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

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Our operations and financial results are subject to known and unknown risks. As a result, past financial performance and historical trends may not be reliable indicators of our future performance. Macroeconomic Risks We are vulnerable to deterioration in general economic conditions. Our business is particularly sensitive to fluctuations in general economic conditions in the United States and other global markets in which we operate. A decline in global or regional economic conditions, or consumers' fears that economic conditions will decline, whether due to inflation, ~~rising~~ **elevated** interest rates, or other economic, pandemic or geopolitical uncertainties could cause declining consumer or corporate spending, travel disruptions, unemployment, fluctuations in stock markets and interest rates, contraction of credit availability, or other dynamic factors **generally** affecting economic conditions ~~generally~~. For example, ~~in response to~~ high inflation ~~,~~ **and** the **resulting** ~~United States Federal Reserve began to raise~~ **rise in** ~~its benchmark~~ interest rates **have** ~~in March 2022 and continued to increase interest rates throughout 2022. This has~~ increased our interest expense on our variable rate debt. The additional impacts of these macroeconomic developments on our operations cannot be predicted with certainty. The success of our GES business largely depends on the number of exhibitions or other live events held **, exhibitor presence and attendee volume at those events** , the size of marketing expenditures at those events, and on the strength of particular industries that support those events. The number and size of live events and related marketing expenditures generally decrease when the economy weakens. We also could suffer from reduced spending for our services because many live event marketing budgets are partly discretionary and are frequently among the first expenditures reduced when economic conditions deteriorate. In addition, revenue from our Pursuit operations depends largely on the amount of disposable income that consumers have available for travel and vacations, which decreases during periods of weak general economic conditions. As a result, any deterioration in general economic conditions could materially and adversely affect our business, financial condition, and results of operations. Travel industry disruptions, particularly those affecting the hotel and airline industries, could adversely affect our business. Our business depends largely on the ability and willingness of people, whether exhibitors, event attendees, tourists, or others, to travel. Factors adversely affecting the travel industry, and particularly the airline and hotel industries, generally also adversely affect our business and results of operations. Factors that could adversely affect the travel industry include high or rising fuel prices, levels of consumer discretionary or corporate marketing spendings, ~~increased security and passport requirements, weather conditions, health epidemics, pandemics and endemics, airline accidents, acts of terrorism, and~~ international political instability and hostilities **, acts of terrorism, weather conditions, health epidemics, pandemics and endemics, and airline accidents** . For example, **our business, operations and financial results were negatively impacted by dramatically reduced travel, demand for travel-related services, and live event experiences resulting from lockdowns and other restrictions related to** the COVID- 19 pandemic ~~and social distancing orders resulted in severe global travel restrictions, closure or reduction in capacity of event venues, hotels, attractions and other operations, and reluctance of customers to travel. These circumstances had severe effects on our businesses~~ . A decline in travel- related consumer discretionary or corporate marketing spend, or the occurrence of other pandemic or geopolitical events or hostilities that affect the availability and pricing of air travel and accommodations, could materially and adversely affect our business and results of operations. Our overall level of indebtedness, as well as our financial covenants under our revolving credit facility, could limit our operational and financial flexibility and make us more vulnerable to adverse economic conditions. As of December 31, ~~2022~~ **2023** , our debt totaled $ ~~481~~ **462** . ~~8~~ **1** million, including $ **378** ~~395. 0~~ million outstanding on our **$ 500 million credit facility (the " 2021 Credit Facility "), financing lease obligations of $ 63. 9 million, and $ 20. 2 million in other debt. The 2021 Credit Facility includes a term loan ("** Term Loan B ~~, financing lease obligations~~ **") with an outstanding balance** of $ **321** ~~64. 7~~ million **as** ~~, and $ 22. 1 million in other debt. As~~ of December 31, ~~2022~~ **2023 and a $ 170 million revolving credit facility (" Revolving Credit Facility "). As of December 31, 2023** , capacity remaining under the ~~revolving~~ **Revolving** ~~credit~~ **Credit** ~~facility~~ **Facility** was $ ~~86~~ **108** . ~~7~~ **0** million. As a result of our indebtedness, we are required to make interest and principal payments on our borrowings, which are significant. These payments reduce our cash available, which could limit our ability to respond to market conditions or take advantage of potential acquisitions and strategic investments. To manage our exposure to interest rate movements, we entered into an interest rate cap agreement **that provides an interest rate hedge** on $ 300 million of ~~our Term B Loan~~ **borrowings for a two- year period, which commenced** on January ~~4~~ **31** , 2023. ~~Refer~~ **We also we entered into an amendment** to ~~Note 24 – Subsequent Events~~ **the 2021 Credit Facility on October 6, 2023, which among other things, increased the principal amount of the revolving credit facility by $ 70 million, bringing the total amount of revolving capacity to $ 170 million. In connection with the amendment, we prepaid $ 70 million of the outstanding balance on our existing Term Loan B** . In addition, our ability to draw on our revolving credit facility depends on our ability to meet certain financial covenants. This exposes us to various risks, uncertainties, and events beyond our control, including **but not limited to** the impact of adverse economic conditions (including inflation, rising interest rates, or a recession) ~~and~~ **,** public health crises ~~(including~~ **, and** ~~the~~ **other factors described herein** ~~COVID- 19 pandemic)~~ . If we are unable to maintain compliance with these covenants, our lenders may exercise remedies against us, including the acceleration of any outstanding indebtedness on our revolving credit facility. Under this circumstance, we might not have sufficient funds or other resources to satisfy all of our obligations, which could materially and adversely affect our business and results of operations. ~~The COVID- 19 pandemic and related responsive actions have adversely affected our financial condition, liquidity, and cash flow, and may continue to do so in the future. The COVID- 19 pandemic forced the cancellation of many of our events and the temporary closure of substantially all of our attractions, hotels, and other operations.~~

~~The substantial reduction in our operations resulted in significant losses and negative cash flow from operations in 2020 and 2021. The COVID- 19 pandemic caused governments, public institutions, and other organizations to impose quarantines and lockdowns; restrictions and bans on travel or transportation; limitations on the size of in- person gatherings; closures of, or occupancy or other operating limitations on, work facilities, lodging facilities, food and beverage establishments, schools, public buildings, and businesses, including cancellation of exhibitions, sporting events, conferences and meetings; and quarantines and lock- downs. These actions dramatically reduced travel and demand for travel related services and live event experiences, which negatively impacted our business, operations, and financial results. Although many of these restrictions, bans, limitations, closures and mandates have eased or been lifted, they may be reinstituted from time to time in varying degrees by various jurisdictions as resurgences and variants emerge. The extent to which COVID- 19 or other health epidemics, pandemics or endemics impacts our business, operations, and financial results will depend on the factors described above and numerous other evolving factors that we may not be able to accurately predict or assess, including the duration and scope of impact on global and regional economies and economic activity, short and longer- term impact on the demand for travel, transient and group business, and levels of consumer confidence and how quickly economies, travel activity, and demand for lodging recovers. A resurgence in cases of COVID- 19 or another pandemic could further materially and adversely affect our business, financial condition, and results of operations. Our businesses will face new challenges presented by the ramifications of the COVID- 19 pandemic. In addition to the direct economic impacts of the COVID- 19 pandemic, it is clear that as our businesses have begun to recover, they are operating in new environments in light of societal, regulatory, and industry changes that have occurred since March 2020. Our ability to continue to adjust to these changes and deliver expected business results may be hampered by ongoing uncertainty presented by the COVID- 19 pandemic in terms of proper safety protocols, social norms, labor shortages, supply chain interruptions, and a potential of uneven demand for our services. In addition, our ability to deliver such services and otherwise execute against our recovery and growth strategies may be impacted by the extreme reduction of our workforce during the pandemic and the resulting loss of knowledge of and experience in our businesses. Taken together, our ability to anticipate and adjust to these ongoing changes and new conditions may lead to additional costs, which may materially and adversely impact our business and results of operations.~~ Transportation disruptions and increases in transportation costs could adversely affect our business and results of operations. GES relies on independent transportation carriers to send materials and exhibits to and from ~~exhibition~~ **exhibitions** , ~~warehouse~~ **warehouses** , and customer facilities. If our customers and suppliers are unable to secure the services of those independent transportation carriers at favorable rates, it could materially and adversely affect our business and results of operations. In addition, disruption of transportation services **, including import / export services** due to ~~shortage of supply chain labor, including qualified commercial truck drivers; shipping capacity constraints, including shortages of related equipment;~~ weather- related problems; labor strikes; lockouts; or other events could adversely affect our ability to supply services to customers and could cause the cancellation or curtailment of exhibitions, which could materially and adversely affect our business and results of operations. Natural disasters, weather conditions, accidents, and other catastrophic events could negatively affect our business. The occurrence of catastrophic events ranging from natural disasters (such as hurricanes, fires, floods, **volcanoes,** and earthquakes), acts of war or terrorism, accidents involving our travel offerings or experiences, the effects of climate change, including any impact of global warming, or the prospect of these events could disrupt our business. Changes in climates may increase the frequency and intensity of adverse weather patterns and make certain destinations less desirable. Such catastrophic events have **had** , and could **in the future** have, an adverse impact on Pursuit, which is heavily dependent on the ability and willingness of its guests to travel and / or visit our attractions. Pursuit guests tend to delay or postpone vacations if natural conditions differ from those that typically prevail at competing lodges, resorts, and attractions, and catastrophic events and heightened travel security measures instituted in response to such events could impede the guests' ability to travel, and interrupt our business operations, including damaging our properties. For example, the accident on July 18, 2020, at Pursuit' s Glacier Adventure attraction, which involved one of our off- road Ice Explorers and resulted in three fatalities and other serious injuries, may have a negative impact on our reputation and traveler willingness to visit that attraction in the future. Such catastrophic events could also have a negative impact on GES, causing a cancellation **or relocation** of exhibitions and other events held in public venues or disrupt the services we provide to our customers at convention centers, exhibition halls, hotels, and other public venues. Such events could also have a negative impact on GES' production facilities, preventing us from timely completing exhibit fabrication and other projects for customers. In addition, unfavorable media attention, or negative publicity, in the wake of any catastrophic event or accident could damage our reputation or reduce the demand for our services. If the conditions arising from such events persist or worsen, they could materially and adversely affect our results of operations and financial condition. Strategic, Business, and Operational Risks ~~We have identified a material weakness in our internal control over financial reporting. If we are unable to remediate this material weakness or maintain effective internal controls over financial reporting in the future, our ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired. We have identified a material weakness in our internal control over financial reporting and have restated our financial statements for the three and nine months ended September 30, 2022. 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 our annual or interim financial statements will not be prevented or detected on a timely basis. The identified material weakness remained unremediated as of December 31, 2022. If we are unable to remediate the existing material weakness, experience additional material weaknesses or otherwise fail to maintain an effective system of internal controls in the future, we may not be able to accurately or timely report our financial condition or results of operations or prevent fraud, which may adversely affect investor confidence in us and, as a result, the value of our common stock.~~ The seasonality of our business makes us particularly sensitive to adverse events during peak periods. The peak activity for our Pursuit business is during the summer months, as the vast majority of Pursuit' s revenue is earned in the second and third quarters. Our GES exhibition and event activity varies significantly because it is based on the frequency and timing of shows, many of which are not held each year, and which may shift between quarters. If adverse events or conditions occur during these peak periods, ~~such as the COVID- 19 pandemic or~~ **for example** natural disasters such as **hurricanes, volcanoes,** forest fires **and / or smoke resulting from those events or a similar event** , our results of operations could be materially and adversely affected. New capital projects may not be commercially successful. From time to time, we pursue capital projects in order to enhance and expand our business, such as FlyOver, which includes FlyOver Canada in Vancouver, FlyOver Iceland, FlyOver Las Vegas, and the current development of FlyOver Chicago and FlyOver Canada Toronto, as well as other efforts to upgrade **and update** some of our Pursuit offerings. Capital projects are subject to a number of risks, including the failure to achieve established financial and strategic goals. For example, our FlyOver attractions are all considered one reporting unit and goodwill is assigned to, and tested at, the reporting unit level. Significant reductions in FlyOver' s expected future revenue, operating income, or cash flow forecasts and projections, or changes in macroeconomic facts and circumstances, particularly high inflation and the resulting rise in interest rates, may result in impairment charges in the future. Capital projects are also subject to unanticipated delays and cost overruns as well as additional project- specific risks. For example, we had to postpone FlyOver Canada Toronto due to ~~the COVID- 19 pandemic,~~ permitting ~~,~~ and ~~approval~~ **other related** delays. A prolonged delay in a capital project, or our failure to accurately predict the revenue or profit that will be generated from a project, could prevent it from performing in accordance with our commercial expectations and could materially and adversely affect our ~~future success,~~ business ~~,~~ and results of operations. We operate in **a** highly competitive and dynamic ~~industries~~ **industry** . Competition in the live events markets is driven by price and service quality, among other factors. To the extent competitors seek to gain or retain market presence through aggressive underpricing strategies, we may be required to lower our prices and rates to avoid the loss of related business. Moreover, customer consolidations and other actions within the industry have caused downward pricing pressure for our products and services and could affect our ability to negotiate favorable terms with our customers. If we are unable to anticipate and respond as effectively as our competitors to changing business conditions, including new technologies and business models, we could lose market share. Our inability to meet the challenges presented by the competitive and dynamic environment of our industry could materially and adversely affect our results of operations. We depend on our large exhibition event clients to renew their service contracts and on our exclusive right to provide those services. GES has a number of large exhibition event organizers and large customer accounts. If any of these large clients do not renew their service contracts, our results of operations could be materially and adversely affected. Moreover, when event organizers hire GES as the official services contractor, they usually also grant GES an exclusive right to perform material handling, electrical, rigging, and other services at the exhibition facility. However, some exhibition facilities have taken certain steps to in- source certain event services (either by performing the services themselves or by hiring a separate service provider) as a result of conditions generally affecting their industry, such as an increased supply of or reduced demand for exhibition space. If exhibition facilities choose to in- source certain event services, GES will lose the ability to provide certain event services, and our results of operations could be materially and adversely affected. Show rotation affects our profitability and makes comparisons between periods difficult. GES results are largely dependent upon the frequency, timing, and location of exhibitions and events. Some large exhibitions are not held annually (they may be held once every two, three, or four years) or may be held at different times of the year from when they were previously held. In addition, the same exhibition may change locations from year to year resulting in lower margins if the exhibition shifts to a higher- cost location. Any of these factors could cause our results of operations to fluctuate significantly from quarter to quarter or from year to year, making periodic comparisons difficult. Completed acquisitions may not perform as anticipated or be integrated as planned. We regularly evaluate and pursue opportunities to acquire businesses that complement, enhance, or expand our current business, or offer growth opportunities. Our acquired businesses might not meet our financial and non- financial expectations or yield anticipated benefits. Our success depends, in part, on our ability to conform controls, policies and procedures, and business cultures; consolidate and streamline operations and infrastructures; identify and eliminate redundant and underperforming operations and assets; manage inefficiencies associated with the integration of operations; and retain the acquired business' s key personnel and customers. Moreover, our acquisition activity may subject us to new regulatory requirements, distract our senior management and employees, and expose us to unknown liabilities or contingencies that we may fail to identify prior to closing. If we are forced to make changes to our business strategy or if external conditions adversely affect our business operations, such as unfavorable macroeconomic conditions (particularly high inflation and the resulting rise in interest rates), it may be difficult for us to accurately forecast revenue, operating income, or cash flow, and we may be required to record impairment charges in the future. Additionally, we may borrow funds to finance strategic acquisitions. Debt leverage resulting from future acquisitions would reduce our debt capacity, increase our interest expense, and limit our ability to capitalize on future business opportunities. Such borrowings may also be subject to fluctuations in interest rates. Any of these risks could materially and adversely affect our business, product and service sales, financial condition, and results of operations. We are subject to currency exchange rate fluctuations. We have operations outside of the United States primarily in Canada, the United Kingdom, Iceland, the Netherlands, **the Middle East,** and Germany. During ~~2022~~ **2023** , our international operations accounted for approximately ~~38~~ **44** % of our consolidated revenue and ~~70~~ **89** % of our segment operating income. Consequently, a significant portion of our business is exposed to currency exchange rate fluctuations. We do not currently hedge equity risk arising from the translation of non- United States denominated assets and liabilities. Our financial results and capital ratios are sensitive to movements in currency exchange rates because a large portion of our assets, liabilities, revenue, and expenses must be translated into U. S. dollars for reporting purposes. The unrealized gains or losses resulting from the currency translation are included as a component of accumulated other comprehensive income (loss) in our Consolidated Balance Sheets. We also have certain loans and leases in currencies other than the entity' s functional currency, which results in gains or losses as exchange rates fluctuate. As a result, significant fluctuations in currency exchange rates could result in material changes to our results of operations and the net equity position we report in our Consolidated Financial Statements. Liabilities relating to prior and discontinued operations may adversely affect our results of operations. We and our predecessors have a corporate history spanning decades and involving diverse businesses. Some of those businesses owned properties and used raw materials that have been, and may continue to be, subject to litigation. Moreover, some of the raw materials used and the waste produced by those businesses have been and are the subject of United States federal and state environmental regulations, including laws enacted under the Comprehensive Environmental Response, Compensation and Liability Act, or its state law counterparts. In addition, we may incur other liabilities resulting from indemnification claims involving previously sold properties and subsidiaries, or obligations under defined benefit plans or other employee plans, as well as claims from past operations of predecessors or their subsidiaries. Although we believe we have adequate reserves and sufficient insurance coverage to cover those potential liabilities, future events or proceedings could render our reserves or insurance protections inadequate, any of which could materially and adversely affect our business and results of operations. **Our insurance coverage may not be adequate to cover all possible losses that we could suffer, and our insurance costs may increase. Although we carry liability insurance to cover possible incidents, there can be no assurance that our insurance coverage will be sufficient to cover the full extent of all losses or liabilities, that we will be able to obtain coverage at commercially reasonable rates, or that we will be able to obtain adequate coverage should a catastrophic incident occur at our attractions or hospitality properties. We may be sued for substantial damages in the event of an actual or alleged incident. An incident occurring at our attractions or hospitality properties could reduce visitation, increase insurance premiums, and could materially and adversely affect our business and results of operations.** Labor and Employment Risks ~~Our business has been and may continue to be adversely affected by labor shortages, turnover, and labor cost increases. We rely heavily on our global workforce, including many seasonal and temporary employees. Several factors, including factors related to the COVID- 19 pandemic, have resulted and may continue to result in labor shortages, turnover, and increased labor costs, including high employment levels and demand for employees; unemployment subsidies; the freezing of visa programs; increased wages offered by other employers; vaccine mandates and other government regulations and our responses thereto. Any of these factors could materially and adversely affect our ability to hire qualified team members and, therefore negatively impact our business and results of operations.~~ Our business is relationship driven. Our GES business is heavily focused on client relationships, and, specifically, on having close collaboration and interaction with our clients. To be successful, our account teams must be able to understand clients' desires and expectations in order to provide top- quality service. If we are unable to maintain our client relationships, including due to the loss of key members of our account teams, we could also lose customers and our results of operations could be materially and adversely affected. If we lose any of our key personnel, our ability to manage our business and continue our growth could be negatively impacted. Our success, at least in part, depends on the continued contributions of our executive team and key personnel. If one or more of our key personnel were to resign or otherwise terminate employment with us, we could experience operational disruptions. In addition, we do not maintain key person insurance on any of our executive employees or key personnel. Union-represented labor increases our risk of higher labor costs and work stoppages. Significant portions of our employees are unionized. We have approximately 100 collective bargaining agreements, and we are required to renegotiate approximately one-third of those each year. If we increase wages or benefits as a result of labor negotiations, either our operating margins will suffer, or we could increase the cost of our services to our customers, which could lead those customers to turn to other vendors with lower prices. Either event could materially and adversely affect our business and results of operations. Additionally, if we are unable to reach an agreement with a union during the collective bargaining process, the union may strike or carry out other types of work stoppages. If this were to occur, we might be unable to find substitute workers with the necessary skills to perform many of the services, or we may incur additional costs to do so, both of which could materially and adversely affect our business and results of operations. Our participation in multi- employer pension plans could substantially increase our pension costs. We sponsor a number of defined benefit plans for our United States and Canada- based employees. In addition, we are obligated to contribute to multi- employer pension plans under collective bargaining agreements covering our union- represented employees. We contributed $ **19. 0 million in 2023, $** 17. 5 million in 2022, **and** $ 7. 1 million in 2021 ~~, and $ 8. 6 million in 2020~~ to those multi- employer pension plans. Third- party boards of trustees manage these multi- employer plans. Based upon the information we receive from plan administrators, we believe that several of those multi- employer plans are underfunded. The Pension Protection Act of 2006 requires us to reduce the underfunded status over defined time periods. Moreover, we would be required to make additional payments of our proportionate share of a plan' s unfunded vested liabilities if a plan terminates, or other contributing employers withdraw, due to insolvency or other reasons, or if we voluntarily withdraw from a plan. At this time, we do not anticipate triggering any significant withdrawal from any multi- employer pension plan to which we currently contribute. However, significant plan contribution increases could materially and adversely affect our consolidated financial condition, results of operations, and cash flows. Refer to Note ~~18~~ **19** – Pension and Postretirement Benefits of the Notes to Consolidated Financial Statements (Part II, Item 8 of our ~~2022~~ **2023** Form 10- K) for further information. Cybersecurity and Data Privacy Risks We are vulnerable to cybersecurity attacks and threats. Our devices, servers, cloud- based solutions, computer systems, and business systems are vulnerable to cybersecurity risk, including cyberattacks, or we may be the target of email scams that attempt to acquire personal information and company assets. ~~As a result of the COVID- 19 pandemic, many~~ **Many** of our employees **work** ~~switched to working~~ remotely, which magnifies the importance of integrity of our remote access security measures. Despite our efforts to **create security barriers to such threats, including regularly reviewing our systems for vulnerabilities and continually updating our protections, and** protect ourselves with insurance ~~, and create security barriers to such threats, including regularly reviewing our systems for vulnerabilities and continually updating our protections~~ , we might not be able to entirely mitigate these risks. Our failure to effectively prevent, detect, and recover from the increasing number and sophistication of information security threats could lead to business interruptions, delays or loss of critical data, misuse, modification, or destruction of information, including trade secrets and confidential business information, reputational damage, and third- party claims, any of which could materially and adversely affect our results of operations. Moreover, the cost of protecting against cybersecurity attacks and threats is expensive and expected to increase going forward. Laws and regulations relating to the handling of personal data are evolving and could result in increased costs, legal claims, or fines. We store and process the personally identifiable information of our customers, employees, and third parties with whom we have business relationships. The legal requirements restricting the way we store, collect, handle, and transfer personal data continue to evolve, and there are an increasing number of authorities issuing privacy laws and regulations. These data privacy laws and regulations are subject to differing interpretations, creating uncertainty and inconsistency across jurisdictions. Our compliance with these myriad requirements could involve making changes in our services, business practices, or internal systems, any of which could increase our costs, lower revenue, or reduce efficiency. Our failure to comply with existing or new rules could result in significant penalties or orders to stop the alleged noncompliant activity, litigation, adverse publicity, or could cause our customers to lose trust in our services. In addition, if the third parties we work with violate applicable laws, contractual obligations to us, or suffer a security breach, those violations could also put us in breach of our obligations under privacy laws and regulations. In addition, the costs of maintaining adequate protection, including insurance protection against such threats, as they develop in the future (or as legal requirements related to data security increase) are expected to increase and could be material. Any of these risks could materially and adversely affect our business and results of operations.