three quarters of the year and ~~between~~ **approximately** 30 % ~~and 32 % of its global revenue~~ in the fourth quarter of the year. Similarly, our subsidiary CBI experiences higher sales volume during the second and fourth quarters of the year ~~. Our subsidiary Zulily experiences a stronger fourth quarter due to the holiday shopping season~~ . If the vendors for these businesses are not able to provide popular products in sufficient amounts (for example, due to the loss of inventory, illness or absenteeism of our businesses' or our businesses' vendors' workforces, impaired financial conditions, public health crises (such as pandemics and epidemics) or other reasons) such that these businesses fail to meet customer demand, it could significantly affect their revenue and future growth ~~. The supply of products may not return to pre- COVID- 19 levels, or become available at different times, and our efforts to ensure popular products are in stock may not be successful~~ . If too many customers access the websites of these businesses within a short period of time due to increased demand, our businesses may experience system interruptions that make their websites unavailable or prevent them from efficiently fulfilling orders, which may reduce the volume of goods they offer or sell and the attractiveness of their products and services. In addition, they may be unable to adequately staff their fulfillment networks and customer service centers during these peak periods and delivery and other third party shipping (or carrier) companies may be unable to meet the seasonal demand. Risks described elsewhere in this Part I, Item 1A relating to fulfillment network optimization and inventory are magnified during periods of high demand. To the extent these businesses pay for holiday merchandise in advance of certain holidays (e. g., in the case of QVC, in August through November of each year), their available cash may decrease, resulting in less liquidity. QVC has limited availability under its revolving credit facility (as discussed in note 6 of the accompanying consolidated financial statements) (the " Credit Facility ") and may not be able to access financing to the extent its cash balance is impaired. QVC may be unable to maintain a level of cash sufficient to permit it to pay the principal, premium, if any, and interest on its indebtedness. Risks Related to Management and Key PersonnelThe success of our home television and online commerce businesses depends in large part on their ability to recruit and retain key personnel capable of executing their unique business models. Our home television and online commerce subsidiaries and business affiliates have business models that require them to recruit and retain key employees, including management, with the skills necessary for a unique business that demands knowledge of the general retail industry, television production, direct to consumer marketing and fulfillment and the Internet. We cannot assure you that if these subsidiaries and business affiliates experience turnover of these key employees they will be able to recruit and retain acceptable replacements because the market for such employees is very competitive and limited. **Additionally, although our home television and online commerce subsidiaries are working to provide an effective and engaging workplace, with more employees working remotely, it is increasingly challenging to keep employee engagement and productivity high.** We have overlapping directors and officers with LMC, TripAdvisor Holdings, Liberty Broadband, and ~~following LMC' s proposed split- off of its subsidiary Atlanta Braves Holdings, Inc. (" ABH "), is expected to have overlapping directors and officers with~~ ABH, which may lead to conflicting interests. As a result of certain transactions that occurred between 2011 and ~~2014~~ **2023** that resulted in the separate corporate existence of our Company, LMC, TripAdvisor Holdings ~~and~~ **,** Liberty Broadband **and** ~~as well as LMC' s proposed split- off of~~ ABH, most of the executive officers of Qurate Retail also serve ~~(or will serve, in the case of ABH)~~ as executive officers of LMC, TripAdvisor Holdings, Liberty Broadband and ABH and there are overlapping directors. None of ~~the foregoing companies~~ **LMC, TripAdvisor Holdings, Liberty Broadband or ABH** has any ownership interest in any of the others ~~(other than LMC' s current ownership of ABH pending the completion of the proposed split- off of ABH and related transactions)~~ . Our executive officers and the members of our Company' s board of directors **(the " Board of Directors ")** have fiduciary duties to our stockholders. Likewise, any such persons who serve in similar capacities at LMC, TripAdvisor Holdings, ~~or~~ Liberty Broadband ~~(~~ or ~~who will serve in similar capacities at~~ ABH ~~)~~ or any other public company have fiduciary duties to that company' s stockholders. Therefore, such persons may have conflicts of interest or the appearance of conflicts of interest with respect to matters involving or affecting more than one of the companies to which they owe fiduciary duties. For example, there may be the potential for a conflict of interest when our Company, LMC, TripAdvisor Holdings, ~~or~~ Liberty Broadband ~~(~~ **,** or ~~following the proposed split- off~~ ABH ~~)~~ looks at acquisitions and other corporate opportunities that may be suitable for each of them. Moreover, most of our Company' s directors and officers own ~~or will own~~ LMC, TripAdvisor Holdings, Liberty Broadband and / or **I-** ~~ABH~~ **32ABH** stock and equity awards. These ownership interests could create, or appear to create, potential conflicts of interest when the applicable individuals are faced with decisions that could have different implications for our Company, LMC, TripAdvisor Holdings, Liberty Broadband and / or ABH. Any potential conflict that ~~I- 34qualifies~~ -- **qualifies** as a" related party transaction" (as defined in Item 404 of Regulation S- K under the Securities Act of 1933, as amended) is subject to review by an independent committee of the applicable issuer' s ~~board~~ **Board** of ~~directors~~ **Directors** in accordance with its corporate governance guidelines. Each of Liberty Broadband ~~and~~ **,** TripAdvisor Holdings **and ABH** has renounced its rights to certain business opportunities and their respective restated certificate of incorporation contains provisions deeming directors and officers not in breach of their fiduciary duties in certain cases for directing a corporate opportunity to another person or entity (including LMC, TripAdvisor Holdings, Liberty Broadband and ABH, as the case may be) instead of the respective company. ~~In addition, we understand that ABH is expected to adopt similar renouncement and waiver provisions in its restated articles of incorporation in connection with its proposed split- off from LMC~~ Any other potential conflicts that arise will be addressed on a case- by- case basis, keeping in mind the applicable fiduciary duties owed by the executive officers and directors of each issuer. From time to time, we may enter into transactions with LMC, TripAdvisor Holdings, Liberty Broadband ~~or~~ **,** ABH and / or their subsidiaries or other affiliates. There can be no assurance that the terms of any such transactions will be as favorable to our Company, LMC, TripAdvisor Holdings, Liberty Broadband or ABH or any of their respective subsidiaries or affiliates as would be the case where there is no overlapping officer or director. Risks Related to Economic ConditionsCertain of our subsidiaries and business affiliates have operations outside of the U. S. that are subject to numerous operational and financial risks. Certain of our subsidiaries and business affiliates have operations in countries other than the U. S. that are subject to the following risks inherent in international operations: ● fluctuations in currency exchange rates; ● longer payment cycles for sales in foreign countries that may increase the uncertainty associated with recoverable accounts; ● recessionary conditions and economic instability, including fiscal policies that are implementing austerity measures in certain countries, which are affecting overseas markets; ● inflationary pressures, such as those the market is currently experiencing, which may increase the costs of the products our businesses sell, as well as the shipping and delivery of these products; ● limited ability to repatriate funds to the U. S. at favorable tax rates; ● potentially adverse tax consequences; ● export and import restrictions, changes in tariffs, trade policies and trade relations; ● disruptions to international shipping and supply chains; ● increases in taxes and governmental royalties and fees; ● the ability to obtain and maintain required licenses or certifications, such as for web services and electronic devices, that enable us to operate our businesses in foreign jurisdictions; ● changes in foreign and U. S. laws, regulations and policies that govern operations of foreign- based companies; ● changes to general consumer protection laws and regulations; ● difficulties in staffing and managing international operations as a result of distance, language and cultural differences; and ● threatened and actual terrorist attacks, political unrest in international markets and ongoing military action around the world that may result in disruptions of service that are critical to QVC' s international businesses. Moreover, in many foreign countries, particularly in certain developing economies, it is not uncommon to encounter business practices that are prohibited by certain regulations, such as the Foreign Corrupt Practices Act and similar laws. Although certain of our subsidiaries and business affiliates have undertaken compliance efforts with respect to these laws, their respective employees, contractors and agents, as well as those companies to which they outsource certain of their business operations, may take actions in violation of their policies and procedures. Any such violation, even if prohibited by the policies and procedures of these subsidiaries and business affiliates or the law, could have certain adverse effects on the financial condition of these subsidiaries and business affiliates. Any failure by these subsidiaries and business **I-** ~~affiliates~~ **33affiliates** to effectively manage the challenges associated with the international operation of their businesses could materially adversely affect their, and hence our, financial condition. ~~I- 35Although~~ -- **Although** certain of our subsidiaries and business affiliates have undertaken compliance efforts with respect to these laws, their respective employees, contractors and agents, as well as those companies to which they outsource certain of their business operations, may take actions in violation of their policies and procedures. Any such violation, even if prohibited by the policies and procedures of these subsidiaries and business affiliates or the law, could have certain adverse effects on the financial condition of these subsidiaries and business affiliates. Any failure by these subsidiaries and business affiliates to effectively manage the challenges associated with the international operation of their businesses could materially adversely affect their, and hence our, financial condition **. Fluctuations in currency exchange rates may lead to lower revenues and earnings. Sales made by QVC outside the U. S. are denominated in the currency of the country in which its operations are located, and changes in currency exchange rates affect the translation of the sales and earnings of these businesses into U. S. dollars for financial reporting purposes. Because of this, movements in currency exchange rates have had, and are expected to continue to have, a significant impact on QVC' s results from time to time. Changes in currency exchange rates can also increase the cost of inventory purchases that are denominated in a currency other than the local currency of the business buying the merchandise. When exchange rates change significantly in a short period or move unfavorably over an extended period, it can be difficult for QVC to adjust accordingly, and gross margin can be adversely affected. For example, a significant amount of merchandise QVC offers**

for sale is made in China and accordingly, a revaluation of Chinese currency, or increased market flexibility in the exchange rate for that currency, increasing its value relative to the U. S. dollar or currencies in which QVC' s stores are located, could be significant. QVC expects that currency exchange rate fluctuations could have a material adverse effect on its sales and results of operations from time to time . Weak and uncertain economic conditions worldwide may reduce consumer demand for our businesses' products and services. Prolonged economic **weakness and** uncertainty in various regions of the world in which our subsidiaries and business affiliates operate could adversely affect demand for our businesses' products and services since a substantial portion of our businesses' revenue is derived from discretionary spending by individuals, which typically falls during times of inflation, recession and economic instability. Global financial markets may experience disruptions, including increased volatility and diminished liquidity and credit availability. If economic and financial market conditions in the U. S. or other key markets, including China, Japan and Europe deteriorate, customers of our subsidiaries and business affiliates may respond by suspending, delaying, or reducing their discretionary spending. A suspension, delay or reduction in discretionary spending could adversely affect our revenue. Accordingly, our ability to increase or maintain revenue and earnings could be adversely affected to the extent that relevant economic environments decline. We currently are unable to predict the extent of any of these potential adverse effects. Additionally, there is ongoing uncertainty and potential economic disruptions relating to the U. K.' s withdrawal from the E. U. (" Brexit "), including the risk of additional regulatory and other costs and challenges or limitations on our ability to sell particular products. In particular, our businesses could be negatively affected by new trade agreements between the U. K. and other countries, including the U. S., and by the possible imposition of trade or other regulatory barriers, including the imposition of tariffs, in the U. K. which could result in shipping delays and shortages, or increased costs of products sold by our businesses. Additionally, the U. K. economy and consumer demand in the U. K., including for our products, could be negatively impacted. Further, if other member states where we have operations propose referendums to, or elect to, exit the E. U. there could be additional negative impacts on our businesses, which may affect our operating results. Increases in market interest rates could increase our operating costs and decrease consumer demand, which may adversely affect our businesses. Interest rates ~~rose~~ **have risen** substantially ~~in~~ **since** 2022 and may continue to rise. Increases in interest rates could increase our operating costs by increasing the cost of shipping, materials for our products, and / or labor. If competitive pressures or other economic factors prevent us from offsetting such increased costs by raising prices, our ability to increase or maintain revenue may be negatively impacted. In addition, an increase in interest rates could reduce **I-** ~~consumer~~ **34consumer** confidence, discretionary spending by individuals and adversely affect market demand for our products, which could materially adversely affect our businesses, financial condition and results of operations. Significant developments stemming from U. S. and international trade policy with China, including in response to forced labor and human rights abuses in China, may adversely impact our businesses and operating results ~~. Decisions by the Biden Administration confirm continuity of a bipartisan consensus in the U. S. government favoring increased confrontation of China in trade practices and economic matters, national security and human rights~~ . The imposition of any new U. S. tariffs on Chinese imports or the taking of other actions against China in the future, and any responses by China, could impair our businesses' ability to meet customer demand and could result in lost sales or an increase in our businesses' cost of merchandise, which would have a material adverse impact on our businesses and results of operations. Recently there have been heightened tensions in relations between Western nations and ~~China. The U. S. government has made statements and taken certain actions that have led to changes to U. S. trade policies towards~~ China. For example, on December 23, 2021, President Biden signed the Uyghur Forced Labor Prevention Act (the " UFLPA ") into law, which is intended to address the use of forced labor in China' s Xinjiang Uyghur Autonomous Region (" XUAR "). Among other things, the UFLPA imposes a presumptive ban on the import of goods to the ~~United States~~ **U. S.** that are made, wholly or in part, in the XUAR or by persons that participate in certain programs in the XUAR that entail the use of forced labor. The UFLPA took effect on June 21, 2022, and may increase the risk of delay of goods and inventory shortages. Additionally, the U. S. Customs and Border Protection (" CBP ") issued a region- wide withhold release order (" WRO "), effective January 13, 2021, pursuant to which the CBP will detain cotton products produced in the XUAR. The WRO applies to, among ~~I- 36other~~ -- **other** things, cotton grown in the XUAR and to all products made in whole or in part using such cotton, regardless of where the downstream products are produced, and importers are responsible for ensuring the products they are attempting to import do not exploit forced labor at any point in their supply chain, including the production or harvesting of the raw material. As a result of the WRO, products imported into the U. S. could be held by the CBP based on a suspicion that they originated from the XUAR or that they may have been produced by Chinese suppliers accused of participating in forced labor, pending the importer providing satisfactory evidence to the contrary. Such process could result in a delay or complete inability to import such goods, which could result in inventory shortages and lost sales. Additionally, the ~~United States~~ **U. S.** Treasury Department placed sanctions on China' s Xinjiang Production and Construction Corporation (" XPCC ") for serious human rights abuses against ethnic minorities in the XUAR. The XUAR is the source of large amounts of cotton and textiles for the global apparel supply chain and XPCC controls many of the cotton farms and much of the textile industry in the region. Although our businesses do not knowingly do business with XPCC, our businesses could be subject to penalties, fines or sanctions if any of the vendors from which they purchase goods is found to have dealings, directly or indirectly with XPCC or entities it controls. Even if our businesses were not subject to penalties, fines or sanctions, if products we source are linked in any way to XPCC, our businesses' reputations could be damaged. Other countries and jurisdictions have issued or may be considering similar measures. For example, on January 12, 2021, the Foreign Secretary of the U. K. announced a package of measures to help ensure that British organizations, whether public or private sector, are not complicit in, nor profiting from, the human rights violations in XUAR. On September 14, 2022, the European Commission issued its legislative proposal to ban the marketing of goods made with forced labor. As drafted, the new rules would apply to both imported goods and goods made in the E. U. The full potential impact to us of the UFPLA and similar potential legislations in other countries and jurisdictions remains uncertain and could have an adverse effect on our business and results of operations. Our businesses may incur expenses for the review pertaining to these matters and the cost of remediation and other changes to products, processes or sources of supply as a consequence of such verification activities. In the event of a significant disruption or unavailability in the supply of the fabrics or raw materials used by our vendors in the manufacture of our products, our businesses' vendors might not be able to locate alternative suppliers of materials of comparable quality at an acceptable price. In addition, prices of purchased finished products also depend on wage rates in the regions where our businesses' vendors' contract manufacturers are located, as well as freight costs from those regions. Fluctuations in wage rates required by legal or industry standards could increase our businesses' costs. Increases in raw material costs or wage rates, unless sufficiently offset by our pricing actions, may cause a decrease in our businesses' profitability and negatively impact our businesses' sales volume. **I-** ~~Risks~~ **35Risks** Related to Our Indebtedness and Common StockOur subsidiary QVC has significant indebtedness, which could limit its flexibility to respond to current market conditions, restrict its business activities and adversely affect its financial condition. As of December 31, ~~2022~~ **2023** , QVC had total secured debt, other than its finance lease obligations, **of $ 4, 364 million,** consisting of $ 3, ~~912~~ **507** million of secured indebtedness under its existing notes and $ **857** ~~1, 057~~ million **of** secured indebtedness under the Credit Facility, in each case, secured by a first priority lien on all shares of its capital stock. There was $ 2. ~~15~~ **28** billion of unused capacity under the Credit Facility. In addition, QVC had $ ~~4~~ **2** million of finance lease obligations and $ ~~412~~ **515** million of operating lease liabilities. QVC may incur significant additional indebtedness in the future. If new indebtedness is added to QVC' s current debt levels, the related risks that it now faces could intensify. The indebtedness of QVC, combined with other financial obligations and contractual commitments, could among other things: ● increase QVC' s vulnerability to general adverse economic and industry conditions; ● require a substantial portion of QVC' s cash flow from operations to be dedicated to the payment of principal and interest on its indebtedness; ● limit QVC' s ability to use cash flow or obtain additional financing for future working capital, capital expenditures or other general corporate purposes, which reduces the funds available to it for operations and any future business opportunities; ● limit flexibility in planning for, or reacting to, changes in its business and the markets in which it operates; ● competitively disadvantage QVC compared with competitors that have less debt; ~~I- 37~~ ● limit QVC' s ability to borrow additional funds or to borrow funds at rates or on other terms that it finds acceptable; and ● expose QVC to the risk of increased interest rates because certain of QVC' s borrowings, including borrowings under the Credit Facility, are at variable interest rates. Limitations imposed as a part of the debt, such as the availability of credit and the existence of restrictive covenants may, among other things: ● make it difficult for QVC to satisfy its financial obligations, including making scheduled principal and interest payments on the notes and its other indebtedness; ● restrict QVC from making strategic acquisitions or cause it to make non- strategic divestitures; ● limit QVC' s ability to borrow additional funds for working capital, capital expenditures, acquisitions or other general business purposes on satisfactory terms or at all; ● limit QVC' s flexibility to plan for, or react to, changes in its business and industry; ● place QVC at a competitive disadvantage compared to its less leveraged competitors; and limit its ability to respond to business opportunities. If QVC experiences adverse effects on its financial condition as a result of their indebtedness, our financial performance could be adversely affected as well. QVC may need to refinance its indebtedness. Although QVC expects to refinance or otherwise repay its indebtedness, it may not be able to refinance its indebtedness on commercially reasonable terms or at all. The financial terms or covenants of any new credit facility, notes or other indebtedness may not be as favorable as those under the Credit Facility and its existing notes. QVC' s ability to complete a refinancing of the Credit Facility and its existing notes prior to their respective maturities will depend on its financial and operating performance, its credit rating with rating agencies, as well as a number of conditions beyond its control. For example, if disruptions in the financial markets were to exist at the time that it intended to refinance this indebtedness, it might be restricted in its ability to access the financial markets. If QVC is unable to refinance its indebtedness, its alternatives would include negotiating an extension of the maturities of the Credit Facility and its existing notes with the lenders and holders, respectively, and seeking or raising new equity capital. If QVC were unsuccessful, the lenders under the Credit Facility and the holders of its existing notes could demand repayment of the indebtedness owed to them on the relevant maturity date, which could adversely affect its and our financial condition. **I-** ~~Covenants~~ **36Covenants** in QVC' s debt agreements could restrict its business in many ways. The Credit Facility and the indentures governing its notes contain various covenants that limit its ability and / or its restricted subsidiaries' ability to, among other things: ● incur or assume liens or additional debt or provide guarantees in respect of obligations of other persons; ● pay dividends or make distributions or redeem or repurchase capital stock; ● prepay, redeem or repurchase debt; ● make loans, investments and capital expenditures; ● enter into agreements that restrict distributions from its subsidiaries; ● sell assets and capital stock of its subsidiaries; ● enter into sale and leaseback transactions; ● enter into certain transactions with affiliates; ● consolidate or merge with or into, or sell substantially all of its assets to, another person; and ● designate its subsidiaries as unrestricted subsidiaries. In addition, the Credit Facility requires QVC to maintain a specified leverage ratio. QVC' s ability to meet this leverage ratio test can be affected by events beyond its control, and it may be unable to meet that test. A breach of any of these covenants could result in a default under the Credit Facility, which in turn could result in a default under the indentures governing its notes. Upon the occurrence of an event of default under the Credit Facility, the lenders could elect to declare all amounts outstanding under the Credit Facility to be immediately due and payable and terminate all commitments to extend further credit. If QVC were unable to repay those amounts, the lenders could proceed against the ~~I- 38collateral~~ -- **collateral** granted to them to secure that indebtedness. The Credit Facility and its notes are, and certain future indebtedness may be, secured by a first priority perfected lien in all shares of its capital stock. If the lenders and counterparties under the Credit Facility, its notes and certain future indebtedness accelerate the repayment of obligations, it may not have sufficient assets to repay such obligations. QVC' s borrowings under the Credit Facility are, and are expected to continue to be, at variable rates of interest and expose it to interest rate risk. If interest rates increase, QVC' s debt service obligations on the variable rate indebtedness will also increase even though the amount borrowed remains the same, and QVC' s net income decreases. In addition, QVC may hedge against interest rate fluctuations by using hedging instruments such as swaps, caps, options, forwards, futures or other similar products.

These instruments may be used to selectively manage risks, but there can be no assurance that QVC will be fully protected against material interest rate fluctuations. In addition, QVC’ s bond indentures limit its ability to pay dividends or make other restricted payments if QVC is in default on its senior secured notes or its consolidated leverage ratio is greater than 3. 5 to 1. 0. In addition, the Credit Facility limits its ability to pay dividends or make other restricted payments if it is in default on the Credit Facility and its consolidated net leverage ratio is greater than 4. 0 to 1. 0. While QVC’ s bond indentures and the Credit Facility credit agreement both allow for unlimited dividends to service our debt so long as there is no default (i. e., no leverage test is needed), QVC will remain limited in its ability to distribute cash to us for other purposes. As of December 31, ~~2022~~ **2023** , QVC’ s leverage ratio (as calculated under its senior secured notes) was greater than 3. 5 to 1. 0 and as a result there are restrictions on QVC’ s ability to pay certain dividends or make other restricted payments to us. Consequently, until QVC’ s leverage ratio under its senior secured notes is not greater than 3. 5 to 1. 0, we will not be able to rely on QVC’ s cash flow for certain purposes (including to fund acquisitions or our other operational requirements), other than the service of our debt ~~or~~ **and** to pay certain tax obligations related to QVC and its subsidiaries (which payments may be made by QVC to us under an intercompany tax sharing agreement in respect of certain tax obligations of QVC and its subsidiaries). While QVC has made significant distributions to us in the past, QVC will be unable to do so in the near term and we may need to obtain other funding sources for certain purposes other than to service our debt or to pay certain tax obligations related to QVC and its subsidiaries. There can be no assurance that we will be able to obtain such alternative funding sources on satisfactory terms or at all. ~~QVC may be adversely affected by the discontinuance of the London Inter- Bank Offered Rate and the transition to alternative reference rates. QVC’ s borrowings under the Credit Facility carry a variable interest rate based on London Inter- bank Offered Rate (“ LIBOR ”) as a benchmark for establishing the rate of interest. LIBOR is the subject of national, international and other regulatory guidance and proposals for reform. In 2017, the United Kingdom' s Financial Conduct Authority (the" FCA"), which regulates LIBOR, announced that it intends to phase out LIBOR. On March 5, 2021, the FCA announced that all LIBOR settings will either cease to be provided by any administrator or no longer be representative: (a) immediately after December 31, 2021, in the case of the one week and two month U. S. Dollar settings; and (b) immediately after June 30, 2023, in the case of the remaining U. S. Dollar settings. The United States Federal Reserve has also advised banks to cease entering into new contracts that use U. S. Dollar LIBOR as a reference rate. The Alternative Reference Rate Committee, a committee convened by the Federal Reserve that includes major market participants, has identified the Secured Overnight Financing Rate, or SOFR, an index calculated by short- term repurchase agreements, backed by Treasury securities, as its preferred alternative rate for LIBOR. Additionally, the Credit Facility provides for a transition to a SOFR based rate or to other alternative reference rates depending on acceptance in the market of these rates. At this time, it is not possible to predict how markets will respond to SOFR or other alternative reference rates as the transition away from the LIBOR benchmarks is anticipated in the coming year. Accordingly, the outcome of these reforms is uncertain and any changes in the methods by which LIBOR is determined or regulatory activity related to LIBOR’ s phase out could cause LIBOR to perform differently than in the past or cease to exist. The consequences of these developments cannot be entirely predicted, but could include an increase in the cost of QVC’ s borrowings under the Credit Facility.~~ A substantial portion of our consolidated debt and other liabilities is held above the operating subsidiary level, and we could be unable in the future to obtain cash in amounts sufficient to service those liabilities and our other financial obligations. As of December 31, ~~2022~~ **2023** , our wholly- owned subsidiary LI LLC had $ 1, ~~906~~ **573** million principal amount of publicly- traded debt outstanding. In addition, as of December 31, ~~2022~~ **2023** , we had deferred tax liabilities of $ ~~970~~ **1, 053** million related to LI LLC’ s exchangeable debentures. LI LLC is a holding company for certain of our subsidiaries and **I-** ~~investments~~ **37investments** , including QVC. Our ability to meet the financial obligations of LI LLC and our other financial obligations will depend on our ability to access cash. Our sources of cash include our available cash balances, net cash from operating ~~I- 39activities~~ -- **activities** , dividends and interest from our investments, availability under credit facilities at the operating subsidiary level, monetization of our public investment portfolio and proceeds from asset sales. There are no assurances that we will maintain the amounts of cash, cash equivalents or marketable securities that we maintained over the past few years. The ability of our operating subsidiaries to pay dividends or to make other payments or advances to us or LI LLC depends on their individual operating results, any statutory, regulatory or contractual restrictions to which they may be or may become subject and the terms of their own indebtedness, including the Credit Facility and bond indentures. The agreements governing such indebtedness restrict sales of assets and prohibit or limit the payment of dividends or the making of distributions, loans or advances to stockholders and partners. Neither we nor LI LLC will generally receive cash, in the form of dividends, loans, advances or otherwise, from our business affiliates. ~~See “ We do not have the right to manage our business affiliates, which means we are not able to cause those business affiliates to act in a manner that we deem desirable ” above.~~ We have disposed of the reference shares underlying the exchangeable debentures of LI LLC, which exposes us to liquidity risk. LI LLC currently has outstanding multiple tranches of exchangeable debentures in the aggregate principal amount of $ **781** ~~1, 114~~ million as of December 31, ~~2022~~ **2023** . Under the terms of these exchangeable debentures, the holders may elect to require LI LLC to exchange the debentures for the value of a specified number of the underlying reference shares, which LI LLC may honor through delivery of reference shares, cash or a combination thereof. Also, LI LLC is required to distribute to the holders of its exchangeable debentures any cash, securities (other than publicly traded securities, which would themselves become reference shares) or other payments made by the issuer of the reference shares in respect of those shares. The principal amount of the debentures will be reduced by the amount of any such required distributions other than regular cash dividends. LI LLC has disposed of the reference shares underlying these exchangeable debentures ~~. For example, in connection with the transactions that resulted in our Company acquiring a controlling equity interest in GCI Liberty that was subsequently split- off (the “ Transactions ”), our Company contributed its entire equity interest in Charter Communications, Inc. to GCI Liberty, which was subsequently acquired by Liberty Broadband. Shares of Charter serve as the underlying reference shares for the 1. 75 % Exchangeable Debentures. Pursuant to agreements entered into in connection with the Transactions and Liberty Broadband’ s~~

~~acquisition of GCI Liberty, there is an indemnification obligation from Liberty Broadband to LI LLC for certain payments made to a holder of the 1. 75 % Exchangeable Debentures that pertains to the holder' s ability to exercise its exchange right according to the terms of the 1. 75 % Exchangeable Debentures on or before October 5, 2023. However, we cannot give any assurance as to whether Liberty Broadband will fulfill its indemnification obligations pursuant to the indemnification agreement~~. As a result of LI LLC having disposed of these reference shares, any exercise of the exchange right by, or required distribution of cash, securities or other payments to, holders of such debentures will require that LI LLC fund the required payments from its own resources, which will depend on the availability of cash or other sources of liquidity to LI LLC at that time. Additionally, in the event all reference shares underlying a series of exchangeable debentures are liquidated or otherwise cease to be outstanding without replacement, there is a possibility that the treatment of tax matters associated with that series could change. This may include acceleration of tax liabilities that are recorded as deferred tax liabilities in our financial statements, in amounts that would be significant. Transactions in our common stock by our insiders could depress the market price of our common stock. Sales of or hedging transactions such as collars relating to our shares by John C. Malone, a director of our Company, Gregory B. Maffei, our Chairman of the Board, or David Rawlinson II, our Chief Executive Officer and President, or any of our other directors or executive officers could cause a perception in the marketplace that our stock price has peaked or that adverse events or trends have occurred or may be occurring at our Company. This perception can result notwithstanding any personal financial motivation for these insider transactions. As a result, insider transactions could depress the market price for shares of one or more series of our common stock. It may be difficult for a third party to acquire us, even if doing so may be beneficial to our stockholders. Certain provisions of our restated charter and bylaws may discourage, delay or prevent a change in control of our Company that a stockholder may consider favorable. These provisions include: ● authorizing a capital structure with multiple series of common stock, a Series B common stock that entitles the holders to ten votes per share, a Series A common stock that entitles the holder to one vote per share, **and a Series C common stock that except as otherwise required by applicable law, entitles the holder to no voting rights; ● classifying the Board of Directors with staggered three- year terms, which may lengthen the time required to gain control of the Board of Directors; ● limiting who may call special meetings of stockholders; ● prohibiting stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of the stockholders; ● establishing advance notice requirements for nominations of candidates for election to the Board of Directors or for proposing matters that can be acted upon by stockholders at stockholder meetings;**