

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2024
- or
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

Sabre Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-36422
(Commission File Number)

20-8647322
(I.R.S. Employer
Identification No.)

3150 Sabre Drive
Southlake, TX 76092
(Address, including zip code, of principal executive offices)

(682)-605-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, \$0.01 par value
(Title of each class)

SABR
(Trading Symbol)

The NASDAQ Stock Market LLC
(Name of each exchange on which registered)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 26, 2024, 381,932,365 shares of the registrant's common stock, par value \$0.01 per share, were outstanding.

SABRE CORPORATION
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We may use our website, our LinkedIn account and our X (formerly Twitter) account (@Sabre_Corp) as additional means of disclosing information to the public. The information disclosed through those channels may be considered to be material and may not be otherwise disseminated by us, so we encourage investors to review our website, LinkedIn and X account. The contents of our website or social media channels referenced herein are not incorporated by reference into this Quarterly Report on Form 10-Q.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Revenue	\$ 782,886	\$ 742,695
Cost of revenue, excluding technology costs	321,094	307,042
Technology costs	222,291	271,438
Selling, general and administrative	141,416	164,428
Operating income (loss)	98,085	(213)
Other expense:		
Interest expense, net	(124,747)	(99,784)
Loss on extinguishment of debt	(37,994)	—
Equity method income	960	423
Other, net	(4,477)	2,407
Total other expense, net	(166,258)	(96,954)
Loss from continuing operations before income taxes	(68,173)	(97,167)
Provision for income taxes	2,932	2,199
Loss from continuing operations	(71,105)	(99,366)
Loss from discontinued operations, net of tax	—	(403)
Net loss	(71,105)	(99,769)
Net income (loss) attributable to noncontrolling interests	378	(835)
Net loss attributable to Sabre Corporation	(71,483)	(98,934)
Preferred stock dividends	—	5,346
Net loss attributable to common stockholders	\$ (71,483)	\$ (104,280)
Basic net loss per share attributable to common stockholders:		
Loss from continuing operations	\$ (0.19)	\$ (0.32)
Net loss per common share	\$ (0.19)	\$ (0.32)
Diluted net loss per share attributable to common stockholders:		
Loss from continuing operations	\$ (0.19)	\$ (0.32)
Net loss per common share	\$ (0.19)	\$ (0.32)
Weighted-average common shares outstanding:		
Basic	379,774	328,928
Diluted	379,774	328,928

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Net loss	\$ (71,105)	\$ (99,769)
Other comprehensive income, net of tax:		
Foreign currency translation adjustments ("CTA")	(682)	1,576
Retirement-related benefit plans:		
Amortization of prior service credits, net of taxes of \$—, \$—	(358)	(358)
Amortization of actuarial losses, net of taxes of \$—, \$—	575	1,621
Net change in retirement-related benefit plans, net of tax	217	1,263
Derivatives:		
Unrealized losses (gains), net of taxes of \$—, \$—	6,747	(296)
Reclassification adjustment for realized gains, net of taxes of \$—, \$—	(1,956)	(989)
Net change in derivatives, net of tax	4,791	(1,285)
Share of other comprehensive loss of equity method investments	(120)	(302)
Other comprehensive income	4,206	1,252
Comprehensive loss	(66,899)	(98,517)
Less: Comprehensive (income) loss attributable to noncontrolling interests	(378)	835
Comprehensive loss attributable to Sabre Corporation	\$ (67,277)	\$ (97,682)

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	March 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 629,137	\$ 648,207
Restricted cash	21,037	21,037
Accounts receivable, net of allowance for credit losses of \$35,548 and \$34,343	411,364	343,436
Prepaid expenses and other current assets	165,270	145,911
Total current assets	1,226,808	1,158,591
Property and equipment, net of accumulated depreciation of \$1,850,314 and \$1,851,191	242,856	233,677
Equity method investments	23,176	22,343
Goodwill	2,553,499	2,554,039
Acquired customer relationships, net of accumulated amortization of \$833,068 and \$827,529	208,599	214,190
Other intangible assets, net of accumulated amortization of \$791,453 and \$787,511	157,718	161,913
Deferred income taxes	12,172	10,201
Other assets, net	312,981	317,240
Total assets	<u>\$ 4,737,809</u>	<u>\$ 4,672,194</u>
Liabilities and stockholders' deficit		
Current liabilities		
Accounts payable	\$ 249,752	\$ 231,767
Accrued compensation and related benefits	81,348	135,620
Accrued subscriber incentives	252,112	237,421
Deferred revenues	100,217	108,256
Other accrued liabilities	206,146	197,609
Current portion of debt	3,165	4,040
Total current liabilities	892,740	914,713
Deferred income taxes	27,843	30,745
Other noncurrent liabilities	248,819	258,719
Long-term debt	4,984,627	4,829,461
Commitments and contingencies (Note 14)		
Redeemable noncontrolling interests	14,096	14,375
Stockholders' deficit		
Common Stock: \$0.01 par value; 1,000,000 authorized shares; 408,978 and 405,915 shares issued, 381,610 and 379,569 shares outstanding at March 31, 2024 and December 31, 2023, respectively	4,090	4,059
Additional paid-in capital	3,263,805	3,249,901
Treasury Stock, at cost, 27,367 and 26,346 shares at March 31, 2024 and December 31, 2023, respectively	(522,202)	(520,124)
Accumulated deficit	(4,119,876)	(4,048,393)
Accumulated other comprehensive loss	(69,716)	(73,922)
Noncontrolling interest	13,583	12,660
Total stockholders' deficit	(1,430,316)	(1,375,819)
Total liabilities and stockholders' deficit	<u>\$ 4,737,809</u>	<u>\$ 4,672,194</u>

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Operating Activities		
Net loss	\$ (71,105)	\$ (99,769)
Adjustments to reconcile net loss to cash used in operating activities:		
Loss on extinguishment of debt	37,994	—
Depreciation and amortization	34,159	40,319
Paid-in-kind interest	30,737	—
Stock-based compensation expense	13,905	17,005
Amortization of upfront incentive consideration	8,442	8,969
Deferred income taxes	(6,247)	(19,219)
Amortization of debt discount and issuance costs	6,241	5,216
Provision for expected credit losses	5,334	8,937
Loss on investment fair value adjustment	3,520	960
Other	725	419
Loss from discontinued operations	—	403
Changes in operating assets and liabilities:		
Accounts and other receivables	(74,665)	(73,769)
Prepaid expenses and other current assets	(21,852)	5,512
Capitalized implementation costs	(4,398)	(2,326)
Upfront incentive consideration	(469)	(1,338)
Other assets	(7,660)	1,387
Accrued compensation and related benefits	(54,291)	(31,563)
Accounts payable and other accrued liabilities	34,922	63,835
Deferred revenue including upfront solution fees	(3,382)	2,613
Cash used in operating activities	(68,090)	(72,409)
Investing Activities		
Additions to property and equipment	(27,676)	(18,110)
Cash used in investing activities	(27,676)	(18,110)
Financing Activities		
Proceeds on borrowings from lenders	200,090	—
Payments on borrowings from lenders	(193,571)	(5,870)
Proceeds from borrowings under Securitization Facility	140,000	115,000
Debt prepayment fees and issuance costs	(48,733)	(2,253)
Payments on borrowings under Securitization Facility	(17,800)	—
Net payment on the settlement of equity-based awards	(2,078)	(5,294)
Proceeds from sale of redeemable shares in subsidiary	—	16,000
Dividends paid on preferred stock	—	(5,346)
Other financing activities	—	(298)
Cash provided by financing activities	77,908	111,939
Cash Flows from Discontinued Operations		
Cash provided by operating activities	—	52
Cash provided by discontinued operations	—	52
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,212)	715
(Decrease) increase in cash, cash equivalents and restricted cash	(19,070)	22,187
Cash, cash equivalents and restricted cash at beginning of period	669,244	815,923
Cash, cash equivalents and restricted cash at end of period	\$ 650,174	\$ 838,110
Non-cash additions to property and equipment	\$ —	\$ 5,999

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(In thousands, except share data)
(Unaudited)

	Stockholders' Deficit											
	Preferred Stock		Common Stock			Additional Paid in Capital	Treasury Stock		Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares		Amount					
Balance at December 31, 2023	—	\$ —	405,914,663	\$ 4,059	\$ 3,249,901	26,345,684	\$ (520,124)	\$ (4,048,393)	\$ (73,922)	\$ 12,660	\$ (1,375,819)	
Comprehensive loss	—	—	—	—	—	—	—	(71,483)	4,206	923	(66,354)	
Settlement of stock-based awards	—	—	3,062,998	31	(1)	1,021,755	(2,078)	—	—	—	(2,048)	
Stock-based compensation expense	—	—	—	—	13,905	—	—	—	—	—	13,905	
Balance at March 31, 2024	—	\$ —	408,977,661	\$ 4,090	\$ 3,263,805	27,367,439	\$ (522,202)	\$ (4,119,876)	\$ (69,716)	\$ 13,583	\$ (1,430,316)	

	Stockholders' Equity (Deficit)											
	Preferred Stock		Common Stock			Additional Paid in Capital	Treasury Stock		Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares		Amount					
Balance at December 31, 2022	3,290,000	\$ 33	353,436,503	\$ 3,534	\$ 3,198,580	24,894,998	\$ (514,215)	\$ (3,506,528)	\$ (65,731)	\$ 11,500	\$ (872,827)	
Comprehensive income	—	—	—	—	—	—	—	(98,934)	1,252	(451)	(98,133)	
Preferred stock dividends ⁽¹⁾	—	—	—	—	—	—	—	(5,346)	—	—	(5,346)	
Settlement of stock-based awards	—	—	4,671,781	47	(5)	1,304,145	(5,289)	—	—	—	(5,247)	
Stock-based compensation expense	—	—	—	—	17,005	—	—	—	—	—	17,005	
Balance at March 31, 2023	3,290,000	\$ 33	358,108,284	\$ 3,581	\$ 3,215,580	26,199,143	\$ (519,504)	\$ (3,610,808)	\$ (64,479)	\$ 11,049	\$ (964,548)	

⁽¹⁾ Our mandatory convertible preferred stock accumulated cumulative dividends at an annual rate of 6.50%.

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. General Information

Sabre Corporation is a Delaware corporation formed in December 2006. On March 30, 2007, Sabre Corporation acquired Sabre Holdings Corporation (“Sabre Holdings”). Sabre Holdings is the sole direct subsidiary of Sabre Corporation. Sabre GLOB Inc. (“Sabre GLOB”) is the principal operating subsidiary and sole direct subsidiary of Sabre Holdings. Sabre GLOB or its direct or indirect subsidiaries conduct all of our businesses. In these consolidated financial statements, references to “Sabre,” the “Company,” “we,” “our,” “ours” and “us” refer to Sabre Corporation and its consolidated subsidiaries unless otherwise stated or the context otherwise requires.

Basis of Presentation—The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, these financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the financial position, results of operations and cash flows for the periods indicated. Operating results for the three months ended March 31, 2024 are not necessarily indicative of results that may be expected for any other interim period or for the year ending December 31, 2024. The accompanying interim financial statements should be read in conjunction with the consolidated financial statements and related notes thereto included in our Annual Report on Form 10-K filed with the SEC on February 15, 2024.

We consolidate all majority-owned subsidiaries and companies over which we exercise control through majority voting rights. No entities are consolidated due to control through operating agreements, financing agreements or as the primary beneficiary of a variable interest entity.

The consolidated financial statements include our accounts after elimination of all significant intercompany balances and transactions. All dollar amounts in the financial statements and the tables in the notes, except per share amounts, are stated in thousands of U.S. dollars unless otherwise indicated. All amounts in the notes reference results from continuing operations unless otherwise indicated.

Use of Estimates—The preparation of these interim financial statements in conformity with GAAP requires that certain amounts be recorded based on estimates and assumptions made by management. Actual results could differ from these estimates and assumptions. Our accounting policies that utilize significant estimates and assumptions include: (i) estimation for revenue recognition and multiple performance obligation arrangements, (ii) the evaluation of the recoverability of the carrying value of intangible assets and goodwill, (iii) the evaluation of uncertainties surrounding the calculation of our tax assets and liabilities, and (iv) estimation of loss contingencies. Our use of estimates and the related accounting policies are discussed in the consolidated financial statements and related notes thereto included in our Annual Report on Form 10-K filed with the SEC on February 15, 2024.

Adoption of New Accounting Standards

In March 2020, the Financial Accounting Standards Board (“FASB”) issued updated guidance which provides optional expedients and exceptions for applying U.S. GAAP to existing contracts, hedging relationships, and other transactions affected by the discontinuation of the London Interbank Offered Rate (“LIBOR”) or by another reference rate expected to be discontinued, if certain criteria are met. This standard is effective for all entities upon issuance and is optional through December 31, 2024. We elected the optional expedient in the second quarter of 2023 in connection with the SOFR Amendment (defined in Note 7. Debt below).

Recent Accounting Pronouncements

In November 2023, the FASB issued updated guidance to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The updated standard is effective for public companies for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the impact of this standard on our consolidated financial statements.

In December 2023, the FASB issued updated guidance to enhance the transparency and decision usefulness of income tax disclosures through improvements primarily related to the rate reconciliation and income taxes paid information. The updated standard is effective for public companies for fiscal years beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the impact of this standard on our consolidated financial statements.

In March 2024, the SEC adopted final rules requiring public entities to provide certain climate-related information in their registration statements and annual reports. As part of the disclosures, entities will be required to quantify certain effects of severe weather events and other natural conditions in a note to their audited financial statements. The rules will be effective beginning with annual reports for the year ending December 31, 2025. We are currently evaluating the impact of the new rules on our consolidated financial statement disclosures.

2. Revenue from Contracts with Customers

Contract Balances

Revenue recognition for a significant portion of our revenue coincides with normal billing terms, including our transactional revenues, Software-as-a-Service (“SaaS”) revenues, and hosted revenues. Timing differences among revenue recognition, unconditional rights to bill, and receipt of contract consideration may result in contract assets or contract liabilities.

The following table presents our assets and liabilities with customers as of March 31, 2024 and December 31, 2023 (in thousands).

Account	Consolidated Balance Sheet Location	March 31, 2024	December 31, 2023
Contract assets and customer advances and discounts ⁽¹⁾	Prepaid expenses and other current assets / other assets, net	\$ 38,941	\$ 42,029
Trade and unbilled receivables, net	Accounts receivable, net	409,809	341,362
Long-term trade unbilled receivables, net	Other assets, net	22,254	20,265
Contract liabilities	Deferred revenues / other noncurrent liabilities	163,533	166,911

⁽¹⁾ Includes contract assets of \$10 million and \$11 million for March 31, 2024 and December 31, 2023, respectively.

During the three months ended March 31, 2024, we recognized revenue of approximately \$27 million from contract liabilities that existed as of January 1, 2024. Our long-term trade unbilled receivables, net relate to fixed license fees billed over the contractual period and recognized when the customer gains control of the software. We evaluate collectability of our accounts receivable based on a combination of factors and record reserves as described further in Note 6. Credit Losses.

Revenue

The following table presents our revenues disaggregated by business (in thousands):

	Three Months Ended March 31,	
	2024	2023
Distribution	\$ 572,258	\$ 525,886
IT Solutions	141,375	151,555
Total Travel Solutions	713,633	677,441
SynXis Software and Services	72,317	66,514
Other	6,502	7,298
Total Hospitality Solutions	78,819	73,812
Total Segment Revenue	792,452	751,253
Eliminations	(9,566)	(8,558)
Total Sabre Revenue	\$ 782,886	\$ 742,695

We may occasionally recognize revenue in the current period for performance obligations partially or fully satisfied in the previous periods resulting from changes in estimates for the transaction price, including any changes to our assessment of whether an estimate of variable consideration is constrained. For the three months ended March 31, 2024, the impact on revenue recognized in the current period from performance obligations partially or fully satisfied in the previous period is immaterial.

Our air booking cancellation reserve totaled \$13 million and \$10 million as of March 31, 2024, and December 31, 2023, respectively.

Unearned performance obligations primarily consist of deferred revenue for fixed implementation fees and future product implementations, which are included in deferred revenue and other noncurrent liabilities in our consolidated balance sheet. We have not disclosed the performance obligation related to contracts containing minimum transaction volume, as it represents a subset of our business, and therefore would not be meaningful in understanding the total future revenues expected to be earned from our long-term contracts.

3. Redeemable Noncontrolling Interest

On February 1, 2023, we sold common shares of a subsidiary, representing a 19% interest in Conferma Limited's (“Conferma”) direct parent, to a third party for cash consideration of \$16 million. In connection with the sale, we entered into a governing agreement which requires us under limited conditions to redeem the 19% interest, if requested, for the original purchase price of \$16 million. We currently do not believe it is probable that the noncontrolling interest will become redeemable, given the remote likelihood of the applicable conditions being satisfied.

As the common shares are redeemable upon the occurrence of conditions not solely within our control, we recorded the noncontrolling interest as redeemable and classified it as temporary equity within our consolidated balance sheet initially at fair value. The noncontrolling interest is adjusted each reporting period for loss or income attributable to the noncontrolling interest. As of March 31, 2024 and 2023, the redeemable noncontrolling interest was \$14 million and \$16 million, respectively.

The following table presents the changes in redeemable noncontrolling interest of a consolidated subsidiary in temporary equity during the period ended March 31, 2024 and 2023 (in thousands):

	Three Months Ended March 31,	
	2024	2023
Redeemable noncontrolling interest, beginning of period	\$ 14,375	\$ —
Proceeds from sale of redeemable noncontrolling interest	—	16,000
Net loss attributable to redeemable noncontrolling interest	(279)	(436)
Redeemable noncontrolling interest, end of period	<u>\$ 14,096</u>	<u>\$ 15,564</u>

4. Restructuring Activities

During the second quarter of 2023, we announced and began to implement a cost reduction plan designed to reposition our business and structurally reduce our cost base. As a result of this cost reduction plan, we incurred restructuring costs beginning in the second quarter of 2023 associated with our workforce. We expect to continue this cost reduction plan through the end of 2024 and may incur additional costs as we continue to implement plans to further reposition and structurally reduce our cost base.

Since the second quarter of 2023, we have incurred costs of \$66 million in connection with this business plan. These restructuring costs are comprised of \$60 million that has been or will be paid in cash for severance and related benefits costs and \$6 million paid related to other restructuring costs. During the three months ended March 31, 2024, we recorded an immaterial adjustment to the accrued liability for estimated amounts that are no longer expected to be paid.

The following table summarizes the accrued liability for severance and related benefits costs as recorded within accrued compensation and related benefits within our consolidated balance sheets, related to this cost reduction plan (in thousands):

	Three Months Ended March 31, 2024	
Balance as of December 31, 2023	\$	17,288
Cash Payments		(4,625)
Non-Cash Adjustments		(5,916)
Balance as of March 31, 2024	\$	6,747

5. Income Taxes

For the three months ended March 31, 2024, we recognized \$3 million of income tax expense, representing an effective tax rate of less than 1%, compared to an income tax expense of \$2 million, representing an effective tax rate of less than 1% for the three months ended March 31, 2023. The effective tax rate decreased for the three months ended March 31, 2024 as compared to the same period in 2023 primarily due to the change in the geographic mix of taxable income and various discrete items recorded in each of the respective three month periods. The difference between our effective tax rates and the U.S. federal statutory income tax rate primarily results from valuation allowances, our geographic mix of taxable income in various tax jurisdictions, tax permanent differences and tax credits.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. We consider the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax-planning strategies in making this assessment. We believe it is more likely than not that the results of future operations will not generate sufficient taxable income in the U.S. and in certain foreign jurisdictions to realize the full benefit of its deferred tax assets. On the basis of this evaluation, as of March 31, 2024, a cumulative valuation allowance of \$663 million has been recorded to recognize only the portion of the deferred tax asset that is more likely than not to be realized. The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased.

We recognize liabilities when we believe that an uncertain tax position may not be fully sustained upon examination by the tax authorities. This evaluation requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. When facts and circumstances change, we reassess these probabilities and record any changes in the consolidated financial statements as appropriate. Our net unrecognized tax benefits, excluding interest and penalties, included in our consolidated balance sheets, were \$44 million and \$41 million as of March 31, 2024 and December 31, 2023, respectively.

6. Credit Losses

We are exposed to credit losses primarily through our sales of services provided to participants in the travel and transportation industry, which we consider to be our singular portfolio segment. We develop and document our methodology used in determining the allowance for credit losses at the portfolio segment level. Within the travel portfolio segment, we identify airlines, hoteliers and travel agencies as each presenting unique risk characteristics associated with historical credit loss patterns, and we determine the adequacy of our allowance for credit loss by assessing the risks and losses inherent in our receivables related to each.

We evaluate the collectability of our receivables based on a combination of factors. In circumstances where we are aware of a specific customer's inability to meet its financial obligations to us, such as bankruptcy filings or failure to pay amounts due to us or others, we specifically reserve for bad debts against amounts due to reduce the recorded receivable to the amount we reasonably believe will be collected. For all other customers, we record reserves for receivables, including unbilled receivables and contract assets, based on historical experience and the length of time the receivables are past due. The estimate of credit losses is developed by analyzing historical twelve-month collection rates and adjusting for current customer-specific factors indicating financial instability and other macroeconomic factors that correlate with the expected collectability of our receivables.

Our allowance for credit losses relates to all financial assets, primarily trade receivables due in less than one year recorded in Accounts Receivable, net on our consolidated balance sheets. Our allowance for credit losses for the three months ended March 31, 2024 for our portfolio segment is summarized as follows (in thousands):

	Three Months Ended March 31, 2024
Balance at December 31, 2023	\$ 34,343
Provision for expected credit losses	5,334
Write-offs	(4,065)
Other	(64)
Balance at March 31, 2024	<u>\$ 35,548</u>

7. Debt

As of March 31, 2024 and December 31, 2023, our outstanding debt included in our consolidated balance sheets totaled \$4,988 million and \$4,834 million, respectively, which are net of debt issuance costs of \$67 million and \$63 million, respectively, and unamortized discounts of \$66 million and \$65 million, respectively. The following table sets forth the face values of our outstanding debt as of March 31, 2024 and December 31, 2023 (in thousands):

	Rate	Maturity	March 31, 2024	December 31, 2023
Senior secured credit facilities:				
2021 Term Loan B-1	S ⁽¹⁾ + 3.50%	December 2027	\$ 392,015	\$ 392,015
2021 Term Loan B-2	S ⁽¹⁾ + 3.50%	December 2027	614,151	614,151
2022 Term Loan B-1	S ⁽¹⁾ + 4.25%	June 2028	603,447	603,447
2022 Term Loan B-2	S ⁽¹⁾ + 5.00%	June 2028	645,310	645,310
Senior Secured Term Loan Due 2028	RR ⁽²⁾ + 1.75% ⁽³⁾	December 2028	784,596	753,859
Securitization facility:				
AR Facility	S ⁽¹⁾ + 4.00% ⁽⁴⁾	March 2027	112,200	110,000
FILO Facility	S ⁽¹⁾ + 8.00%	March 2027	120,000	—
9.25% senior secured notes due 2025	9.25%	April 2025	31,547	38,895
7.375% senior secured notes due 2025	7.375%	September 2025	26,796	63,019
4.00% senior exchangeable notes due 2025	4.00%	April 2025	183,220	333,220
7.32% senior exchangeable notes due 2026	7.32%	August 2026	150,000	—
8.625% senior secured notes due 2027	8.625%	June 2027	903,077	852,987
11.25% senior secured notes due 2027	11.25%	December 2027	555,000	555,000
Face value of total debt outstanding			5,121,359	4,961,903
Less current portion of debt outstanding			(3,165)	(4,040)
Face value of long-term debt outstanding			\$ 5,118,194	\$ 4,957,863

⁽¹⁾ Represents the Secured Overnight Financing Rate ("SOFR").

⁽²⁾ Represents the Reference Rate as defined below.

⁽³⁾ At our election, if interest is paid in cash the spread is 0.25% per annum, and in the case of interest paid-in-kind the spread is 1.75%.

⁽⁴⁾ In connection with the issuance of the FILO Facility (as defined below), the initial drawn fee rate was increased from 2.25% to 4.00%.

We had outstanding letters of credit totaling \$8 million and \$12 million as of March 31, 2024 and December 31, 2023, respectively, which were secured by a \$21 million cash collateral deposit account.

Senior Secured Credit Facilities

On May 16, 2023, Sabre GBLB entered into Amendment No. 5 to the Credit Agreement (the "SOFR Amendment"). The SOFR Amendment was entered into pursuant to the Amended and Restated Credit Agreement, dated as of February 19, 2013. The SOFR Amendment provides for the replacement of LIBOR-based rates with a SOFR-based rate for the 2021 Term Loan B-1 and 2021 Term Loan B-2 and amends certain provisions of the Credit Agreement. The change from LIBOR to SOFR is due to the reference rate reform and the phasing out of LIBOR as a loan benchmark. The SOFR Amendment did not have a material impact on our financial position or results of operations.

Under the Amended and Restated Credit Agreement, the loan parties are subject to certain customary non-financial covenants, including restrictions on incurring certain types of indebtedness, creation of liens on certain assets, making of certain investments, and payment of dividends. We are further required to pay down the term loans with proceeds from certain asset sales, if not reinvested into the business within 15 months, as defined in the Amended and Restated Credit Agreement. As of March 31, 2024, we are in compliance with all covenants under the terms of the Amended and Restated Credit Agreement.

Senior Secured Term Loan Due 2028

On June 13, 2023, Sabre Financial Borrower, LLC ("Sabre FB"), our indirect, consolidated subsidiary entered into a series of transactions including a new term loan credit agreement with certain lenders (the "2023 Term Loan Agreement") and an intercompany secured term loan agreement (the "Pari Passu Loan Agreement").

The 2023 Term Loan Agreement provides for a senior secured term loan (the “Senior Secured Term Loan Due 2028”) of up to \$700 million in aggregate principal amount, subject to Sabre FB using the proceeds from the Senior Secured Term Loan Due 2028 for an intercompany loan to Sabre GBLB. On June 13, 2023, Sabre FB borrowed the full \$700 million amount under the 2023 Term Loan Agreement and lent the funds to Sabre GBLB under the Pari Passu Loan Agreement. Borrowings under the 2023 Term Loan Agreement are secured by the assets of Sabre FB, including Sabre FB’s claims under the Pari Passu Loan Agreement, and assets of certain of our foreign subsidiaries. Borrowings under the Pari Passu Loan Agreement are secured by first-priority liens on the same collateral securing the indebtedness owing under the Senior Secured Credit Facilities and Sabre GBLB’s outstanding Senior Secured Notes. Sabre GBLB used the proceeds borrowed under the Pari Passu Loan Agreement to repurchase \$650 million of its outstanding 9.25% Senior Secured Notes due 2025 (the “June 2023 Refinancing”) and \$15 million of its outstanding 2021 Term Loan B-1, 2021 Term Loan B-2 and 2022 Term Loan B-2. The remaining proceeds, net of a discount of \$23 million, were used to pay \$13 million in other fees and expenses. We incurred additional fees of \$15 million, plus \$10 million of accrued and unpaid interest on the 9.25% Senior Secured Notes, which were funded with cash on hand. We recognized a net gain on extinguishment of debt in connection with the June 2023 Refinancing during the year ended December 31, 2023 of \$13 million. As of March 31, 2024, we are in compliance with the covenants under the 2023 Term Loan Agreement and the Pari Passu Loan Agreement.

The Senior Secured Term Loan Due 2028 matures on December 15, 2028 and offers us the ability to prepay subject to prepayment premiums as follows (i) with respect to any prepayment occurring on or prior to the second anniversary of the 2023 Term Loan Agreement, a customary make-whole amount, and (ii) with respect to any prepayment occurring after the second anniversary of the 2023 Term Loan Agreement and on or prior the third anniversary of the 2023 Term Loan Agreement, 25% of the applicable interest margin assuming all interest is payable-in-kind. After the third anniversary of the 2023 Term Loan Agreement, all prepayments can be made at par plus accrued interest.

The interest on the Senior Secured Term Loan Due 2028 is payable in cash; provided that, at our election, from the date of the agreement, until the last interest payment date occurring on or prior to December 31, 2025, the interest may be payable-in-kind. The Senior Secured Term Loan Due 2028 bears interest at a floating rate, with interest periods ending on each successive three month anniversary of the closing date and set in arrears based on the average of the highest yield to maturity of any tranche of Sabre GBLB’s or any of its affiliates’ outstanding secured indebtedness (as defined within the 2023 Term Loan Agreement) on each of the 20 prior trading days (the “Reference Rate”), plus (i) 25 basis points for cash interest or (ii) 175 basis points for payable-in-kind interest. As of March 31, 2024, the Reference Rate was 15.07%. The all-in interest rate floor is 11.50% for cash interest and 13.00% for payable-in-kind interest and the all-in interest rate ceiling is 17.50% for cash interest and 19.00% for payable-in-kind interest. We have currently elected interest to be payable-in-kind. Interest on the Senior Secured Term Loan Due 2028 is accrued and payable or capitalized to principal if not elected to be paid in cash, commencing on June 13, 2023, and ending on the date three months thereafter and each successive three-month anniversary thereof on September 13, December 13, March 13, and June 13 of each year. We capitalized interest for the Senior Secured Term Loan Due 2028 totaling \$31 million during the three months ended March 31, 2024.

Sabre FB’s obligations under the Senior Secured Term Loan Due 2028 are required to be guaranteed by certain of our existing and future foreign subsidiaries (the “Foreign Guarantors”). The 2023 Term Loan Agreement requires that we maintain cash balances of at least \$100 million in certain foreign subsidiaries and other covenants to ensure collateral of the applicable Foreign Guarantors meet certain minimum levels. The 2023 Term Loan Agreement also includes various non-financial covenants, including restrictions on making certain investments, disposition activities and affiliate transactions. In addition, the 2023 Term Loan Agreement contains customary prepayment events and financial and negative covenants and other representations, covenants and events of default based on, but in certain instances more restrictive than, the Amended and Restated Credit Agreement. As of March 31, 2024, we were in compliance with all covenants under the terms of the 2023 Term Loan Agreement.

Senior Secured Notes

On September 7, 2023, Sabre GBLB completed exchange offers in which approximately \$787 million of our 7.375% senior secured notes due 2025 (the “September 2025 Notes”) and approximately \$66 million of our 9.25% senior secured notes due 2025 (the “April 2025 Notes”) were exchanged for a combination of cash and approximately \$853 million aggregate principal amount of 8.625% senior secured notes due 2027 (the “June 2027 Notes”), issued at par (the “September 2023 Exchange Transaction”). The June 2027 Notes are jointly and severally, irrevocably and unconditionally guaranteed by Sabre Holdings and all of Sabre GBLB’s restricted subsidiaries that guarantee the Senior Secured Credit Facilities and the Secured Term Loan Due 2028. The June 2027 Notes bear interest at a rate of 8.625% per annum and interest payments are due semi-annually in arrears on March 1 and September 1 of each year, beginning March 1, 2024. The June 2027 Notes mature on June 1, 2027. Sabre GBLB did not receive any cash proceeds from the exchange and did not incur additional indebtedness in excess of the aggregate principal amount of the April 2025 Notes and the September 2025 Notes that were exchanged. We incurred additional fees of approximately \$133 million, primarily consisting of approximately \$115 million in exchange fees, \$15 million in underwriting and associated fees and expenses plus \$3 million of accrued and unpaid interest, all of which were funded with cash on hand. We determined that the September 2023 Exchange Transaction, including the impact of the exchange fees, represents a debt extinguishment and therefore recognized a loss on extinguishment of debt during the year ended December 31, 2023 of \$121 million, consisting of \$115 million in exchange fees related to the June 2027 Notes and \$6 million related to the write-off of unamortized debt issuance costs on the April 2025 Notes and the September 2025 Notes.

On March 7, 2024, Sabre GBLB exchanged approximately \$36 million of our September 2025 Notes and approximately \$7 million of our April 2025 Notes for approximately \$50 million aggregate principal amount of additional June 2027 Notes (the "March 2024 Exchange Transaction"). No additional indebtedness was incurred as a result of the transaction, other than amounts covering exchange fees of approximately \$7 million. Other than the issuance date and issue price, these additional June 2027 notes have the same terms, form a single series with, and are fungible with the June 2027 Notes described above. We incurred additional fees of approximately \$1 million, which were funded with cash on hand. We determined that the March 2024 Exchange Transaction, including the impact of the exchange fees, represents a debt extinguishment and therefore recognized a loss on extinguishment of debt during the three months ended March 31, 2024 of approximately \$7 million, primarily consisting of exchange fees related to the June 2027 Notes.

Securitization Facility

On February 14, 2023, Sabre Securitization, LLC, our indirect, consolidated subsidiary and a special purpose entity ("Sabre Securitization"), entered into a three-year committed accounts receivable securitization facility (as amended from time to time the "Securitization Facility") of up to \$200 million with PNC Bank, N.A.

On March 29, 2024, Sabre Securitization increased the overall size of its existing Securitization Facility from \$200 million to \$235 million by issuing a \$120 million "first-in, last-out" term loan tranche under the Securitization Facility (such tranche, the "FILO Facility") and reducing the revolving tranche under the Securitization Facility to \$115 million (such tranche, the "AR Facility"). In connection with the issuance of the FILO Facility, the maturity date of the Securitization Facility was extended to March 29, 2027 and the springing maturity date thereunder was terminated. The FILO Facility provides the ability to prepay or repay at certain redemption premiums as set forth in the agreement. The net proceeds received from the FILO Facility of \$117 million, net of \$3 million in fees paid to creditors, will be used for general corporate purposes. We incurred additional fees of \$4 million, which were funded with cash on hand.

The amount available for borrowings at any one time under the Securitization Facility is limited to a borrowing base calculated based on the outstanding balance of eligible receivables, subject to certain reserves. As of March 31, 2024, we had \$232 million outstanding under the Securitization Facility, consisting of \$112 million under the AR Facility and \$120 million outstanding under the FILO Facility.

The FILO Facility bears interest at SOFR plus a drawn fee of 8.00% per annum. Interest and fees payable by Sabre Securitization under the FILO Facility are due monthly.

Borrowings under the AR Facility bear interest at a rate equal to SOFR, subject to a 0% floor, plus a drawn fee, initially in the amount of 2.25%, plus a 0.10% SOFR adjustment. In connection with the issuance of the FILO Facility, the initial drawn fee was increased from 2.25% to 4.00%. The drawn fee varies based on our leverage ratio, and Sabre Securitization also pays a fee on the undrawn committed amount of the AR Facility. Interest and fees payable by Sabre Securitization under the AR Facility are due monthly. Net debt issuance costs related to our AR Facility are \$1 million for the three months ended March 31, 2024 and \$2 million for the year ended December 31, 2023, which are recorded in other assets, net in our consolidated financial statements.

In connection with the Securitization Facility, certain of our subsidiaries (the "Originators") have sold and contributed, and will continue to sell or contribute, substantially all of their accounts receivable and certain related assets (collectively, the "Receivables") to Sabre Securitization to be held as collateral for borrowings under the Securitization Facility. Sabre Securitization's assets are not available to satisfy the obligations of Sabre Corporation or any of its affiliates. Under the terms of the Securitization Facility, the lenders under the AR Facility and FILO Facility would have a senior priority claim to the assets of Sabre Securitization, which will primarily consist of the Receivables of the Originators participating in the Securitization Facility. As of March 31, 2024, \$399 million of Receivables are held as assets by Sabre Securitization, consisting of \$388 million of accounts receivable and \$11 million of other assets, net in our consolidated balance sheet.

The Securitization Facility is accounted for as a secured borrowing on a consolidated basis, rather than a sale of assets; as a result, (i) Receivables balances pledged as collateral are presented as assets and the borrowings are presented as liabilities on our consolidated balance sheets, (ii) our consolidated statements of operations reflect the associated charges for bad debt expense (a component of general and administrative expenses) related to the pledged Receivables and interest expense associated with the Securitization Facility and (iii) receipts from customers related to the underlying Receivables are reflected as operating cash flows and borrowings and repayments under the Securitization Facility are reflected as financing cash flows within our consolidated statements of cash flows. The receivables and other assets of Sabre Securitization are not available to satisfy creditors of any entity other than Sabre Securitization.

The Securitization Facility contains certain customary representations, warranties, affirmative covenants, and negative covenants, subject to certain cure periods in some cases, including the eligibility of the Receivables being sold by the Originators and securing the loans made by the lenders, as well as customary reserve requirements, events of default, termination events, and servicer defaults. As of March 31, 2024, we were in compliance with and expect to be in compliance with the financial covenants of the Securitization Facility for at least the next twelve months.

Exchangeable Notes

On April 17, 2020, Sabre GBLB entered into a debt agreement (the "2025 Exchangeable Notes Indenture") consisting of \$345 million aggregate principal amount of 4.000% senior exchangeable notes due 2025 (the "2025 Exchangeable Notes"). The 2025 Exchangeable Notes are senior, unsecured obligations of Sabre GBLB, accrue interest payable semi-annually in arrears

and mature on April 15, 2025, unless earlier repurchased or exchanged in accordance with specified circumstances and terms of the 2025 Exchangeable Notes Indenture. As of March 31, 2024, we have \$183 million aggregate principal amount of 2025 Exchangeable Notes outstanding.

Under the terms of the 2025 Exchangeable Notes Indenture, the notes are exchangeable into common stock of Sabre Corporation (referred to as "our common stock" herein) at the following times or circumstances:

- during any calendar quarter commencing after the calendar quarter ended June 30, 2020, if the last reported sale price per share of our common stock exceeds 130% of the exchange price for each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter;
- during the five consecutive business days immediately after any five consecutive trading day period (such five consecutive trading day period, the "Measurement Period") if the trading price per \$1,000 principal amount of 2025 Exchangeable Notes, as determined following a request by their holder in accordance with the procedures in the 2025 Exchangeable Notes Indenture, for each trading day of the Measurement Period was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the exchange rate on such trading day;
- upon the occurrence of certain corporate events or distributions on our common stock, including but not limited to a "Fundamental Change" (as defined in the 2025 Exchangeable Notes Indenture);
- upon the occurrence of specified corporate events; or
- on or after October 15, 2024, until the close of business on the second scheduled trading day immediately preceding the maturity date, April 15, 2025.

With certain exceptions, upon a Change of Control or other Fundamental Change (both as defined in the 2025 Exchangeable Notes Indenture), the holders of the 2025 Exchangeable Notes may require us to repurchase all or part of the principal amount of the 2025 Exchangeable Notes at a repurchase price equal to 100% of the principal amount of the 2025 Exchangeable Notes, plus any accrued and unpaid interest to, but excluding, the repurchase date. As of March 31, 2024, none of the conditions allowing holders of the 2025 Exchangeable Notes to exchange have been met.

The 2025 Exchangeable Notes are convertible at their holder's election into shares of our common stock based on an initial exchange rate of 126.9499 shares of common stock per \$1,000 principal amount of the 2025 Exchangeable Notes, which is equivalent to an initial exchange price of approximately \$7.88 per share. The exchange rate is subject to anti-dilution and other adjustments. Upon conversion, Sabre GBLB will pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of common stock, at our election. If a "Make-Whole Fundamental Change" (as defined in the 2025 Exchangeable Notes Indenture) occurs with respect to any 2025 Exchangeable Note and the exchange date for the exchange of such 2025 Exchangeable Note occurs during the related "Make-Whole Fundamental Change Exchange Period" (as defined in the 2025 Exchangeable Notes Indenture), then, subject to the provisions set forth in the 2025 Exchangeable Notes Indenture, the exchange rate applicable to such exchange will be increased by a number of shares set forth in the table contained in the 2025 Exchangeable Notes Indenture, based on a function of the time since origination and our stock price on the date of the occurrence of such Make-Whole Fundamental Change. The net proceeds received from the sale of the 2025 Exchangeable Notes of \$336 million, net of underwriting fees and commissions, are being used for general corporate purposes.

On March 19, 2024, Sabre GBLB exchanged \$150 million aggregate principal amount of its outstanding 2025 Exchangeable Notes for \$150 million aggregate principal amount of Sabre GBLB's newly-issued 7.32% senior exchangeable notes due 2026 (the "2026 Exchangeable Notes" and together with the 2025 Exchangeable Notes, the "Exchangeable Notes") and approximately \$30 million of cash. We incurred additional fees of approximately \$5 million in associated fees and expenses plus \$3 million of accrued and unpaid interest, all of which were funded with cash on hand. We determined that the exchange transaction, including the impact of the exchange fees, represents a debt extinguishment and therefore recognized a loss on extinguishment of debt of \$31 million. We did not receive any cash proceeds from the exchange and did not incur additional indebtedness in excess of the aggregate principal amount of existing notes that were exchanged. The 2026 Exchangeable Notes are senior, unsecured obligations of Sabre GBLB, accrue interest payable semi-annually in arrears on February 1 and August 1 of each year, beginning on August 1, 2024, and mature on August 1, 2026, unless earlier repurchased or exchanged in accordance with specified circumstances and terms of the indenture governing the 2026 Exchangeable Notes (the "2026 Exchangeable Notes Indenture" and together with the 2025 Exchangeable Notes Indenture, the "Exchangeable Indentures"). As of March 31, 2024, we have \$150 million aggregate principal amount of 2026 Exchangeable Notes outstanding.

Under the terms of the 2026 Exchangeable Notes Indenture, the 2026 Exchangeable Notes are exchangeable into our common stock under substantively the same circumstances as those set forth in the 2025 Exchangeable Notes other than:

- during any calendar quarter commencing after the calendar quarter ended June 30, 2024, if the last reported sale price per share of our common stock exceeds 130% of the exchange price for each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter; and
- on or after February 1, 2026, until the close of business on the second scheduled trading day immediately preceding the maturity date, August 1, 2026.

As of March 31, 2024, none of the conditions allowing holders of the 2026 Exchangeable Notes to exchange have been met.

The 2026 Exchangeable Notes are convertible at their holder's election into shares of our common stock based on an initial exchange rate of 222.2222 shares of common stock per \$1,000 principal amount of the 2026 Exchangeable Notes, which is equivalent to an initial exchange price of approximately \$4.50 per share. The exchange rate is subject to anti-dilution and other adjustments. Upon exchange, Sabre GBLB will pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of common stock, at our election. "Make-Whole Fundamental Change" provisions in the 2026 Exchangeable Notes Indenture are substantially similar to those described above for the 2025 Exchangeable Notes Indenture.

Debt issuance costs are amortized over the contractual life of the Exchangeable Notes through interest expense, within our results of operations. The effective interest rates at March 31, 2024 were 4.78% and 8.82% for the 2025 Exchangeable Notes and the 2026 Exchangeable Notes, respectively. The effective interest rate at March 31, 2023 was 4.78% for the 2025 Exchangeable Notes.

The following table sets forth the carrying value of the 2025 Exchangeable Notes and 2026 Exchangeable Notes (collectively, "the Exchangeable Notes") as of March 31, 2024 and December 31, 2023, (in thousands):

	March 31, 2024		December 31, 2023	
	2025 Exchangeable Notes	2026 Exchangeable Notes	2025 Exchangeable Notes	2026 Exchangeable Notes
Principal	\$ 183,220	\$ 150,000	\$ 333,220	\$ —
Less: Unamortized debt issuance costs	1,452	4,722	3,256	—
Net carrying value	\$ 181,768	\$ 145,278	\$ 329,964	\$ —

The following table sets forth interest expense recognized related to the 2025 Exchangeable Notes and 2026 Exchangeable Notes for the three months ended March 31, 2024 and 2023 (in thousands):

	Three Months Ended March 31,			
	2024		2023	
	2025 Exchangeable Notes	2026 Exchangeable Notes	2025 Exchangeable Notes	2026 Exchangeable Notes
Contractual interest expense	\$ 3,132	\$ 366	\$ 3,332	\$ —
Amortization of issuance costs	578	64	586	—

8. Derivatives

Hedging Objectives—We are exposed to certain risks relating to ongoing business operations. The primary risk managed by using derivative instruments is interest rate risk. Interest rate swaps are entered into to manage interest rate risk associated with our floating-rate borrowings.

In accordance with authoritative guidance on accounting for derivatives and hedging, we designate interest rate swaps as cash flow hedges of floating-rate borrowings.

Cash Flow Hedging Strategy—We enter into interest rate swap agreements to manage interest rate risk exposure. The interest rate swap agreements modify our exposure to interest rate risk by converting floating-rate debt to a fixed rate basis, thus reducing the impact of interest rate changes on future interest expense and net earnings. These agreements involve the receipt of floating rate amounts in exchange for fixed rate interest payments over the life of the agreements without an exchange of the underlying principal amount.

For derivative instruments that are designated and qualify as cash flow hedges, the effective portions and ineffective portions of the gain or loss on the derivative instruments are reported as a component of other comprehensive income (loss) ("OCI") and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period or periods during which the hedged transaction affects earnings. As of March 31, 2024, we did not have any hedge components excluded from the assessment of effectiveness. Cash flow hedges are classified in the same category in the consolidated statements of cash flows as the items being hedged and gains and losses on the derivative financial instruments are reported in cash provided by (used in) operating activities within the consolidated statements of cash flows. Derivatives not designated as hedging instruments are carried at fair value with changes in fair value reflected in Other, net in the consolidated statements of operations.

Interest Rate Swap Contracts—Interest rate swaps outstanding during the three months ended March 31, 2024 and 2023, are as follows:

Notional Amount	Interest Rate Received	Interest Rate Paid	Effective Date	Maturity Date
Designated as Hedging Instrument				
\$200 million	1 month SOFR ⁽¹⁾	1.71% ⁽²⁾	April 30, 2022	December 31, 2023
\$150 million	1 month SOFR ⁽¹⁾	2.79% ⁽³⁾	June 30, 2022	December 31, 2023
\$250 million	1 month SOFR ⁽¹⁾	4.72%	June 30, 2023	June 30, 2026
\$250 million	1 month SOFR ⁽¹⁾	3.88%	December 31, 2023	December 31, 2024
\$250 million	1 month SOFR ⁽¹⁾	4.37%	January 16, 2024	January 31, 2026

⁽¹⁾ Subject to a 0.5% floor.

⁽²⁾ Fixed fee of 1.71% effective April 30, 2022, and expiring December 30, 2022, and 3.09% effective December 31, 2022, and expiring December 31, 2023.

⁽³⁾ Fixed fee of 2.79% effective June 30, 2022, and expiring December 30, 2022, and 3.98% effective December 31, 2022, and expiring December 31, 2023.

In April 2022, we entered into an interest rate swap to hedge the interest payments associated with \$200 million of the floating-rate 2022 Term Loan B-1 for the years 2022 and 2023. In June 2022, we entered into an interest rate swap to hedge the interest payments associated with \$150 million of the floating-rate 2022 Term Loan B-1 for the years 2022 and 2023. In February 2023, we entered into a forward-starting interest rate swap to hedge the interest payments associated with \$250 million of the floating-rate 2022 Term Loan B-1 for the year ended 2024. In June 2023, we entered into an interest rate swap to hedge the interest payments associated with \$250 million of the floating-rate 2022 Term Loan B-2 for the periods through June 2026. In January 2024, we entered into an interest rate swap to hedge interest payments associated with \$250 million of the floating rate 2022 Term Loan B-1 related to the years 2024 and 2025. We designated these swaps as cash flow hedges. For the three months ended March 31, 2024, we recognized a cash flow impact of \$2 million related to our interest rate swaps, which is reported as cash provided by operating activities within our consolidated statements of cash flows. As of March 31, 2024, we estimate that \$5 million in gains will be reclassified from other comprehensive (loss) income to earnings over the next 12 months.

The estimated fair values of our derivatives designated as hedging instruments as of March 31, 2024 and December 31, 2023 are as follows (in thousands):

Derivatives Designated as Hedging Instruments	Consolidated Balance Sheet Location	Derivative Assets	
		Fair Value as of	
		March 31, 2024	December 31, 2023
Interest rate swaps	Prepaid expenses and other current assets	\$ 4,855	\$ 2,413
Interest rate swaps	Other noncurrent liabilities	(2,632)	(4,129)
Total		\$ 2,223	\$ (1,716)

The effects of derivative instruments, net of taxes, on OCI for the three months ended March 31, 2024 and 2023 are as follows (in thousands):

Derivatives in Cash Flow Hedging Relationships	Amount of Gains (Losses) Recognized in OCI on Derivative, Effective Portion	
	Three Months Ended March 31,	
	2024	2023
Interest rate swaps	\$ 6,747	\$ (296)
Total	\$ 6,747	\$ (296)

Derivatives in Cash Flow Hedging Relationships	Income Statement Location	Amount of Gains Reclassified from Accumulated OCI into Income, Effective Portion	
		Three Months Ended March 31,	
		2024	2023
Interest rate swaps	Interest expense, net	\$ (1,956)	\$ (989)
Total		\$ (1,956)	\$ (989)

9. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability. Guidance on fair value measurements and disclosures establishes a valuation hierarchy for disclosure of inputs used in measuring fair value defined as follows:

Level 1—Inputs are unadjusted quoted prices that are available in active markets for identical assets or liabilities.

Level 2—Inputs include quoted prices for similar assets and liabilities in active markets and quoted prices in non-active markets, inputs other than quoted prices that are observable, and inputs that are not directly observable, but are corroborated by observable market data.

Level 3—Inputs that are unobservable and are supported by little or no market activity and reflect the use of significant management judgment.

The classification of a financial asset or liability within the hierarchy is determined based on the least reliable level of input that is significant to the fair value measurement. In determining fair value, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. We also consider the counterparty and our own non-performance risk in our assessment of fair value.

Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

Interest Rate Swaps—The fair value of our interest rate swaps is estimated using a combined income and market-based valuation methodology based upon Level 2 inputs, including credit ratings and forward interest rate yield curves obtained from independent pricing services.

Money market funds—Our valuation technique used to measure the fair values of our money market funds was derived from quoted market prices and active markets for these instruments that exist.

Time deposits—Our valuation technique used to measure the fair values of our time deposit instruments was derived from the following: non-binding market consensus prices that were corroborated by observable market data and quoted market prices for similar instruments.

Investment in securities—In May 2022, we acquired 8 million shares of Class A Common Stock, par value of \$0.0001 per share, of Global Business Travel Group, Inc. ("GBT") for an aggregate purchase price of \$80 million, which is included in prepaid expenses and other current assets in our consolidated balance sheets. As of March 31, 2024, we continued to own these 8 million shares. The terms of these shares do not contain any restrictions that would impact our ability to sell the shares in the future. The fair value of our investment in GBT is based on its share price, a Level 1 input, as the stock is publicly traded on the New York Stock Exchange under the symbol GBTG.

The following tables present our assets (liabilities) that are required to be measured at fair value on a recurring basis as of March 31, 2024 and December 31, 2023 (in thousands):

Assets:	March 31, 2024	Fair Value at Reporting Date Using		
		Level 1	Level 2	Level 3
Derivatives ⁽¹⁾				
Interest rate swap contracts	\$ 4,855	\$ —	\$ 4,855	\$ —
Investment in securities	48,520	48,520	—	—
Money market funds	220,105	220,105	—	—
Time deposits	122,161	—	122,161	—
Total assets	\$ 395,641	\$ 268,625	\$ 127,016	\$ —
Liabilities:				
Derivatives ⁽¹⁾				
Interest rate swap contracts	\$ (2,632)	\$ —	\$ (2,632)	\$ —
Total liabilities	\$ (2,632)	\$ —	\$ (2,632)	\$ —

Assets:	December 31, 2023	Fair Value at Reporting Date Using		
		Level 1	Level 2	Level 3
Derivatives⁽¹⁾				
Interest rate swap contracts	\$ 2,413	\$ —	\$ 2,413	\$ —
Investment in securities	51,970	51,970	—	—
Money market funds	261,551	261,551	—	—
Time deposits	177,608	—	177,608	—
Total assets	\$ 493,542	\$ 313,521	\$ 180,021	\$ —
Liabilities:				
Derivatives⁽¹⁾				
Interest rate swap contracts	\$ (4,129)	\$ —	\$ (4,129)	\$ —
Total liabilities	\$ (4,129)	\$ —	\$ (4,129)	\$ —

⁽¹⁾ See Note 8. Derivatives for further detail.

There were no transfers between Levels 1 and 2 within the fair value hierarchy for the three months ended March 31, 2024.

Unrealized losses recognized during the three months ended March 31, 2024 and 2023 from our investments in securities totaled \$3 million and \$1 million, respectively, which is recorded to Other, net within our results of operations.

Other Financial Instruments

The carrying value of our financial instruments including cash and cash equivalents, restricted cash and accounts receivable approximates their fair values due to the short term nature of these instruments. The fair values of our 2025 Exchangeable Notes and 2026 Exchangeable Notes, senior secured notes due 2025 and 2027 and term loans under our Amended and Restated Credit Agreement are determined based on quoted market prices for a similar liability when traded as an asset in an active market, a Level 2 input. The fair value of the Senior Secured Term Loan Due 2028 was determined using a valuation model that includes certain assumptions and Level 3 inputs. The outstanding principal balances of our AR Facility and FILO Facility approximated their fair values as of March 31, 2024.

The following table presents the fair value and carrying value of our senior notes and borrowings under our senior secured credit facilities as of March 31, 2024 and December 31, 2023 (in thousands):

Financial Instrument	As of March 31, 2024		As of December 31, 2023	
	Fair Value	Carrying Value ⁽¹⁾	Fair Value	Carrying Value ⁽¹⁾
2021 Term Loan B-1	\$ 335,908	\$ 391,401	\$ 344,973	\$ 391,366
2021 Term Loan B-2	526,250	610,736	540,069	610,545
2022 Term Loan B-1	521,227	598,672	535,559	598,419
2022 Term Loan B-2	564,647	620,103	576,343	618,888
Senior Secured Term Loan Due 2028	784,323	764,376	726,582	732,901
9.25% senior secured notes due 2025	31,630	31,547	38,291	38,895
7.375% senior secured notes due 2025	26,231	26,796	60,496	63,019
4.00% senior exchangeable notes due 2025	172,985	183,220	326,841	333,220
7.32% senior exchangeable notes due 2026	127,125	150,000	—	—
8.625% senior secured notes due 2027	793,150	903,077	776,598	852,987
11.25% senior secured notes due 2027	519,774	546,818	545,024	546,384

⁽¹⁾ Excludes net unamortized debt issuance costs.

Assets that are Measured at Fair Value on a Nonrecurring Basis

We assess goodwill and other intangible assets with indefinite lives for impairment annually or more frequently if indicators arise. We continually monitor events and changes in circumstances such as changes in market conditions, near and long-term demand and other relevant factors, that could indicate that the fair value of any one of our reporting units may more likely than not have fallen below its respective carrying amount. We have not identified any triggering events or changes in circumstances since the performance of our annual goodwill impairment test that would require us to perform another goodwill impairment test and we did not record any goodwill impairment charges for the three months ended March 31, 2024.

10. Accumulated Other Comprehensive Loss

As of March 31, 2024 and December 31, 2023, the components of accumulated other comprehensive loss, net of related deferred income taxes, are as follows (in thousands):

	March 31, 2024	December 31, 2023
Defined benefit pension and other postretirement benefit plans	\$ (77,838)	\$ (78,056)
Unrealized foreign currency translation gain	8,465	9,147
Unrealized gain on interest rate swaps	1,922	(2,869)
Share of other comprehensive loss of equity method investments	(2,265)	(2,144)
Total accumulated other comprehensive loss, net of tax	<u>\$ (69,716)</u>	<u>\$ (73,922)</u>

The amortization of actuarial losses and periodic service credits associated with our retirement-related benefit plans is primarily included in Other, net in the consolidated statements of operations. As of March 31, 2024, we have contributed \$1 million to our defined benefit pension plan in 2024. Based on current assumptions, we expect to make contributions of up to an aggregate amount of \$13 million in 2024 to our defined benefit pension plan. See Note 8. Derivatives, for information on the income statement line items affected as the result of reclassification adjustments associated with derivatives.

11. Stock and Stockholders' Equity

Preferred Stock

On August 24, 2020, we completed an offering of 3,340,000 shares of our 6.50% Series A Mandatory Convertible Preferred Stock (the "Preferred Stock"), which generated net proceeds of approximately \$323 million for use as general corporate purposes. During the year ended December 31, 2021, a certain holder elected to convert 50,000 shares of preferred stock to 595,240 shares of common stock, leaving 3,290,000 shares outstanding. On September 1, 2023, the mandatory conversion date, each outstanding share of Preferred Stock was automatically converted into shares of our common stock at a rate of 14.2857 of common stock per share of Preferred Stock. The number of shares issued at conversion was approximately 47 million shares.

The Preferred Stock accumulated cumulative dividends at a rate per annum equal to 6.50% of the liquidation preference of \$100 per share (equivalent to \$6.50 annually per share) payable in cash or, subject to certain limitations, by delivery of shares of our common stock or any combination of cash and shares of our common stock, at our election; provided, however, that any undeclared and unpaid dividends would have continued to accumulate.

We accrued \$5 million of preferred stock dividends in our consolidated results of operations for the three months ended March 31, 2023. During the three months ended March 31, 2023, we paid cash dividends on our preferred stock of \$5 million.

Share Repurchase Program

In February 2017, we announced the approval of a multi-year share repurchase program (the "Share Repurchase Program") to purchase up to \$500 million of Sabre's common stock outstanding. Repurchases under the Share Repurchase Program may take place in the open market or privately negotiated transactions. During the three months ended March 31, 2024, we did not repurchase any shares pursuant to the Share Repurchase Program. On March 16, 2020, we announced the suspension of share repurchases under the Share Repurchase Program in conjunction with certain cash management measures we undertook as a result of the market conditions caused by COVID-19. As of March 31, 2024, the Share Repurchase Program remains suspended and approximately \$287 million remains authorized for repurchases.

Exchangeable Notes

On April 17, 2020, we issued \$345 million aggregate principal amount of 2025 Exchangeable Notes. On March 19, 2024, Sabre GLBL exchanged \$150 million aggregate principal amount of our outstanding 2025 Exchangeable Notes for \$150 million aggregate principal amount of the 2026 Exchangeable Notes and approximately \$30 million of cash. Under the terms of the Exchangeable Indentures, the Exchangeable Notes are exchangeable into our common stock under specified circumstances, at our election. As of March 31, 2024, we have \$183 million and \$150 million aggregate principal amount of 2025 Exchangeable Notes and 2026 Exchangeable Notes outstanding, respectively. See Note 7. Debt for further details. Until the notes mature, we expect to settle the principal amount of the outstanding Exchangeable Notes in shares of our common stock.

12. Earnings Per Share

The following table reconciles the numerators and denominators used in the computations of basic and diluted earnings per share from continuing operations (in thousands, except per share data):

	Three Months Ended March 31,	
	2024	2023
Numerator:		
Loss from continuing operations	\$ (71,105)	\$ (99,366)
Less: Net income (loss) attributable to noncontrolling interests	378	(835)
Less: Preferred stock dividends	—	5,346
Net loss from continuing operations available to common stockholders, diluted	<u>\$ (71,483)</u>	<u>\$ (103,877)</u>
Denominator:		
Basic weighted-average common shares outstanding	379,774	328,928
Diluted weighted-average common shares outstanding	379,774	328,928
Loss per share from continuing operations:		
Basic	\$ (0.19)	\$ (0.32)
Diluted	\$ (0.19)	\$ (0.32)

Basic earnings per share is computed by dividing net loss from continuing operations available to common stockholders by the weighted-average number of common shares outstanding during each period. Diluted earnings per share is computed by dividing net loss from continuing operations available to common stockholders by the weighted-average number of common shares outstanding plus the effect of all dilutive common stock equivalents during each period. The diluted weighted-average common shares outstanding calculation excludes 5 million of dilutive stock options and restricted stock awards for the three months ended March 31, 2024, and 1 million of dilutive stock options and restricted stock awards for the three months ended March 31, 2023, as their effect would be anti-dilutive given the net loss incurred in the period. The calculation of diluted weighted-average shares excludes the impact of 3 million of anti-dilutive common stock equivalents for each of the three months ended March 31, 2024 and 2023.

We have used the if-converted method for calculating any potential dilutive effect of the Exchangeable Notes on our diluted net income per share. Under the if-converted method, the 2025 Exchangeable Notes are assumed to be converted at the beginning of the period, the 2026 Exchangeable Notes are assumed to be converted at the issuance date of March 19, 2024, and the resulting common shares are included in the denominator of the diluted earnings per share calculation for the entire period being presented and interest expense, net of tax, recorded in connection with the Exchangeable Notes is added back to the numerator, only in the periods in which such effect is dilutive. The approximately 57 million and 42 million resulting common shares related to the Exchangeable Notes for the three months ended March 31, 2024 and 2023, respectively, are not included in the dilutive weighted-average common shares outstanding calculation as their effect would be anti-dilutive given the net loss incurred in the period.

Likewise, the potential dilutive effect of our Preferred Stock outstanding during the three months ended March 31, 2023 was calculated using the if-converted method assuming the conversion as of the earliest period reported or at the date of issuance, if later. The resulting common shares are included in the denominator of the diluted earnings per share calculation for the entire period being presented and preferred stock dividends are added back to the numerator, only in the periods in which such effect is dilutive. Approximately 47 million common shares related to the Preferred Stock for the three months ended March 31, 2023, are not included in the dilutive weighted-average common shares outstanding calculation as their effect would be anti-dilutive given the net loss incurred in the period. On September 1, 2023, each outstanding share of Preferred Stock was automatically converted into approximately 47 million shares of our common stock. See Note 11. Stock and Stockholders' Equity for further details.

13. Contingencies

Legal Proceedings

While certain legal proceedings and related indemnification obligations to which we are a party specify the amounts claimed, these amounts may not represent reasonably possible losses. Given the inherent uncertainties of litigation, the ultimate outcome of these matters cannot be predicted at this time, nor can the amount of possible loss or range of loss, if any, be reasonably estimated, except in circumstances where an aggregate litigation accrual has been recorded for probable and reasonably estimable loss contingencies. A determination of the amount of accrual required, if any, for these contingencies is made after careful analysis of each matter. The amount of the accrual may change in the future due to new information or developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters.

Antitrust Litigation and Investigations

US Airways Antitrust Litigation

In April 2011, US Airways filed suit against us in federal court in the Southern District of New York, alleging violations of the Sherman Act Section 1 (anticompetitive agreements) and Section 2 (monopolization). The complaint was filed fewer than two months after we entered into a new distribution agreement with US Airways. In September 2011, the court dismissed all claims relating to Section 2.

In January 2015, the court issued an order granting Sabre's summary judgment motions in part, eliminating a majority of US Airways' alleged damages and rejecting its request for injunctive relief to bar Sabre from enforcing certain provisions in our contracts. In September 2015, the court also dismissed US Airways' claim for declaratory relief. The trial on the remaining claims commenced in October 2016. In December 2016, the jury issued a verdict in favor of US Airways with respect to its claim under Section 1 of the Sherman Act regarding Sabre's contract with US Airways and awarded it \$5 million in single damages. We subsequently filed an appeal with the United States Court of Appeals for the Second Circuit seeking a reversal of the judgment.

In September 2019, the Second Circuit issued its Order and Opinion in which it vacated the judgment with respect to US Airways' claim under Section 1, reversed the trial court's dismissal of US Airways' claims relating to Section 2, and remanded the case to district court for a new trial. The retrial began in April 2022. In May 2022, the jury rejected US Airways' claim under Section 1 of the Sherman Act, finding that Sabre's contractual terms were not anticompetitive, and found in favor of US Airways with respect to its monopolization claim for the period from 2007 to 2012 under Section 2 of the Sherman Act. The jury, however, only awarded US Airways \$1.00 in single damages. Based on the jury's verdict, in June 2022 the court entered final judgment in favor of US Airways in the amount of \$3.00, which is three times the jury's award of \$1.00 as required by the Sherman Act. We have paid US Airways \$3.05 to satisfy this portion of the judgment. Neither party has filed an appeal, and the period to file a timely appeal has passed.

In addition, the court's entry of judgment regarding the monopolization claim under Section 2 of the Sherman Act entitles US Airways to receive reasonable attorneys' fees and costs under the Sherman Act. The court referred the issue of the attorneys' fees and costs to a magistrate judge. The magistrate issued a recommendation, which the court has adopted in full, that US Airways is entitled to a reasonable attorneys' fees award, but that the award is subject to a reduction to reflect their nominal recovery. In June 2023, US Airways filed a motion seeking approximately \$139 million in attorneys' fees and costs, an amount that we strongly dispute. On February 6, 2024, the court issued an order denying US Airways' motion for attorneys' fees and costs without prejudice to renewal. The court further ordered that US Airways may refile its motion when and if settlement negotiations break down and after US Airways files a letter advising the court of its intent to renew the motion. During the quarter ended September 30, 2022, we accrued an estimated loss of \$15 million in selling, general and administrative expenses for these attorneys' fees and costs, which did not have a significant effect on our results of operations for 2022; this amount is within our estimated range of outcomes based on our review of US Airways' motion. The ultimate amount that we may be required to pay to US Airways may be greater or less than the amount recorded and, if greater, could adversely affect our results of operations. We have incurred and will incur significant fees, costs and expenses as long as the lawsuit continues.

Indian Income Tax Litigation

We were a defendant in income tax litigation brought by the Indian Director of Income Tax ("DIT") in the Supreme Court of India. The dispute arose in 1999 when the DIT asserted that we have a permanent establishment within the meaning of the Income Tax Treaty between the United States and the Republic of India and accordingly issued tax assessments for assessment years ending March 1998 and March 1999. The DIT later issued further tax assessments for assessment years ending March 2000 through March 2006. The DIT has continued to issue tax assessments on a similar basis for subsequent years; however, the tax assessments for assessment years ending March 2007 and later are not material. We appealed the tax assessments for assessment years ending March 1998 through March 2006 and the Indian Commissioner of Income Tax Appeals returned a mixed verdict. We filed further appeals with the Income Tax Appellate Tribunal ("ITAT"). In 2009, the ITAT ruled in our favor, stating that no income would be chargeable to tax for assessment years ending March 1998 and March 1999, and from March 2000 through March 2006. The DIT appealed those decisions to the Delhi High Court, which found in our favor in 2010. The DIT appealed the decision to the Supreme Court of India which upheld the Delhi High Court ruling on April 19, 2023. This matter is now closed for all assessment periods up to and including March 2006. We have appealed the tax assessments for the assessment years ended March 2013 to March 2018 with the ITAT, and on February 9, 2024 the ITAT ruled in our favor on these items. In addition, we have appealed assessment years ended March 2021 and March 2022 with the ITAT; no trial date has been set for these items.

In addition, Sabre Asia Pacific Pte Ltd ("SAPPL") is currently a defendant in similar income tax litigation brought by the DIT. The dispute arose when the DIT asserted that SAPPL has a permanent establishment within the meaning of the Income Tax Treaty between Singapore and India and accordingly issued tax assessments for assessment years ending March 2000 through March 2005. SAPPL appealed the tax assessments, and the Indian Commissioner of Income Tax (Appeals) returned a mixed verdict. SAPPL filed further appeals with the ITAT. The ITAT ruled in SAPPL's favor, finding that no income would be chargeable to tax for assessment years ending March 2000 through March 2005. The DIT appealed those decisions to the Bombay High Court and our case is pending before that court; the High Court dismissed the case for assessment years ending March 2001 through March 2004. The DIT also assessed taxes on a similar basis plus some additional issues for assessment years ending March 2006 through March 2015, March 2018 through March 2020, and March 2023 and appeals for assessment years ending March 2006 through March 2016, March 2018 through March 2020, and March 2023 are pending before the ITAT or the High Court depending on the year.

If the DIT were to fully prevail on every claim against us, including SAPPL and other group companies, we could be subject to taxes, interest and penalties of approximately \$24 million as of March 31, 2024. We intend to continue to aggressively defend against each of the foregoing claims. Although we do not believe that the outcome of the proceedings will result in a material impact on our business or financial condition, litigation is by its nature uncertain. We do not believe this outcome is more likely than not and therefore have not made any provisions or recorded any liability for the potential resolution of any of these claims.

Indian Service Tax Litigation

SAPPL's Indian subsidiary is also subject to litigation by the India Director General (Service Tax) ("DGST"), which has assessed the subsidiary for multiple years related to its alleged failure to pay service tax on marketing fees and reimbursements of expenses. Indian courts have returned verdicts favorable to the Indian subsidiary. The DGST has appealed the verdict to the Indian Supreme Court. We do not believe that an adverse outcome is probable and therefore have not made any provisions or recorded any liability for the potential resolution of any of these claims.

Litigation Relating to Routine Proceedings

We are also engaged from time to time in other routine legal and tax proceedings incidental to our business. We do not believe that any of these routine proceedings will have a material impact on the business or our financial condition.

Other

Other Tax Matters

We operate in numerous jurisdictions in which taxing authorities may challenge our position with respect to income and non-income based taxes. We routinely receive inquiries and may also from time to time receive challenges or assessments from these taxing authorities. With respect to non-income based taxes, we recognize liabilities when we determine it is probable that amounts will be owed to the taxing authorities and such amounts are estimable. For example, in most countries we pay and collect Value Added Tax ("VAT") when procuring goods and services, or providing services, within the normal course of business. VAT receivables are established in jurisdictions where VAT paid exceeds VAT collected and are recoverable through the filing of refund claims. These receivables have inherent audit and collection risks unique to the specific jurisdictions that evaluate our refund claims. We intend to vigorously defend our positions against any claims that are not insignificant, including through litigation when necessary. During the year ended December 31, 2023, we accrued \$11 million associated with these other tax matters in selling, general and administrative expense. We will continue to monitor and update this estimate as additional information becomes available. We may incur expenses in future periods related to such matters, including litigation costs and possible pre-payment of a portion of any assessed tax amount to defend our position, and if our positions are ultimately rejected, it could have a material impact to our results of operations.

14. Segment Information

Our reportable segments are based upon our internal organizational structure; the manner in which our operations are managed; the criteria used by our President, who is our Chief Operating Decision Maker ("CODM"), to evaluate segment performance; the availability of separate financial information; and overall materiality considerations.

We operate our business and present our results through two business segments, (i) Travel Solutions, our global travel solutions for travel suppliers and travel buyers, including a broad portfolio of software technology products and solutions for airlines, and (ii) Hospitality Solutions, an extensive suite of software solutions for hoteliers.

Our CODM utilizes Segment Adjusted Operating Income as the measure of profitability to evaluate performance of our segments and allocate resources. Our CODM does not review total assets by segment as operating evaluations and resource allocation decisions are not made on the basis of total assets by segment.

Certain costs associated with our technology organization are allocated to the segments based on the segments' usage of resources. Benefit expenses, facility and lease costs and associated depreciation expense are allocated to the segments based on headcount. Our allocation methodology is periodically evaluated. Unallocated corporate costs include certain shared expenses such as accounting, finance, human resources, legal, corporate systems, amortization of acquired intangible assets, impairment and related charges, stock-based compensation, restructuring charges, legal reserves and other items not identifiable with one of our segments. Such amounts are detailed in the reconciliation below.

We account for significant intersegment transactions as if the transactions were with third parties, that is, at estimated current market prices. The majority of the intersegment revenues and cost of revenues are fees charged by Travel Solutions to Hospitality Solutions for hotel stays booked through our GDS, which are eliminated in consolidation.

Segment information for the three months ended March 31, 2024 and 2023 is as follows (in thousands):

	Three Months Ended March 31,	
	2024	2023
Revenue		
Travel Solutions		
Revenue from external customers	\$ 704,067	\$ 668,883
Intersegment revenue	9,566	8,558
Total Travel Solutions revenue	713,633	677,441
Hospitality Solutions	78,819	73,812
Total segment revenue	792,452	751,253
Eliminations	(9,566)	(8,558)
Total revenue	\$ 782,886	\$ 742,695
Segment adjusted operating income ^(a)		
Travel Solutions	\$ 169,782	\$ 90,102
Hospitality Solutions	2,472	(8,495)
Total segment adjusted operating income	\$ 172,254	\$ 81,607
Depreciation and amortization		
Travel Solutions	\$ 18,527	\$ 24,606
Hospitality Solutions	5,799	5,684
Total segments	24,326	30,290
Corporate	9,833	10,029
Total	\$ 34,159	\$ 40,319
Capital Expenditures		
Travel Solutions	\$ 12,625	\$ 13,051
Hospitality Solutions	935	1,928
Total segments	13,560	14,979
Corporate	14,116	3,131
Total	\$ 27,676	\$ 18,110

^(a) The following table sets forth the reconciliation of Total Segment Adjusted Operating Income to Loss from continuing operations before income taxes in our consolidated statements of operations (in thousands):

	Three Months Ended March 31,	
	2024	2023
Total segment adjusted operating income	\$ 172,254	\$ 81,607
Unallocated amounts and adjustments:		
Corporate expenses	(54,485)	(53,930)
Acquisition-related amortization ⁽¹⁾	(9,622)	(9,934)
Restructuring and other costs ⁽²⁾	5,053	319
Acquisition-related costs ⁽³⁾	(250)	(847)
Stock-based compensation	(13,905)	(17,005)
Interest expense, net	(124,747)	(99,784)
Loss on extinguishment of debt	(37,994)	—
Other, net ⁽⁴⁾	(4,477)	2,407
Loss from continuing operations before income taxes	\$ (68,173)	\$ (97,167)

⁽¹⁾ Acquisition-related amortization represents amortization of intangible assets from the take-private transaction in 2007 as well as intangibles associated with acquisitions since that date.

⁽²⁾ Restructuring and other costs in 2024 primarily represents adjustments to charges associated with our cost reduction plan we began implementing in the second quarter of 2023. See Note 4. Restructuring Activities to our consolidated financial statements.

⁽³⁾ Acquisition-related costs represent fees and expenses incurred associated with acquisition and disposition-related activities.

⁽⁴⁾ Other, net includes non-operating gains of \$3 million recognized in the first quarter of 2023 and the impacts of fair value adjustments of our GBT investment. In addition, all periods presented include foreign exchange gains and losses related to the remeasurement of foreign currency denominated balances included in our consolidated balance sheets into the relevant functional currency.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

This Quarterly Report on Form 10-Q, including this "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part I, Item 2, contains information that may constitute forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts, such as statements regarding our future financial condition or results of operations, our prospects and strategies for future growth, the development and introduction of new products, expectations regarding cost reductions, and the implementation of our marketing and branding strategies. In many cases, you can identify forward-looking statements by terms such as "outlook," "expects," "intends," "will," "may," "believes," "plans," "provisional," "predicts," "potential," "estimates," "should," "could," "anticipates," "likely," "commit," "guidance," "anticipate," "incremental," "preliminary," "forecast," "continue," "strategy," "confidence," "objective," "project," or the negative of these terms or other comparable terminology. The forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions and are subject to risks, uncertainties and changes in circumstances that may cause events or our actual activities or results to differ significantly from those expressed in any forward-looking statement. Certain of these risks, uncertainties and changes in circumstances are described in the "Risk Factors" section of this Quarterly Report on Form 10-Q and in the "Risk Factors" and "Forward-Looking Statements" sections included in our Annual Report on Form 10-K filed with the SEC on February 15, 2024. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, outlook, guidance, results, actions, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. Unless required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date they are made.

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related notes contained elsewhere in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K filed with the SEC on February 15, 2024.

Overview

At Sabre, we make travel happen. We are a technology company that operates our business and presents our results through two business segments: (i) Travel Solutions, our global business-to-business travel marketplace for travel suppliers and travel buyers, including a broad portfolio of software technology products and solutions for airlines, and (ii) Hospitality Solutions, an extensive suite of leading software solutions for hoteliers.

A significant portion of our revenue is generated through transaction-based fees that we charge to our customers. For Travel Solutions, we generate revenue from our distribution activities through transaction fees for bookings on our global distribution system ("GDS"), and from our IT solutions through recurring usage-based fees for the use of our Software-as-a-Service ("SaaS") and hosted systems, as well as upfront fees and professional services fees. For Hospitality Solutions, we generate revenue from recurring usage-based fees for the use of our SaaS and hosted systems, as well as upfront fees and professional services fees. Items that are not allocated to our business segments are identified as corporate and primarily include stock-based compensation expense, litigation costs, corporate headcount-related costs and other items that are not identifiable with either of our segments.

Recent Developments Affecting our Results of Operations

The travel ecosystem has shifted over the past few years, resulting in the changing needs of our airline, hotel and agency customers, for which we have established strategic priorities with the goal of achieving sustainable long-term growth. We have experienced continued material headwinds within our consolidated financial results for 2023 and through the first quarter of 2024. Recent industry air distribution volume growth has leveled off, which may continue into the future and could impact our rate of growth. Passengers boarded for IT solutions has been negatively impacted by recent customer demigrations, which has been partially offset by customer growth.

During the second quarter of 2023, we announced and began to implement a cost reduction plan designed to reposition our business and structurally reduce our cost base. As a result of this cost reduction plan, we incurred restructuring costs beginning in the second quarter of 2023 associated with our workforce. We estimate that these actions will reduce our operating expense on an annual basis by approximately \$200 million. Since the second quarter of 2023, we have incurred costs of \$66 million in connection with this business plan, within our consolidated statement of operations. We expect to continue this cost reduction plan through the end of 2024 and may incur additional costs as we continue to implement plans to further reposition and structurally reduce our cost base.

We believe that we have resources to sufficiently fund our liquidity requirements over at least the next twelve months; however, given the uncertain economic environment and the leveling off of industry air distribution volume growth, we will continue to monitor our liquidity levels and take additional steps should we determine they are necessary. See “—Recent Events Impacting Our Liquidity and Capital Resources” and “—Senior Secured Credit Facilities.” During 2023 and the first quarter of 2024, we refinanced portions of our debt which resulted in higher interest rates than prior years, increasing our current and future interest expense. Currently approximately 42% of our debt, net of cash and hedging impacts from interest rates swaps, is variable and impacted by changes in interest rates. Approximately 24% of our debt is variable, excluding the Senior Secured Term Loan due in 2028, where pricing is subject to the highest yield to maturity of Sabre GLBL secured debt as defined by the Reference Rate. See “Risk Factors—We are exposed to interest rate fluctuations.”

Factors Affecting our Results

In addition to the “—Recent Developments Affecting our Results of Operations” above, a discussion of trends that we believe are the most significant opportunities and challenges currently impacting our business and industry is included in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting our Results” in our Annual Report on Form 10-K filed with the SEC on February 15, 2024. The discussion also includes management’s assessment of the effects these trends have had and are expected to have on our results of continuing operations. This information is not an exhaustive list of all of the factors that could affect our results and should be read in conjunction with the factors referred to in the sections entitled “Risk Factors” and “Forward-Looking Statements” included in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K filed with the SEC on February 15, 2024.

Components of Revenues and Expenses

Revenues

Travel Solutions generates revenues from distribution activities through direct billable bookings processed on our GDS, adjusted for estimated cancellations of those bookings. Travel Solutions also generates revenues from IT solutions activities from its product offerings including reservation systems for full-service and low-cost carriers, commercial and operations products, professional services, agency solutions and booking data. Additionally, Travel Solutions generates revenue through software licensing and maintenance fees. Recognition of license fees upon delivery has previously resulted and will continue to result in periodic fluctuations in revenue recognized.

Hospitality Solutions generates revenue through upfront solution fees and recurring usage-based fees for the use of our software solutions hosted on secure platforms or deployed through our SaaS and through other professional service fees including Digital Experience (“DX”). Certain professional service fees are discrete sales opportunities that may have a high degree of variability from period to period, and we cannot guarantee that we will have such fees in the future consistent with prior periods.

Cost of revenue, excluding technology costs

Cost of revenue, excluding technology costs, incurred by Travel Solutions and Hospitality Solutions consists primarily of costs associated with the delivery and distribution of our products and services and includes employee-related costs for our delivery, customer operations and call center teams as well as allocated overhead such as facilities and other support costs. Cost of revenue, excluding technology costs, for Travel Solutions also includes incentive consideration expense representing payments or other consideration to travel agencies for reservations made on our GDS which accrue on a monthly basis. Cost of revenue, excluding technology costs, also includes amortization of upfront incentive consideration representing upfront payments or other consideration provided to travel agencies for reservations made on our GDS which are capitalized and amortized over the expected life of the contract. The technology costs excluded from Cost of revenue, excluding technology costs, are presented separately below.

Corporate cost of revenue, excluding technology costs, includes certain expenses such as stock-based compensation, restructuring charges and other corporate related items including labor and professional services that are not identifiable with either of our segments.

Depreciation and amortization included in cost of revenue, excluding technology costs, is associated with capitalized implementation costs and intangible assets associated with contracts, supplier and distributor agreements purchased through acquisitions.

Technology Costs

Technology costs incurred by Travel Solutions and Hospitality Solutions consist of expenses related to third-party providers and employee-related costs to operate technology operations including hosting, third-party software, and other costs associated with the maintenance and minor enhancement of our technology. Technology costs also include costs associated with our technology transformation efforts. Technology costs are less variable in nature and therefore may not correlate with related changes in revenue.

Corporate technology costs include certain expenses such as stock-based compensation, restructuring charges and other corporate related items including labor and professional services that are not identifiable with either of our segments.

Depreciation and amortization included in technology costs is associated with software developed for internal use that supports our products, assets supporting our technology platform, businesses and systems and intangible assets for technology purchased through acquisitions.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of professional service fees, certain settlement charges or reimbursements, costs to defend legal disputes, provision for expected credit losses, other overhead costs, and personnel-related expenses, including stock-based compensation, for employees engaged in sales, sales support, account management and who administratively support the business in finance, legal, human resources, information technology and communications.

Depreciation and amortization included in selling, general and administrative expenses is associated with property and equipment, acquired customer relationships, trademarks and brand names purchased through acquisitions or established through the take private transaction in 2007, which includes a remaining useful life of 13 years as of March 31, 2024 for trademarks and brand names.

Intersegment Transactions

We account for significant intersegment transactions as if the transactions were with third parties, that is, at estimated current market prices. Hospitality Solutions pays fees to Travel Solutions for hotel stays booked through our GDS.

Key Metrics

“Direct billable bookings” and “passengers boarded” are the primary metrics utilized by Travel Solutions to measure operating performance. Travel Solutions generates distribution revenue for each direct billable booking, which includes bookings made through our GDS (e.g., Air, and Lodging, Ground and Sea (“LGS”)) and through our equity method investments in cases where we are paid directly by the travel supplier. Air bookings are presented net of bookings cancelled within the period presented. Travel Solutions also recognizes IT solutions revenue from recurring usage-based fees for passengers boarded. The primary metric utilized by Hospitality Solutions is booking transactions processed through the Sabre Hospitality Solutions SynXis Central Reservation System (the “Central Reservation System”). These key metrics allow management to analyze customer volume over time for each of our product lines to monitor industry trends and analyze performance. We believe that these key metrics are useful for investors and other third parties as indicators of our financial performance and industry trends. While these metrics are based on what we believe to be reasonable estimates of our transaction counts for the applicable period of measurement, there are inherent challenges associated with their measurement. In addition, we are continually seeking to improve our estimates of these metrics, and these estimates may change due to improvements or changes in our methodology.

The following table sets forth these key metrics for the periods indicated (in thousands):

	Three Months Ended March 31,		% Change
	2024	2023	
Travel Solutions			
Direct Billable Bookings - Air	85,170	84,348	1.0%
Direct Billable Bookings - LGS	13,289	12,295	8.1%
Distribution Total Direct Billable Bookings	98,459	96,643	1.9%
IT Solutions Passengers Boarded	167,926	165,032	1.8%
Hospitality Solutions			
Central Reservations System Transactions	29,051	27,746	4.7%

Definitions of Non-GAAP Financial Measures

We have included both financial measures compiled in accordance with GAAP and certain non-GAAP financial measures in this Quarterly Report on Form 10-Q, including Adjusted Operating Income, Adjusted Net Loss from continuing operations (“Adjusted Net Loss”), Adjusted EBITDA, Free Cash Flow and ratios based on these financial measures.

We define Adjusted Operating Income as operating income (loss) adjusted for equity method income, acquisition-related amortization, restructuring and other costs, acquisition-related costs, and stock-based compensation.

We define Adjusted Net Loss as net loss attributable to common stockholders adjusted for loss from discontinued operations, net of tax, net income (loss) attributable to noncontrolling interests, preferred stock dividends, acquisition-related amortization, restructuring and other costs, loss on extinguishment of debt, other, net, acquisition-related costs, stock-based compensation, and the tax impact of adjustments.

We define Adjusted EBITDA as loss from continuing operations adjusted for depreciation and amortization of property and equipment, amortization of capitalized implementation costs, acquisition-related amortization, restructuring and other costs, interest expense, net, other, net, loss on extinguishment of debt, acquisition-related costs, stock-based compensation and the remaining provision for income taxes.

We define Free Cash Flow as cash used in operating activities less cash used in additions to property and equipment.

We define Adjusted Net Loss from continuing operations per share as Adjusted Net Loss divided by diluted weighted-average common shares outstanding.

These non-GAAP financial measures are key metrics used by management and our board of directors to monitor our ongoing core operations because historical results have been significantly impacted by events that are unrelated to our core operations as a result of changes to our business and the regulatory environment. We believe that these non-GAAP financial measures are used by investors, analysts and other interested parties as measures of financial performance and to evaluate our ability to service debt obligations, fund capital expenditures, fund our investments in technology transformation, and meet working capital requirements. We also believe that Adjusted Operating Income, Adjusted Net Loss and Adjusted EBITDA assist investors in company-to-company and period-to-period comparisons by excluding differences caused by variations in capital structures (affecting interest expense), tax positions and the impact of depreciation and amortization expense. In addition, amounts derived from Adjusted EBITDA are a primary component of certain covenants under our senior secured credit facilities.

Adjusted Operating Income, Adjusted Net Loss, Adjusted EBITDA, Free Cash Flow and ratios based on these financial measures are not recognized terms under GAAP. These non-GAAP financial measures and ratios based on them are unaudited and have important limitations as analytical tools, and should not be viewed in isolation and do not purport to be alternatives to net income as indicators of operating performance or cash flows from operating activities as measures of liquidity. These non-GAAP financial measures and ratios based on them exclude some, but not all, items that affect net income or cash flows from operating activities and these measures may vary among companies. Our use of these measures has limitations as an analytical tool, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Some of these limitations are:

- these non-GAAP financial measures exclude certain recurring, non-cash charges such as stock-based compensation expense and amortization of acquired intangible assets;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash requirements for such replacements;
- Adjusted EBITDA does not reflect amortization of capitalized implementation costs associated with our revenue contracts, which may require future working capital or cash needs in the future;
- Adjusted Operating Income, Adjusted Net Loss and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our indebtedness;
- Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us;
- Free Cash Flow removes the impact of accrual-basis accounting on asset accounts and non-debt liability accounts, and does not reflect the cash requirements necessary to service the principal payments on our indebtedness; and
- other companies, including companies in our industry, may calculate Adjusted Operating Income, Adjusted Net Loss, Adjusted EBITDA or Free Cash Flow differently, which reduces their usefulness as comparative measures.

The following table sets forth the reconciliation of Net loss attributable to common stockholders to Adjusted Net Loss from continuing operations, Operating Income (Loss) to Adjusted Operating Income, and Loss from continuing operations to Adjusted EBITDA (in thousands):

	Three Months Ended March 31,	
	2024	2023
Net loss attributable to common stockholders	\$ (71,483)	\$ (104,280)
Loss from discontinued operations, net of tax	—	403
Net income (loss) attributable to noncontrolling interests ⁽¹⁾	378	(835)
Preferred stock dividends	—	5,346
Loss from continuing operations	(71,105)	(99,366)
Adjustments:		
Acquisition-related amortization ^(2a)	9,622	9,934
Restructuring and other costs ⁽⁴⁾	(5,053)	(319)
Loss on extinguishment of debt	37,994	—
Other, net ⁽³⁾	4,477	(2,407)
Acquisition-related costs ⁽⁵⁾	250	847
Stock-based compensation	13,905	17,005
Tax impact of adjustments ⁽⁶⁾	4,171	16,005
Adjusted Net Loss from continuing operations	\$ (5,739)	\$ (58,301)
Adjusted Net Loss from continuing operations per share	\$ (0.02)	\$ (0.18)
Diluted weighted-average common shares outstanding	379,774	328,928
Operating income (loss)	\$ 98,085	\$ (213)
Add back:		
Equity method income	960	423
Acquisition-related amortization ^(2a)	9,622	9,934
Restructuring and other costs ⁽⁴⁾	(5,053)	(319)
Acquisition-related costs ⁽⁵⁾	250	847
Stock-based compensation	13,905	17,005
Adjusted Operating Income	\$ 117,769	\$ 27,677
Loss from continuing operations	(71,105)	\$ (99,366)
Adjustments:		
Depreciation and amortization of property and equipment ^(2b)	19,713	21,029
Amortization of capitalized implementation costs ^(2c)	4,824	9,356
Acquisition-related amortization ^(2a)	9,622	9,934
Restructuring and other costs ⁽⁴⁾	(5,053)	(319)
Interest expense, net	124,747	99,784
Other, net ⁽³⁾	4,477	(2,407)
Loss on extinguishment of debt	37,994	—
Acquisition-related costs ⁽⁵⁾	250	847
Stock-based compensation	13,905	17,005
Provision for income taxes	2,932	2,199
Adjusted EBITDA	\$ 142,306	\$ 58,062

The following tables set forth the reconciliation of Adjusted Operating Income (Loss) to Operating income (loss) in our statement of operations and Adjusted EBITDA to Loss from continuing operations in our statement of operations by business segment (in thousands):

	Three Months Ended March 31, 2024			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Income (Loss)	\$ 169,782	\$ 2,472	\$ (54,485)	\$ 117,769
Less:				
Equity method income	960	—	—	960
Acquisition-related amortization ^(2a)	—	—	9,622	9,622
Restructuring and other costs ⁽⁴⁾	—	—	(5,053)	(5,053)
Acquisition-related costs ⁽⁵⁾	—	—	250	250
Stock-based compensation	—	—	13,905	13,905
Operating income (loss)	<u>\$ 168,822</u>	<u>\$ 2,472</u>	<u>\$ (73,209)</u>	<u>\$ 98,085</u>
Adjusted EBITDA	\$ 188,309	\$ 8,271	\$ (54,274)	\$ 142,306
Less:				
Depreciation and amortization of property and equipment ^(2b)	15,171	4,331	211	19,713
Amortization of capitalized implementation costs ^(2c)	3,356	1,468	—	4,824
Acquisition-related amortization ^(2a)	—	—	9,622	9,622
Restructuring and other costs ⁽⁴⁾	—	—	(5,053)	(5,053)
Acquisition-related costs ⁽⁵⁾	—	—	250	250
Stock-based compensation	—	—	13,905	13,905
Equity method income	960	—	—	960
Operating income (loss)	<u>\$ 168,822</u>	<u>\$ 2,472</u>	<u>\$ (73,209)</u>	<u>\$ 98,085</u>
Interest expense, net				(124,747)
Other, net ⁽³⁾				(4,477)
Loss on extinguishment of debt				(37,994)
Equity method income				960
Provision for income taxes				(2,932)
Loss from continuing operations				<u>\$ (71,105)</u>

	Three Months Ended March 31, 2023			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Income (Loss)	\$ 90,102	\$ (8,495)	\$ (53,930)	\$ 27,677
Less:				
Equity method income	423	—	—	423
Acquisition-related amortization ^(2a)	—	—	9,934	9,934
Restructuring and other costs ⁽⁴⁾	—	—	(319)	(319)
Acquisition-related costs ⁽⁵⁾	—	—	847	847
Stock-based compensation	—	—	17,005	17,005
Operating income (loss)	<u>\$ 89,679</u>	<u>\$ (8,495)</u>	<u>\$ (81,397)</u>	<u>\$ (213)</u>
Adjusted EBITDA	\$ 114,708	\$ (2,811)	\$ (53,835)	\$ 58,062
Less:				
Depreciation and amortization of property and equipment ^(2b)	16,628	4,306	95	21,029
Amortization of capitalized implementation costs ^(2c)	7,978	1,378	—	9,356
Acquisition-related amortization ^(2a)	—	—	9,934	9,934
Restructuring and other costs ⁽⁴⁾	—	—	(319)	(319)
Acquisition-related costs ⁽⁵⁾	—	—	847	847
Stock-based compensation	—	—	17,005	17,005
Equity method income	423	—	—	423
Operating income (loss)	<u>\$ 89,679</u>	<u>\$ (8,495)</u>	<u>\$ (81,397)</u>	<u>\$ (213)</u>
Interest expense, net				(99,784)
Other, net ⁽³⁾				2,407
Equity method income				423
Provision for income taxes				(2,199)
Loss from continuing operations				<u>\$ (99,366)</u>

The following tables present information from our statements of cash flows and set forth the reconciliation of Free Cash Flow to cash used in operating activities, the most directly comparable GAAP measure (in thousands):

	Three Months Ended March 31,	
	2024	2023
Cash used in operating activities	\$ (68,090)	\$ (72,409)
Cash used in investing activities	(27,676)	(18,110)
Cash provided by financing activities	77,908	111,939

	Three Months Ended March 31,	
	2024	2023
Cash used in operating activities	\$ (68,090)	\$ (72,409)
Additions to property and equipment	(27,676)	(18,110)
Free Cash Flow	<u>\$ (95,766)</u>	<u>\$ (90,519)</u>

(1) Net income attributable to noncontrolling interests represents an adjustment to include earnings allocated to noncontrolling interests held in (i) Sabre Travel Network Middle East of 40%, (ii) Sabre Seyahat Dagitim Sistemleri A.S. of 40%, (iii) Sabre Travel Network Lanka (Pte) Ltd of 40%, (iv) Sabre Bulgaria of 40%, and (v) FERMR Holdings Limited (the direct parent of Conferma Limited) of 19%.

(2) Depreciation and amortization expenses:

- (a) Acquisition-related amortization represents amortization of intangible assets from the take-private transaction in 2007 as well as intangibles associated with acquisitions since that date.
- (b) Depreciation and amortization of property and equipment includes software developed for internal use as well as amortization of contract acquisition costs.
- (c) Amortization of capitalized implementation costs represents amortization of upfront costs to implement new customer contracts under our SaaS and hosted revenue model.

(3) Other, net includes non-operating gains of \$3 million recognized in the first quarter of 2023 and the impacts of fair value adjustments of our GBT investment in all periods presented. In addition, all periods presented include foreign exchange gains and losses related to the remeasurement of foreign currency denominated balances included in our consolidated balance sheets into the relevant functional currency.

- (4) Restructuring and other costs in 2024 primarily represents adjustments to charges associated with our cost reduction plan we began implementing in the second quarter of 2023. See Note 4. Restructuring Activities to our consolidated financial statements.
- (5) Acquisition-related costs represent fees and expenses incurred associated with acquisition and disposition-related activities.
- (6) The tax impact of adjustments includes the tax effect of each separate adjustment based on the statutory tax rate for the jurisdiction(s) in which the adjustment was taxable or deductible, and the tax effect of items that relate to tax specific financial transactions, tax law changes, uncertain tax positions, valuation allowances and other items.

Results of Operations

The following table sets forth our consolidated statements of operations data for each of the periods presented:

	Three Months Ended March 31,	
	2024	2023
	(Amounts in thousands)	
Revenue	\$ 782,886	\$ 742,695
Cost of revenue, excluding technology costs	321,094	307,042
Technology costs	222,291	271,438
Selling, general and administrative	141,416	164,428
Operating income (loss)	98,085	(213)
Interest expense, net	(124,747)	(99,784)
Loss on extinguishment of debt	(37,994)	—
Equity method income	960	423
Other, net	(4,477)	2,407
Loss from continuing operations before income taxes	(68,173)	(97,167)
Provision for income taxes	2,932	2,199
Loss from continuing operations	\$ (71,105)	\$ (99,366)

Three Months Ended March 31, 2024 and 2023

Revenue

	Three Months Ended March 31,			
	2024	2023		
	(Amounts in thousands)			
Travel Solutions	\$ 713,633	\$ 677,441	\$ 36,192	5 %
Hospitality Solutions	78,819	73,812	5,007	7 %
Total segment revenue	792,452	751,253	41,199	5 %
Eliminations	(9,566)	(8,558)	(1,008)	12 %
Total revenue	\$ 782,886	\$ 742,695	\$ 40,191	5 %

Travel Solutions—Revenue increased \$36 million, or 5%, for the three months ended March 31, 2024 compared to the same period in the prior year, primarily due to:

- a \$46 million, or 9% increase in transaction-based distribution revenue primarily due to favorable rate impacts from travel supplier mix and a 2% increase in direct billable bookings to 98 million; and
- a \$10 million, or 7% decrease in IT solutions revenue driven by a \$22 million decline in revenue from customers that have de-migrated from our systems, including the impact of termination fees from a certain carrier in the prior year. These decreases were partially offset by a \$5 million increase in license fee revenue, an increase of \$3 million due to a 2% increase in passengers boarded to 168 million and a \$3 million increase in other revenue.

Hospitality Solutions—Revenue increased \$5 million, or 7%, for the three months ended March 31, 2024 compared to the same period in the prior year. The increase was primarily driven by a \$6 million increase in SynXis Software and Services revenue due to an increase in transaction volumes of 5% to 29 million driven by new customer deployments, and a favorable mix within our customer base. This increase was partially offset by a \$1 million decrease in DX revenue.

Cost of revenue, excluding technology costs

	Three Months Ended March 31,		Change	
	2024	2023		
	(Amounts in thousands)			
Travel Solutions	\$ 288,850	\$ 267,427	\$ 21,423	8 %
Hospitality Solutions	36,559	37,057	(498)	(1)%
Eliminations	(9,566)	(8,558)	(1,008)	12 %
Corporate	47	1,552	(1,505)	(97)%
Depreciation and amortization	5,204	9,564	(4,360)	(46)%
Total cost of revenue, excluding technology costs	\$ 321,094	\$ 307,042	\$ 14,052	5 %

Travel Solutions—Cost of revenue, excluding technology costs, increased \$21 million, or 8%, for the three months ended March 31, 2024 compared to the same period in the prior year. The increase was primarily driven by a \$23 million increase in incentive consideration due to an increase in rates and higher transaction volume. This increase was partially offset by a \$2 million decrease in labor and professional services costs driven by our cost reduction plan.

Hospitality Solutions—Cost of revenue, excluding technology costs, declined slightly for the three months ended March 31, 2024 compared to the same period in the prior year. A \$2 million decrease in labor and professional services costs driven by our cost reduction plan was partially offset by a \$1 million increase in costs associated with increased transaction volumes and the mix of our transactions across our distribution channels.

Corporate—Cost of revenue, excluding technology costs, decreased \$2 million, or 97%, for the three months ended March 31, 2024 compared to the same period in the prior year primarily due to a decrease in labor and professional services.

Depreciation and Amortization—Cost of revenue, excluding technology costs, decreased \$4 million, or 46%, for the three months ended March 31, 2024 primarily due to the acceleration of amortization of certain customer implementation costs in the prior year, in connection with a customer de-migrating from our systems.

Technology Costs

	Three Months Ended March 31,		Change	
	2024	2023		
	(Amounts in thousands)			
Travel Solutions	\$ 188,559	\$ 233,020	\$ (44,461)	(19)%
Hospitality Solutions	25,822	29,889	(4,067)	(14)%
Corporate	7,910	8,529	(619)	(7)%
Total technology costs	\$ 222,291	\$ 271,438	\$ (49,147)	(18)%

Travel Solutions—Technology costs decreased \$44 million, or 19% for the three months ended March 31, 2024 compared to the same period in the prior year. The decrease was primarily driven by a \$29 million decrease in labor and professional services driven by our cost reduction plan, a \$14 million decrease in technology costs due to cost savings related to our mainframe offloads and data migrations, and a decrease in depreciation and amortization of \$2 million primarily due to the completion of amortization of certain capitalized internal use software.

Hospitality Solutions—Technology costs decreased \$4 million, or 14%, for the three months ended March 31, 2024 compared to the same period in the prior year primarily due to a \$5 million decrease in labor and professional services driven by our cost reduction plan. This decrease was partially offset by a \$1 million increase in technology costs to support growth in the business.

Corporate—Technology costs decreased \$1 million, or 7%, for the three months ended March 31, 2024 compared to the same period in the prior year due to \$1 million decrease in stock-based compensation primarily due to forfeitures of unvested shares.

Selling, General and Administrative Expenses

	Three Months Ended March 31,		Change	
	2024	2023		
	(Amounts in thousands)			
Travel Solutions	\$ 63,945	\$ 79,123	\$ (15,178)	(19)%
Hospitality Solutions	12,484	13,989	(1,505)	(11)%
Corporate	64,987	71,316	(6,329)	(9)%
Total selling, general and administrative expenses	\$ 141,416	\$ 164,428	\$ (23,012)	(14)%

Travel Solutions—Selling, general and administrative expenses decreased \$15 million, or 19%, for the three months ended March 31, 2024 compared to the same period in the prior year due to a \$10 million decrease in labor and professional services primarily driven by our cost reduction plan, a \$3 million decrease in legal costs, and a \$2 million decrease in the provision for credit losses.

Hospitality Solutions—Selling, general and administrative expenses decreased \$2 million, or 11%, for the three months ended March 31, 2024 compared to the prior year primarily due to a \$2 million decrease in the provision for credit losses and a \$1 million decrease in labor and professional services driven by our cost reduction plan.

Corporate—Selling, general and administrative expenses decreased \$6 million, or 9%, for the three months ended March 31, 2024 compared to the same period in the prior year. The decrease was primarily driven by a \$5 million decrease in labor and professional services driven by our cost reduction plan, a \$4 million decrease due to the reversal of severance cost accruals associated with our cost reduction plan and a \$2 million decrease in stock-based compensation primarily due to forfeitures of unvested shares. These decreases were partially offset by a \$2 million increase in technology costs and a \$2 million increase associated with other ongoing business expenses.

Interest expense, net

	Three Months Ended March 31,		Change	
	2024	2023		
	(Amounts in thousands)			
Interest expense, net	\$ 124,747	\$ 99,784	\$ 24,963	25 %

Interest expense increased \$25 million, or 25%, during the three months ended March 31, 2024 compared to the same period in the prior year primarily due to additional interest incurred in connection with the financing activities that have occurred since the prior year period. See Note 7. Debt for further details regarding these debt transactions.

Loss on extinguishment of debt

We recognized a loss on extinguishment of debt of \$38 million for the three months ended March 31, 2024 as a result of the refinancing activity that occurred in the current quarter. See Note 7. Debt for further details.

Other, net

	Three Months Ended March 31,		Change	
	2024	2023		
	(Amounts in thousands)			
Other, net	\$ 4,477	\$ (2,407)	\$ 6,884	(286)%

Other, net increased \$7 million for the three months ended March 31, 2024 compared to the same period in the prior year primarily due to a change in fair value of our investments in securities from a loss of \$1 million in the prior year period to a loss of \$3 million in the current year period and a \$3 million increase due to other non-operating gains recognized in the first quarter of 2023. See Note 9. Fair Value Measurements for further details regarding our investments in securities.

Provision for Income Taxes

	Three Months Ended March 31,		Change	
	2024	2023		
	(Amounts in thousands)			
Provision for income taxes	\$ 2,932	\$ 2,199	\$ 733	33 %

For the three months ended March 31, 2024, we recognized \$3 million of income tax expense, representing an effective tax rate of less than 1%, compared to an income tax expense of \$2 million, representing an effective tax rate of less than 1% for the three months ended March 31, 2023. While the total tax provision increased slightly, the effective tax rate decreased for the three months ended March 31, 2024 as compared to the same period in 2023 primarily due to the change in the geographic mix of taxable income and various discrete items recorded in each of the respective three month periods. The difference between our effective tax rates and the U.S. federal statutory income tax rate primarily results from valuation allowances, our geographic mix of taxable income in various tax jurisdictions, tax permanent differences and tax credits.

Liquidity and Capital Resources

Our current principal source of liquidity is our cash and cash equivalents on hand. As of March 31, 2024 and December 31, 2023, our cash and cash equivalents and outstanding letters of credit were as follows (in thousands):

	March 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 629,137	\$ 648,207
Available undrawn balance under the AR Facility ⁽¹⁾	—	400
AR Facility outstanding balance ⁽¹⁾	112,200	110,000
Available under the bilateral letter of credit facility	11,893	8,486
Outstanding letters of credit under the bilateral letter of credit facility	8,107	11,514

⁽¹⁾ AR Facility (as defined below) does not include the FILO Facility (as defined below).

As of March 31, 2024, we had \$112 million outstanding under the AR Facility. The AR Facility matures on March 29, 2027 and allows us the ability to repay the principal amount prior to the maturity date without penalty. See Note 7. Debt.

We consider cash equivalents to be highly liquid investments that are readily convertible into cash. Securities with contractual maturities of three months or less, when purchased, are considered cash equivalents. We record changes in a book overdraft position, in which our bank account is not overdrawn but recently issued and outstanding checks result in a negative general ledger balance, as cash flows from financing activities. We invest in a money market fund which is classified as cash and cash equivalents in our consolidated balance sheets and statements of cash flows. We held no short-term investments as of March 31, 2024 and December 31, 2023. We had \$21 million held as cash collateral for standby letters of credit in restricted cash on our consolidated balance sheets as of March 31, 2024 and December 31, 2023.

Liquidity Outlook

The travel ecosystem has shifted over the past few years, resulting in the changing needs of our airline, hotel and agency customers, for which we have established strategic priorities with the goal of achieving sustainable long-term growth. We have experienced continued material headwinds within our consolidated financial results for 2023 and through the first quarter of 2024. These changes have had, and we believe they will continue to have, a material negative impact on our financial results and liquidity, and this negative impact may continue. Given the uncertain economic environment, we cannot provide assurance that the assumptions used to estimate our liquidity requirements will be accurate. However, based on our assumptions and estimates with respect to our financial condition, we believe that we have resources to sufficiently fund our liquidity requirements over at least the next twelve months.

During the first quarter of 2024, we refinanced and extended the maturity on approximately \$300 million of our debt, which negatively impacted our results due to increasing interest rates, but increased our overall liquidity by approximately \$70 million. We expect to repay our remaining 2025 debt maturities with cash from our balance sheet. In the second quarter of 2023, we began implementing a cost reduction plan designed to reposition our business to the current environment and to structurally reduce our cost base. We believe our cash position and the liquidity measures we have taken will provide additional flexibility as we manage through continued headwinds. We will continue to monitor our liquidity levels and take additional steps should we determine they are necessary.

We utilize cash and cash equivalents primarily to pay our operating expenses, make capital expenditures, invest in our information technology infrastructure, products and offerings, pay taxes and service our debt and other long-term liabilities. Free cash flow is calculated as cash flow from operations reduced by additions to property and equipment. We expect the full year 2024 free cash flow to be positive.

Our ability to generate cash depends on many factors beyond our control, and any failure to meet our debt service obligations could harm our business, financial condition and results of operations. Our ability to make payments on and to refinance our indebtedness, and to fund working capital needs and planned capital expenditures will depend on our ability to generate cash in the future, which is subject to general economic, financial, competitive, business, legislative, regulatory and other factors that are beyond our control. See "Risk Factors—We may require more cash than we generate in our operating activities, and additional funding on reasonable terms or at all may not be available."

On an ongoing basis, we will evaluate and consider strategic acquisitions, divestitures, joint ventures, equity method investments, refinancing our existing debt or repurchasing our outstanding debt obligations in open market or in privately negotiated transactions, as well as other transactions we believe may create stockholder value or enhance financial performance. These transactions may require cash expenditures or generate proceeds and, to the extent they require cash expenditures, may be funded through a combination of cash on hand, debt or equity offerings.

While our business has incurred net losses on a GAAP basis, we recognized federal taxable income in 2023 based on our operating and non-operating results along with provisions of the Tax Cuts and Jobs Act that limit interest expense deduction and the annual use of Net Operating Loss ("NOL") carryforwards, and requires companies to capitalize and amortize research and development costs. As a result, we expect to be a U.S. federal cash taxpayer in 2024, and we also expect to benefit from the usage of NOLs in 2024 to the extent available. We expect to continue to benefit from our NOLs and certain tax credits in the near-term beyond 2024.

Capital Resources

As of March 31, 2024, our outstanding debt totaled \$5.0 billion, which is net of debt issuance costs and unamortized discounts of \$133 million. Currently approximately 42% of our debt, net of cash and hedging impacts from interest rates swaps, is variable and impacted by changes in interest rates. Approximately 24% of our debt is variable, excluding the Senior Secured Term Loan due in 2028, where interest rate pricing is subject to the highest yield to maturity of Sabre GBLB secured debt as defined by the Reference Rate. See "Risk Factors—We are exposed to interest rate fluctuations." In the future, we may review opportunities to refinance our existing debt, as well as conduct debt or equity offerings to support future strategic investments, support operational requirements, provide additional liquidity, or pay down debt.

The global capital markets experienced periods of volatility throughout 2023 and through the first quarter of 2024, in response to the geopolitical conflict, increases in the rate of inflation, and uncertainty regarding the path of U.S. monetary policy. During 2023 and the first quarter of 2024, we refinanced portions of our debt which resulted in interest rates higher than prior years, increasing current and future interest expense. However, the June 2023 Refinancing (as defined below) provides the ability for interest to be payable-in-kind, such that amounts due are capitalized into the note balance at the payment date rather than paid in cash, reducing our near-term cash payments for interest on this debt. Subject to market conditions, we may opportunistically refinance portions of our debt in the near term which, at current interest rates and market conditions, may negatively impact our interest expense or result in higher dilution. In addition, from time to time, we may decide to repurchase or otherwise retire portions of our existing indebtedness through transactions in the open market, privately negotiated transactions, tender offers, exchange offers or otherwise, or we may redeem or prepay portions of our existing indebtedness. Any such action will depend on market conditions and various other factors existing at that time. Furthermore, we may be required to pay US Airways' reasonable attorneys' fees and costs related to that antitrust litigation. See Note 13. Contingencies, to our consolidated financial statements.

Our continued access to capital resources depends on multiple factors, including global economic conditions, the condition of global financial markets, the availability of sufficient amounts of financing, our ability to meet debt covenant requirements, our operating performance, and our credit ratings. These factors could lead to further market disruption and potential increases to our funding costs. While the terms of our outstanding indebtedness allow us to incur additional debt, subject to limitations, our ability to incur additional secured indebtedness is significantly limited. As a result, we expect that any material increases in total indebtedness, if available and to the extent issued in the future, may be unsecured. If our credit ratings were to be downgraded, or financing sources were to become more limited or to ascribe higher risk to our rating levels or our industry, our access to capital and the cost of any financing would be negatively impacted. There is no guarantee that additional debt financing will be available in the future to fund our obligations, or that it will be available on commercially reasonable terms, in which case we may need to seek other sources of funding. In addition, the terms of future debt agreements could include more restrictive covenants than those we are currently subject to, which could restrict our business operations. For more information, see "Risk Factors—We may require more cash than we generate in our operating activities, and additional funding on reasonable terms or at all may not be available."

Under the Amended and Restated Credit Agreement, the loan parties are subject to certain customary non-financial covenants, including restrictions on incurring certain types of indebtedness, creation of liens on certain assets, making of certain investments, and payment of dividends. In the first quarter of 2023, we entered into the AR Facility of up to \$200 million, and in the first quarter of 2024, we increased the overall size of the AR Facility through the FILO Facility, resulting in a Securitization Facility of \$235 million (as each of such terms is defined below). In June 2023, we entered into the 2023 Term Loan Agreement, which provides for a senior secured term loan of up to \$700 million in aggregate principal amount and requires that we maintain cash balances of at least \$100 million in certain foreign subsidiaries and other covenants to ensure collateral of the applicable foreign guarantors meet certain minimum levels. The 2023 Term Loan Agreement also includes various non-financial covenants, including restrictions on making certain investments, disposition activities and affiliate transactions. In addition, the 2023 Term Loan Agreement contains customary prepayment events and financial and negative covenants and other representations, covenants and events of default based on, but in certain instances more restrictive than, the Amended and Restated Credit Agreement. As of March 31, 2024, we were in compliance with all covenants under the terms of the Amended and Restated Credit Agreement, the Securitization Facility and the 2023 Term Loan Agreement.

We are required to pay down our term loans by an amount equal to 50% of annual excess cash flow, as defined in the Amended and Restated Credit Agreement. This percentage requirement may decrease or be eliminated if certain leverage ratios are achieved. Based on our results for the year ended December 31, 2022, we were not required to make an excess cash flow

payment in 2023, and no excess cash flow payment is required in 2024 with respect to our results for the year ended December 31, 2023. We are further required to pay down the term loans with proceeds from certain asset sales, net of taxes, or borrowings, that are not otherwise reinvested in the business, as provided in the Amended and Restated Credit Agreement.

Recent Events Impacting Our Liquidity and Capital Resources

Debt Agreements

On May 16, 2023, Sabre GLBL entered into Amendment No. 5 to the Credit Agreement (the "SOFR Amendment"). The SOFR Amendment was entered into pursuant to the Amended and Restated Credit Agreement, dated as of February 19, 2013. The SOFR Amendment provides for the replacement of LIBOR-based rates with a SOFR-based rate for the 2021 Term Loan B-1 and 2021 Term Loan B-2 and amends certain provisions of the Credit Agreement. The change from LIBOR to SOFR is due to the reference rate reform and the phasing out of LIBOR as a loan benchmark. The SOFR Amendment did not have a material impact on our financial position or results of operations.

On June 13, 2023, Sabre Financial Borrower, LLC ("Sabre FB"), our indirect, consolidated subsidiary entered into a series of transactions including a new term loan credit agreement with certain lenders (the "2023 Term Loan Agreement") and an intercompany secured term loan agreement (the "Pari Passu Loan Agreement"). The 2023 Term Loan Agreement provides for a senior secured term loan (the "Senior Secured Term Loan Due 2028") of up to \$700 million in aggregate principal amount, subject to Sabre FB using the proceeds from the Senior Secured Term Loan Due 2028 for an intercompany loan to Sabre GLBL. On June 13, 2023, Sabre FB borrowed the full \$700 million amount under the 2023 Term Loan Agreement and lent the funds to Sabre GLBL under the Pari Passu Loan Agreement. Borrowings under the 2023 Term Loan Agreement are secured by the assets of Sabre FB, including Sabre FB's claims under the Pari Passu Loan Agreement, and assets of certain of our foreign subsidiaries. Borrowings under the Pari Passu Loan Agreement are secured by first-priority liens on the same collateral securing the indebtedness owing under the Senior Secured Credit Facilities and Sabre GLBL's outstanding Senior Secured Notes. Sabre GLBL used the proceeds borrowed under the Pari Passu Loan Agreement to repurchase \$650 million of its outstanding 9.25% Senior Secured Notes due 2025 (the "June 2023 Refinancing") and \$15 million of its outstanding 2021 Term Loan B-1, 2021 Term Loan B-2 and 2022 Term Loan B-2. The remaining proceeds, net of a discount of \$23 million, were used to pay \$13 million in other fees and expenses. We incurred additional fees of \$15 million, plus \$10 million of accrued and unpaid interest on the 9.25% Senior Secured Notes, which were funded with cash on hand. We recognized a net gain on extinguishment of debt in connection with the June 2023 Refinancing during the year ended December 31, 2023 of \$13 million. As of March 31, 2024, we are in compliance with the covenants under the 2023 Term Loan Agreement and the Pari Passu Loan Agreement.

On September 7, 2023, Sabre GLBL completed exchange offers in which approximately \$787 million of our 7.375% senior secured notes due 2025 (the "September 2025 Notes") and approximately \$66 million of our 9.25% senior secured notes due 2025 (the "April 2025 Notes") were exchanged for a combination of cash and approximately \$853 million aggregate principal amount of 8.625% senior secured notes due 2027 (the "June 2027 Notes"), issued at par (the "September 2023 Exchange Transaction"). The June 2027 Notes are jointly and severally, irrevocably and unconditionally guaranteed by Sabre Holdings and all of Sabre GLBL's restricted subsidiaries that guarantee the Senior Secured Credit Facilities and the Secured Term Loan Due 2028. The June 2027 Notes bear interest at a rate of 8.625% per annum and interest payments are due semi-annually in arrears on March 1 and September 1 of each year, beginning March 1, 2024. The June 2027 Notes mature on June 1, 2027. Sabre GLBL did not receive any cash proceeds from the exchange and did not incur additional indebtedness in excess of the aggregate principal amount of the April 2025 Notes and the September 2025 Notes that were exchanged. We incurred additional fees of approximately \$133 million, primarily consisting of approximately \$115 million in exchange fees, \$15 million in underwriting and associated fees and expenses plus \$3 million of accrued and unpaid interest, all of which were funded with cash on hand. We determined that the September 2023 Exchange Transaction, including the impact of the exchange fees, represents a debt extinguishment and therefore recognized a loss on extinguishment of debt during the year ended December 31, 2023 of \$121 million, consisting of \$115 million in exchange fees related to the June 2027 Notes and \$6 million related to the write-off of unamortized debt issuance costs on the April 2025 Notes and the September 2025 Notes.

On March 7, 2024, Sabre GLBL exchanged approximately \$36 million of our September 2025 Notes and approximately \$7 million of our April 2025 Notes for approximately \$50 million aggregate principal amount of additional June 2027 Notes (the "March 2024 Exchange Transaction"). No additional indebtedness was incurred as a result of the transaction, other than amounts covering exchange fees of approximately \$7 million. Other than the issuance date and issue price, these additional June 2027 notes have the same terms, form a single series with, and are fungible with the June 2027 Notes described above. We incurred additional fees of approximately \$1 million, which were funded with cash on hand. We determined that the March 2024 Exchange Transaction, including the impact of the exchange fees, represents a debt extinguishment and therefore recognized a loss on extinguishment of debt during the three months ended March 31, 2024 of approximately \$7 million, primarily consisting of exchange fees related to the June 2027 Notes.

Exchangeable Notes

On March 19, 2024, Sabre GLBL exchanged \$150 million aggregate principal amount of its outstanding 2025 Exchangeable Notes for \$150 million aggregate principal amount of Sabre GLBL's newly-issued 7.32% senior exchangeable notes due 2026 (the "2026 Exchangeable Notes" and together with the 2025 Exchangeable Notes, the "Exchangeable Notes") and approximately \$30 million of cash. We incurred additional fees of approximately \$5 million in associated fees and expenses plus \$3 million of accrued and unpaid interest, all of which were funded with cash on hand. We determined that the exchange transaction, including the impact of the exchange fees, represents a debt extinguishment and therefore recognized a loss on extinguishment of debt of \$31 million. We did not receive any cash proceeds from the exchange and did not incur additional

indebtedness in excess of the aggregate principal amount of existing notes that were exchanged. The 2026 Exchangeable Notes are senior, unsecured obligations of Sabre GLOB, accrue interest payable semi-annually in arrears on February 1 and August 1 of each year, beginning on August 1 2024, and mature on August 1, 2026, unless earlier repurchased or exchanged in accordance with specified circumstances and terms of the indenture governing the 2026 Exchangeable Notes (the "2026 Exchangeable Notes Indenture" and together with the 2025 Exchangeable Notes Indenture, the "Exchangeable Indentures"). As of March 31, 2024, we have \$150 million aggregate principal amount of 2026 Exchangeable Notes outstanding.

Securitization Facility

On February 14, 2023, Sabre Securitization, LLC, our indirect, consolidated subsidiary and a special purpose entity ("Sabre Securitization"), entered into a three-year committed accounts receivable securitization facility (as amended from time to time the "Securitization Facility") of up to \$200 million with PNC Bank, N.A.

On March 29, 2024, Sabre Securitization increased the overall size of its existing Securitization Facility from \$200 million to \$235 million by issuing a \$120 million "first-in, last-out" term loan tranche under the Securitization Facility (such tranche, the "FILO Facility") and reducing the revolving tranche under the Securitization Facility to \$115 million (such tranche, the "AR Facility"). In connection with the issuance of the FILO Facility, the maturity date of the Securitization Facility was extended to March 29, 2027 and the springing maturity date thereunder was terminated. The FILO Facility provides the ability to prepay or repay at certain redemption premiums as set forth in the agreement. The net proceeds received from the FILO Facility of \$117 million, net of \$3 million in fees paid to creditors, will be used for general corporate purposes. We incurred additional fees of \$4 million, which were funded with cash on hand.

The amount available for borrowings at any one time under the Securitization Facility is limited to a borrowing base calculated based on the outstanding balance of eligible receivables, subject to certain reserves. As of March 31, 2024, we had \$232 million outstanding under the Securitization Facility, consisting of \$112 million under the AR Facility and \$120 million outstanding under the FILO Facility.

Dividends

The Preferred Stock accumulated cumulative dividends at a rate per annum equal to 6.50% payable, at our election, in cash, shares of our common stock or a combination of cash and shares of our common stock. We accrued \$5 million of preferred stock dividends in our consolidated results of operations for the three months ended March 31, 2023. During the three months ended March 31, 2023, we paid cash dividends on our preferred stock of \$5 million. On September 1, 2023, the mandatory conversion date, each outstanding share of Preferred Stock was automatically converted into shares of our common stock. See Note 11. Stock and Stockholders' Equity for further details.

Share Repurchase Program

In February 2017, we announced the approval of a multi-year share repurchase program (the "Share Repurchase Program") to purchase up to \$500 million of Sabre's common stock outstanding. Repurchases under the Share Repurchase Program may take place in the open market or privately negotiated transactions. During the three months ended March 31, 2024, we did not repurchase any shares pursuant to the Share Repurchase Program. On March 16, 2020, we announced the suspension of share repurchases under the Share Repurchase Program in conjunction with the cash management measures we are undertaking as a result of the market conditions caused by COVID-19. As of March 31, 2024, the Share Repurchase Program remains suspended and approximately \$287 million remains authorized for repurchases. In addition, the terms of certain of the agreements governing our indebtedness contain covenants that, among other things, limit our ability to repurchase our common stock. See "Risk Factors—The terms of our debt covenants could limit our discretion in operating our business and any failure to comply with such covenants could result in the default of all of our debt."

Senior Secured Credit Facilities

Under the Amended and Restated Credit Agreement, the loan parties are subject to certain customary non-financial covenants, including restrictions on incurring certain types of indebtedness, creation of liens on certain assets, making of certain investments, and payment of dividends. As of March 31, 2024, we are in compliance with all covenants under the terms of the Amended and Restated Credit Agreement.

Cash Flows

	Three Months Ended March 31,	
	2024	2023
	(Amounts in thousands)	
Cash used in operating activities	\$ (68,090)	\$ (72,409)
Cash used in investing activities	(27,676)	(18,110)
Cash provided by financing activities	77,908	111,939
Cash provided by discontinued operations	—	52
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,212)	715
(Decrease) increase in cash, cash equivalents and restricted cash	<u>\$ (19,070)</u>	<u>\$ 22,187</u>

Operating Activities

Cash used in operating activities totaled \$68 million for the three months ended March 31, 2024. The \$4 million increase in operating cash flow from the same period in the prior year was primarily due to increased transaction volumes, partially offset by a \$13 million increase in interest payments related to our debt and \$5 million of severance payments made in connection with our cost reduction plan.

Investing Activities

For the three months ended March 31, 2024, we used \$28 million of cash for capital expenditures primarily related to software developed for internal use and acquired software licenses associated with our internal billing systems.

For the three months ended March 31, 2023, we used \$18 million of cash for capital expenditures primarily related to software developed for internal use.

Financing Activities

For the three months ended March 31, 2024, financing activities provided \$78 million. Significant highlights of our financing activities include:

- proceeds of \$150 million from the issuance of the 2026 Exchangeable Notes;
- payment of \$150 million on our 2025 Exchangeable Notes;
- proceeds of \$120 million from the issuance of the FILO Facility;
- proceeds of \$50 million from the issuance of our June 2027 Notes;
- payment of \$49 million for debt discount and issuance costs;
- payment of \$36 million on our September 2025 Notes and \$7 million on our April 2025 Notes;
- net proceeds of \$2 million from borrowings on our AR Facility; and
- net payments of \$2 million from the settlement of employee stock-option awards.

For the three months ended March 31, 2023, financing activities provided \$112 million. Significant highlights of our financing activities include:

- proceeds of \$115 million from borrowings on our AR Facility;
- proceeds of \$16 million from the sale of common shares of a subsidiary;
- payment of \$6 million on our term loans;
- payment of \$2 million for debt discount and issuance costs;
- net payments of \$5 million from the settlement of employee stock-option awards; and
- payment of \$5 million in dividends on our then-outstanding preferred stock.

Contractual Obligations

There were no material changes to our future minimum contractual obligations since December 31, 2023 as previously disclosed in our Annual Report on Form 10-K filed with the SEC on February 15, 2024, other than impacts of the March 2024 Exchange Transaction, 2026 Exchangeable Notes, and the Securitization Facility.

We had no off balance sheet arrangements during the three months ended March 31, 2024 and year ended December 31, 2023.

Recent Accounting Pronouncements

Information related to Recent Accounting Pronouncements is included in Note 1. General Information, to our consolidated financial statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

Critical Accounting Estimates

This discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect our reported assets and liabilities, revenues and expenses and other financial information. Actual results may differ significantly from these estimates, and our reported financial condition and results of operations could vary under different assumptions and conditions. In addition, our reported financial condition and results of operations could vary due to a change in the application of a particular accounting standard.

We regard an accounting estimate underlying our financial statements as a “critical accounting estimate” if the accounting estimate requires us to make assumptions about matters that are uncertain at the time of estimation and if changes in the estimate are reasonably likely to occur and could have a material effect on the presentation of financial condition, changes in financial condition, or results of operations. For a discussion of the accounting policies involving material estimates and assumptions that we believe are most critical to the preparation of our financial statements, how we apply such policies and how results differing from our estimates and assumptions would affect the amounts presented in our financial statements, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates” included in our Annual Report on Form 10-K filed with the SEC on February 15, 2024. Since the date of the annual report on Form 10-K filed with the SEC on February 15, 2024, there have been no material changes to our critical accounting estimates.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the potential loss from adverse changes in: (i) prevailing interest rates, (ii) foreign exchange rates, (iii) credit risk and (iv) inflation. Our exposure to market risk relates to interest payments due on our long-term debt, derivative instruments, income on cash and cash equivalents, accounts receivable and payable, subscriber incentive liabilities and deferred revenue. We manage our exposure to these risks through established policies and procedures. We do not engage in trading, market making or other speculative activities in the derivatives markets. Our objective is to mitigate potential income statement, cash flow and fair value exposures resulting from possible future adverse fluctuations in interest and foreign exchange rates. There were no material changes in our market risk since December 31, 2023 as previously disclosed under “Quantitative and Qualitative Disclosures About Market Risk” included in our Annual Report on Form 10-K filed with the SEC on February 15, 2024.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as this term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and principal financial officer have concluded that, as of the end of this period, our disclosure controls and procedures were effective.

Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting (as this term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company and its subsidiaries are from time to time engaged in routine legal proceedings incidental to our business. For a description of our material legal proceedings, see Note 13. Contingencies, to our consolidated financial statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

ITEM 1A. RISK FACTORS

The following risk factors may be important to understanding any statement in this Quarterly Report on Form 10-Q or elsewhere. Our business, financial condition and operating results can be affected by a number of factors, whether currently known or unknown, including but not limited to those described below. Any one or more of these factors could directly or indirectly cause our actual results of operations and financial condition to vary materially from past or anticipated future results of operations and financial condition. Any of these factors, in whole or in part, could materially and adversely affect our business, financial condition, results of operations and stock price.

Risks Related to Our Business and Industry

Our revenue is highly dependent on transaction volumes in the global travel industry, particularly air travel transaction volumes.

Our Travel Solutions and Hospitality Solutions revenue is largely tied to travel suppliers' transaction volumes rather than to their unit pricing for an airplane ticket, hotel room or other travel products. This revenue is generally not contractually committed to recur annually under our agreements with our travel suppliers. As a result, our revenue is highly dependent on the global travel industry, particularly air travel from which we derive a substantial amount of our revenue, and correlates with global travel, tourism and transportation transaction volumes. Our revenue is therefore highly susceptible to declines in or disruptions to leisure and business travel that may be caused by factors entirely out of our control, and therefore may not recur if these declines or disruptions occur.

Various factors have caused, and may in the future cause, temporary or sustained disruption to leisure and business travel. The impact these disruptions have had, and would in the future have, on our business depends on the magnitude and duration of such disruption. These factors include, among others: (1) general and local economic conditions, including recessions and inflationary pressures; (2) financial instability of travel suppliers and the impact of any fundamental corporate changes to such travel suppliers, such as airline bankruptcies, consolidations, or suspensions of service on the cost and availability of travel content; (3) factors that affect demand for travel such as outbreaks of contagious diseases, including COVID-19, influenza, Zika, Ebola and the MERS virus, increases in fuel prices, government shutdowns, changing attitudes towards the environmental costs of travel, safety concerns and movements toward remote working environments and changes in business practices; (4) political events like acts or threats of terrorism, hostilities, war and political unrest; (5) inclement weather, natural or man-made disasters and the effects of climate change; and (6) factors that affect supply of travel, such as travel restrictions, regulatory actions, aircraft groundings, or changes to regulations governing airlines and the travel industry, like government sanctions that do or would prohibit doing business with certain state-owned travel suppliers, work stoppages or labor unrest at any of the major airlines, hotels or airports. In addition, sustained disruptions from COVID-19 negatively impacted our business, and the extent of our recovery following these disruptions is uncertain. While we have experienced a gradual recovery in our primary metrics over the past few years, we cannot predict the long-term effects of the pandemic on our business or the travel industry as a whole. If our business or the travel industry is fundamentally changed by the COVID-19 outbreak in ways that are detrimental to our operating model, our business may continue to be adversely affected even as the broader global economy or the travel industry recovers. Developments that could affect the extent of any future recovery include, but are not limited to, the effect of changes in hiring levels and remote working arrangements; the speed and extent of the recovery across the broader travel ecosystem; and short- and long-term changes in travel patterns, including business or long-haul travel. Societal norms with respect to travel may change permanently in ways that cannot be predicted and that can change the travel industry in a manner adverse to our business.

Our ability to recruit, train and retain employees, including our key executive officers and technical employees, is critical to our results of operations and future growth.

Our continued ability to compete effectively depends on our ability to recruit new employees and retain and motivate existing employees, particularly professionals with experience in our industry, information technology and systems, as well as our key executive officers. For example, the specialized skills we require can be difficult and time-consuming to acquire and are often in short supply. There is high demand and competition for well-qualified employees on a global basis, such as software engineers, developers and other technology professionals with specialized knowledge in software development, especially expertise in certain programming languages. This competition affects both our ability to retain key employees and to hire new ones. Similarly, uncertainty in the global political environment may adversely affect our ability to hire and retain key employees. Any of our employees may choose to terminate their employment with us at any time, and a lengthy period of time is required to hire and train replacement employees when such skilled individuals leave the company. Furthermore, changes in our employee population, including our executive team, could impact our results of operations and growth. If we fail to attract well-qualified employees or to retain or motivate existing employees, our business could be materially hindered by, for example, a delay in our ability to deliver products and services under contract, bring new products and services to market or respond swiftly to customer demands or new offerings from competitors.

In the second quarter of 2023, we announced and began to implement a cost reduction plan designed to reposition our business and to structurally reduce our cost base. Our cost reduction plan may be disruptive to our operations, and our workforce reductions could yield unanticipated consequences, such as attrition beyond planned workforce reductions, increased difficulties in our day-to-day operations and reduced employee morale. If employees who were not affected by the reduction in force seek alternate employment, this could result in the need for contract support at unplanned additional expense or harm our productivity. Our workforce reductions could also harm our ability to attract and retain qualified personnel. In addition, we may not

realize the anticipated benefits, savings and improvements from our cost reduction efforts due to unforeseen difficulties, delays or unexpected costs.

We operate in highly competitive, evolving markets, and if we do not continue to innovate and evolve, our business operations and competitiveness may be harmed.

Travel technology is rapidly evolving as travel suppliers seek new or improved means of accessing their customers and increasing value. We must continue to innovate and evolve our current and future offerings to respond to the changing needs of travel suppliers and meet intense competition. We also face increasing competition as suppliers seek IT solutions that provide the same traveler experience across all channels of distribution, whether indirectly through the GDS or directly through other channels. As travel suppliers adopt innovative solutions that function across channels, our operating results could suffer if we do not foresee the need for new products or services to meet competition either for GDS or for other distribution IT solutions.

Adapting to new technological and marketplace developments may require substantial expenditures and lead time and we cannot guarantee that projected future increases in business volume will actually materialize. We may experience difficulties that could delay or prevent the successful development, marketing and implementation of enhancements, upgrades and additions. Moreover, we may fail to maintain, upgrade or introduce new products, services, technologies and systems as quickly as our competitors or in a cost-effective manner. For example, we must constantly update our products with new capabilities to adapt to the changing technological and regulatory environment and customer needs. However, this process can be costly and time-consuming, and our efforts may not be successful as compared to our competitors. Those that we do develop may not achieve acceptance in the marketplace sufficient to generate material revenue or may be rendered obsolete or non-competitive by our competitors' offerings.

In addition, our competitors are constantly evolving, including increasing their product and service offerings through organic research and development or through strategic acquisitions. As a result, we must continue to invest significant resources in order to continually improve the speed, accuracy and comprehensiveness of our services and we have made and may in the future be required to make changes to our technology platforms or increase our investment in technology, increase marketing, adjust prices or business models, acquire or invest in new lines of business and take other actions, which has affected and in the future could affect our financial performance and liquidity.

We depend upon the use of sophisticated information technology and systems. Our competitiveness and future results depend on our ability to maintain and make timely and cost-effective enhancements, upgrades and additions to our products, services, technologies and systems in response to new technological developments, industry standards, government regulations, and trends and customer requirements. As another example, migration of our enterprise applications and platforms to other hosting environments has caused us and will continue to cause us to incur substantial costs, and has resulted in and could in the future result in instability and business interruptions, which could materially harm our business.

Our Travel Solutions business is exposed to pricing pressure from travel suppliers.

Travel suppliers continue to look for ways to decrease their costs and to increase their control over distribution. For example, consolidation in the airline industry, the growth of LCC/hybrids and macroeconomic factors, among other things, have driven some airlines to negotiate for lower fees during contract renegotiations, thereby exerting increased pricing pressure on our Travel Solutions business, which, in turn, negatively affects our revenues and margins. In addition, travel suppliers' use of multiple distribution channels may also adversely affect our contract renegotiations with these suppliers and negatively impact our revenue. Furthermore, as we attempt to renegotiate new GDS agreements with our travel suppliers, they may withhold some or all of their content (fares and associated economic terms) for distribution exclusively through their direct distribution channels (for example, the relevant airline's website) or offer travelers more attractive terms for content available through those direct channels after their contracts expire. As a result of these sources of negotiating pressure, we may have to decrease our prices to retain their business. If we are unable to renew our contracts with these travel suppliers on similar economic terms or at all, or if our ability to provide this content is similarly impeded, this would also adversely affect the value of our Travel Solutions business as a marketplace due to our more limited content.

Our travel supplier customers may experience financial instability or consolidation, pursue cost reductions, change their distribution model or undergo other changes.

We generate the majority of our revenue and accounts receivable from airlines. We also derive revenue from hotels, car rental brands, rail carriers, cruise lines, tour operators and other suppliers in the travel and tourism industries. Adverse changes in any of these relationships or the inability to enter into new relationships could negatively impact the demand for and competitiveness of our travel products and services. For example, a lack of liquidity in the capital markets or weak economic performance may cause our travel suppliers to increase the time they take to pay, or to default, on their payment obligations, which could lead to a higher provision for expected credit losses and negatively affect our results. Any large-scale bankruptcy or other insolvency proceeding of an airline or hospitality supplier could subject our agreements with that customer to rejection or early termination, and, if applicable, result in asset impairments which could be significant. Similarly, any suspension or cessation of operations of an airline or hospitality supplier could negatively affect our results. Because we generally do not require security or collateral from our customers as a condition of sale, our revenues may be subject to credit risk more generally.

Furthermore, supplier consolidation, particularly in the airline industry, could harm our business. Our Travel Solutions business depends on a relatively small number of airlines for a substantial portion of its revenue, and all of our businesses are highly dependent on airline ticket volumes. Consolidation among airlines could result in the loss of an existing customer and the

related fee revenue, decreased airline ticket volumes due to capacity restrictions implemented concurrently with the consolidation, and increased airline concentration and bargaining power to negotiate lower transaction fees. See “—Our Travel Solutions business is exposed to pricing pressure from travel suppliers.”

Our collection, processing, storage, use and transmission of personal data could give rise to liabilities as a result of governmental regulation, conflicting legal requirements, differing views on data privacy, or security incidents.

We collect, process, store, use and transmit a large volume of personal data on a daily basis, including, for example, to process travel transactions for our customers and to deliver other travel-related products and services. Personal data is increasingly subject to legal and regulatory protections around the world, which vary widely in approach and which possibly conflict with one another. In recent years, for example, U.S. legislators and regulatory agencies, such as the Federal Trade Commission, as well as U.S. states, have increased their focus on protecting personal data by law and regulation, and have increased enforcement actions for violations of privacy and data protection requirements. The GDPR, a data protection law adopted by the European Commission, and various other country-specific and U.S. state data protection laws have gone into effect or are scheduled to go into effect. These and other data protection laws and regulations are intended to protect the privacy and security of personal data, including credit card information that is collected, processed and transmitted in or from the relevant jurisdiction. Implementation of and compliance with these laws and regulations may be more costly or take longer than we anticipate, or could otherwise adversely affect our business operations, which could negatively impact our financial position or cash flows. Furthermore, various countries have implemented legislation requiring the storage of travel or other personal data locally. Our business could be materially adversely affected by our inability, or the inability of our vendors who receive personal data from us, to operate with regard to the use of personal data, new data handling or localization requirements. Additionally, media coverage of data incidents has escalated, in part because of the increased number of enforcement actions, investigations and lawsuits. As this focus and attention on privacy and data protection continues to increase, we also risk exposure to potential liabilities and costs or face reputational risks resulting from the compliance with, or any failure to comply with applicable legal requirements, conflicts among these legal requirements or differences in approaches to privacy and security of travel data.

Implementation of software solutions often involves a significant commitment of resources, and any failure to deliver as promised on a significant implementation could adversely affect our business.

In our Travel Solutions and Hospitality Solutions businesses, the implementation of software solutions often involves a significant commitment of resources and is subject to a number of significant risks over which we may or may not have control. These risks include:

- the features of the implemented software may not meet the expectations or fit the business model of the customer;
- our limited pool of trained experts for implementations cannot quickly and easily be augmented for complex implementation projects, such that resources issues, if not planned and managed effectively, could lead to costly project delays;
- customer-specific factors, such as the stability, functionality, interconnection and scalability of the customer's pre-existing information technology infrastructure, as well as financial or other circumstances could destabilize, delay or prevent the completion of the implementation process, which, for airline reservations systems, typically takes 12 to 18 months; and
- customers and their partners may not fully or timely perform the actions required to be performed by them to ensure successful implementation, including measures we recommend to safeguard against technical and business risks.

As a result of these and other risks, some of our customers may incur large, unplanned costs in connection with the purchase and installation of our software products. Also, implementation projects could take longer than planned or fail. We may not be able to reduce or eliminate protracted installation or significant additional costs. Significant delays or unsuccessful customer implementation projects could result in cancellation or renegotiation of existing agreements, claims from customers, harm our reputation and negatively impact our operating results.

Our Travel Solutions business depends on relationships with travel buyers.

Our Travel Solutions business relies on relationships with several large travel buyers, including TMCs and OTAs, to generate a large portion of its revenue through bookings made by these travel companies. This revenue concentration in a relatively small number of travel buyers makes us particularly dependent on factors affecting those companies. For example, if demand for their services decreases, or if a key supplier pulls its content from us, travel buyers may stop utilizing our services or move all or some of their business to competitors or competing channels. Although our contracts with larger travel agencies often increase the incentive consideration when the travel agency processes a certain volume or percentage of its bookings through our GDS, travel buyers are not contractually required to book exclusively through our GDS during the contract term. Travel buyers also shift bookings to other distribution channels for many reasons, including to avoid becoming overly dependent on a single source of travel content or to increase their bargaining power with GDS providers. Additionally, some regulations allow travel buyers to terminate their contracts earlier.

These risks are exacerbated by increased consolidation among travel agencies and TMCs, which may ultimately reduce the pool of travel agencies that subscribe to GDSs. We must compete with other GDSs and other competitors for their business by offering competitive upfront incentive consideration, which, due to the strong bargaining power of these large travel buyers, tend to increase in each round of contract renewals. See "[Management's Discussion and Analysis of Financial Condition and Results of Operations](#)—Factors Affecting our Results—Increasing travel agency incentive consideration" in our Annual Report on Form 10-K for more information about our incentive consideration. However, any reduction in transaction fees from travel suppliers due to supplier consolidation or other market forces could limit our ability to increase incentive consideration to travel agencies in a cost-effective manner or otherwise affect our margins.

Our Travel Solutions and Hospitality Solutions businesses depend on maintaining and renewing contracts with their customers and other counterparties.

In our Travel Solutions business, we enter into participating carrier distribution and services agreements with airlines. Our contracts with major carriers typically last for three- to five-year terms and are generally subject to automatic renewal at the end of the term, unless terminated by either party with the required advance notice. Our contracts with smaller airlines generally last for one year and are also subject to automatic renewal at the end of the term, unless terminated by either party with the required advance notice. Airlines are not typically contractually obligated to distribute exclusively through our GDS during the contract term and may terminate their agreements with us upon providing the required advance notice after the expiration of the initial term. We cannot guarantee that we will be able to renew our airline contracts in the future on favorable economic terms or at all, and the termination or expiration of these agreements could materially adversely impact our business. See "—Our Travel Solutions business is exposed to pricing pressure from travel suppliers."

We also enter into contracts with travel buyers. Although most of our travel buyer contracts have terms of one to three years, we typically have non-exclusive, five- to ten-year contracts with our major travel agency customers. We also typically have three- to five-year contracts with corporate travel departments, which generally renew automatically unless terminated with the required advance notice. A meaningful portion of our travel buyer agreements, typically representing approximately 15% to 20% of our bookings, are up for renewal in any given year. We cannot guarantee that we will be able to renew our travel buyer agreements in the future on favorable economic terms or at all. Similarly, our Travel Solutions and Hospitality Solutions businesses are based on contracts with travel suppliers for a typical duration of three to seven years for airlines and one to five years for hotels, respectively. We cannot guarantee that we will be able to renew our solutions contracts in the future on favorable economic terms or at all. Additionally, we use several third-party distributor partners and equity method investments to extend our GDS services in Europe, the Middle East, and Africa ("EMEA") and Asia-Pacific ("APAC"). The termination of our contractual arrangements with any of these third-party distributor partners and equity method investments could adversely impact our Travel Solutions business in the relevant regions. See "—We rely on third-party distributor partners and equity method investments to extend our GDS services to certain regions, which exposes us to risks associated with lack of direct management control and potential conflicts of interest." for more information on our relationships with our third-party distributor partners and equity method investments.

Our failure to renew some or all of these agreements on economically favorable terms or at all, or the early termination of these existing contracts, would adversely affect the value of our Travel Solutions business as a marketplace due to our limited content and distribution reach, which could cause some of our subscribers to move to a competing GDS or use other travel technology providers for the solutions we provide and would materially harm our business, reputation and brand. Our business therefore relies on our ability to renew our agreements with our travel buyers, travel suppliers, third-party distributor partners and equity method investments or developing relationships with new travel buyers and travel suppliers to offset any customer losses.

We are subject to a certain degree of revenue concentration among a portion of our customer base. Because of this concentration among a small number of customers, if an event were to adversely affect one of these customers, it could have a material impact on our business.

We are exposed to risks associated with payment card industry data ("PCI") compliance.

The PCI Data Security Standard ("PCI DSS") is a specific set of comprehensive security standards required by credit card brands for enhancing payment account data security, including but not limited to requirements for security management, policies, procedures, network architecture, and software design. PCI DSS compliance is required in order to maintain credit card processing services. The cost of compliance with PCI DSS is significant and may increase as the requirements change. For example, the Payment Card Industry Security Standards Council has released version 4.0 of its Data Security Standard, and we are in the process of incorporating these new standards on our existing processes and controls. We are assessed periodically for assurance and successfully completed our last annual assessment in November 2023. Compliance does not guarantee a completely secure environment and notwithstanding the results of this assessment there can be no assurance that payment card brands will not request further compliance assessments or set forth additional requirements to maintain access to credit card processing services. See "—Security incidents expose us to liability and could damage our reputation and our business." Compliance is an ongoing effort and the requirements evolve as new threats are identified. In the event that we were to lose PCI DSS compliance status (or fail to renew compliance under a future version of the PCI DSS), we could be exposed to increased operating costs, fines and penalties and, in extreme circumstances, may have our credit card processing privileges revoked, which would have a material adverse effect on our business.

We are involved in various legal proceedings which may cause us to incur significant fees, costs and expenses and may result in unfavorable outcomes.

We are involved in various legal proceedings that involve claims for substantial amounts of money or which involve how we conduct our business. See Note 13. Contingencies, to our consolidated financial statements. For example, as a result of the judgment in our antitrust litigation with US Airways, we may be required to pay US Airways' reasonable attorneys' fees and costs. Depending on the amount of attorneys' fees and costs required to be paid to US Airways, if any, if we do not have sufficient cash on hand, we may be required to seek financing from private or public financing sources, which may not be assured. See "—We have a significant amount of indebtedness, which could adversely affect our cash flow and our ability to operate our business and to fulfill our obligations under our indebtedness." In addition, although the jury rejected US Airways' claim under Section 1 of the Sherman Act, finding that Sabre's contractual terms were not anticompetitive, the jury found in favor of US Airways with respect to its monopolization claim for the period from 2007 to 2012 under Section 2 of the Sherman Act. Although US Airways was only awarded \$1.00 in single damages with respect to this verdict, and we believe the applicable limitations period for similar claims has expired, other parties might nevertheless likewise seek to benefit from this judgment by threatening to bring or actually bringing their own claims against us on the same or similar grounds or utilizing the litigation to seek more favorable contract terms. Depending on the outcome of any of these matters, and the scope of the outcome, the manner in which our airline distribution business is operated could be affected and could potentially force changes to the existing airline distribution business model.

The defense of these actions, as well as any of the other actions described under Note 13. Contingencies, to our consolidated financial statements or elsewhere in this Quarterly Report on Form 10-Q, and any other actions that might be brought against us in the future, is time consuming and diverts management's attention. Even if we are ultimately successful in defending ourselves in such matters, we are likely to incur significant fees, costs and expenses as long as they are ongoing. Any of these consequences could have a material adverse effect on our business, financial condition and results of operations.

Any failure to comply with regulations or any changes in such regulations governing our businesses could adversely affect us.

Parts of our business operate in regulated industries and could be adversely affected by unfavorable changes in or the enactment of new laws, rules or regulations applicable to us, which could decrease demand for, or restrict access to, our products and services, increase costs or subject us to additional liabilities. Moreover, regulatory authorities have relatively broad discretion to grant, renew and revoke licenses and approvals and to implement or interpret regulations. Accordingly, these regulatory authorities could prevent or temporarily suspend us from carrying on some or all of our activities or otherwise penalize us if our practices were found not to comply with the applicable regulatory or licensing requirements or any interpretation of such requirements by the regulatory authority. In addition, we are subject to or affected by international, federal, state and local laws, regulations and policies, which are constantly subject to change. These include data protection and privacy legislation and regulations, as well as legislation and regulations affecting issues such as: trade sanctions, exports of technology, antitrust, anticorruption, antiboycott, telecommunications, cybersecurity, environmental, social and governance matters, and e-commerce. Our failure to comply with any of these requirements, interpretations, legislation or regulations could have a material adverse effect on our operations.

Further, the United States has imposed economic sanctions, and could impose further sanctions in the future, that affect transactions with designated countries, including but not limited to, Cuba, Iran, the Crimea, Donetsk and Luhansk regions of Ukraine, North Korea and Syria, and nationals and others of those countries, and certain specifically targeted individuals and entities engaged in conduct detrimental to U.S. national security interests. These sanctions are administered by the Office of Foreign Assets Control ("OFAC") and are typically known as the OFAC rules. The OFAC rules, and similar regulations in other countries, are extensive and complex, and they differ from one sanctions regime to another. Failure to comply with these regulations could subject us to legal and reputational consequences, including civil and criminal penalties.

We have GDS contracts with carriers that fly to Cuba, Iran, the Crimea, Donetsk and Luhansk regions of Ukraine, North Korea and Syria but are based outside of those countries and are neither owned by those governments or nationals of those countries/regions nor themselves sanctioned. With respect to Iran, Sudan, North Korea and Syria we believe that our activities are designed to comply with certain information and travel-related exemptions. With respect to Cuba, we have advised OFAC that customers outside the United States we display on the Sabre GDS flight information for, and support booking and ticketing of, services of non-Cuban airlines that offer service to Cuba. Based on advice of counsel, we believe these activities to fall under an exemption from OFAC regulations applicable to the transmission of information and informational materials and transactions related thereto. We believe that our activities with respect to these countries are known to OFAC and other regulators. We note, however, that sanctions regulations and related interpretive guidance are complex and subject to varying interpretations. Due to this complexity, a regulator's interpretation of its own regulations and guidance varies on a case by case basis. As a result, we cannot provide any guarantees that a regulator will not challenge any of our activities in the future, which could have a material adverse effect on our results of operations.

In Europe, GDS regulations or interpretations thereof may increase our cost of doing business or lower our revenues, limit our ability to sell marketing data, impact relationships with travel buyers, airlines, rail carriers or others, impair the enforceability of existing agreements with travel buyers and other users of our system, prohibit or limit us from offering services or products, or limit our ability to establish or change fees. Although regulations specifically governing GDSs have been lifted in the United States, they remain subject to general regulation regarding unfair trade practices by the U.S. Department of Transportation ("DOT"). In addition, continued regulation of GDSs in the E.U. and elsewhere could also create the operational challenge of

supporting different products, services and business practices to conform to the different regulatory regimes. We do not currently maintain a central database of all regulatory requirements affecting our worldwide operations and, as a result, the risk of non-compliance with the laws and regulations described above is heightened. Our failure to comply with these laws and regulations could subject us to fines, penalties and potential criminal violations. Any changes to these laws or regulations or any new laws or regulations may make it more difficult for us to operate our business.

In addition, in connection with the current military conflict in Ukraine, the United States, the United Kingdom, the European Union and other governments have imposed varying sanctions and export-control measure packages impacting Russia and certain regions of Ukraine and Belarus and may implement additional sanctions and export controls in the future. The conflict and these sanctions and export controls have prevented us, and in the future could further prevent or discourage us, from performing or renewing existing contracts with or receiving payments from customers in those countries. In addition, the conflict or these sanctions and export controls have prevented and in the future could further prevent or discourage third parties on whom we may rely from continuing to perform in those countries. These sanctions, export controls and related items, as well as actions taken by us or others in response to them or otherwise in connection with the military conflict, have adversely impacted, and in the future could further adversely impact, our business, results of operations and financial condition.

Russia has adopted legislation and related regulations, effective October 30, 2022, that require activities related to the development, creation and operation of automated information systems for processing domestic air transportation within the Russian Federation to be owned and operated by Russian residents or legal entities with no updates from or connection with systems abroad. This legislation and these regulations have prohibited our ability to provide these services in Russia, which has negatively impacted and is expected to continue to negatively impact our revenue and results. See “—Recent Developments Affecting our Results of Operations” for further details.

As noted, the regulations and sanctions described above, as well as other sanctions regimes, are complex, and, while we have a compliance program in place to help us address these items, there can be no assurance that we will be able to consistently address them in an effective manner. Any failure to comply with these sanctions, export controls and related rules and regulations may subject us to fines, penalties and potential criminal violations. In the third quarter of 2022, we identified elements of our sanctions compliance program that were not functioning as we intended, which we are addressing. It is possible that our enhanced program will identify material items that do not comply with these regulatory or sanction requirements. The amount of any penalties and other impacts, costs or remediations related to these items may adversely impact our results. We have become aware that we received payments that were not material in amount from an air carrier in Russia for GDS services, and the receipt of these payments may be in violation of U.K. sanctions. We have voluntarily disclosed the receipt of these payments to the U.K. Office of Financial Sanctions Implementation (OFSI). If OFSI were to impose a penalty, we believe that it would not be material; however, there can be no assurance of the amount of any such penalty.

We are exposed to risks associated with acquiring or divesting businesses or business operations.

We have acquired, and, as part of our growth strategy, may in the future acquire, businesses or business operations. We may not be able to identify suitable candidates for additional business combinations and strategic investments, obtain financing on acceptable terms for such transactions, obtain necessary regulatory approvals or otherwise consummate such transactions on acceptable terms, or at all.

Any acquisitions that we are able to identify and complete may also involve a number of risks, including our inability to successfully or profitably integrate, operate, maintain and manage our newly acquired operations or employees; the diversion of our management’s attention from our existing business to integrate operations and personnel; possible material adverse effects on our results of operations during the integration process; becoming subject to contingent or other liabilities, including liabilities arising from events or conduct predating the acquisition that were not known to us at the time of the acquisition; and our possible inability to achieve the intended objectives of the acquisition, including the inability to achieve anticipated business or financial results, cost savings and synergies. Acquisitions may also have unanticipated tax, regulatory and accounting ramifications, including recording goodwill and nonamortizable intangible assets that are subject to impairment testing on a regular basis and potential periodic impairment charges and incurring amortization expenses related to certain intangible assets. To consummate any of these acquisitions, we may need to raise external funds through the sale of equity or the issuance of debt in the capital markets or through private placements, which may affect our liquidity and may dilute the value of our common stock. See “—We have a significant amount of indebtedness, which could adversely affect our cash flow and our ability to operate our business and to fulfill our obligations under our indebtedness.”

We have also divested, and may in the future divest, businesses or business operations, including the sale of our AirCentre portfolio in 2022. Any divestitures may involve a number of risks, including the diversion of management’s attention, significant costs and expenses, failure to obtain necessary regulatory approvals, implementation of transition services related to such divestitures, the loss of customer relationships and cash flow, and the disruption of the affected business or business operations. Failure to timely complete or to consummate a divestiture may negatively affect the valuation of the affected business or business operations or result in restructuring charges.

We rely on the value of our brands, which may be damaged by a number of factors, some of which are out of our control.

We believe that maintaining and expanding our portfolio of product and service brands are important aspects of our efforts to attract and expand our customer base. Our brands may be negatively impacted by, among other things, unreliable service levels from third-party providers, customers’ inability to properly interface their applications with our technology, the loss or

unauthorized disclosure of personal data, including PCI or personally identifiable information (“PII”), or other bad publicity due to litigation, regulatory concerns or otherwise relating to our business. See “—Security incidents expose us to liability and could damage our reputation and our business.” Any inability to maintain or enhance awareness of our brands among our existing and target customers could negatively affect our current and future business prospects.

We rely on third-party distributor partners and equity method investments to extend our GDS services to certain regions, which exposes us to risks associated with lack of direct management control and potential conflicts of interest.

Our Travel Solutions business utilizes third-party distributor partners and equity method investments to extend our GDS services in EMEA and APAC. We work with these partners to establish and maintain commercial and customer service relationships with both travel suppliers and travel buyers. Since, in many cases, we do not exercise full management control over their day-to-day operations, the success of their marketing efforts and the quality of the services they provide are beyond our control. If these partners do not meet our standards for distribution, our reputation may suffer materially, and sales in those regions could decline significantly. Any interruption in these third-party services, deterioration in their performance or termination of our contractual arrangements with them could negatively impact our ability to extend our GDS services in the relevant markets. In addition, our business may be harmed due to potential conflicts of interest with our equity method investments.

Risks Related to Technology and Intellectual Property

We rely on the availability and performance of information technology services provided by third parties, including network, cloud, mainframe and SaaS providers.

Our businesses are dependent on IT infrastructure and applications operated for us by network, cloud, mainframe and SaaS providers. The commercial services we offer to our customers generally run on infrastructure provided by third parties such as DXC Technology (“DXC”) and cloud providers. DXC provides significant operational support for our mainframe platforms in addition to basic hosting services. We also use multiple third-party SaaS platforms to operate our services, run our business, and support our customers, including IT service management, program and project management, enterprise resource planning, customer relationship management and human resource management systems.

Our success is dependent on our ability to maintain effective relationships with these third-party technology and service providers. Some of our agreements with third-party technology and service providers are terminable for cause on short notice and often provide limited recourse for service interruptions. For example, our agreement with DXC provides us with limited indemnification rights. We could face significant additional cost or business disruption if: (1) Any of these providers fail to enable us to provide our customers and suppliers with reliable, real-time access to our systems. For example, we have previously experienced a significant outage of the Sabre platform due to a failure on the part of one of our service providers, and such outages may occur in the future. This outage, which affected our Travel Solutions business, lasted several hours and caused significant problems for our customers. Any such future outages could cause damage to our reputation, customer loss and require us to pay compensation to affected customers for which we may not be indemnified or compensated. (2) Our arrangements with such providers are terminated or impaired and we cannot find alternative sources of technology or systems support on commercially reasonable terms or on a timely basis. For example, our substantial dependence on DXC for our mainframe platforms makes it difficult for us to switch vendors and makes us more sensitive to changes in DXC’s pricing for its services.

Our success depends on maintaining the integrity of our systems and infrastructure, which may suffer from failures, capacity constraints, business interruptions and forces outside of our control.

We may be unable to maintain and improve the efficiency, reliability and integrity of our systems. Unexpected increases in the volume of our business could exceed currently allocated system capacity, resulting in service interruptions, outages and delays. These constraints could also lead to the deterioration of our services or impair our ability to process transactions. We occasionally experience system interruptions that make certain of our systems unavailable including, but not limited to, our GDS and the services that our Travel Solutions and Hospitality Solutions businesses provide to airlines and hotels. In addition, we have experienced in the past and may in the future occasionally experience system interruptions as we execute changes for the purpose of enhancing our products or achieving other technological objectives. System interruptions prevent us from efficiently providing services to customers or other third parties, and could cause damage to our reputation and result in the loss of customers and revenues or cause us to incur litigation and liabilities. Although we have contractually limited our liability for damages caused by outages of our GDS (other than damages caused by our gross negligence or willful misconduct), we cannot guarantee that we will not be subject to lawsuits or other claims for compensation from our customers in connection with such outages for which we may not be indemnified or compensated.

Our systems are also susceptible to external damage or disruption. Our systems have in the past been, and at any time, including in the future could be, damaged or disrupted by events such as power, hardware, software or telecommunication failures, human errors, natural events including floods, hurricanes, fires, winter storms, earthquakes and tornadoes, terrorism, break-ins, hostilities, war or similar events. Computer viruses, malware, denial of service attacks, ransomware attacks, attacks on, or exploitations of, hardware or software vulnerabilities, physical or electronic break-ins, phishing attacks, cybersecurity incidents or other security incidents, and similar disruptions affecting the Internet, telecommunication services, our systems, or our customers’ systems have caused in the past and could at any time, including in the future, cause service interruptions or the loss of critical data, preventing us from providing timely services. For example, in April 2021 our subsidiary Radixx announced an event impacting its Radixx reservation system. See “—Security incidents expose us to liability and could damage our reputation

and our business.” Failure to efficiently provide services to customers or other third parties could cause damage to our reputation and result in the loss of customers and revenues, asset impairments, significant recovery costs or litigation and liabilities. Moreover, such risks are likely to increase as we expand our business and as the tools and techniques involved become more sophisticated.

Although we have implemented measures intended to protect our critical systems and data and provide comprehensive disaster recovery and contingency plans for certain customers that purchase this additional protection, these protections and plans are not in place for all systems. Disasters affecting our facilities, systems or personnel might be expensive to remedy and could significantly diminish our reputation and our brands, and we may not have adequate insurance to cover such costs.

Customers and other end-users who rely on our software products and services, including our SaaS and hosted offerings, for applications that are integral to their businesses may have a greater sensitivity to product errors and security vulnerabilities than customers for software products generally. We utilize various generative artificial intelligence (AI) solutions from our third-party providers as part of some of our software products. There are risks associated with the use of emerging technologies such as generative AI, including risks related to testing and validating the security and privacy mechanisms of the third-party providers, as well as risks related to implementing technical security controls to govern and manage this technology in a secure manner. If we were to experience a cybersecurity incident related to the integration of AI capabilities into our software product offerings, or if there are deficiencies or other failures of such AI solutions from our third-party providers, our business and results of operations could be adversely affected. AI also presents various emerging legal, regulatory and ethical issues, and the incorporation of AI into our software products could require us to expend significant resources in developing, testing and maintaining our product offerings and may cause us to experience brand, reputational, or competitive harm, or incur legal liability. Additionally, security incidents that affect third parties upon which we rely, such as travel suppliers, may further expose us to negative publicity, possible liability or regulatory penalties. Events outside our control have caused in the past and could in the future cause interruptions in our IT systems, which could have a material adverse effect on our business operations and harm our reputation.

Security incidents expose us to liability and could damage our reputation and our business.

We process, store, and transmit large amounts of data, such as PII of our customers and employees and PCI of our customers, and it is critical to our business strategy that our facilities and infrastructure, including those provided by DXC, cloud providers or other vendors, remain secure and are perceived by the marketplace to be secure. Our infrastructure may be vulnerable to physical or electronic break-ins, computer viruses, ransomware attacks, or similar disruptive problems.

In addition, we, like most technology companies, are the target of cybercriminals who attempt to compromise our systems. We are subject to and experience threats and intrusions that have to be identified and remediated to protect sensitive information along with our intellectual property and our overall business. To address these threats and intrusions, we have a team of experienced security experts and support from firms that specialize in data security and cybersecurity. We are periodically subject to these threats and intrusions, and sensitive information has in the past been, and could at any time, including in the future, be compromised as a result. In addition, the techniques employed in connection with these threats and intrusions are changing, developing and evolving rapidly, including from emerging technologies such as advanced forms of AI. The costs and impacts related to these incidents, including the costs of investigation and remediation, any associated penalties assessed by any governmental authority or payment card brand, and any indemnification or other contractual obligations to our customers, may be material and could damage our reputation.

For example, we previously became aware of an incident involving unauthorized access to payment information contained in a subset of hotel reservations processed through the Sabre Hospitality Solutions SynXis Central Reservation System (the “HS Central Reservation System”). In December 2020, we entered into settlement agreements with certain state Attorneys General to resolve their investigation into this incident. As part of these agreements, we paid \$2 million to the states represented by the Attorneys General in the first quarter of 2021 and agreed to implement certain security controls and processes. In addition, in April 2021, our subsidiary, Radixx, announced that it had experienced an event that impacted its Radixx Res™ reservation system. An investigation indicated that malware on the Radixx Res™ reservation system caused the activity. Based on the investigation, Sabre’s systems, including GDS, Airline IT, SabreSonic passenger service system and Hospitality Solutions systems, were not impacted, and the investigation indicated that the Radixx database containing customer information was not compromised in this event.

In addition, in the third quarter of 2023, we became aware that an unauthorized actor had illegally extracted certain company data and posted it to the dark web. Immediately upon becoming aware of this extraction, we initiated an investigation, with the assistance of cybersecurity and forensics professionals. We have also notified federal law enforcement and have provided, and will continue to provide, other required notifications. To date this cybersecurity incident has not had a material impact on our financial condition, results of operations or liquidity. However, there is no assurance that it will not result in significant costs to us, reputational harm, expenditure of additional resources, lawsuits, or regulatory inquiries in the future that could result in a material adverse effect.

Any computer viruses, malware, denial of service attacks, ransomware attacks, attacks on, or exploitations of, hardware or software vulnerabilities, physical or electronic break-ins, phishing attacks, cybersecurity incidents such as the items described above, or other security incident or compromise of the information handled by us or our service providers may jeopardize the security or integrity of information in our computer systems and networks or those of our customers and cause significant interruptions in our and our customers’ operations.

Any systems and processes that we have developed or utilize that are designed to protect customer information and prevent data loss and other security incidents cannot provide absolute security. In addition, we may not successfully implement remediation plans to address all potential exposures. It is possible that we may have to expend additional financial and other resources to address these problems. Failure to prevent or mitigate data loss or other security incidents could expose us or our customers to a risk of loss or misuse of such information, cause customers to lose confidence in our data protection measures, damage our reputation, adversely affect our operating results or result in litigation or potential liability for us. For example, our agreements with customers may require that we indemnify the customer for liability arising from data incidents under the terms of our agreements with these customers. These indemnification obligations could be significant and may exceed the limits of any applicable insurance policy we maintain. While we maintain insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber risks, this insurance coverage is subject to a retention amount and may not be applicable to a particular incident or otherwise may be insufficient to cover all our losses beyond any retention. Similarly, we expect to continue to make significant investments in our information technology infrastructure. The implementation of these investments may be more costly or take longer than we anticipate, or could otherwise adversely affect our business operations, which could negatively impact our financial position, results of operations or cash flows.

Intellectual property infringement actions against us could be costly and time consuming to defend and may result in business harm if we are unsuccessful in our defense.

Third parties may assert, including by means of counterclaims against us as a result of the assertion of our intellectual property rights, that our products, services or technology, or the operation of our business, violate their intellectual property rights. We are currently subject to such assertions, including patent infringement claims, and may be subject to such assertions in the future. These assertions may also be made against our customers who may seek indemnification from us. In the ordinary course of business, we enter into agreements that contain indemnity obligations whereby we are required to indemnify our customers against these assertions arising from our customers' usage of our products, services or technology. As the competition in our industry increases and the functionality of technology offerings further overlaps, these claims and counterclaims could become more common. We cannot be certain that we do not or will not infringe third parties' intellectual property rights.

Legal proceedings involving intellectual property rights are highly uncertain and can involve complex legal and scientific questions. Any intellectual property claim against us, regardless of its merit, could result in significant liabilities to our business, and can be expensive and time consuming to defend. Depending on the nature of such claims, our businesses may be disrupted, our management's attention and other company resources may be diverted and we may be required to redesign, reengineer or rebrand our products and services, if feasible, to stop offering certain products and services or to enter into royalty or licensing agreements in order to obtain the rights to use necessary technologies, which may not be available on terms acceptable to us, if at all, and may result in a decrease of our capabilities. Our failure to prevail in such matters could result in loss of intellectual property rights, judgments awarding substantial damages, including possible treble damages and attorneys' fees, and injunctive or other equitable relief against us. If we are held liable, we may be unable to use some or all of our intellectual property rights or technology. Even if we are not held liable, we may choose to settle claims by making a monetary payment or by granting a license to intellectual property rights that we otherwise would not license. Further, judgments may result in loss of reputation, may force us to take costly remediation actions, delay selling our products and offering our services, reduce features or functionality in our services or products, or cease such activities altogether. Insurance may not cover or be insufficient for any such claim.

We may not be able to protect our intellectual property effectively, which may allow competitors to duplicate our products and services.

Our success and competitiveness depend, in part, upon our technologies and other intellectual property, including our brands. Among our significant assets are our proprietary and licensed software and other proprietary information and intellectual property rights. We rely on a combination of copyright, trademark and patent laws, laws protecting trade secrets, confidentiality procedures and contractual provisions to protect these assets both in the United States and in foreign countries. The laws of some jurisdictions may provide less protection for our technologies and other intellectual property assets than the laws of the United States.

There is no certainty that our intellectual property rights will provide us with substantial protection or commercial benefit. Despite our efforts to protect our intellectual property, some of our innovations may not be protectable, and our intellectual property rights may offer insufficient protection from competition or unauthorized use, lapse or expire, be challenged, narrowed, invalidated, or misappropriated by third parties, or be deemed unenforceable or abandoned, which could have a material adverse effect on our business, financial condition and results of operations and the legal remedies available to us may not adequately compensate us. We cannot be certain that others will not independently develop, design around, or otherwise acquire equivalent or superior technology or intellectual property rights.

While we take reasonable steps to protect our brands and trademarks, we may not be successful in maintaining or defending our brands or preventing third parties from adopting similar brands. If our competitors infringe our principal trademarks, our brands may become diluted or if our competitors introduce brands or products that cause confusion with our brands or products in the marketplace, the value that our consumers associate with our brands may become diminished, which could negatively impact revenue. Our patent applications may not be granted, and the patents we own could be challenged, invalidated, narrowed or circumvented by others and may not be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. Once our patents expire, or if they are invalidated, narrowed or circumvented, our

competitors may be able to utilize the technology protected by our patents which may adversely affect our business. Although we rely on copyright laws to protect the works of authorship created by us, we do not generally register the copyrights in our copyrightable works where such registration is permitted. Copyrights of U.S. origin must be registered before the copyright owner may bring an infringement suit in the United States. Accordingly, if one of our unregistered copyrights of U.S. origin is infringed by a third party, we will need to register the copyright before we can file an infringement suit in the United States, and our remedies in any such infringement suit may be limited. We use reasonable efforts to protect our trade secrets. However, protecting trade secrets can be difficult and our efforts may provide inadequate protection to prevent unauthorized use, misappropriation, or disclosure of our trade secrets, know how, or other proprietary information. We also rely on our domain names to conduct our online businesses. While we use reasonable efforts to protect and maintain our domain names, if we fail to do so the domain names may become available to others. Further, the regulatory bodies that oversee domain name registration may change their regulations in a way that adversely affects our ability to register and use certain domain names.

We license software and other intellectual property from third parties. These licensors may breach or otherwise fail to perform their obligations or claim that we have breached or otherwise attempt to terminate their license agreements with us. We also rely on license agreements to allow third parties to use our intellectual property rights, including our software, but there is no guarantee that our licensees will abide by the terms of our license agreements or that the terms of our agreements will always be enforceable. In addition, policing unauthorized use of and enforcing intellectual property can be difficult and expensive. The fact that we have intellectual property rights, including registered intellectual property rights, may not guarantee success in our attempts to enforce these rights against third parties. Besides general litigation risks, changes in, or interpretations of, intellectual property laws may compromise our ability to enforce our rights. We may not be aware of infringement or misappropriation or elect not to seek to prevent it. Our decisions may be based on a variety of factors, such as costs and benefits of taking action, and contextual business, legal, and other issues. Any inability to adequately protect our intellectual property on a cost-effective basis could harm our business.

We use open source software in our solutions that may subject our software solutions to general release or require us to re-engineer our solutions.

We use open source software in our solutions and may use more open source software in the future. From time to time, there have been claims by companies claiming ownership of software that was previously thought to be open source and that was incorporated by other companies into their products. As a result, we could be subject to suits by parties claiming ownership of what we believe to be open source software. Some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the open source software and that we license these modifications or derivative works under the terms of a particular open source license or other license granting third parties certain rights of further use. If we combine or, in some cases, link our proprietary software solutions with or to open source software in a certain manner, we could, under certain of the open source licenses, be required to release the source code of our proprietary software solutions or license such proprietary solutions under the terms of a particular open source license or other license granting third parties certain rights of further use. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on origin of the software. In addition, open source license terms may be ambiguous and many of the risks associated with usage of open source cannot be eliminated, and could, if not properly addressed, negatively affect our business. If we were found to have inappropriately used open source software, we may be required to seek licenses from third parties in order to continue offering our software, to re-engineer our solutions, to discontinue the sale of our solutions in the event re-engineering cannot be accomplished on a timely basis or take other remedial action that may divert resources away from our development efforts, any of which could adversely affect our business, operating results and financial condition.

Risks Related to Economic, Political and Global Conditions

Our business could be harmed by adverse global and regional economic and political conditions.

Travel expenditures are sensitive to personal and business discretionary spending levels and grow more slowly or decline during economic downturns. Our global presence makes our business potentially vulnerable to economic and political conditions that adversely affect business and leisure travel originating in or traveling to a particular region.

The global economy continues to face significant uncertainty, including increased inflation and interest rates, reduced financial capacity of both business and leisure travelers, diminished liquidity and credit availability, declines in consumer confidence and discretionary income and general uncertainty about economic stability. Furthermore, changes in the regulatory, tax and economic environment in the United States could adversely impact travel demand, our business operations or our financial results. We cannot predict the magnitude, length or recurrence of these impacts to the global economy, which have impacted, and may continue to impact, demand for travel and lead to reduced spending on the services we provide.

Any unfavorable economic, political or regulatory developments in a particular region could negatively affect our business, such as delays in payment or non-payment of contracts, delays in contract implementation or signing, carrier control issues and increased costs from regulatory changes particularly as parts of our growth strategy involve expanding our presence in that region. For example, some regions have experienced or are expected to experience inflationary and/or slowing economic conditions. These adverse economic conditions may negatively impact our business results in those regions.

In addition, the current military conflict in Ukraine and the related imposition of sanctions and export controls on Russia and Belarus, as well as conflict in the Middle East, have created global economic uncertainty and contributed to inflationary pressures. A significant escalation or expansion of economic disruption, the conflicts' current scope or additional sanctions and

export controls and actions taken in response to these sanctions and export controls could disrupt our business further, broaden inflationary costs, and have a material adverse effect on our results of operations. See “—Our revenue is highly dependent on transaction volumes in the global travel industry, particularly air travel transaction volumes.”

We operate a global business that exposes us to risks associated with international activities.

Our international operations involve risks that are not generally encountered when doing business in the United States. These risks include, but are not limited to: (1) business, political and economic instability in foreign locations, including actual or threatened terrorist activities, and military action, as well as the effects of the current military conflict in Ukraine and in the Middle East; (2) adverse laws and regulatory requirements, including more comprehensive regulation in the E.U., the continued effects of the U.K.'s exit from the E.U. ("Brexit") and legislation and related regulations in Russia (see “—Any failure to comply with regulations or any changes in such regulations governing our businesses could adversely affect us.”); (3) changes in foreign currency exchange rates and financial risk arising from transactions in multiple currencies; (4) difficulty in developing, managing and staffing international operations because of distance, language and cultural differences; (5) disruptions to or delays in the development of communication and transportation services and infrastructure; (6) more restrictive data privacy requirements, including the GDPR; (7) consumer attitudes, including the preference of customers for local providers, as well as attitudes of other stakeholders stemming from our actions or inactions arising from or relating to the current military conflict in Ukraine; (8) increasing labor costs due to high wage inflation in foreign locations, differences in general employment conditions and regulations, and the degree of employee unionization and activism; (9) export or trade restrictions or currency controls; (10) governmental policies or actions, such as consumer, labor and trade protection measures and, travel restrictions, sanctions and export controls, including restrictions implemented in connection with the current military conflict in Ukraine; (11) taxes, restrictions on foreign investment and limits on the repatriation of funds; (12) diminished ability to legally enforce our contractual rights; and (13) decreased protection for intellectual property. Any of the foregoing risks may adversely affect our ability to conduct and grow our business internationally.

Risks Related to Our Indebtedness, Financial Condition and Common Stock

We have a significant amount of indebtedness, which could adversely affect our cash flow and our ability to operate our business and to fulfill our obligations under our indebtedness.

We have a significant amount of indebtedness. As of March 31, 2024, we had \$5.0 billion of indebtedness outstanding which is net of debt issuance costs and unamortized discounts. Our substantial level of indebtedness increases the possibility that we may not generate enough cash flow from operations to pay, when due, the principal of, interest on or other amounts due in respect of, these obligations. Other risks relating to our long-term indebtedness include: (1) increased vulnerability to general adverse economic and industry conditions; (2) higher interest expense if interest rates increase on our floating rate borrowings and our hedging strategies do not effectively mitigate the effects of these increases or if we have to incur additional indebtedness in a higher interest rate environment; (3) need to divert a significant portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of cash to fund working capital, capital expenditures, acquisitions, investments and other general corporate purposes; (4) limited ability to refinance our existing indebtedness or to obtain additional financing on terms we find acceptable, if needed, for working capital, capital expenditures, expansion plans and other investments, which may adversely affect our ability to implement our business strategy; (5) limited flexibility in planning for, or reacting to, changes in our businesses and the markets in which we operate or to take advantage of market opportunities; and (6) a competitive disadvantage compared to our competitors that have less debt. Subject to market conditions, we may opportunistically refinance portions of our debt in the near term which, at current interest rates and market conditions, may negatively impact our interest expense or result in higher stock dilution.

In addition, it is possible that we may need to incur additional indebtedness in the future in the ordinary course of business. While the terms of our outstanding indebtedness allow us to incur additional debt, subject to limitations, our ability to incur additional secured indebtedness is significantly limited. As a result, we expect that any material increases in total indebtedness, if available and to the extent issued in the future, may be unsecured. The terms of our Amended and Restated Credit Agreement allow us to incur additional debt subject to certain limitations. If new debt is added to current debt levels, the risks described above could intensify. In addition, our inability to maintain certain covenants could result in acceleration of a portion of our debt obligations and could cause us to be in default if we are unable to repay the accelerated obligations.

The terms of our debt covenants could limit our discretion in operating our business and any failure to comply with such covenants could result in the default of all of our debt.

The agreements governing our indebtedness contain and the agreements governing our future indebtedness will likely contain various covenants, including those that restrict our or our subsidiaries' ability to, among other things: (1) incur liens on our property, assets and revenue; (2) borrow money, and guarantee or provide other support for the indebtedness of third parties; (3) pay dividends or make other distributions on, redeem or repurchase our capital stock; (4) prepay, redeem or repurchase certain of our indebtedness; (5) enter into certain change of control transactions; (6) make investments in entities that we do not control, including equity method investments and joint ventures; (7) enter into certain asset sale transactions, including divestiture of certain company assets and divestiture of capital stock of wholly-owned subsidiaries; (8) enter into certain transactions with affiliates; (9) enter into secured financing arrangements; (10) enter into sale and leaseback transactions; (11) change our fiscal year; and (12) enter into substantially different lines of business. These covenants may limit our ability to effectively operate our businesses or maximize stockholder value. Any failure to comply with the restrictions of our Amended and Restated Credit Agreement or any agreement governing our other indebtedness may result in an event of default under those

agreements. Such default may allow the creditors to accelerate the related debt, which may trigger cross-acceleration or cross-default provisions in other debt. In addition, lenders may be able to terminate any commitments they had made to supply us with further funds.

We may require more cash than we generate in our operating activities, and additional funding on reasonable terms or at all may not be available.

We cannot guarantee that our business will generate sufficient cash flow from operations to fund our capital investment requirements or other liquidity needs, including in light of the uncertainty related to volume trends. Moreover, because we are a holding company with no material direct operations, we depend on loans, dividends and other payments from our subsidiaries to generate the funds necessary to meet our financial obligations. Our subsidiaries are legally distinct from us and may be prohibited or restricted from paying dividends or otherwise making funds available to us under certain conditions. As a result, we may be required to finance our cash needs through bank loans, additional debt financing, sales of equity-linked securities, public or private equity offerings or otherwise. Our ability to arrange financing or refinancing and the cost of such financing or refinancing are dependent on numerous factors, including but not limited to general economic and capital market conditions, the availability of credit from banks or other lenders, investor confidence in us, and our results of operations.

There can be no assurance that financing or refinancing will be available on terms favorable to us or at all, which could force us to delay, reduce or abandon our growth strategy, increase our financing costs, or adversely affect our ability to operate our business. Additional funding from debt financings may make it more difficult for us to operate our business because a portion of our cash generated from internal operations would be used to make principal and interest payments on the indebtedness and we may be obligated to abide by restrictive covenants contained in the debt financing agreements, which may, among other things, limit our ability to make business decisions and further limit our ability to pay dividends. Recent increases in interest rates have significantly increased our interest expense, and further increases in interest rates would result in additional interest expense, which would adversely impact our financial performance. In addition, any downgrade of our debt ratings by Standard & Poor's, Moody's Investor Service or similar ratings agencies, increases in general interest rate levels and credit spreads or overall weakening in the credit markets could increase our cost of capital. Furthermore, raising capital through public or private sales of equity, or sales of equity-linked securities, could cause earnings or ownership dilution to your shareholding interests in our company.

We are exposed to interest rate fluctuations.

Our floating rate indebtedness and the potential refinancing of fixed rate indebtedness exposes us to fluctuations in prevailing interest rates. To reduce the impact of large fluctuations in interest rates, we typically hedge a portion of our interest rate risk by entering into derivative agreements with financial institutions. Our exposure to floating interest rates relates primarily to our borrowings under the Amended and Restated Credit Agreement.

The derivative agreements that we use to manage the risk associated with fluctuations in interest rates may not be able to eliminate the exposure to these changes. Additionally, recent interest rate increases have generally increased the cost of debt and we have been, and may in the future be, required to pay higher interest rates on new fixed rate indebtedness we have incurred and may incur in the future in comparison to the interest rates payable on our prior and currently outstanding fixed rate indebtedness, including in connection with the refinancing of such indebtedness. Interest rates are sensitive to numerous factors outside of our control, such as government and central bank monetary policy in the jurisdictions in which we operate. Depending on the size of the exposures and the relative movements of interest rates, if we choose not to hedge or fail to effectively hedge our exposure, we could experience a material adverse effect on our results of operations and financial condition.

The market price of our common stock could decline due to the large number of outstanding shares of our common stock eligible for future sale.

Sales of substantial amounts of our common stock or convertible instruments in the public market in future offerings, or the perception that these sales could occur, could cause the market price of our common stock to decline. These sales could also make it more difficult for us to sell equity or equity-linked securities in the future, at a time and price that we deem appropriate. In addition, the additional sale of our common stock by our officers or directors in the public market, or the perception that these sales may occur, could cause the market price of our common stock to decline. We may issue shares of our common stock or other securities from time to time as consideration for, or to finance, future acquisitions and investments or for other capital needs. We cannot predict the size of future issuances of our shares or the effect, if any, that future sales and issuances of shares would have on the market price of our common stock. If any such acquisition or investment is significant, the number of shares of common stock or the number or aggregate principal amount, as the case may be, of other securities that we may issue may in turn be substantial and may result in additional dilution to our stockholders. We may also grant registration rights covering shares of our common stock or other securities that we may issue in connection with any such acquisitions and investments. To the extent that any of us, our executive officers or directors sell, or indicate an intent to sell, substantial amounts of our common stock in the public market, the trading price of our common stock could decline significantly.

We may recognize impairments on long-lived assets, including goodwill and other intangible assets, or recognize impairments on our equity method investments.

Our consolidated balance sheets as of March 31, 2024 contained goodwill and intangible assets, net totaling \$2.9 billion. Future acquisitions that result in the recognition of additional goodwill and intangible assets would cause an increase in these types of assets. We do not amortize goodwill and intangible assets that are determined to have indefinite useful lives, but we amortize definite-lived intangible assets on a straight-line basis over their useful economic lives, which range from four to thirty

years, depending on classification. We evaluate goodwill for impairment on an annual basis or earlier if impairment indicators exist and we evaluate definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of definite-lived intangible assets used in combination to generate cash flows largely independent of other assets may not be recoverable. We record an impairment charge whenever the estimated fair value of our reporting units or of such intangible assets is less than its carrying value. The fair values used in our impairment evaluation are estimated using a combined approach based upon discounted future cash flow projections and observed market multiples for comparable businesses. Changes in estimates based on changes in risk-adjusted discount rates, future booking and transaction volume levels, travel supplier capacity and load factors, future price levels, rates of growth including long-term growth rates, rates of increase in operating expenses, cost of revenue and taxes, and changes in realization of estimated cost-saving initiatives could result in material impairment charges.

Maintaining and improving our financial controls and the requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") and The NASDAQ Stock Market ("NASDAQ") rules. The requirements of these rules and regulations have increased and will continue to significantly increase our legal and financial compliance costs, including costs associated with the hiring of additional personnel, making some activities more difficult, time-consuming or costly, and may also place undue strain on our personnel, systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires, among other things, that we maintain disclosure controls and procedures and internal control over financial reporting. Ensuring that we have adequate internal financial and accounting controls and procedures in place, as well as maintaining these controls and procedures, is a costly and time-consuming effort that needs to be re-evaluated frequently. Section 404 of the Sarbanes-Oxley Act ("Section 404") requires that we annually evaluate our internal control over financial reporting to enable management to report on, and our independent auditors to audit as of the end of each fiscal year the effectiveness of those controls. In connection with the Section 404 requirements, both we and our independent registered public accounting firm test our internal controls and could, as part of that documentation and testing, identify material weaknesses, significant deficiencies or other areas for further attention or improvement.

Implementing any appropriate changes to our internal controls may require specific compliance training for our directors, officers and employees, require the hiring of additional finance, accounting and other personnel, entail substantial costs to modify our existing accounting systems, or any manual systems or processes, and take a significant period of time to complete. These changes may not, however, 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 increase our operating costs and could materially impair our ability to operate our business. Moreover, adequate internal controls are necessary for us to produce reliable financial reports and are important to help prevent fraud. As a result, our failure to satisfy the requirements of Section 404 on a timely basis could result in the loss of investor confidence in the reliability of our financial statements, which in turn could cause the market value of our common stock to decline. Various rules and regulations applicable to public companies make it more difficult and more expensive for us to maintain directors' and officers' liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to maintain coverage. If we are unable to maintain adequate directors' and officers' liability insurance, our ability to recruit and retain qualified officers and directors, especially those directors who may be deemed independent for purposes of the NASDAQ rules, will be significantly curtailed.

We may have higher than anticipated tax liabilities.

We are subject to a variety of taxes in many jurisdictions globally, including income taxes in the United States at the federal, state, and local levels, and in many other countries. Significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. We operate in numerous countries where our income tax returns are subject to audit and adjustment by local tax authorities. Because we operate globally, the nature of the uncertain tax positions is often very complex and subject to change, and the amounts at issue can be substantial. It is inherently difficult and subjective to estimate such amounts, as we must determine the probability of various possible outcomes. We re-evaluate uncertain tax positions on a quarterly basis. This evaluation is based on factors including, but not limited to, changes in facts or circumstances, changes in tax law, effectively settled issues under audit and new audit activity. Although we believe our tax estimates are reasonable, the final determination of tax audits could be materially different from our historical income tax provisions and accruals. Our effective tax rate may change from year to year based on changes in the mix or magnitude of activities and income allocated or earned among various jurisdictions, tax laws in these jurisdictions, tax treaties between countries, our eligibility for benefits under those tax treaties, and the estimated values of deferred tax assets and liabilities, including the estimation of valuation allowances. Such changes could result in an increase or decrease in the effective tax rate applicable to all or a portion of our income or losses which would impact our profitability. We consider the undistributed capital investments in our foreign subsidiaries to be indefinitely reinvested as of March 31, 2024, and, accordingly, have not provided deferred taxes on any outside basis differences for most subsidiaries.

We establish reserves for our potential liability for U.S. and non-U.S. taxes, including sales, occupancy and Value Added Taxes ("VAT"), consistent with applicable accounting principles and considering all current facts and circumstances. We also establish reserves when required relating to the collection of refunds related to value-added taxes, which are subject to audit and collection risks in various countries. Historically our right to recover certain value-added tax receivables associated with our

European businesses has been questioned by tax authorities. These reserves represent our best estimate of our contingent liability for taxes. The interpretation of tax laws and the determination of any potential liability under those laws are complex, and the amount of our liability may exceed our established reserves.

New tax laws, statutes, rules, regulations or ordinances could be enacted at any time and existing tax laws, statutes, rules, regulations and ordinances could be interpreted, changed, modified or applied adversely to us. These events could require us to pay additional tax amounts on a prospective or retroactive basis, as well as require us to pay fees, penalties or interest for past amounts deemed to be due. New, changed, modified or newly interpreted or applied laws could also increase our compliance, operating and other costs, as well as the costs of our products and services. On August 16, 2022, the U.S. government enacted the Inflation Reduction Act of 2022, which includes a minimum tax equal to 15% of the adjusted financial statement income of certain corporations as well as a 1% excise tax on share buybacks, effective for tax years beginning in 2023. When effective, it is possible that the minimum tax could result in an additional tax liability over the regular federal corporate tax liability in a given year based on differences between book and taxable income (including as a result of temporary differences). We do not expect the Inflation Reduction Act of 2022 to have a significant impact on the Company's tax rate and financial results in the near future. We will continue to evaluate its impact as further information becomes available. In addition, the Organisation for Economic Co-operation and Development (OECD) has released Model Rules for a global minimum tax rate of 15% that would apply to multinational entities. Over 140 countries have agreed to enact legislation to implement these rules, with several already enacting domestic laws to do so. In some countries where we operate the new rules are effective in the year 2024 with more expected in the year 2025. We are closely monitoring developments and evaluating the impacts these new rules will have on our tax rate. Additionally, several countries, primarily in Europe, and the European Commission have proposed or adopted taxes on revenue earned by multinational corporations in certain "digital economy" sectors from activities linked to the user-based activity of their residents. These proposals have generally been labeled as "digital services taxes" ("DST"). We continue to evaluate the potential effects that the DST may have on our operations, cash flows and results of operations. The future impact of the DST, including on our global operations, is uncertain, and our business and financial condition could be adversely affected.

Our pension plan obligations are currently unfunded, and we may have to make significant cash contributions to our plans, which could reduce the cash available for our business.

Our pension plans in the aggregate are estimated to be unfunded by \$73 million as of December 31, 2023. With approximately 3,600 participants in our pension plans, we incur substantial costs relating to pension benefits, which can vary substantially as a result of changes in healthcare laws and costs, volatility in investment returns on pension plan assets and changes in discount rates used to calculate related liabilities. Our estimates of liabilities and expenses for pension benefits require the use of assumptions, including assumptions relating to the rate used to discount the future estimated liability, the rate of return on plan assets, inflation and several assumptions relating to the employee workforce (medical costs, retirement age and mortality). Actual results may differ, which may have a material adverse effect on our business, prospects, financial condition or results of operations. Future volatility and disruption in the stock markets could cause a decline in the asset values of our pension plans. In addition, a decrease in the discount rate used to determine minimum funding requirements could result in increased future contributions. If either occurs, or to avoid certain funding-based benefit restrictions, we may need to make additional pension contributions above what is currently estimated or provide security to the plan, which could reduce the cash available for our businesses.

We may not have sufficient insurance to cover our liability in pending litigation claims and future claims either due to coverage limits or as a result of insurance carriers seeking to deny coverage of such claims, which in either case could expose us to significant liabilities.

We maintain third-party insurance coverage against various liability risks, including securities, stockholders, derivative, ERISA, and product liability claims, as well as other claims that form the basis of litigation matters pending against us. We believe these insurance programs are an effective way to protect our assets against liability risks. However, the potential liabilities associated with litigation matters pending against us, or that could arise in the future, could exceed the coverage provided by such programs. In addition, our insurance carriers have in the past sought or may in the future seek to rescind or deny coverage with respect to pending claims or lawsuits, completed investigations or pending or future investigations and other legal actions against us. If we do not have sufficient coverage under our policies, or if the insurance companies are successful in rescinding or denying coverage, we may be required to make material payments in connection with third-party claims.

Defects in our products may subject us to significant warranty liabilities or product liability claims and we may have insufficient product liability insurance to pay material uninsured claims.

Our business exposes us to the risk of product liability claims that are inherent in software development. We may inadvertently create defective software or supply our customers with defective software or software components that we acquire from third parties, which could result in personal injury, property damage or other liabilities, and may result in warranty or product liability claims brought against us, our travel supplier customers or third parties. Under our customer agreements, we generally must indemnify our customers for liability arising from intellectual property infringement claims with respect to our software. These indemnifications could be significant and we may not have adequate insurance coverage to protect us against all claims. The combination of our insurance coverage, cash flows and reserves may not be adequate to satisfy product liabilities we may incur in the future. Even meritless claims could subject us to adverse publicity, hinder us from securing insurance coverage in the future, require us to incur significant legal fees, decrease demand for any products that we successfully develop, divert

management's attention, and force us to limit or forgo further development and commercialization of these products. The cost of any product liability litigation or other proceedings, even if resolved in our favor, could be substantial.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Share repurchases are made pursuant to a multi-year share repurchase program (the "Share Repurchase Program") authorized by our board of directors on February 6, 2017. This program was announced on February 7, 2017 and allows for the purchase of up to \$500 million of outstanding shares of our common stock in privately negotiated transactions or in the open market, or otherwise. There were no shares repurchased during the first quarter of 2024. On March 16, 2020, we announced the suspension of share repurchases under the Share Repurchase Program in conjunction with certain cash management measures we undertook as a result of the market conditions caused by COVID-19. As of March 31, 2024, the Share Repurchase Program remains suspended and approximately \$287 million remains authorized for repurchases.

ITEM 5. OTHER INFORMATION

During the three months ended March 31, 2024, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

ITEM 6. EXHIBITS

The following exhibits are filed as part of this Quarterly Report on Form 10-Q.

Exhibit Number	Description of Exhibit
10.137	First Supplemental Indenture, dated as of March 7, 2024, among Sabre GBL Inc., each of the guarantors party thereto and Computershare Trust Company, National Association, as trustee and collateral agent (incorporated by reference to Exhibit 4.2 of the Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 8, 2024).
10.138	Indenture, dated as of March 19, 2024, by and among Sabre GBL Inc., the guarantors party thereto, and U.S. Bank Trust Company, National Association as trustee (incorporated by reference to Exhibit 4.1 of the Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 19, 2024).
10.139	Form of 7.32% Exchangeable Senior Notes due 2026 (incorporated by reference to Exhibit 4.2 and included in Exhibit 4.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 19, 2024).
10.140	First Amendment to Receivables Financing Agreement, dated as of March 29, 2024, among Sabre Securitization, LLC, as borrower, Sabre Corporation, as parent, Sabre GBL, Inc. and Sabre Global Technologies Limited, as servicers, PNC Bank, National Association, as administrative agent and Class A Lender Representative, Centerbridge Credit CS, L.P., as Class B Lender Representative, the lenders party thereto, and PNC Capital Markets LLC, as structuring agent (incorporated by reference to Exhibit 10.1 of the Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 3, 2024).
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase
104*	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

† Indicates management contract or compensatory plan or arrangement.

* Filed herewith

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SABRE CORPORATION

(Registrant)

Date: May 2, 2024

By: /s/ Michael Randolfi

Michael Randolfi

Executive Vice President and Chief Financial Officer
(principal financial officer of the registrant)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kurt Ekert, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sabre Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024

By: /s/ Kurt Ekert

Kurt Ekert

Chief Executive Officer

(principal executive officer of the registrant)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael Randolfi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sabre Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024

By: /s/ Michael Randolfi

Michael Randolfi
Executive Vice President and Chief Financial Officer
(principal financial officer of the registrant)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, the Chief Executive Officer of Sabre Corporation, hereby certifies that to his knowledge, on the date hereof:

- a. The Form 10-Q of Sabre Corporation for the quarter ended March 31, 2024 (the "Report"), filed on the date hereof with the Securities and Exchange Commission fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- b. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Sabre Corporation.

Date: May 2, 2024

By: /s/ Kurt Ekert

Kurt Ekert

Chief Executive Officer

(principal executive officer of the registrant)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Sabre Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, the Chief Financial Officer of Sabre Corporation, hereby certifies that to his knowledge, on the date hereof:

- a. The Form 10-Q of Sabre Corporation for the quarter ended March 31, 2024 (the "Report"), filed on the date hereof with the Securities and Exchange Commission fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- b. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Sabre Corporation.

Date: May 2, 2024

By: /s/ Michael Randolfi

Michael Randolfi
Executive Vice President and Chief Financial Officer
(principal financial officer of the registrant)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Sabre Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.