

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021

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	SABR	The NASDAQ Stock Market LLC
6.50% Series A Mandatory Convertible Preferred Stock	SABRP	The NASDAQ Stock Market LLC
(Title of class)	(Trading symbol)	(Name of exchange on which registered)

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 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 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes No

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

The aggregate market value of the registrant's common stock held by non-affiliates, as of June 30, 2021, was \$4,007,458,104. As of February 14, 2022, there were 323,520,469 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to its 2022 annual meeting of stockholders to be held on April 27, 2022, are incorporated by reference in Part III of this Annual Report on Form 10-K.

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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, including the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7, 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, and the implementation of our strategies. In many cases, you can identify forward-looking statements by terms such as "expects," "believes," "will," "intends," "outlook," "provisional," "may," "predicts," "potential," "anticipates," "estimates," "should," "plans," "could," "likely," "commit," "guidance," "anticipate," "incremental," "preliminary," "forecast," "continue," "strategy," "confidence," "momentum," "estimate," "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. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, results, actions, levels of activity, performance or achievements. You are cautioned not to place undue reliance on these forward-looking statements. Unless required by law, we undertake no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date they are made. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements, including, but not limited to, those factors described in Part I, Item 1A, "Risk Factors," in Part I, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results" and elsewhere in this Annual Report.

In this Annual Report on Form 10-K, 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.

PART I

ITEM 1. BUSINESS

Overview

Sabre Corporation is a Delaware corporation formed in December 2006. On March 30, 2007, Sabre Corporation acquired Sabre Holdings Corporation ("Sabre Holdings"), which is the sole 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. Our principal executive offices are located at 3150 Sabre Drive, Southlake, Texas 76092.

At Sabre, we make travel happen. We are a software and technology company that powers the global travel industry. We partner with airlines, hoteliers, agencies and other travel partners to retail, distribute and fulfill travel. We connect the world's leading travel suppliers, including airlines, hotels, car rental brands, rail carriers, cruise lines and tour operators, with travel buyers in a comprehensive travel marketplace. We also offer travel suppliers an extensive suite of leading software solutions, ranging from airline and hotel reservations systems to high-value marketing and operations solutions, such as planning airline crew schedules, re-accommodating passengers during irregular flight operations and managing day-to-day hotel operations. We are committed to helping customers operate more efficiently, drive revenue and offer personalized traveler experiences with next-generation technology solutions.

COVID-19 Pandemic

The outbreak of the coronavirus ("COVID-19") has caused, and continues to cause, a severe global health crisis resulting in societal disruptions leading to economic downturn and uncertainties. The travel industry continues to be adversely affected by the global health crisis due to the outbreak of COVID-19, including variants, as well as by government directives that have been enacted to slow the spread of the virus. The COVID-19 pandemic has caused major shifts in the travel ecosystem resulting in the changing needs of our airline, hotel and agency customers. In 2020, we experienced significant decreases in transaction-based revenue in our Travel Solutions segment, including increased cancellation activity beyond what was initially estimated, as well as a reduction in SynXis Software and Services revenue in our Hospitality Solutions segment due to a decrease in transaction volumes as a result of the COVID-19 pandemic. As expected, the pandemic continued to have a material impact to our consolidated financial results for the year ended December 31, 2021. Despite the continued negative impacts of the COVID-19 pandemic on our business and global travel volumes, we have seen gradual improvement in our key volume metrics during 2021 as COVID-19 vaccines have continued to be administered and some travel restrictions have been relaxed. With the continued increase in volumes, our incentive consideration costs also increased significantly compared to the prior year.

The reduction in revenues as a result of COVID-19 has significantly and adversely affected our liquidity. During 2020, we responded with measures such as suspending common stock dividends and share repurchases, borrowing under our existing revolving credit facility, and completing debt and equity offerings. Additionally, given the market conditions as the result of

COVID-19, we responded with cost savings measures during 2020, including the reduction of our workforce through voluntary severance and early retirement programs and a right-sizing of our global organization. In 2021, we refinanced and extended the maturity on a portion of our debt. We believe the ongoing effects of COVID-19, including variants, on our operations and global bookings will continue to have a material negative impact on our financial results and liquidity, and this negative impact may continue well beyond the containment of the outbreak. We believe our cash position and the liquidity measures we have taken will provide additional flexibility as we manage through the global economic recovery from the COVID-19 pandemic. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources." As a result, we believe that we have resources to sufficiently fund our liquidity requirements for at least the next twelve months; however, given the magnitude of travel decline and the unknown duration of the impact of COVID-19, we will continue to monitor our liquidity levels and take additional steps should we determine they are necessary or appropriate.

Business Segments and Products

As discussed above, the COVID-19 pandemic has caused major shifts in the travel ecosystem resulting in the changing needs of our airline, hotel and agency customers. As a result, during 2020, we accelerated the organizational changes we began in 2018 to address the changing travel landscape through a strategic realignment (the "Strategic Realignment") of our airline and agency-focused businesses and to respond to the impacts of the COVID-19 pandemic on our business and cost structure. The organizational changes involve the creation of a functional-oriented structure to further enhance our long-term growth opportunities and help deliver new retailing, distribution and fulfillment solutions to the travel marketplace. As a result of our Strategic Realignment, we now operate our business and present our results through two business segments, effective the third quarter of 2020: (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 leading software solutions for hoteliers. All revenue and expenses previously assigned to the Travel Network and Airline Solutions business segments have been consolidated into a unified revenue and expense structure now reported as the Travel Solutions business segment. The historical results of the Hospitality Solutions reporting segment have not changed. Financial information about our business segments and geographic areas is provided in Note 18. Segment Information, to our consolidated financial statements in Part II, [Item 8](#) in this Annual Report on Form 10-K.

Travel Solutions

Our Travel Solutions business provides global travel solutions for travel suppliers and travel buyers through a business-to-business travel marketplace consisting of our global distribution system ("GDS") and a broad set of solutions that integrate with our GDS to add value for travel suppliers and travel buyers. Our GDS facilitates travel by efficiently bringing together travel content such as inventory, prices and availability from a broad array of travel suppliers, including airlines, hotels, car rental brands, rail carriers, cruise lines and tour operators, with a large network of travel buyers, including online travel agencies ("OTAs"), offline travel agencies, travel management companies ("TMCs"), and corporate travel departments.

Additionally, our Travel Solutions business offers a broad portfolio of software technology products and solutions, through software-as-a-service ("SaaS") and hosted delivery model, to airlines and other travel suppliers and provides industry-leading and comprehensive software solutions that help our customers better market, sell, serve and operate. Our product offerings include reservation systems for full-cost and low-cost carriers, commercial and operations products, agency solutions and data-driven intelligence solutions. Our reservation systems bring together intelligent decision support solutions that enable end-to-end retailing, distribution and fulfillment, and drive operational effectiveness through holistic planning and management of airline, airport and customer operations. Our commercial and operations products offer services to our customers to enable them to better use our products and help optimize their commercial and operations platforms. On October 28, 2021, we announced that we have entered into an agreement with a third party to sell our suite of flight and crew management and optimization solutions, which represents our AirCentre airline operations portfolio within Travel Solution's IT Solutions. See Note 3. Acquisitions and Dispositions, to our consolidated financial statements for further information.

Hospitality Solutions

Our Hospitality Solutions business provides software and solutions, through SaaS and hosted delivery models, to hoteliers around the world. Our SaaS solutions empower hotels and hotel chains to manage pricing, reservations, and retail offerings across thousands of distribution channels while improving guest experience throughout the traveler journey. We serve over 42,000 properties in 177 countries.

Growth Strategy

We connect people and places with technology that reimagines the business of travel. The key elements of our growth strategy include:

- Developing innovative technology products through investment of significant resources in next-generation technology solutions that include delivering retailing intelligence to enable personalized traveler experiences in our marketplace and by travel suppliers, evolving the distribution of travel content including the integration of new distribution capability ("NDC") content into our GDS, expanding our hospitality technology offerings including through our property

management system ("PMS"), and continuing to address key customer needs in the areas of retailing, distribution, and fulfillment of travel and related products.

- Transforming the security, stability, and health of our technology by leveraging maneuverability to enhance agility and modernize infrastructure at a global scale, with the goal of connecting people to experiences that enrich their lives.
- Pursuing new customers across all of our product offerings, including customers seeking distribution of content, new agency relationships, as well as corporations representing buyers of content.
- Strengthening relationships with existing customers, including promoting the adoption of our products within and across our existing customers, to help enable them to operate more efficiently, drive revenue, and spur innovation with next-generation technology solutions.

Technology and Operations

Our technology strategy is focused on achieving company-wide operational stability, reliability, security and performance at an efficient overall cost while continuing to innovate and create incremental value for our customers. Significant investment has gone into building a centralized Platform as a Service ("PaaS") architecture with an emphasis on standardization, simplicity, efficiency, security, and scalability. We invest heavily in software development, delivery, and operational support capabilities and seek to provide best in class products for our customers. We operate standardized infrastructure in our data center environments across hardware, operating systems, databases, and other key enabling technologies to minimize costs on non-differentiators. We expect to continue to make significant investments in our information technology infrastructure to modernize our architecture, drive efficiency and quality in development, lower recurring technology costs, further enhance the stability and security of our network, comply with data privacy and accessibility regulations, and enable our shift to service enabled and cloud-based solutions. For this reason, we have included Technology costs as a separate category of cost within our consolidated financial statements and notes contained in [Item 8, "Financial Statements and Supplementary Data,"](#) of this Annual Report on Form 10-K.

Our architecture has evolved from a mainframe centric transaction processing environment to a secure cloud-based processing platform that is one of the world's most heavily used and resilient service-oriented architecture ("SOA") environments. A variety of products and services run on this technology infrastructure: high volume air shopping systems; desktop access applications providing continuous, real-time data access to travel agents; airline operations and decision support systems; an array of customized applications available through our Sabre Red 360 application; and web based services that provide an automated interface between us and our travel suppliers and customers. The flexibility and scale of our standardized SOA based technology infrastructure allow us to quickly deliver a broad variety of SaaS and hosted solutions.

Customers

Travel Solutions customers consist of travel suppliers, including airlines, hotels and other lodging providers, car rental brands, rail carriers, cruise lines, tour operators, attractions and services; a large network of travel buyers, including OTAs, offline travel agencies, TMCs and corporate travel departments; and airports, corporate aviation fleets, governments and tourism boards. Airlines served by Travel Solutions vary in size and are located in every region of the world, and include hybrid carriers and low-cost carriers ("LCCs") (collectively, "LCC/hybrids"), global network carriers and regional network carriers. Hospitality Solutions has a global customer base of over 42,000 hotel properties of all sizes.

Sources of Revenue

Transactions—Our Travel Solutions business generates distribution revenue for bookings made through our GDS (e.g., air, car and hotel bookings) and through our partners and generally we are paid directly by the travel supplier. A transaction occurs when a travel agency or corporate travel department books or reserves a travel supplier's product using our GDS, for which we receive a fee. Transaction fees include, but are not limited to, transaction fees paid by travel suppliers for selling their inventory through our GDS and fees paid by travel agency subscribers related to their use of certain solutions integrated with our GDS. We receive revenue from the travel supplier and the travel agency according to the commercial arrangement with each.

SaaS and Hosted—We generate Travel Solutions' IT Solutions revenue and Hospitality Solutions revenue through upfront solution implementation fees and recurring usage-based fees for the use of our software solutions hosted on secure platforms or deployed via SaaS. We maintain our SaaS and hosted software and manage the related infrastructure with the assistance of third-party providers. We collect the implementation fees and recurring usage-based fees pursuant to contracts with terms that typically range between three and ten years and generally include minimum annual volume requirements.

Software Licensing—We generate Travel Solutions' IT Solutions revenue from fees for the on-site installation and use of our software products. Many contracts under this model generate additional revenue for the maintenance of the software product.

Professional Service Fees—We generate Travel Solutions' IT Solutions revenue and Hospitality Solutions revenue through offerings that utilize the SaaS and hosted revenue model which are sometimes sold as part of multiple performance obligation arrangements for which we also provide professional services, including consulting services. Our professional services are primarily focused on helping customers achieve better utilization of and return on their software investment. Often, we provide these services during the implementation phase of our SaaS solutions.

Media—We generate Travel Solutions' IT Solutions revenue from customers that advertise products and purchase preferred placement on our GDS. Additionally, Hospitality Solutions generates revenue from customers that advertise products on our CRS.

Competition

We operate in highly competitive markets. Travel Solutions competes with several other regional and global travel marketplace providers, including other GDSs, local distribution systems and travel marketplace providers primarily owned by airlines or government entities, as well as with direct distribution by travel suppliers. In addition to other GDSs and direct distributors, there are a number of other competitors in the travel distribution marketplace, including new entrants in the travel space, that offer metasearch capabilities that direct shoppers to supplier websites and/or OTAs, third party aggregators and peer-to-peer options for travel services. Travel Solutions also competes with a variety of providers in a rapidly evolving marketplace which includes global and regional IT providers, various specialists in selected product areas, service providers and airlines that develop their own in-house technology. Hospitality Solutions operates in a dynamic marketplace that includes large global players, significant new entrants and hotels that develop their own in-house technology.

Intellectual Property

We use software, business processes and proprietary information to carry out our business. These assets and related intellectual property rights are significant assets of our business. We rely on a combination of patent, copyright, trade secret and trademark laws, confidentiality procedures, and contractual provisions to protect these assets and we license software and other intellectual property both to and from third parties. We may seek patent protection on technology, software and business processes relating to our business, and our software and related documentation may also be protected under trade secret and copyright laws where applicable. We may also benefit from both statutory and common law protection of our trademarks.

Although we rely heavily on our brands, associated trademarks, and domain names, we do not believe that our business is dependent on any single item of intellectual property, or that any single item of intellectual property is material to the operation of our business. However, since we consider trademarks to be a valuable asset of our business, we maintain our trademark portfolio throughout the world by filing trademark applications with the relevant trademark offices, renewing appropriate registrations and regularly monitoring potential infringement of our trademarks in certain key markets.

Government Regulation

We are subject to or affected by international, federal, state and local laws, regulations and policies, which are constantly subject to change. These laws, regulations and policies include regulations applicable to the GDS in the European Union ("EU"), Canada, the United States and other locations.

We are subject to the application of data protection and privacy regulations in many of the U.S. states and countries in which we operate, including the General Data Protection Regulation ("GDPR") in the EU. See "Risk Factors —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 breaches. "

We are also subject to prohibitions administered by the Office of Foreign Assets Control (the "OFAC rules"), which prohibit U.S. persons from engaging in financial transactions with or relating to the prohibited individual, entity or country, require the blocking of assets in which the individual, entity or country has an interest, and prohibit transfers of property subject to U.S. jurisdiction (including property in the possession or control of U.S. persons) to such individual, entity or country.

Our businesses may also be subject to legislation and regulations affecting issues such as: trade sanctions, exports of technology, antitrust, anticorruption, telecommunications and e-commerce. These regulations may vary among jurisdictions.

See "Risk Factors—Any failure to comply with regulations or any changes in such regulations governing our businesses could adversely affect us."

Seasonality

The travel industry is seasonal in nature. Travel bookings and the revenue we derive from those bookings, are typically seasonally strong in the first and third quarters, but decline significantly each year in the fourth quarter, primarily in December. We recognize air-related revenue at the date of booking, and because customers generally book their November and December holiday leisure-related travel earlier in the year and business-related travel declines during the holiday season, revenue resulting from bookings is typically lower in the fourth quarter.

Human Capital

We maintain our SabreNext Strategic Framework that defines areas of focus for our culture and highlights how we enable our people to execute the plans and priorities for our technology, product, financial and customer strategies.

Our People—The ongoing impact of the COVID-19 pandemic on our business and operations has continued to result in significant variances in our human capital metrics for the year ended December 31, 2021 compared to prior years. We have not experienced any work stoppages and consider our relations with our employees to be good. As of December 31, 2021, we had 7,583 employees worldwide, consisting of the following:

	No of Employees	% of Total
United States	2,391	32 %
APAC	1,997	26 %
Europe	1,941	25 %
All Other ⁽¹⁾	1,254	17 %
Total	7,583	100 %

⁽¹⁾ Includes Canada, Mexico, Latin America, Middle East, and Africa.

Talent Acquisition, Development and Retention—Through our long operating history and experience with technological innovation, we appreciate the importance of retention, growth and development of our employees. We seek to set compensation at competitive levels that help enable us to hire, incentivize, and retain high-caliber employees. We have launched our Lead the Way program to support the virtual environment and cultivate talent. This program includes a leadership speaker series, leadership skills series and on-demand resources for all leaders, with a particular focus on first-time or first-level managers. Our formal and informal reward, recognition and acknowledgement programs encourage employees to recognize peers, teams and departments to honor their champions and help promote satisfaction and engagement. To assist in retaining key talent in the current highly volatile macro environment, we offer compensation programs to certain key employees, such as long-term performance-based cash incentive awards, performance-based restricted stock unit awards, time-based restricted stock unit awards, and other awards as appropriate. We monitor and evaluate various turnover and attrition metrics throughout our management teams.

Diversity and Inclusion—With 65 offices around the globe, we believe that diversity and inclusion are at the core of our success and that the different backgrounds, experiences, perspectives, and ideas of our employees are critical to spur innovation, drive growth and sustain competitive advantage in our industry. We have established an Inclusion and Diversity Council to help define a globally consistent approach to inclusion and diversity as a business imperative and an enabler of our SabreNext strategy.

Health and Wellness—The health and safety of our team members is of the utmost importance. In addition to core health and welfare benefits, our wellness program offers resources to promote physical, emotional, and mental well-being. We have extended certain assistance programs to continue to support the well-being of our team members during the COVID-19 pandemic. Additionally, to help ensure the safety and wellness of our employees going forward, we have expanded our parental leave program, enhanced our personal time off benefits, and implemented a work-from-anywhere program that allows our employees additional flexibility in work arrangements and increased opportunities to work remotely.

Corporate Responsibility—We invest globally in our communities by encouraging employee volunteerism on company time. Our employees have donated a significant number of volunteer hours to support our community-oriented and philanthropic culture. Additionally, our Passport to Freedom program has helped fight human trafficking and has provided support to victims and survivors, through increasing awareness and education within the travel industry on human trafficking issues and advocating for legislative change where appropriate.

Available Information

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and under these requirements, we file reports, proxy and information statements and other information with the Securities and Exchange Commission (“SEC”). Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other information to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are available through the investor relations section of our website at investors.sabre.com. Reports are available free of charge as soon as reasonably practicable after we electronically file them with, or furnish them to, the SEC. The information contained on our website, Twitter account, and other social media channels is not incorporated by reference into this Annual Report on Form 10-K.

We may use our website, our Twitter account (@Sabre_Corp) and other social media channels 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, Twitter account and other social media channels. The contents of our website or social media channels referenced herein are not incorporated by reference into this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

The following risk factors may be important to understanding any statement in this Annual Report on Form 10-K 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 the COVID-19 Pandemic

The COVID-19 pandemic has had and is expected to continue to have a significant adverse impact on our business, including our financial results and prospects, and the travel suppliers on whom our business relies.

The spread of COVID-19 and the developments surrounding the global pandemic have had and are continuing to have significantly negative impacts on all aspects of our business. In response to the pandemic, many governments around the world have implemented a variety of measures to reduce the spread of COVID-19, including travel restrictions and bans, instructions to residents to practice social distancing, quarantine advisories, shelter-in-place orders and required closures of non-essential businesses. These government mandates have had a significant negative impact on the travel industry and many of the travel suppliers on whom our business relies, including airlines and hotels, and forced many of them, including airlines, to pursue cost reduction measures and seek financing, including government financing and support, in order to reduce financial distress and continue operating, and to curtail drastically their service offerings. The pandemic has resulted and may continue to result in the restructuring or bankruptcy of certain of those travel suppliers and the renegotiation of the terms of our agreements with them. The pandemic and these measures have significantly adversely affected, and may further affect, consumer sentiment and discretionary spending patterns, economies and financial markets, and our workforce, operations and customers. See “—Our Travel Solutions and Hospitality Solutions businesses depend on maintaining and renewing contracts with their customers and other counterparties.”

The COVID-19 pandemic and the resulting economic conditions and government orders have resulted in a material decrease in consumer spending and an unprecedented decline in transaction volumes in the global travel industry. Our financial results and prospects are largely dependent on these transaction volumes. Although it is impossible to accurately predict the ultimate impact of these developments on our business, our financial results for the years ended December 31, 2021 and 2020 have been significantly and negatively impacted, with a material decline in total revenues, net income, cash flow from operations and Adjusted EBITDA as compared to 2019. This downward trend could continue for an unpredictable period. Due to the uncertain and rapidly evolving nature of current conditions around the world, including the spread of virus variants with new epidemiological characteristics, we are unable to predict accurately the impact that COVID-19 will have on our business going forward. We expect the outbreak and its effects to continue to have a significant adverse impact on our business, financial condition and operating results for the duration of the pandemic and during the subsequent recovery from the pandemic, which could be an extended period of time. To the extent the COVID-19 pandemic adversely affects our business, operations, and financial condition and results, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section, such as those relating to our high level of indebtedness, our need to generate sufficient cash flows to service our indebtedness, and our ability to comply with the covenants contained in the agreements that govern our indebtedness.

The COVID-19 pandemic may result in potential impairments of goodwill, long-term investments and long-lived assets; increasing provisions for bad debt including risks associated with travel agencies ability to repay us for incentive fees associated with bookings that have now cancelled; and increases in cash outlays to refund travel service providers for cancelled bookings.

We did not record any material impairments in 2021; however, future changes in our expected cash flows or other factors as a result of the COVID-19 pandemic may cause our goodwill or other assets to be impaired, resulting in a non-cash charge. As we cannot predict the duration or scope of the COVID-19 pandemic, the negative financial impact to our consolidated financial statements of potential future impairments cannot be reasonably estimated, but could be material. In addition, given the volatility in global markets and the financial difficulties faced by many of our travel suppliers, we have increased our provisions for bad debt related to certain of our airline providers and, to a lesser extent, car rental providers and hoteliers. We are continuing to closely monitor positions with travel agencies, to identify situations in which cancelled bookings exceed new bookings, resulting in refunds due to us and creating possible additional bad debt exposure. Moreover, due to the high level of cancellations of existing bookings, we have incurred, and may continue to incur, higher than normal cash outlays to refund travel service providers for cancelled bookings. Any material increase in our provisions for bad debt, and any material increase in cash outlays to travel suppliers would have a corresponding effect on our results of operations, liquidity and related cash flows.

The ongoing impact of the COVID-19 outbreak on our business and the impact on our results of operations is highly uncertain.

The extent of the effects of the COVID-19 outbreak on our business, results of operations, cash flows and growth prospects is highly uncertain and will ultimately depend on future developments. These include, but are not limited to, the severity, extent and duration of the global pandemic and its impact on the travel industry and consumer spending more broadly; actions taken by national, state and local governments to contain the disease or treat its impact, including travel restrictions and bans, required closures of non-essential businesses, vaccination levels and aid and economic stimulus efforts; the effect of the changes in hiring levels and remote working arrangements that we have implemented on our operations, including the health,

productivity, retention, and morale of management and our employees, and our ability to maintain our financial reporting processes and related controls; the impact on the financial condition on our partners, and any potential restructurings or bankruptcies of our partners; the impact on our contracts with our partners, including force majeure provisions and requests to renegotiate the terms of existing agreements prior to their expiration, including providing temporary concessions regarding contractual minimums; our ability to withstand increased cyberattacks; the speed and extent of the recovery across the broader travel ecosystem; short- and long-term changes in travel patterns, including business travel; and the duration, timing and severity of the impact on customer spending, including the economic recession resulting from the pandemic. The pandemic may continue to expand in regions that have not yet been affected or have been minimally affected by the COVID-19 outbreak after conditions begin to recover in currently affected regions, which could continue to affect our business. Also, existing restrictions in affected areas could be extended after the virus has been contained in order to avoid relapses, and regions that recover from the outbreak may suffer from a relapse and re-imposition of restrictions. Governmental restrictions and 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. Additionally, the potential failure of travel service providers and travel agencies (or acquisition of troubled travel service providers or travel agencies) may result in further consolidation of the industry, potentially affecting market dynamics for our services.

Our business is dependent on the ability of consumers to travel, particularly by air. We do not expect economic and operating conditions for our business to improve until consumers are once again willing and able to travel, and our travel suppliers are once again able to serve those consumers. This may not occur until well after the broader global economy begins to improve. Additionally, our business is also dependent on consumer sentiment and discretionary spending patterns. Significant increases in levels of unemployment in the United States and other regions have occurred and are expected to continue due to the adoption of social distancing and other policies to slow the spread of the virus, which have had and are likely to continue to have a negative impact on consumer discretionary spending, including for the travel industry. Even when economic and operating conditions for our business improve, we cannot predict the long-term effects of the pandemic on our business or the travel industry as a whole. If 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 recovers.

To the extent that the COVID-19 outbreak continues to adversely affect our business and financial performance, it may also have the effect of heightening many of the other risks identified in this "Risk Factors" section, such as those relating to our substantial amount of outstanding indebtedness.

Risks Related to Our Business and Industry

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. Furthermore, the ongoing effects of COVID-19 on our business have adversely affected and may continue to affect our ability to retain key employees and hire new employees. See "—The COVID-19 pandemic has had and is expected to continue to have a significant adverse impact on our business, including our financial results and prospects, and the travel suppliers on whom our business relies." 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. For example, we have announced modifications to our business strategies and increased long-term investment in key areas, such as technology infrastructure, that may continue to have a negative impact in the short term due to expected increases in operating expenses and capital expenditures. 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.

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 to respond to the changing needs of travel suppliers and meet intense competition. We 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 GDS with new capabilities to adapt to the changing technological 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 research and development 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 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 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. For example, 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 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 directly 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 may cause temporary or sustained disruption to leisure and business travel. The impact these disruptions would have on our business depends on the magnitude and duration of such disruption. These factors include, among others: (1) general and local economic conditions; (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; (4) political events like acts or threats of terrorism, hostilities, and war; (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. Sustained disruptions from COVID-19 have negatively impacted our business, and we expect these negative impacts to continue. See "—The COVID-19 pandemic has had and is expected to continue to have a significant adverse impact on our business, including our financial results and prospects, and the travel suppliers on whom our business relies."

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, including as a result of the impacts of COVID-19, 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, went into effect on May 25, 2018, 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. 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 increases, 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. Furthermore, various countries, including Russia, 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 comply with legal obligations regarding the use of personal data, new data handling or localization requirements that conflict with or negatively impact our business practices. In addition, our agreements with customers may also 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. See “—Security incidents expose us to liability and could damage our reputation and our business.”

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, including as a result of the impacts of COVID-19 on the travel industry, 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" 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. 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 markets. 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. We are tested periodically for assurance and successfully completed our last annual assessment in November 2021. 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 17. Commitments and Contingencies, to our consolidated financial statements. For example, we are involved in antitrust litigation with US Airways. If we cannot resolve this matter favorably, we could be subject to monetary damages, including treble damages under the antitrust laws and payment of reasonable attorneys’ fees and costs; depending on the amount of any such judgment, if we do not have sufficient cash on hand, we may be required to seek financing from private or public financing. Other parties might likewise seek to benefit from any unfavorable outcome 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.

Additionally and by way of example, on June 29, 2021, American Airlines filed suit against us in state district court in Tarrant County, Texas, alleging that our New Airline Storefront, a modern retailing experience designed to enhance comparison shopping of airline offers in the GDS, and a new value-based incentive model with agencies breach our contract with American Airlines. American Airlines sought a temporary and is seeking a permanent injunction preventing the alleged breach of contract. We strongly deny the allegations and have filed our response denying American Airlines’ allegations and seeking a declaratory judgment that, among other things, New Airline Storefront does not violate the contract and that the contract does not prohibit Sabre’s value-based fee arrangements. In October 2021, the court heard arguments to determine whether to grant a temporary injunction preventing the alleged breach of contract, and on October 27, 2021, the court issued a ruling denying the temporary injunction. The Court also denied American Airlines’ subsequent motion seeking reconsideration of the Court’s denial of the temporary injunction. If we cannot resolve this matter favorably, we could be limited in our ability to utilize New Airline Storefront and make the value-based incentive payments until our contract with American Airlines terminates. Furthermore, if this dispute were to result in the termination of our distribution contract with American Airlines, we may be unable to negotiate a new contract with American Airlines on as favorable terms or at all, which could have a material adverse effect on our business, financial condition and results of operations.

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 17. Commitments and Contingencies, to our consolidated financial statements or elsewhere in this Annual Report on Form 10-K, and any other actions 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 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, telecommunications 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, Crimea region, 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 OFAC and are typically known as the OFAC regulations. These regulations 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, Crimea region, North Korea and Syria but are based outside of those countries and are not owned by those governments or nationals of those governments. 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. We note, however, that OFAC regulations and related interpretive guidance are complex and subject to varying interpretations. Due to this complexity, OFAC's interpretation of its own regulations and guidance vary on a case to case basis. As a result, we cannot provide any guarantees that OFAC 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 may 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.

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. For example, we previously announced that we had entered into an agreement to acquire Farelogix, which was subject to customary closing conditions and regulatory approvals. On August 20, 2019, the DOJ filed a complaint in federal court in the District of Delaware, seeking a permanent injunction to prevent Sabre from acquiring Farelogix. Although the trial court did not grant the DOJ's request, the U.S. Court of Appeals for the Third Circuit granted the DOJ's motion to vacate the judgment as moot, following the termination of the acquisition agreement as described below. In addition, the U.K. Competition and Markets Authority ("CMA") blocked our proposed acquisition of Farelogix, and the U.K. Competition Appeal Tribunal has confirmed the CMA's decision. Sabre and Farelogix agreed to terminate the acquisition agreement on May 1, 2020 and we paid Farelogix aggregate termination fees of \$21 million in the second quarter of 2020 pursuant to the acquisition agreement.

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. 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 DXC and other network, cloud and SaaS providers.

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

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:

- Any of these providers fail to enable us to provide our customers and suppliers with reliable, real-time access to our systems. For example, in 2013, we experienced a significant outage of the Sabre platform due to a failure on the part of one of our service providers. 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.
- 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 many of our systems 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 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 our technology strategy, including our cloud migration and mainframe offload activities. 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. Much of the computer and communications hardware upon which we depend is located across multiple data center facilities in a single geographic region. 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 or our 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 certain systems and critical 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. Furthermore, several of our existing critical backup systems are located in the same metropolitan area as our primary systems and we may not have sufficient disaster recovery tools or resources available, depending on the type or size of the disruption. 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. 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 could 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, including PII and PCI of our customers, and it is critical to our business strategy that our facilities and infrastructure, including those provided by DXC Technology ("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, 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. The costs of investigation of such incidents, as well as remediation related to these incidents, may be material. As previously disclosed, we 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. See Note 17. Commitments and Contingencies, to our consolidated financial statements for additional information. 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. The costs related to these incidents, including any additional associated penalties assessed by any other governmental authority or payment card brand or indemnification or other contractual obligations to our customers, as well as any other impacts or remediation related to them, may be material.

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 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. 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. We derive the majority of our revenue from the United States and Europe, and we have expanded Travel Solutions' presence in APAC. Our geographic concentration in the United States and Europe, as well as our expanded focus in APAC, makes our business potentially vulnerable to economic and political conditions that adversely affect business and leisure travel originating in or traveling to these regions.

The COVID-19 outbreak has significantly and negatively impacted the global economy, including increased unemployment, inflation and supply constraints, 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, recent changes in the U.S. political environment have resulted in additional uncertainties with respect to travel restrictions, and the regulatory, tax and economic environment in the United States, which 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.

We derive the remainder of our revenues from Latin America, the Middle East and Africa and APAC. Any unfavorable economic, political, or regulatory developments in these regions 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 these emerging markets. For example, markets that have traditionally had a high level of exports to China, or that have commodities-based economies, have continued to experience slowing or deteriorating economic conditions. These adverse economic conditions may negatively impact our business results in those regions.

The U.K. has exited from the E.U. ("Brexit"). Brexit and related processes have created significant economic uncertainty in the U.K. and in EMEA, which may negatively impact our business results in those regions. In addition, the terms of the U.K.'s withdrawal from the E.U. could potentially disrupt the markets we serve and the tax jurisdictions in which we operate and adversely change tax benefits or liabilities in these or other jurisdictions, including our ability to obtain Value Added Tax ("VAT") refunds on transactions between the U.K. and the E.U., and may cause us to lose customers, suppliers, and employees. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the U.K. determines which E.U. laws to replace or replicate.

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:

- business, political and economic instability in foreign locations, including actual or threatened terrorist activities, and military action;
- adverse laws and regulatory requirements, including more comprehensive regulation in the E.U. and the possible effects of Brexit;
- changes in foreign currency exchange rates and financial risk arising from transactions in multiple currencies;
- difficulty in developing, managing and staffing international operations because of distance, language and cultural differences;
- disruptions to or delays in the development of communication and transportation services and infrastructure;
- more restrictive data privacy requirements, including the GDPR;
- consumer attitudes, including the preference of customers for local providers;
- 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;
- export or trade restrictions or currency controls;
- governmental policies or actions, such as consumer, labor and trade protection measures and travel restrictions;
- taxes, restrictions on foreign investment and limits on the repatriation of funds;
- diminished ability to legally enforce our contractual rights; and
- 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 December 31, 2021, we had \$4.8 billion of indebtedness outstanding. 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; (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 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.

In addition, it is possible that we may need to incur additional indebtedness in the future in the ordinary course of business. 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 leverage ratios 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, particularly following the COVID-19 outbreak. See “—The COVID-19 pandemic has had and is expected to continue to have a significant adverse impact on our business, including our financial results and prospects, and the travel suppliers on whom our business relies.” 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, public or private equity offerings or otherwise. Our ability to arrange financing and the cost of such financing 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 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 both. 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. 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 to finance acquisitions or expansion could cause earnings or ownership dilution to your shareholding interests in our company.

We are exposed to interest rate fluctuations.

Our floating 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 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. 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.

As of December 31, 2021, we had outstanding approximately \$2.8 billion of variable debt that is indexed to the London Interbank Offered Rate (“LIBOR”) consisting of Term Loan B for \$1.8 billion, Term Loan B-1 for \$401 million and Term Loan B-2 for \$635 million. In July 2017, the Financial Conduct Authority announced its intention to phase out the London Interbank Offered Rate (“LIBOR”) by the end of 2021, and subsequently extended the phase-out date to June 30, 2023. See “[Management’s Discussion and Analysis of Financial Condition and Results of Operations](#)—Liquidity and Capital Resources—Senior Secured Credit Facilities” for the estimated impacts of this change. We intend to seek an amendment with our lenders of Term Loan B prior to June 2023 to provide for a transition to the Secured Overnight Financing Rate (“SOFR”) or another alternative to LIBOR in anticipation of its discontinuation, but there can be no assurance that we will be able to reach an agreement with our lenders for any such amendment or that the incremental amount of any interest pursuant to such amendment would be significantly less than current requirements.

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 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-related 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 sheet at December 31, 2021 contained goodwill and intangible assets, net totaling \$3 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 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 December 31, 2021, and, accordingly, have not provided deferred taxes on any outside basis differences for most subsidiaries.

With respect to our AirCentre portfolio of products, we have set up deferred taxes, where applicable, for the outside basis of the capital investment of subsidiaries to be sold.

We establish reserves for our potential liability for U.S. and non-U.S. taxes, including sales, occupancy, and 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. 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" ("DSTs"). 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 \$84 million as of December 31, 2021. With approximately 4,000 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, we may need to make additional pension contributions above what is currently estimated, 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 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

As a company with global operations, we operate in many countries with a variety of sales, administrative, product development and customer service roles provided in these offices.

Americas: As of December 31, 2021, our corporate and business unit headquarters and domestic operations are located in Southlake, Texas, which we sold and leased back in the fourth quarter of 2020. There are five additional offices across North America and four offices across Latin America that serve in various sales, administration, software development and customer service capacities for all our business segments. All of these offices are leased.

EMEA: We maintain our regional headquarters for Europe, the Middle East, and Africa ("EMEA") in London, United Kingdom. There are 16 additional offices across EMEA that serve in various sales, administration, software development and customer service capacities. All of these offices are leased.

APAC: We maintain our Asia-Pacific ("APAC") regional operations headquarters in Singapore. There are 17 additional offices across APAC that serve in various sales, administration, software development and customer service capacities. All of the offices are leased.

ITEM 3. 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 17. Commitments and Contingencies, to our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K, which is incorporated herein by reference. While certain legal proceedings and related indemnification obligations to which we are a party specify the amounts claimed, these claims 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 required 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. See "Risk Factors —"We are involved in various legal proceedings which may cause us to incur significant fees, costs and expenses and may result in unfavorable outcomes."

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The names and ages of our executive officers as of February 18, 2022, together with certain biographical information, are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Sean Menke	53	Chief Executive Officer and Director, Sabre
Kurt Ekert	51	President, Sabre
Douglas Barnett	62	Executive Vice President and Chief Financial Officer, Sabre
Scott Wilson	54	Executive Vice President, Sabre and President, Hospitality Solutions
Wade Jones	55	Executive Vice President and Chief Product Officer
Roshan Mendis	49	Executive Vice President and Chief Commercial Officer
David Moore	59	Executive Vice President and Chief Technology Officer
Cem Tanyel	53	Executive Vice President and Chief Services Officer
Shawn Williams	49	Executive Vice President and Chief People Officer

Sean Menke has served as CEO of Sabre since December 2016 and served as its president from December 2016 through January 2, 2022. Prior to that, he served as Sabre's executive vice president and president of Travel Network. Before joining Sabre in October 2015, Mr. Menke served as executive vice president and chief operating officer of Hawaiian Airlines from October 2014 to October 2015. From 2013 to 2014, he was executive vice president of resources at IHS Inc., a global information technology company. He served as managing partner of Vista Strategic Group, LLC, a consulting firm, from 2012 to 2013 and from 2010 to 2011. From 2011 to 2012, he served as president and chief executive officer of Pinnacle Airlines, and from 2007 to 2010 as president and chief executive officer of Frontier Airlines. Frontier Airlines and Pinnacle Airlines filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code in 2008 and 2012, respectively. Mr. Menke earned an executive MBA from the University of Denver and dual bachelor of science degrees in Economics and Aviation Management from Ohio State University. He serves as a director of Waste Management, Inc., a provider of comprehensive waste management environmental services.

Kurt Ekert is president of Sabre. Prior to joining Sabre in January 2022, Mr. Ekert served as president and chief executive officer of Carlson Worldwide Travel (CWT), a global travel services company, from 2016 to 2021, followed by serving as senior advisor at Carlson Worldwide Travel in 2021. From 2010 to 2015, he served as executive vice president and chief commercial officer of Travelport Worldwide Ltd., a distribution services provider for the global travel industry, and from 2006 to 2010, he served as chief operating officer of Gulliver's Travel Associates (GTA), a division of Travelport. From 2002 to 2006, he served in executive roles of increasing responsibility at Cendant (at then Cendant subsidiaries Travelport and Orbitz Worldwide). Prior to joining Cendant, Mr. Ekert's experience in the travel industry included a number of senior finance roles at Continental Airlines. He also served four years as an active duty officer in the US Army. Mr. Ekert received a MBA from the University of South Carolina and a BS in Economics from the Wharton School at the University of Pennsylvania. Mr. Ekert serves as a Vice Chairman of the Board of Passur Aerospace, Inc., and is a director of Smartours and ZYTLYN Technologies, and he previously was Chairman of the US Department of Commerce Travel & Tourism Advisory Board and a director of eNett, Carlson Travel Inc., the World Travel & Tourism Council, and the UNGA Global Partnership to End Violence Against Children.

Douglas Barnett is executive vice president and chief financial officer. Prior to joining Sabre in June 2018, Mr. Barnett served as executive vice president and chief financial officer of Informatica LLC, a global leader in enterprise cloud data management, since 2016. While there, he was responsible for a number of areas of Informatica's business, including finance, legal, information technology, human resources and corporate development. From 2013 to 2016, Mr. Barnett served as executive vice president and chief financial officer of TriZetto Corporation, a health care IT company, where he was responsible for all finance-related functions, including accounting, internal audit, banking, investor relations, cash management, internal and external reporting, tax and treasury, as well as human resources, facilities and IT. From 2007 to 2013, Mr. Barnett was managing director, chief financial officer and chief administrative officer of AlixPartners LLP, a global business-advisory firm, where he was responsible for most non-client facing functions at the firm, including accounting, finance, treasury, HR, facilities, internal audit, tax, IT and other operations for 16 global locations. Prior to that, he held financial leadership roles at UGS Corporation, Colfax Corporation and Giddings & Lewis, Inc. Mr. Barnett is a current board member of ECI Software Solutions. Mr. Barnett received a Masters of Management degree from the J.L. Kellogg Graduate School of Management at Northwestern University and his Bachelor of Science degree from the University of Illinois.

Scott Wilson is executive vice president and president, Hospitality Solutions. Prior to joining Sabre in September 2020, Mr. Wilson served as Executive Vice President and Chief Commercial Officer of Great Wolf Resorts, the largest family of indoor water park resorts in North America, since 2017. While there, he was responsible for a number of areas of Great Wolf's business, including sales, marketing, digital, revenue management, data and analytics, contact centers, and merchandising. From 2010 to 2017, Mr. Wilson served as Vice President, e-Commerce and Merchandising, at United Airlines, Inc. one of the largest global airlines. In addition to e-commerce and merchandising functions, he was also responsible for distribution and commercial analytics. From 2007 to 2010, Mr. Wilson was Vice President, Digital Marketing, at Marriott International, Inc. with responsibility

for all performance and social media marketing across Marriott's full portfolio of brands. Prior to that, he held digital, marketing, and strategy leadership roles at BCG, America Online, Netscape, and American Airlines. Mr. Wilson is a current board member of Alliant Credit Union. Mr. Wilson received a Master of Science in Industrial Engineering (MBA) from Carnegie Mellon University and his Bachelor of Arts degree from the University of California, Berkeley.

Wade Jones is executive vice president and chief product officer. Mr. Jones previously served as executive vice president of Sabre and president of Travel Network from 2017 to 2020. He joined Sabre in 2015 in the product, marketing and strategy role for Travel Solutions globally. From April of 2012 to September of 2014, he was senior vice president and general manager of Deem's syndicated commerce business. From 2011 to 2012, Mr. Jones served as a founder and chief executive officer of Haystack Ventures, LLC, which filed for bankruptcy protection under Chapter 7 of the United States Bankruptcy Code in 2012. Prior to joining Sabre, Mr. Jones spent more than 10 years with Barclaycard, leading the company's U.K partnership business that provides, co-branded credit card, and loyalty programs for other companies across the travel, retail, financial services, and other industries. He received his master's degree in business administration from the Kellogg School of Management at Northwestern University and his undergraduate degree from Texas Christian University.

Roshan Mendis has served as executive vice president and chief commercial officer since 2020. Mr. Mendis previously served as chief commercial officer for the Travel Network business from 2018 to 2020, and prior to that served as senior vice president of international markets for Sabre from 2017 to 2018. From 2015 to 2017, Mr. Mendis served as senior vice president of Asia Pacific for Sabre. Mr. Mendis has also served as president of Travelocity and Zuji, consumer-facing brands that were part of the Sabre portfolio. He completed his undergraduate studies at Chaminade University of Honolulu and University of Cambridge (UK) and later earned his MBA at the Rice University. He serves as a director of Yatra Online, Inc., a provider of corporate travel services and an online travel company.

David Moore has served as executive vice president and chief technology officer since 2020. Mr. Moore previously served as a senior vice president in Sabre's Travel Network and Travel Solutions businesses from 2016 to 2020, where he led product management and development, and subsequently a series of increasing roles leading global technology teams. Prior to that, he served as chief technology officer and senior vice president of global engineering at Digital River, which builds and operates online B2B marketplace and online channels for global clients, and chief technology officer and chief innovation officer at Keane (now NTT).

Cem Tanyel is executive vice president and chief services officer. Mr. Tanyel previously served as executive vice president of Sabre and president of Airline Solutions from 2018 to 2020. Prior to joining Sabre in September 2018, Mr. Tanyel served as executive vice president and general manager, Global Services at Kony from October 2016 to October 2018. From 2015 to 2016, he was chief services officer and senior vice president, consulting and service delivery of Trizetto Corp. Mr. Tanyel served as Vice president and general manager, healthcare and life sciences global solutions at CSC Corp. from 2012 to 2015, and he served as senior vice president, research and development, health systems enterprise solutions at McKesson Corp. from 2010 to 2012.

Shawn Williams is executive vice president and chief people officer. Prior to joining Sabre in 2020, Mr. Williams served as chief human resources officer of Scientific Games, a global technology gaming company, from 2017 to 2020. From 2016 to 2017, he served as senior vice president and chief administrative officer of LeEco Holdings North America, a consumer electronics business. Prior to that, Mr. Williams served as senior vice president and chief administrative officer of Samsung Electronics America, an electronics and telecommunications company. He holds a bachelor's degree in business administration from the University of Houston.

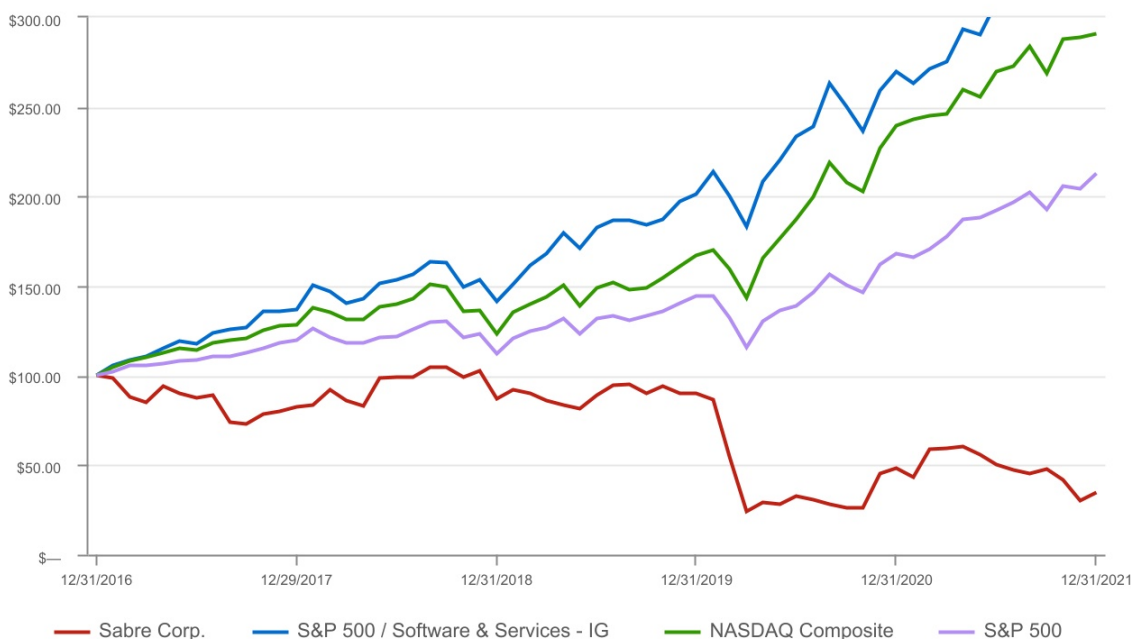
PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on the NASDAQ Global Select Market under the symbol "SABR." As of February 14, 2022, there were 101 stockholders of record of our common stock. We have suspended the payment of quarterly cash dividends on our common stock, effective with respect to the dividends occurring after the March 30, 2020 payment. The amount of future cash dividends on our common stock, if any, will depend upon, among other things, our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, number of shares of common stock outstanding and other factors the board of directors may deem relevant. The timing and amount of future dividend payments will be at the discretion of our board of directors. See [Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Dividends."](#) There were no shares repurchased during the year ended December 31, 2021. See [Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Recent Events Impacting Our Liquidity and Capital Resources—Share Repurchase Program."](#)

Stock Performance Graph

The following graph shows a comparison from December 31, 2016 through December 31, 2021 of the cumulative total return for our common stock, the Nasdaq Composite Index ("NASDAQ Composite"), the Standard & Poor's 500 Stock Index ("S&P 500") and the Standard & Poor's Software and Services Index ("S&P 500/Software & Services") (collectively, the "Indices"). The graph assumes that \$100 was invested at the market close on December 31, 2016 in the common stock of Sabre Corporation and the Indices as well as reinvestments of dividends. The stock price performance of the following graph is not necessarily indicative of future stock price performance.



The stock price performance depicted in the above graph is not necessarily indicative of future price performance. The stock performance graph shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing by us under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate the graph by reference in such filing.

ITEM 6. [Reserved]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis has been recast to reflect the Strategic Realignment described in this Form 10-K and should be read in conjunction with our consolidated financial statements and related notes included in [Item 8](#) of this Annual Report on Form 10-K.

Overview

We connect people and places with technology that reimagines the business of travel. We operate our business and present 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. All revenue and expenses previously assigned to the Travel Network and Airline Solutions business segments have been consolidated into a unified revenue and expense structure now reported as the Travel Solutions business segment. There have been no changes to the historical Hospitality Solutions reporting segment.

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 GDS, and from our IT solutions through recurring usage-based fees for the use of our 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 industry continues to be adversely affected by the global health crisis due to COVID-19, as well as by government directives that have been enacted to slow the spread of the virus. In 2020, we experienced significant decreases in transaction-based revenue in our Travel Solutions segment, including increased cancellation activity beyond what was initially estimated, as well as a reduction in SynXis Software and Services revenue in our Hospitality Solutions segment due to a decrease in transaction volumes as a result of the COVID-19 pandemic. As expected, this pandemic has continued to have a material impact to our consolidated financial results in 2021. Despite the continued negative impacts of the COVID-19 pandemic on our business and global travel volumes, we have seen some gradual improvement in our key volume metrics during 2021 as COVID-19 vaccines have continued to be administered and some travel restrictions have been relaxed. With the increase in volumes, our incentive consideration costs are also increasing significantly compared to the prior year.

The inputs into our judgments and estimates consider the economic implications of COVID-19 on our critical and significant accounting estimates. Our air booking cancellation reserve totaled \$18 million as of December 31, 2021 and 2020. Additionally, our provision for expected credit losses for the year ended December 31, 2021 decreased \$74 million from the prior year, primarily related to fully reserving for aged balances of certain customers in the prior year and an overall improvement in our forecasted credit losses in the current year given the gradual global recovery from the COVID-19 pandemic. During the year ended December 31, 2020, several of our customers filed for bankruptcy protection in various jurisdictions. Due to our creditor position, we do not expect significant recovery for amounts due to us prior to the customer's filing for bankruptcy protection and have fully reserved for any amounts due; however, we continue to provide services and receive timely payment for post-bankruptcy balances due in most cases. See Note 8. Credit Losses. Given the uncertainties surrounding the duration and effects of COVID-19, including any variants, on transaction volumes in the global travel industry, particularly air travel transaction volumes and future cancellation activity, including from airlines' insolvency or suspension of service or aircraft groundings, we cannot provide assurance that the assumptions used in the estimates will be accurate and the impacts could be material on our cancellation reserves, credit loss provisions and results of operations.

We believe the ongoing effects of COVID-19 on our operations and global bookings will continue to have a material negative impact on our financial results and liquidity, and this negative impact may continue well beyond the containment of the outbreak. We believe our cash position and the liquidity measures we have taken in 2021 and 2020 will provide additional flexibility as we manage through the global economic recovery from the COVID-19 pandemic. See "—Recent Events Impacting Our Liquidity and Capital Resources" and "—Senior Secured Credit Facilities." As a result, we believe that we have resources to sufficiently fund our liquidity requirements over at least the next twelve months; however, given the magnitude of travel decline and the unknown duration of the COVID-19 impact, we will continue to monitor our liquidity levels and take additional steps should we determine they are necessary.

During 2020, we took several actions with regard to our workforce and compensation programs as both temporary and permanent cost reduction efforts which are impacting our year-over-year results of operations, including: a temporary reduction in base compensation pay for our US-based salaried workforce; a temporary reduction in the cash retainer for members of our Board of Directors; a temporary furlough of approximately one-third of our workforce; the temporary suspension of our 401(k) match program for US-based employees; reductions in third-party contracting, vendor costs and other discretionary spending; an offering of voluntary unpaid time off, voluntary severance and a voluntary early retirement program; and a right-sizing of our global organization through a reduction in force.

On October 28, 2021, we announced that we have entered into an agreement with a third party to sell our suite of flight and crew management and optimization solutions, which represents our AirCentre airline operations portfolio within Travel Solution's IT Solutions. At closing, we will sell the AirCentre product portfolio, related technology and intellectual property for \$392.5 million. Approximately 500 employees are also expected to have the opportunity to transition to the purchaser in connection with the sale. As of December 31, 2021, assets including goodwill of \$225 million and liabilities of \$37 million associated with the disposition are classified as held for sale on our consolidated balance sheet. The sale is subject to customary closing conditions and regulatory approvals and is expected to close in the first quarter of 2022. In connection with the closing, we expect to enter into a transition services agreement with the purchaser, pursuant to which we will continue to provide certain services and conduct certain operations in connection with the transferred business while it transitions to the purchaser's system, in return for compensation from the purchaser with respect to these costs. We cannot provide assurance that the sale will occur on these terms or at all.

Factors Affecting our Results

The impacts of COVID-19 on our business as described above are the most significant factors affecting our current results, and they are expected to continue to significantly impact our future results. The following is a discussion of other trends that we believe are additional significant opportunities and challenges currently impacting our business and industry. 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](#)," "[Forward-Looking Statements](#)," and "—Recent Developments Affecting our Results of Operations" included elsewhere in this Annual Report on Form 10-K.

Technology transformation and change in mix of technology spend

We expect to further enable our technology transformation with incremental operational and capital expenditure investments in 2022 and continued investment over the next few years which will have a material impact on our financial results. We expect to continue to make significant investments in our re-platforming efforts to open source and cloud-based solutions, as previously disclosed, with the goal of modernizing our architecture, driving efficiency in development and ongoing technology costs, further enhancing the stability and security of our network, and complying with data privacy regulations, and in next-generation retailing capabilities, including NDC and personalized offers, LCCs and CRS revenue generation. In 2022, we expect total capital expenditures to range from \$50 million to \$90 million. Technology costs include the cost of our technology transformation and may be impacted by inflationary wage impacts in the future.

In addition, our selling, general and administrative costs are expected to remain elevated in the near term due to investments in our internal business systems and processes to allow us to better support our customers as modern retailing strategies advance and new commercial models emerge. Development costs incurred for internal systems are capitalized and included in the expected total capital expenditures above. We also expect elevated costs for risk and security in the near term to help enable us to mitigate cyber risks during the completion of our technology transformation efforts.

We expect to benefit from higher margins beginning in 2025 than would be realized had we not undertaken our technology transformation efforts as we believe the technology transformation will help enable us to avoid capital expenditures that would have otherwise been required and to yield lower cloud infrastructure costs. We believe that continued investment in our technology will help to provide us the necessary framework and infrastructure for a secure and stable architecture for our customers, grow our addressable market, provide new revenue opportunities, reduce costs and will help to improve sales of our software solutions. However, there are various risks associated with our technology transformation efforts, including not achieving the amount of anticipated cost savings, not completing the steps during their current projected time frame, or changing the approach leading to, among other things, additional changes in our mix of technology spend between operating expense and capitalization.

Geographic mix of travel bookings

The revenue recognized by our Travel Solutions business is affected by the mix between domestic and international travel reservation bookings and the related varying rates paid by airline suppliers. As a result of the COVID-19 pandemic, our mix of transactions has shifted such that domestic bookings exceed international bookings, negatively impacting our revenue. The increase in domestic bookings is also partly due to an increase in leisure bookings over business travel. As business travelers have moved to a remote working environment with travel restrictions, leisure travel has increased impacting the domestic and international mix further. Due to our geographic concentration, our results of operations are particularly sensitive to factors affecting North America, which has been accentuated by the impacts of COVID-19. For example, booking fees per transaction in North America have traditionally been lower than those in Europe. As we continue to invest in our technology and expand the travel content and functionality available in our GDS, we anticipate that we will continue to grow global market share. Booking share in the near term, however, could be impacted by the regional mix of travel bookings during recovery from COVID-19. We invest for sustainable share growth, and in certain parts of Asia-Pacific and Latin America, our share may be impacted by travel agency commercial arrangements we have declined to pursue due to credit risk and unfavorable economics. The geographic mix of our Direct Billable Bookings is summarized below:

	Year Ended December 31,		
	2021	2020	2019
Direct Billable Bookings ⁽¹⁾:			
North America	68 %	64 %	55 %
APAC	10 %	10 %	20 %
EMEA	16 %	17 %	16 %
Latin America	6 %	9 %	9 %
Total	100 %	100 %	100 %

⁽¹⁾ "Direct Billable Bookings" is the primary metric utilized by Travel Solutions to measure operating performance and includes bookings made through our GDS and through our joint venture partners in cases where we are paid directly by the travel supplier.

Recent insolvencies and the impact of COVID-19 on Travel Solutions customers

In 2020, several Travel Solutions customers filed for bankruptcy but continued to operate. In April 2019, a customer of Travel Solutions, Jet Airways suspended flight operations and is now insolvent which negatively impacted our year-over-year revenue growth in 2019 and 2020. Additionally, given the uncertainties surrounding the duration and effects of COVID-19 on transaction volumes in the global travel industry, particularly air travel and hotel transaction volumes, including from airlines' insolvency or suspension of service or aircraft groundings, our provision for expected credit losses increased in 2020 partially due to fully reserving for aged balances related to certain customers and bankruptcy-related reserves. In the future, we may incur additional credit losses if further bankruptcies occur or our customers lack the ability to pay for services performed. Additionally, bankruptcy proceedings may require the renegotiation of contractual terms that may not be favorable. Our revenue has and may continue to be impacted by contracting with our customers, including force majeure provisions and requests to renegotiate the terms of existing agreements prior to their expiration, including providing temporary concessions on contractual minimums. Future revenues may be negatively impacted by, among other things, reduced sales of our software solutions and reduced Passengers Boarded due to delayed or uncertain implementations and insolvencies of airline carriers. See "Risk Factors—Our travel supplier customers may experience financial instability or consolidation, pursue cost reductions, change their distribution model or undergo other changes."

Increasing travel agency incentive consideration

Travel agency incentive consideration is a large portion of Travel Solutions expenses. The vast majority of incentive consideration is tied to absolute booking volumes based on transactions such as flight segments booked. Incentive consideration, which often increases once a certain volume or percentage of bookings is met, is provided in two ways, according to the terms of the agreement: (i) on a periodic basis over the term of the contract and (ii) in some instances, up front at the inception or modification of contracts, which is capitalized and amortized over the expected life of the contract.

Consideration on a per booking basis declined in 2021 and 2020 as compared to the respective prior years, due to regional mix and increased leisure bookings over business travel. We remain focused on managing incentive consideration and expect growth in the near term. Although incentive rate increases may continue to impact margins, we expect these increases to be offset by growth in Travel Solutions revenue. This expectation is based in part on anticipated increases in international travel, which would favorably impact our revenue rates, along with our continuing to offer value added services and content to travel buyers, such as the Sabre Red Workspace, a SaaS product that provides a simplified interface and enhanced travel agency workflow and productivity tools.

Travel buyers can shift their bookings to or from our Travel Solutions business

Our Travel Solutions business relies on relationships with several large travel buyers, including TMCs and OTAs, to drive a large portion of its revenue. Although our contracts with larger travel agencies often increase the amount of 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 may shift bookings to other distribution intermediaries for many reasons, including to avoid becoming overly dependent on a single source of travel content and increase their bargaining power with the GDS providers. For example, certain travel agencies have adopted a dual GDS provider strategy and shifted a sizeable portion of their business from our GDS to a competitor GDS, while other agencies have shifted a sizeable portion their business to our GDS. Additionally, the impact of COVID-19 on travel buyers has caused them, and may continue to cause them, to select the GDS with the most favorable terms or contractual commitment. Our distribution revenue in 2021 and in future periods has been, and is expected to be impacted by a certain OTA notifying us of their intent to shift a significant portion of its North America volumes to a competitor. We began to see the impacts of this shift in the third quarter of 2021 and expect a decline in our volumes partially offset by an increase in our rate going forward.

Increasing importance of LCC/hybrids

LCC/hybrids have become a significant segment of the air travel market, stimulating demand for air travel through low fares. LCC/hybrids have traditionally relied on direct distribution for the majority of their bookings. However, as these LCC/hybrids are evolving, many are increasing their distribution through indirect channels to expand their offering into higher yield markets and to higher yield customers, such as business and international travelers. Other LCC/hybrids, especially start up carriers, may choose not to distribute through the GDS until wider distribution is desired. On October 15, 2019, we acquired Radixx, an airline retailing software provider whose signature products are an LCC passenger service system and internet booking engine. We have invested in Radixx to expand its capabilities and expect to make additional investments to address the LCC space and continue to grow upmarket with a more competitive offering.

Shift to SaaS and hosted solutions by airlines and hotels to manage their daily operations

Historically, large travel suppliers built custom in-house software and applications for their business process needs. In response to a desire for more flexible systems given increasingly complex and constantly changing technological requirements, reduced IT budgets and increased focus on cost efficiency, many travel suppliers turned to third party solutions providers for many of their key technologies and began to license software from software providers. We believe that significant revenue opportunity remains in this outsourcing trend, as legacy in-house systems continue to migrate and upgrade to third party systems; however, the impact of COVID-19 on the travel industry may cause delays in these decisions, which may impact new sales during the pandemic and recovery period. The shift from a model with initial license fees to one with recurring monthly fees associated with our SaaS and hosted solutions, has resulted in an ongoing revenue stream based on the number of passengers boarded. However, under the SaaS and hosted solutions revenue model, revenue recognition may be delayed due to longer implementation schedules for larger suppliers. The SaaS and hosted models' centralized deployment also allows us to save time and money by reducing maintenance and implementation tasks and lowering operating costs.

Growing demand for continued technology improvements in the fragmented hotel market

Most of the hospitality industry is highly fragmented. Independent hotels and small to medium sized chains (groups of less than 300 properties) comprise a majority of hotel properties and available hotel rooms, with global and regional chains comprising the balance. Hotels use a number of different technology systems to distribute and market their products and operate efficiently. We offer technology solutions to all segments of the hospitality industry. Our SynXis Central Reservation System integrates critical hospitality systems to optimize distribution, operations, retailing and guest experience via one scalable, flexible and intelligent platform. We believe the impact of COVID-19 on the hospitality industry highlights the benefits of a scalable solution such as our SynXis Central Reservation System. As these markets recover and begin to grow, we believe both independent and enterprise hotel owners and operators will continue to seek increased connectivity and integrated solutions to ensure access to global travelers. We anticipate that this will contribute to the continued growth of Hospitality Solutions, which is ultimately dependent upon these hoteliers accepting and utilizing our products and services.

Impact of customer consolidation in Hospitality Solutions

Growth through acquisition and brand consolidation is emerging as a strategy for enterprise hoteliers. This has resulted, and may continue to result, in customer de-migration as larger hotel chains consolidate acquired brands onto their existing technology platforms. Certain of our Hospitality Solutions customers were acquired by larger hoteliers, and it is possible that additional customer consolidations could occur in the future. We expect these consolidations to adversely impact revenue growth for the Hospitality Solutions business.

Continued focus by travel suppliers on cost cutting and distribution methods

Airline consolidations, pricing pressure during contract renegotiations and changes in how airlines choose to distribute their content may continue to subject our business to challenges. These changes may adversely affect our Travel Solutions contract renegotiations with suppliers that use alternative distribution channels.

These trends have impacted the revenue of Travel Solutions, which recognizes revenue for airline ticket sales based on transaction volumes. Simultaneously, this focus on cost cutting and alternative distribution has also presented opportunities for Travel Solutions. Many airlines have turned to outside providers for key systems, process and industry expertise and other products that assist in their cost cutting initiatives in order to focus on their primary revenue generating activities.

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 items 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 or established with our take private transaction in 2007.

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.

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 or established through the take private transaction in 2007.

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.

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 (“PBs”). The primary metric utilized by Hospitality Solutions is booking transactions processed through the Sabre Hospitality Solutions SynXis 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):

	Year Ended December 31,			Year-over-Year % Change	
	2021	2020	2019	2021	2020
Travel Solutions					
Direct Billable Bookings - Air	183,629	103,331	499,111	77.7 %	(79.3)%
Direct Billable Bookings - LGS	23,384	21,353	67,197	9.5 %	(68.2)%
Distribution Total Direct Billable Bookings	207,013	124,684	566,308	66.0 %	(78.0)%
IT Solutions Passengers Boarded	423,838	322,714	741,107	31.3 %	(56.5)%
Hospitality Solutions					
Central Reservations System Transactions	91,802	67,046	108,482	36.9 %	(38.2)%

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 Annual Report on Form 10-K, including Adjusted Operating (Loss) Income, Adjusted Net (Loss) Income from continuing operations (“Adjusted Net (Loss) Income”), Adjusted EBITDA, Free Cash Flow and ratios based on these financial measures. As a result of the Strategic Realignment, we have separated our technology costs from cost of revenue and moved certain expenses previously classified as cost of revenue to selling, general and administrative to provide increased visibility to our technology costs for analytical and decision-making purposes and to align costs with the current leadership and operational organizational structure.

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

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

We define Adjusted EBITDA as (Loss) Income from continuing operations adjusted for depreciation and amortization of property and equipment, amortization of capitalized implementation costs, acquisition-related amortization, impairment and related charges, restructuring and other costs, interest expense, net, other, net, loss on extinguishment of debt, acquisition-related costs, litigation costs, net, stock-based compensation and the remaining (benefit) provision for income taxes. We have revised our calculation of Adjusted EBITDA to no longer exclude the amortization of upfront incentive consideration in all periods presented.

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

We define Adjusted Net (Loss) Income from continuing operations per share as Adjusted Net (Loss) Income 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 (Loss) Income, Adjusted Net (Loss) Income 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 (Loss) Income, Adjusted Net (Loss) Income, 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 (Loss) Income, Adjusted Net (Loss) Income 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 (Loss) Income, Adjusted Net (Loss) Income, Adjusted EBITDA or Free Cash Flow differently, which reduces their usefulness as comparative measures.

Non-GAAP Financial Measures

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

	Year Ended December 31,		
	2021	2020	2019
Net (loss) income attributable to common stockholders	\$ (950,071)	\$ (1,289,998)	\$ 158,592
Loss (income) from discontinued operations, net of tax	2,532	(2,788)	1,766
Net income attributable to non-controlling interests ⁽¹⁾	2,162	1,200	3,954
Preferred stock dividends	21,602	7,659	—
(Loss) Income from continuing operations	(923,775)	(1,283,927)	164,312
Adjustments:			
Impairment and related charges ⁽²⁾	—	8,684	—
Acquisition-related amortization ^(3a)	64,144	65,998	64,604
Restructuring and other costs ⁽⁵⁾	(7,608)	85,797	—
Loss on extinguishment of debt	13,070	21,626	—
Other, net ⁽⁴⁾	1,748	66,961	9,432
Acquisition-related costs ⁽⁶⁾	6,744	16,787	41,037
Litigation costs, net ⁽⁷⁾	22,262	(1,919)	(24,579)
Stock-based compensation	120,892	69,946	66,885
Tax impact of adjustments ⁽⁸⁾	(6,867)	23,273	(42,476)
Adjusted Net (Loss) Income from continuing operations	\$ (709,390)	\$ (926,774)	\$ 279,215
Adjusted Net (Loss) Income from continuing operations per share	\$ (2.21)	\$ (3.20)	\$ 1.01
Diluted weighted-average common shares outstanding	320,922	289,855	276,217
Operating (loss) income	\$ (665,487)	\$ (988,039)	\$ 363,417
Add back:			
Equity method (loss) income	(264)	(2,528)	2,044
Impairment and related charges ⁽²⁾	—	8,684	—
Acquisition-related amortization ^(3a)	64,144	65,998	64,604
Restructuring and other costs ⁽⁵⁾	(7,608)	85,797	—
Acquisition-related costs ⁽⁶⁾	6,744	16,787	41,037
Litigation costs, net ⁽⁷⁾	22,262	(1,919)	(24,579)
Stock-based compensation	120,892	69,946	66,885
Adjusted Operating (Loss) Income	\$ (459,317)	\$ (745,274)	\$ 513,408
(Loss) income from continuing operations	\$ (923,775)	\$ (1,283,927)	\$ 164,312
Adjustments:			
Depreciation and amortization of property and equipment ^(3b)	163,291	260,651	310,573
Amortization of capitalized implementation costs ^(3c)	34,750	37,094	39,444
Acquisition-related amortization ^(3a)	64,144	65,998	64,604
Impairment and related charges ⁽²⁾	—	8,684	—
Restructuring and other costs ⁽⁵⁾	(7,608)	85,797	—
Interest expense, net	257,818	225,785	156,391
Other, net ⁽⁴⁾	1,748	66,961	9,432
Loss on extinguishment of debt	13,070	21,626	—
Acquisition-related costs ⁽⁶⁾	6,744	16,787	41,037
Litigation costs, net ⁽⁷⁾	22,262	(1,919)	(24,579)
Stock-based compensation	120,892	69,946	66,885
(Benefit) provision for income taxes	(14,612)	(21,012)	35,326
Adjusted EBITDA	\$ (261,276)	\$ (447,529)	\$ 863,425

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

Year Ended December 31, 2021

	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Loss	\$ (222,679)	\$ (39,806)	\$ (196,832)	\$ (459,317)
Less:				
Equity method loss	(264)	—	—	(264)
Acquisition-related amortization ^(3a)	—	—	64,144	64,144
Restructuring and other costs ⁽⁵⁾	—	—	(7,608)	(7,608)
Acquisition-related costs ⁽⁶⁾	—	—	6,744	6,744
Litigation costs, net ⁽⁷⁾	—	—	22,262	22,262
Stock-based compensation	—	—	120,892	120,892
Operating loss	<u>\$ (222,415)</u>	<u>\$ (39,806)</u>	<u>\$ (403,266)</u>	<u>\$ (665,487)</u>
Adjusted EBITDA	\$ (52,006)	\$ (13,452)	\$ (195,818)	\$ (261,276)
Less:				
Depreciation and amortization of property and equipment ^(3b)	140,231	22,046	1,014	163,291
Amortization of capitalized implementation costs ^(3c)	30,442	4,308	—	34,750
Acquisition-related amortization ^(3a)	—	—	64,144	64,144
Restructuring and other costs ⁽⁵⁾	—	—	(7,608)	(7,608)
Acquisition-related costs ⁽⁶⁾	—	—	6,744	6,744
Litigation costs, net ⁽⁷⁾	—	—	22,262	22,262
Stock-based compensation	—	—	120,892	120,892
Equity method loss	(264)	—	—	(264)
Operating loss	<u>\$ (222,415)</u>	<u>\$ (39,806)</u>	<u>\$ (403,266)</u>	<u>\$ (665,487)</u>
Interest expense, net				(257,818)
Other, net ⁽⁴⁾				(1,748)
Loss on extinguishment of debt				(13,070)
Equity method loss				(264)
Benefit for income taxes				14,612
Loss from continuing operations				<u>\$ (923,775)</u>

	Year Ended December 31, 2020			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Loss	\$ (523,122)	\$ (63,915)	\$ (158,237)	\$ (745,274)
Less:				
Equity method loss	(2,528)	—	—	(2,528)
Impairment and related charges ⁽²⁾	—	—	8,684	8,684
Acquisition-related amortization ^(3a)	—	—	65,998	65,998
Restructuring and other costs ⁽⁵⁾	—	—	85,797	85,797
Acquisition-related costs ⁽⁶⁾	—	—	16,787	16,787
Litigation costs, net ⁽⁷⁾	—	—	(1,919)	(1,919)
Stock-based compensation	—	—	69,946	69,946
Operating loss	<u>\$ (520,594)</u>	<u>\$ (63,915)</u>	<u>\$ (403,530)</u>	<u>\$ (988,039)</u>
Adjusted EBITDA	\$ (272,582)	\$ (21,126)	\$ (153,821)	\$ (447,529)
Less:				
Depreciation and amortization of property and equipment ^(3b)	217,808	38,427	4,416	260,651
Amortization of capitalized implementation costs ^(3c)	32,732	4,362	—	37,094
Acquisition-related amortization ^(3a)	—	—	65,998	65,998
Impairment and related charges ⁽²⁾	—	—	8,684	8,684
Restructuring and other costs ⁽⁵⁾	—	—	85,797	85,797
Acquisition-related costs ⁽⁶⁾	—	—	16,787	16,787
Litigation costs, net ⁽⁷⁾	—	—	(1,919)	(1,919)
Stock-based compensation	—	—	69,946	69,946
Equity method loss	(2,528)	—	—	(2,528)
Operating loss	<u>\$ (520,594)</u>	<u>\$ (63,915)</u>	<u>\$ (403,530)</u>	<u>\$ (988,039)</u>
Interest expense, net				(225,785)
Other, net ⁽⁴⁾				(66,961)
Loss on extinguishment of debt				(21,626)
Equity method loss				(2,528)
Benefit for income taxes				21,012
Loss from continuing operations				<u>\$ (1,283,927)</u>

	Year Ended December 31, 2019			
	Travel Solutions	Hospitality Solutions	Corporate	Total
Adjusted Operating Income (Loss)	\$ 729,266	\$ (21,632)	\$ (194,226)	\$ 513,408
Less:				
Equity method income	2,044	—	—	2,044
Acquisition-related amortization ^(3a)	—	—	64,604	64,604
Acquisition-related costs ⁽⁶⁾	—	—	41,037	41,037
Litigation costs, net ⁽⁷⁾	—	—	(24,579)	(24,579)
Stock-based compensation	—	—	66,885	66,885
Operating income (loss)	\$ 727,222	\$ (21,632)	\$ (342,173)	\$ 363,417
Adjusted EBITDA	\$ 1,021,363	\$ 31,466	\$ (189,404)	\$ 863,425
Less:				
Depreciation and amortization of property and equipment ^(3b)	257,390	48,361	4,822	310,573
Amortization of capitalized implementation costs ^(3c)	34,707	4,737	—	39,444
Acquisition-related amortization ^(3a)	—	—	64,604	64,604
Acquisition-related costs ⁽⁶⁾	—	—	41,037	41,037
Litigation costs, net ⁽⁷⁾	—	—	(24,579)	(24,579)
Stock-based compensation	—	—	66,885	66,885
Equity method income	2,044	—	—	2,044
Operating income (loss)	\$ 727,222	\$ (21,632)	\$ (342,173)	\$ 363,417
Interest expense, net				(156,391)
Other, net ⁽⁴⁾				(9,432)
Equity method income				2,044
Provision for income taxes				(35,326)
Income from continuing operations				\$ 164,312

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

	Year Ended December 31,		
	2021	2020	2019
Cash (used in) provided by operating activities	\$ (414,654)	\$ (770,245)	\$ 581,260
Cash used in investing activities	(29,428)	(1,291)	(243,026)
Cash (used in) provided by financing activities	(50,558)	1,837,741	(409,721)

	Year Ended December 31,		
	2021	2020	2019
Cash (used in) provided by operating activities	\$ (414,654)	\$ (770,245)	\$ 581,260
Additions to property and equipment	(54,302)	(65,420)	(115,166)
Free Cash Flow	\$ (468,956)	\$ (835,665)	\$ 466,094

- (1) Net income attributable to non-controlling interests represents an adjustment to include earnings allocated to non-controlling 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%, and (iv) Sabre Bulgaria of 40%.
- (2) Impairment and related charges consists of \$5 million associated with software developed for internal use and \$4 million associated with capitalized implementation costs related to a specific customer based on our analysis of the recoverability of such amounts.
- (3) 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.
- (4) Other, net includes a \$15 million gain on sale of equity securities during the first quarter of 2021, an \$8 million pension settlement charge recorded in 2021, debt modification costs for financing fees of \$2 million recorded in the third quarter of 2021, a \$46 million charge related to termination payments incurred in 2020 in connection with the now-terminated acquisition of Farelogix Inc. ("Farelogix") and an \$18 million pension settlement charge recorded in 2020, partially offset by a \$10 million gain on sale of our headquarters building in the fourth quarter of 2020. 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. See Note 3. Acquisitions and Dispositions to our consolidated financial statements regarding the Farelogix termination and Note 16. Pension and Other Postretirement Benefit Plans to our consolidated financial statements regarding the pension settlements.

- (5) Restructuring and other costs represents charges, and adjustments to those charges, associated with business restructuring and associated changes, as well as other measures to support the new organizational structure and to respond to the impacts of the COVID-19 pandemic on our business, facilities and cost structure. See Note 4. Restructuring Activities to our consolidated financial statements for further details.
- (6) Acquisition-related costs represent fees and expenses incurred associated with the now-terminated agreement to acquire Farelogix, as well as costs related to the acquisition of Radixx in 2019 and other acquisition and disposition related activities. See Note 3. Acquisitions and Dispositions to our consolidated financial statements.
- (7) Litigation costs, net represent charges associated with antitrust litigation and other foreign non-income tax contingency matters. In 2020, we reversed the previously accrued non-income tax expense of \$4 million due to success in our claims. In 2019, we recorded the reversal of our previously accrued loss related to the US Airways legal matter for \$32 million. See Note 17. Commitments and Contingencies to our consolidated financial statements.
- (8) 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, the impact of the adjustments on valuation allowance assessments, and the tax effect of items that relate to tax specific financial transactions, tax law changes, uncertain tax positions, and other items.

Results of Operations

The following table sets forth our consolidated statement of operations data for each of the periods presented (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Revenue	\$ 1,688,875	\$ 1,334,100	\$ 3,974,988
Cost of revenue, excluding technology costs	691,451	579,010	1,726,157
Technology costs	1,052,833	1,156,723	1,285,204
Selling, general and administrative	610,078	586,406	600,210
Operating (loss) income	(665,487)	(988,039)	363,417
Interest expense, net	(257,818)	(225,785)	(156,391)
Loss on debt extinguishment	(13,070)	(21,626)	—
Equity method (loss) income	(264)	(2,528)	2,044
Other expense, net	(1,748)	(66,961)	(9,432)
(Loss) income from continuing operations before income taxes	(938,387)	(1,304,939)	199,638
(Benefit) provision for income taxes	(14,612)	(21,012)	35,326
(Loss) Income from continuing operations	\$ (923,775)	\$ (1,283,927)	\$ 164,312

Years Ended December 31, 2021 and 2020

Revenue

	Year Ended December 31,		Change	
	2021	2020		
(Amounts in thousands)				
Travel Solutions	\$ 1,503,539	\$ 1,176,694	\$ 326,845	28 %
Hospitality Solutions	202,628	174,628	28,000	16 %
Total segment revenue	1,706,167	1,351,322	354,845	26 %
Eliminations	(17,292)	(17,222)	(70)	— %
Total revenue	\$ 1,688,875	\$ 1,334,100	\$ 354,775	27 %

Travel Solutions—Revenue increased \$327 million, or 28%, for the year ended December 31, 2021 compared to the prior year, primarily due to:

- a \$319 million, or 55%, increase in distribution revenue, which was primarily due to a 66% increase in Direct Billable Bookings to 207 million. This increase consists of a \$243 million decrease in primarily transaction-based revenue during the first quarter of 2021, offset by a \$562 million increase during the remainder of the year. These year-over-year changes are due to the significant impact of the COVID-19 pandemic on our revenue beginning in the latter portion of the first quarter of 2020, which included significant cancellations beyond original estimates of approximately \$100 million in the second quarter of 2020. We are currently experiencing a gradual recovery in volumes, offset by an unfavorable regional rate mix driven by growth in North America bookings, resulting in the overall increase in revenue for the year ended December 31, 2021 compared to the prior year. Additionally, our revenue and volumes in the last two quarters of 2021 were impacted by a certain OTA shifting a significant portion of its North America volumes to a competitor. This shift diluted our volume growth at a rate that is lower than our average rate due to the nature of these

- bookings as leisure; and
- an \$8 million, or 1%, increase in IT solutions revenue consisting of a \$39 million, or 22% increase in reservation revenue primarily due to a 31% increase in Passengers Boarded to 424 million as a result of the gradual recovery from the COVID-19 pandemic, partially offset by an unfavorable rate mix due to revenue that does not fluctuate with our volumes. Commercial and operations revenue decreased \$32 million primarily due to the continued impact of the COVID-19 pandemic on our customer base of \$20 million, certain product divestitures of \$8 million, and lower license fee revenue from new implementations recognized upon delivery to the customer of \$11 million, partly offset by improved professional services revenue of \$7 million. Recognition of license fees upon delivery has previously resulted and will continue to result in periodic fluctuations in revenue recognized.

Hospitality Solutions—Revenue increased \$28 million, or 16%, for the year ended December 31, 2021 compared to the prior year. The increase was primarily driven by an increase in SynXis Software and Services revenue due to an increase in transaction volumes of 37% to 92 million, as a result of continued recovery from the COVID-19 pandemic, and an increase of \$6 million in DX revenue. This increase is partially offset by dilution in rate from the prior year due to revenue that does not fluctuate with volumes and a change in transaction mix versus 2020.

Cost of Revenue, excluding technology costs

	Year Ended December 31,		Change	
	2021	2020		
(Amounts in thousands)				
Travel Solutions	\$ 564,137	\$ 438,300	\$ 125,837	29 %
Hospitality Solutions	96,487	91,149	5,338	6 %
Eliminations	(17,292)	(17,222)	(70)	— %
Total segment cost of revenue, excluding technology costs	643,332	512,227	131,105	26 %
Corporate	8,363	27,867	(19,504)	(70)%
Depreciation and amortization	39,756	38,916	840	2 %
Total cost of revenue, excluding technology costs	\$ 691,451	\$ 579,010	\$ 112,441	19 %

Travel Solutions—Cost of revenue, excluding technology costs, increased \$126 million, or 29%, for the year ended December 31, 2021 compared to the prior year. The increase was primarily the result of a \$131 million increase in incentive consideration due to higher overall transaction volume, compared to the prior year. This increase is partially offset by a \$3 million decline in labor and professional services costs resulting from the reduction in workforce from our cost reduction measures implemented in the prior year. See Note 4. Restructuring Activities, to our consolidated financial statements for further details on restructuring activities.

Hospitality Solutions—Cost of revenue, excluding technology costs, increased \$5 million, or 6%, for the year ended December 31, 2021 compared to the prior year primarily driven by an increase in transaction-related costs associated with higher volumes as well as costs related to growth in other products such as our call center and DX.

Corporate—Cost of revenue, excluding technology costs, decreased \$20 million, or 70%, for the year ended December 31, 2021 compared to the prior year. The decrease was primarily due to a decline in severance costs of \$21 million associated with the reduction of our workforce in 2020 and a decline in impairment charges of \$2 million related to an impairment recorded in the prior year associated with capitalized implementation costs related to a specific customer. The decrease was partially offset by a \$3 million increase in labor costs resulting from an increase in stock-based compensation, primarily associated with previously awarded performance-based units. See Note 4. Restructuring Activities, to our consolidated financial statements for further details on restructuring activities. See Note 13. Equity-Based Awards, to our consolidated financial statements for further details on stock-based compensation.

Depreciation and amortization—Depreciation and amortization increased \$1 million, or 2%, for the year ended December 31, 2021 compared to the prior year due to assets placed in service.

Technology Costs

	Year Ended December 31,		Change	
	2021	2020		
(Amounts in thousands)				
Travel Solutions	\$ 876,499	\$ 946,080	\$ (69,581)	(7)%
Hospitality Solutions	96,059	96,928	(869)	(1)%
Corporate	80,275	113,715	(33,440)	(29)%
Total technology costs	\$ 1,052,833	\$ 1,156,723	\$ (103,890)	(9)%

Travel Solutions—Technology costs decreased \$70 million, or 7%, for the year ended December 31, 2021 compared to the prior year. The decrease was primarily driven by a decrease in depreciation and amortization of \$88 million primarily due to a change in the mix of our technology spend beginning in 2019 resulting in less capitalized internal use software, and a decrease in labor and professional services costs of \$10 million resulting from the reduction in workforce from our cost reduction measures implemented in the prior year, and attrition and cost reduction measures in the current year. This decrease was partially offset by an increase in technology hosting costs of \$20 million associated with higher transaction volumes, and an increase in labor costs of \$9 million resulting from the continued decline in the capitalization mix of our technology spend as we implement open-source and cloud-based solutions. We expect depreciation and amortization expense to be significantly lower in 2022 than in the prior year due to the lower capitalization rate on technology spend.

Hospitality Solutions—Technology costs decreased \$1 million, or 1%, for the year ended December 31, 2021 compared to the prior year. The decrease was primarily due to a \$17 million decline in depreciation and amortization primarily driven by a change in the mix of our technology spend beginning in 2019 resulting in less capitalized internal use software. This decrease was partially offset by an increase in labor and professional services costs of \$10 million resulting from the expiration of the temporary cost reduction measures implemented in the second quarter of 2020 and to support our technology operations in the current year. Additionally, technology hosting costs increased by \$4 million resulting from higher transaction volumes and the continued decline in the capitalization mix of our technology spend as we implement open-source and cloud-based solutions also resulted in an increase in labor costs of \$2 million.

Corporate—Technology costs decreased \$33 million, or 29%, for the year ended December 31, 2021 compared to the prior year primarily due to a decline in severance costs of \$35 million associated with the reduction of our workforce in 2020, a decline in impairment charges of \$6 million related to an impairment recorded in the prior year associated with software developed for internal use, and a \$4 million decline in depreciation and amortization primarily driven by a change in the mix of our technology spend beginning in 2019 resulting in less capitalized internal use software. This decrease was partially offset by an increase in labor costs of \$14 million resulting from an increase in stock-based compensation primarily associated with previously awarded performance-based units. See Note 4. Restructuring Activities, to our consolidated financial statements for further details on restructuring activities. See Note 13. Equity-Based Awards, to our consolidated financial statements for further details on stock-based compensation.

Selling, General and Administrative Expenses

	Year Ended December 31,		Change	
	2021	2020		
	(Amounts in thousands)			
Travel Solutions	\$ 253,438	\$ 282,078	\$ (28,640)	(10)%
Hospitality Solutions	45,495	45,716	(221)	— %
Corporate	311,145	258,612	52,533	20 %
Total selling, general and administrative expenses	\$ 610,078	\$ 586,406	\$ 23,672	4 %

Travel Solutions—Selling, general and administrative expenses decreased \$29 million, or 10%, for the year ended December 31, 2021 compared to the prior year. The decrease is driven by a \$65 million decline in the provision for expected credit losses primarily related to fully reserving for aged balances of certain customers in the prior year and an overall improvement in our credit losses in the current year given the gradual global recovery from the COVID-19 pandemic. This decrease was partially offset by an increase in legal costs due to litigation of \$21 million, an increase in labor and professional services costs of \$12 million associated with the reversal of certain third-party commissions in the prior year which did not reoccur in the current year, consulting related to our business strategy to support the long-term growth of the business, labor costs due to the expiration of the temporary cost reduction measures implemented in the second quarter of 2020 and increases in risk and security, and an increase in depreciation and amortization of \$7 million.

Hospitality Solutions—Selling, general and administrative expenses remained flat for the year ended December 31, 2021 compared to the prior year. A decrease of \$9 million in the provision for expected credit losses primarily related to fully reserving for aged balances of certain customers in the prior year and an overall improvement in our forecasted credit losses in the current year given the slow global economic recovery from the COVID-19 pandemic is offset by increases in technology costs, labor and professional services costs, and depreciation and amortization.

Corporate—Selling, general and administrative expenses increased \$53 million, or 20%, for the year ended December 31, 2021 compared to the prior year. The increase is driven by an increase in labor costs of \$37 million as a result of a \$34 million increase in stock-based compensation primarily associated with previously awarded performance-based units, a \$21 million increase in labor costs to support the business and increased costs associated with improving our internal business systems, and a \$5 million increase resulting from the expiration of the temporary cost reduction measures implemented in the second quarter of 2020, partially offset by a \$23 million decrease in severance costs. Additionally, legal and professional fees increased \$19 million due to a \$39 million increase in costs primarily associated with ongoing legal matters in the current year, partially offset by a \$20 million decrease in acquisition-related costs primarily associated with the now terminated Farelogix acquisition, and other operating expenses increased due to higher insurance and other administrative costs. These increases were offset by a \$14 million abandonment charge associated with the closure of certain office locations in connection with the restructuring

activities in 2020. See Note 4. Restructuring Activities, to our consolidated financial statements for further details on restructuring activities, and see Note 13. Equity-Based Awards, to our consolidated financial statements for further details on stock-based compensation.

Interest expense, net

	Year Ended December 31,		Change	
	2021	2020		
	(Amounts in thousands)			
Interest expense, net	\$ 257,818	\$ 225,785	\$ 32,033	14 %

Interest expense increased \$32 million, or 14%, for the year ended December 31, 2021 compared to the same period in the prior year primarily due to additional borrowings under the 9.250% senior secured notes due 2025 and the 4.000% senior exchangeable notes due 2025 (the "Exchangeable Notes") entered into during the second quarter of 2020, and the 7.375% senior secured notes due 2025 entered into in the third quarter of 2020. See Note 9. Debt for further details these debt transactions.

Loss on Extinguishment of Debt

We recognized a loss on extinguishment of debt of \$13 million during the year ended December 31, 2021 as a result of the refinancing that occurred in the third quarter of 2021 (the "2021 Refinancing") and a loss on extinguishment of debt of \$22 million in 2020 as a result of the refinancing that occurred in the third quarter of 2020 (the "2020 Refinancing"). See Note 9. Debt for further details these debt transactions.

Other expense, net

	Year Ended December 31,		Change	
	2021	2020		
	(Amounts in thousands)			
Other expense, net	\$ 1,748	\$ 66,961	\$ (65,213)	(97)%

Other expense, net decreased \$65 million for the year ended December 31, 2021 compared to the same period in the prior year primarily due to a \$46 million charge related to the termination payments in connection with the now-terminated acquisition of Farelogix recorded in the first quarter of 2020, a \$15 million gain on sale in investment recorded in the first quarter of 2021 and a reduction of pension related expense of \$17 million compared to the same period in 2020. These decreases were partially offset by a \$10 million gain resulting from the sale of our headquarters buildings in the fourth quarter of 2020, as well as realized and unrealized foreign currency exchange fluctuations during the year ended December 31, 2021.

Provision for Income Taxes

	Year Ended December 31,		Change	
	2021	2020		
	(Amounts in thousands)			
Benefit for income taxes	\$ (14,612)	\$ (21,012)	\$ 6,400	(30)%

Our effective tax rate for the year ended December 31, 2021 and 2020 was 1.6%. The effective tax rate for the year ended December 31, 2021, as compared to the same period in 2020 remained flat primarily due to a lower valuation allowance recorded on current year net operating losses and other deferred balances. See Note 1. Summary of Business and Significant Accounting Policies for details regarding the adoption of guidance applied retroactively, which adjusted our 2020 benefit for income taxes from previously reported amounts.

The differences between our effective tax rate and the U.S. federal statutory income tax rate primarily resulted from our geographic mix of taxable income in various tax jurisdictions, tax permanent differences, valuation allowances, and tax credits.

Years Ended December 31, 2020 and 2019

Revenue

	Year Ended December 31,		Change	
	2020	2019		
	(Amounts in thousands)			
Travel Solutions	\$ 1,176,694	\$ 3,723,000	\$ (2,546,306)	(68)%
Hospitality Solutions	174,628	292,880	(118,252)	(40)%
Total segment revenue	1,351,322	4,015,880	(2,664,558)	(66)%
Eliminations	(17,222)	(40,892)	23,670	(58)%
Total revenue	\$ 1,334,100	\$ 3,974,988	\$ (2,640,888)	(66)%

Travel Solutions—Revenue decreased \$2,546 million, or 68%, for the year ended December 31, 2020 compared to the prior year, primarily due to:

- a \$2,149 million, or 79%, decrease in transaction-based distribution revenue due to a 78% decrease in Direct Billable Bookings to 125 million resulting from lower transaction volume primarily as a result of reduced travel caused by the COVID-19 pandemic; and
- a \$397 million decrease in IT solutions revenue consisting of a \$265 million, or 52%, decrease in reservation revenue primarily due to the impact of the COVID-19 pandemic on our existing customer base and a \$28 million decrease in revenue compared to the same period in the prior year due to the transition away from our services by certain customers and Jet Airways' insolvency in April 2019, partially offset by an increase of \$12 million driven by the acquisition of Radixx in October 2019. Passengers Boarded, inclusive of Radixx, decreased by 56% to 323 million for the year ended December 31, 2020. Additionally, commercial and operations revenue decreased \$132 million primarily due to the impact of the COVID-19 pandemic on our existing customer base.

Hospitality Solutions—Revenue decreased \$118 million, or 40%, for the year ended December 31, 2020 compared to the prior year. The decrease was primarily driven by a reduction in SynXis Software and Services revenue due to a decrease in transaction volumes of 38% to 67 million, as a result of the COVID-19 pandemic.

Cost of Revenue, excluding technology costs

	Year Ended December 31,		Change	
	2020	2019		
	(Amounts in thousands)			
Travel Solutions	\$ 438,300	\$ 1,566,089	\$ (1,127,789)	(72)%
Hospitality Solutions	91,149	153,162	(62,013)	(40)%
Eliminations	(17,222)	(40,879)	23,657	(58)%
Total segment cost of revenue, excluding technology costs	512,227	1,678,372	(1,166,145)	(69)%
Corporate	27,867	8,094	19,773	244 %
Depreciation and amortization	38,916	39,691	(775)	(2)%
Total cost of revenue, excluding technology costs	\$ 579,010	\$ 1,726,157	\$ (1,147,147)	(66)%

Travel Solutions—Cost of revenue decreased \$1,128 million, or 72%, for the year ended December 31, 2020 compared to the prior year. The decrease was primarily the result of a \$1,086 million decline in incentive consideration in all regions due to lower transaction volumes as a result of the COVID-19 pandemic, as well as a \$37 million reduction in labor and professional services costs in connection with our cost reduction measures.

Hospitality Solutions—Cost of revenue decreased \$62 million, or 40%, for the year ended December 31, 2020 compared to the prior year. The decrease was primarily driven by \$55 million reduction in transaction-related costs due to the decline in transaction volume as a result of the COVID-19 pandemic and a reduction in labor costs in connection with our cost reduction measures.

Corporate—Cost of revenue associated with corporate costs increased \$20 million, or 244%, for the year ended December 31, 2020 compared to the prior year. This increase was primarily due to a restructuring charge of \$19 million for severance benefits. The increase is partially offset by a reduction in labor costs in connection with our cost reduction measures. See Note 4. Restructuring Activities, to our consolidated financial statements for further details on restructuring activities.

Depreciation and amortization—Depreciation and amortization decreased \$1 million, or 2%, for the year ended December 31, 2020 compared to the prior year. The decrease is primarily due to customer implementations that became fully amortized during the year.

Technology Costs

	Year Ended December 31,		Change
	2020	2019	
	(Amounts in thousands)		
Travel Solutions	\$ 946,080	\$ 1,100,873	\$ (154,793) (14)%
Hospitality Solutions	96,928	111,877	(14,949) (13)%
Corporate	113,715	72,454	41,261 57%
Total technology costs	\$ 1,156,723	\$ 1,285,204	\$ (128,481) (10)%

Travel Solutions—Technology costs decreased \$155 million, or 14%, for the twelve months ended December 31, 2020 compared to the prior year. This decrease was due to a decrease in technology labor of \$91 million in connection with our cost reduction measures, a decrease in depreciation and amortization of \$46 million primarily due to a change in the mix of our technology spend in 2019 resulting in less capitalized internal use software, and a decrease in technology costs of \$55 million associated with lower transaction volumes resulting from the COVID-19 pandemic. This decrease is partially offset by an increase in labor costs of \$40 million due to a continued decline in the capitalization mix of our technology spend as we implement open source and cloud-based solutions.

Hospitality Solutions—Technology costs decreased \$15 million, or 13%, for the twelve months ended December 31, 2020 compared to the prior year. This decrease is due to a decrease in technology labor of \$12 million in connection with our cost reduction measures, and a decrease in depreciation and amortization of \$10 million primarily due to a change in the mix of our technology spend in 2019 resulting in less capitalized internal use software. This decrease is partially offset by an increase in labor costs of \$6 million due to a continued decline in the capitalization mix of our technology spend as we implement open source and cloud-based solutions.

Corporate—Technology costs increased \$41 million, or 57%, for the twelve months ended December 31, 2020 compared to the prior year. This increase was primarily driven by a restructuring charge of \$32 million for severance benefits. See Note 4. Restructuring Activities, to our consolidated financial statements for further details on restructuring activities.

Selling, General and Administrative Expenses

	Year Ended December 31,		Change
	2020	2019	
	(Amounts in thousands)		
Travel Solutions	\$ 282,078	\$ 298,623	\$ (16,545) (6)%
Hospitality Solutions	45,716	43,454	2,262 5%
Corporate	258,612	258,133	479 —%
Total selling, general and administrative expenses	\$ 586,406	\$ 600,210	\$ (13,804) (2)%

Travel Solutions—Selling, general and administrative expenses decreased \$17 million, or 6% for the year ended December 31, 2020 compared to the prior year. This decrease was primarily driven by a \$43 million decrease in labor and professional services costs in connection with our cost reduction measures and a decline in other costs in conjunction with our expense management initiatives. This decrease was offset by an increase in the provision for expected credit losses of \$38 million.

Hospitality Solutions—Selling, general and administrative expenses increased \$2 million, or 5%, for the twelve months ended December 31, 2020 compared to the prior year. This increase was primarily due to an increase in the provision for expected credit losses of \$8 million, partially offset by a decrease of \$3 million in labor and professional services costs in connection with our cost reduction measures and a decline in other costs in conjunction with our expense management initiatives.

Corporate—Selling, general and administrative expenses remained flat for the twelve months ended December 31, 2020 compared to the prior year. Increases in costs included a \$20 million charge for severance benefits recorded in the current year, a \$14 million abandonment charge associated with the closure of certain office locations in connection with our restructuring activities in the current year, and an increase of \$32 million due to the reversal of a previously accrued loss in the prior year related to the US Airways legal matter. These costs were offset by a decrease of \$29 million in labor and professional services costs in connection with our cost reduction measures, a decrease of \$27 million in legal costs associated with the now-terminated acquisition of Farelogix and a decline in other costs in conjunction with our expense management initiatives.

Interest expense, net

	Year Ended December 31,		Change
	2020	2019	
	(Amounts in thousands)		
Interest expense, net	\$ 225,785	\$ 156,391	\$ 69,394 44 %

Interest expense increased \$69 million, or 44%, for the year ended December 31, 2020 compared to the same period in the prior year primarily due to additional borrowings under the 9.250% senior secured notes due 2025 and the 4.000% senior exchangeable notes due 2025 entered into during the second quarter of 2020, and the 7.375% senior secured notes due 2025 entered into in the third quarter of 2020. See Note 9. Debt for further details these debt transactions.

Loss on Extinguishment of Debt

As a result of the debt refinancing transactions during the year ended December 31, 2020, we recognized a loss on extinguishment of \$22 million. In connection with the extinguishment in August 2020 of our 5.375% senior secured notes due April 2023, we recognized a loss on extinguishment of debt of \$10 million which consisted of a redemption premium of \$7 million and the write-off of unamortized debt issuance costs of \$3 million. In connection with our extinguishment of our 5.25% senior secured notes due November 2023 and our Term Loan A in December 2020, we recognized a loss on extinguishment of debt of \$11 million which consisted of a redemption premium of \$6 million and the write-off of unamortized debt issuance costs of \$5 million. See Note 9. Debt, to our consolidated financial statements for further details regarding these debt transactions.

Other expense, net

	Year Ended December 31,		Change
	2020	2019	
	(Amounts in thousands)		
Other expense, net	\$ 66,961	\$ 9,432	\$ 57,529 610 %

Other expense, net increased \$58 million for the year ended December 31, 2020 compared to the same period in the prior year primarily due to a \$46 million charge related to termination payments in connection with our proposed acquisition of Farelogix, a pension plan settlement charge of \$18 million, and a benefit recognized in the prior year associated with a reduction to our Tax Receivable Agreement ("TRA") liability due to the settlement of an audit. The increase is partially offset by a \$10 million gain resulting from the sale of our headquarters buildings in the fourth quarter of 2020. See Note 3. Acquisitions, to our consolidated financial statements for further details regarding the Farelogix acquisition, Note 12. Leases, to our consolidated financial statements for further details regarding the sale and leaseback transaction, and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" for additional information regarding the TRA.

Provision for Income Taxes

	Year Ended December 31,		Change
	2020	2019	
	(Amounts in thousands)		
(Benefit) provision for income taxes	\$ (21,012)	\$ 35,326	\$ (56,338) (159)%

Our effective tax rate for the year ended December 31, 2020 and 2019 was 1.6% and 17.7%, respectively. The decrease in the effective tax rate for the year ended December 31, 2020 as compared to the same period in 2019 was primarily due to a \$268 million valuation allowance recorded on tax losses generated in the current tax year related to the impact of COVID-19 on our results of operations and various discrete items recorded in each of the respective periods.

The differences between our effective tax rate and the U.S. federal statutory income tax rate primarily resulted from our geographic mix of taxable income in various tax jurisdictions, tax permanent differences, valuation allowances, and tax credits.

Liquidity and Capital Resources

Our current principal source of liquidity is our cash and cash equivalents on hand. As of December 31, 2021 and 2020, our cash and cash equivalents, Revolver, bilateral letter of credit facility, and outstanding letters of credit were as follows (in thousands):

	As of December 31,	
	2021	2020
Cash and cash equivalents	\$ 978,352	\$ 1,499,665
Available balance under the Revolver	—	15,326
Reductions to the Revolver:		
Revolver outstanding balance	—	375,000
Outstanding letters of credit	—	9,674
Available under the bilateral letter of credit facility	10,018	—
Outstanding letters of credit under the bilateral letter of credit facility	9,982	—

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 December 31, 2021 and 2020. We had \$21 million held as cash collateral for standby letters of credit in restricted cash on our consolidated balance sheets as of December 31, 2021. We had no restricted cash as of December 31, 2020.

We do not consider undistributed foreign earnings to be indefinitely reinvested as of December 31, 2021, with certain limited exceptions and have, in those cases, recorded corresponding deferred taxes. We consider the undistributed capital investments in most of our foreign subsidiaries to be indefinitely reinvested as of December 31, 2021 and have not provided deferred taxes on any outside basis differences, with the exception of balances associated with the AirCentre disposition. With respect to the held for sale nature of our AirCentre portfolio of products, we have established deferred taxes, where applicable, for the outside basis of the capital investment of subsidiaries to be sold. Our cash, cash equivalents and marketable securities held by our foreign subsidiaries are available to satisfy domestic liquidity needs arising in the ordinary course of business, including liquidity needs associated with our domestic debt service requirements.

While the COVID-19 pandemic has had an adverse impact on our business, we expect to recognize federal taxable income in 2022 based on our operating and non-operating results, the annual limitation on the use of NOL carryforwards and a provision of the Tax Cuts and Jobs Act set to take effect. As a result, while we expect to be a U.S. federal cash taxpayer in 2022, we expect to also benefit from the usage of NOLs in 2022 to the extent available. We expect to continue to benefit from our NOLs in the near-term beyond 2022.

Liquidity Outlook

The reduction in revenues as the result of COVID-19 has significantly adversely affected our liquidity. Given the uncertainties surrounding the duration and effects of COVID-19, including any variants, on transaction volumes in the global travel industry, particularly air travel transaction volumes, including from airlines' insolvency or suspension of service or aircraft groundings, 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. As previously disclosed, we responded with measures to increase our cash position during 2020, including the suspension of quarterly cash dividends on our common stock, effective with respect to the dividends occurring after the March 30, 2020 payment and share repurchases under our \$500 million share repurchase program (the "Share Repurchase Program"), borrowing under our Revolver, implementing cost savings measures, and completing debt and equity offerings. In addition, in the third quarter of 2021, we refinanced and extended the maturity on a portion of our debt and amended the financial performance covenant to remove minimum liquidity and leverage ratio requirements. We believe these actions will provide additional flexibility as we manage through the global economic recovery from the COVID-19 pandemic.

During 2021, our free cash flow has improved on a sequential quarter-over-quarter basis. Free cash flow is calculated as cash flow from operations reduced by additions to property and equipment. For 2022, we expect our free cash flow to improve on an annual basis from 2021, turning positive within the second half of 2022. This expectation is based on industry projections regarding anticipated recovery levels in air travel and could change. See "—Risk Factors" for further details. Given the magnitude of travel decline and the unknown duration of the COVID-19 impact, we will continue to monitor travel activity and take additional steps should we determine they are necessary. Additionally, we may review opportunities to refinance our existing debt, as well as conduct debt or equity offerings to support future strategic investments, provide additional liquidity, or pay down debt.

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, pay quarterly dividends on our Preferred Stock (as defined below) when declared, and service our debt and other long-term liabilities. On July 12, 2021, we refinanced the Revolver and terminated the commitments thereunder, replacing it with term loans. See "—Senior Secured Credit Facilities" below. We had outstanding letters of credit totaling \$10 million as of December 31, 2021, which were secured by a \$20 million cash

collateral deposit account. We had \$375 million outstanding under the Revolver on December 31, 2020, and had outstanding letters of credit totaling \$10 million as of December 31, 2020, which reduced our overall credit capacity under the Revolver.

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, including the impacts of COVID-19. See "Risk Factors—The COVID-19 pandemic has had and is expected to continue to have a significant adverse impact on our business, including our financial results and prospects, and the travel suppliers on whom our business relies." and "—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."

The ongoing effects of COVID-19 on our operations and global bookings 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 well beyond the containment of the outbreak. On an ongoing basis, we will evaluate and consider strategic acquisitions, divestitures, joint ventures, equity method investments, 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.

Contractual Obligations

Our material cash requirements consist of the following contractual obligations, excluding pension obligations. See Note 16. Pension and Other Postretirement Benefit Plans, to our consolidated financial statements. We do not have any off balance sheet arrangements as of December 31, 2021.

Debt

Our debt obligation includes all interest and principal of borrowings under our senior secured credit facilities, senior secured notes due 2025, senior exchangeable notes due 2025 and finance lease obligations. Under certain circumstances, we are required to pay a percentage of the excess cash flow, if any, generated each year to our lenders which is not reflected in the amount disclosed below. Interest on the term loan is based on the LIBOR rate plus a base margin and includes the effect of interest rate swaps. See Note 9. Debt, to our consolidated financial statements. As of December 31, 2021, we had a total debt obligation of \$5.6 billion, with \$256 million due within the next 12 months. For purposes of this disclosure, we have used projected LIBOR rates for all future periods.

Operating lease obligations

We lease approximately 1.3 million square feet of office space in 65 locations in 38 countries. Lease payment escalations are based on fixed annual increases, local consumer price index changes or market rental reviews. We have renewal options of various term lengths in approximately 33 leases. We have 3 purchase options and no restrictions imposed by our leases concerning dividends or additional debt. See Note 12. Leases, to our consolidated financial statements. As of December 31, 2021, we had total lease obligation of \$137 million, with \$26 million due within the next 12 months.

IT agreements

Certain agreements with technology providers, including for the provision of outsourcing services for our IT infrastructure and applications and the provision of certain cloud-based services, include minimum amounts due for the provision of those services. Contractual minimums are annual in some instances and span multiple years in other contracts. As of December 31, 2021, we had total IT agreement obligations of \$2.4 billion, with \$240 million due within the next 12 months. Actual payments may vary significantly from the minimum amounts calculated and include our estimated spend for those contracts with committed spend covering multiple years.

Purchase obligations

Purchase obligations represent an estimate of open purchase orders and contractual obligations in the ordinary course of business for which we have not received the goods or services as of December 31, 2021. Although open purchase orders are considered enforceable and legally binding, the terms generally allow us the option to cancel, reschedule and adjust our requirements based on our business needs prior to the delivery of goods or performance of services. As of December 31, 2021, we had a total purchase obligation of \$428 million, with \$295 million due within the next 12 months.

Letters of credit

Our letters of credit consist of stand-by letters of credit, underwritten by a group of lenders and backed by cash collateral, which we primarily issue in the normal course of business. There were no claims made against any standby letters of credit during the years ended December 31, 2021, 2020 and 2019. As of December 31, 2021, we had a total obligation of \$10 million, with \$7 million due within the next 12 months.

Unrecognized tax benefits

Unrecognized tax benefits include associated interest and penalties. The timing of related cash payments for substantially all of these liabilities is inherently uncertain because the ultimate amount and timing of such liabilities is affected by factors which

are variable and outside our control. As of December 31, 2021, we had a total obligation of \$110 million, with \$6 million due within the next 12 months.

Subscription agreement

In December 2021, we entered into a subscription agreement with Apollo Strategic Growth Capital, a special purpose acquisition company, that has entered into a business combination agreement with GBT JerseyCo Limited ("GBT"). The Subscription Agreement provides that, concurrently with the closing of the business combination, we will purchase shares in the combined company for an aggregate purchase price of \$80 million. The transaction is expected to be completed in the first half of 2022. The Subscription Agreement provides that it will terminate upon the earliest to occur of: (a) the termination of the business combination agreement in accordance with its terms; (b) the mutual written agreement of the parties to the Subscription Agreement and GBT or (c) if the transactions contemplated by the Subscription Agreement have not been consummated within 10 months after the date of the Subscription Agreement, other than as a result of breach by the terminating party.

Recent Events Impacting Our Liquidity and Capital Resources

Debt Agreements

On July 12, 2021, we refinanced the Revolver and terminated the commitments thereunder, replacing it with term loans. Among other things, the refinancing amended the financial performance covenant to remove the minimum liquidity requirement of \$300 million, the Total Net Leverage Ratio maintenance requirement, and certain other limitations. See "— Senior Secured Credit Facilities" below.

Interest Payments

As a result of the 9.250% senior secured notes due 2025 and the 4.000% Exchangeable Notes entered into during the second quarter of 2020, and the 7.375% senior secured notes due 2025 entered into in the third quarter of 2020, interest payments increased \$61 million during the year ended December 31, 2021, compared to the prior year.

Equity Offerings

On August 24, 2020, we completed concurrent offerings of (1) 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 and (2) 41,071,429 shares of common stock which generated net proceeds of approximately \$275 million.

Unless previously converted, each share of Preferred Stock will automatically convert, for settlement on the mandatory conversion date, which is expected to be September 1, 2023 into between 11.9048 and 14.2857 shares of the Company's common stock, subject to customary anti-dilution adjustments. The number of shares of the Company's common stock issuable upon conversion will be determined based on the average volume-weighted average price per share of the Company's common stock over the 20 consecutive trading day period beginning on, and including, the 21st scheduled trading day immediately before September 1, 2023. Holders of the Preferred Stock will have the right to convert all or any portion of their shares of their Preferred Stock at any time until the close of business on the mandatory conversion date. Early conversions that are not in connection with a "make-whole fundamental change" (as defined in Certificate of Designations governing the Preferred Stock) will be settled at the minimum conversion rate. In addition, the conversion rate applicable to such an early conversion may in certain circumstances be increased to compensate holders of the Preferred Stock for certain unpaid accumulated dividends. If a make-whole fundamental change occurs, then holders of the Preferred Stock will, in certain circumstances, be entitled to convert their Preferred Stock at an increased conversion rate for a specified period of time and receive an amount to compensate them for certain unpaid accumulated dividends and any remaining future scheduled dividend payments. The Preferred Stock is not subject to redemption at the Company's option. If the Company liquidates, dissolves or winds up, whether voluntarily or involuntarily, then, subject to the rights of any of the Company's creditors or holders of any outstanding liquidation senior stock, each share of Preferred Stock will entitle the holder thereof to receive payment for the following amount out of the Company's assets or funds legally available for distribution to its stockholders, before any such assets or funds are distributed to, or set aside for the benefit of, any liquidation junior stock: (1) the liquidation preference per share of Preferred Stock, which is equal to \$100.00 per share; and (2) all unpaid dividends that will have accumulated on such share to, but excluding, the date of such payment. In the fourth quarter of 2021, a certain holder elected to convert 50,000 shares of preferred stock to 595,240 shares of common stock.

Dividends on Preferred Stock

The Preferred Stock accumulates cumulative dividends at a rate per annum equal to 6.50% and dividends are payable when, as and if declared by our board of directors, out of funds legally available for their payment to the extent paid in cash, quarterly in arrears on March 1, June 1, September 1 and December 1 of each year, beginning on December 1, 2020 and ending on, and including, September 1, 2023. Declared dividends on the Preferred Stock are payable, at our election, in cash, shares of our common stock or a combination of cash and shares of our common stock. We recorded \$22 million of accrued preferred stock dividends in our consolidated results of operations for the year ended December 31, 2021. During the year ended December 31, 2021, we paid cash dividends on our preferred stock of \$22 million. On February 2, 2022, the Board of Directors declared a dividend of \$1.625 per share on Preferred Stock payable on March 1, 2022 to holders of record of the Preferred Stock on February 15, 2022. Subject to certain exceptions, so long as any share of Preferred Stock remains outstanding, no dividends or distributions will be declared or paid on shares of the Company's common stock or any other class or series of stock ranking junior to the Preferred Stock, and no common stock or any other class or series stock ranking junior to the Preferred Stock will be

purchased, redeemed or otherwise acquired for value by the Company or any of its subsidiaries unless, in each case, all accumulated and unpaid dividends for all prior completed dividend periods, if any, have been paid in full. In addition, if (i) less than all accumulated and unpaid dividends on the outstanding Preferred Stock have been declared and paid as of any dividend payment date or (ii) the board of directors declares a dividend on the Preferred Stock that is less than the total amount of unpaid dividends on the outstanding preferred stock that would accumulate to, but excluding, any dividend payment date, no dividends may be declared or paid on any parity stock, unless dividends are declared on the shares of Preferred Stock on a pro rata basis. If accumulated dividends on the outstanding Preferred Stock have not been declared and paid in an aggregate amount corresponding to six or more dividend periods, whether or not consecutive, then, subject to the other provisions of the Preferred Stock, the authorized number of the Company's directors will automatically increase by two and the holders of the Preferred Stock, voting together as a single class with the holders of each class or series of voting parity stock, if any, will have the right to elect two directors to fill such two new directorships at the Company's next annual meeting of stockholders (or, if earlier, at a special meeting of the Company's stockholders called for such purpose).

Dividends on Common Stock

During the year ended December 31, 2021, we did not pay cash dividends on our common stock. As a result of the significant adverse impact of the COVID-19 pandemic on our financial results and liquidity, on March 16, 2020, we announced the suspension of the payment of quarterly cash dividends on our common stock, effective with respect to the dividends occurring after the March 30, 2020 payment. Future cash dividends, if any, will be at the discretion of our board of directors and the amount of cash dividends per share will depend upon, among other things, our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, number of shares of common stock outstanding and other factors the board of directors may deem relevant. The timing and amount of future dividend payments will be at the discretion of our board of directors.

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 year ended December 31, 2021, 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. Approximately \$287 million remains authorized for repurchase under the Share Repurchase Program as of December 31, 2021.

Senior Secured Credit Facilities

On August 23, 2017, Sabre GBLB entered into a Fourth Incremental Term Facility Amendment to our Amended and Restated Credit Agreement, Term Loan A Refinancing Amendment to our Amended and Restated Credit Agreement, and Second Revolving Facility Refinancing Amendment to our Amended and Restated Credit Agreement (the "2017 Refinancing"). The 2017 Refinancing included a \$400 million revolving credit facility ("Revolver") as well as the application of the proceeds of the approximately \$1,891 million incremental Term Loan B facility ("Term Loan B") and \$570 million Term Loan A facility ("Term Loan A").

On August 27, 2020, Sabre GBLB entered into a Third Revolving Facility Refinancing Amendment to the Amended and Restated Credit Agreement (the "Third Revolving Refinancing Amendment") and the First Term A Loan Extension Amendment to the Amended and Restated Credit Agreement (the "Term A Loan Extension Amendment") and, together with the Third Revolving Refinancing Amendment, the "2020 Refinancing"), which extended the maturity of the Revolver from July 1, 2022 to November 23, 2023 at the earliest and February 22, 2024 at the latest, depending on certain "springing" maturity conditions as described in the Third Revolving Refinancing Amendment. In addition to extending the maturity date of the Revolver, the 2020 Refinancing also provided that, during any covenant suspension resulting from a "Material Travel Event Disruption" (as defined in the Amended and Restated Credit Agreement), including during the current covenant suspension period, we were required to maintain liquidity of at least \$300 million on a monthly basis, which was lowered in December 2020 from \$450 million. In addition, during this covenant suspension, the 2020 Refinancing limited certain payments to equity holders, certain investments, certain prepayments of unsecured debt and the ability of certain subsidiaries to incur additional debt. The applicable margins for the Revolver were between 2.50% and 1.75% per annum for Eurocurrency rate loans and between 1.50% and 0.75% per annum for base rate loans, with the applicable margin for any quarter reduced by 25 basis points (up to 75 basis points total) if the Senior Secured First-Lien Net Leverage Ratio (as defined in the Amended and Restated Credit Agreement) was less than 3.75 to 1.0, 3.00 to 1.0, or 2.25 to 1.0, respectively. These interest rate spreads for the Revolver were increased by 0.25%, during covenant suspension, in connection with the 2020 Refinancing.

On December 17, 2020, Sabre GBLB entered into a Sixth Term A Loan Refinancing and Incremental Amendment to our Amended and Restated Credit Agreement, resulting in additional Term Loan B borrowings of \$637 million ("Other Term B Loans") due December 17, 2027. The applicable interest rate margins for the Other Term B Loans are 4.00% per annum for Eurocurrency rate loans and 3.00% per annum for base rate loans, with a floor of 0.75% for the Eurocurrency rate, and 1.75% for the base rate, respectively. The net proceeds of \$623 million from the issuance, net of underwriting fees and commissions, were used to fully redeem both the \$500 million outstanding 5.25% senior secured notes due November 2023 and the \$134 million outstanding Term Loan A. We incurred no material additional indebtedness as a result of these transactions, other than amounts for certain interest, fees and expenses. We recognized a loss on extinguishment of debt of \$11 million during the year ended

December 31, 2020 in connection with these transactions, which consisted of a redemption premium of \$6 million and the write-off of unamortized debt issuance costs of \$5 million.

On July 12, 2021, we entered into agreements to refinance the Other Term Loan B facility and the Revolver, and terminated the revolving commitments thereunder (the "2021 Refinancing"). We incurred no additional indebtedness as a result of the 2021 Refinancing, other than amounts covering certain interest, fees and expenses. Among other things, the 2021 Refinancing amended the financial performance covenant to remove the minimum liquidity requirement of \$300 million, the Total Net Leverage Ratio maintenance requirement, and certain other limitations. The 2021 Refinancing included the application of the proceeds of (i) a new \$404 million term loan "B-1" facility (the "New Term B-1 Facility") and (ii) a new \$644 million term loan "B-2" facility (the "New Term B-2 Facility" and together with the New Term B-1 Facility, the "New Facilities"), borrowed by Sabre GLBL under our Amended and Restated Credit Agreement, to pay down in full approximately \$634 million of Other Term B Loans and the outstanding \$400 million Revolver balance, and to terminate the revolving commitments thereunder. The remaining proceeds, net of a \$3 million discount, were used to pay a \$6 million redemption premium and \$6 million in other fees associated with the refinancing. We recognized a loss on extinguishment of debt in connection with these transactions during the year ended December 31, 2021 of \$13 million and debt modification costs for financing fees of \$2 million recorded to Other, net. The New Facilities mature on December 17, 2027, and we have the ability to prepay the New Facilities after December 17, 2021 without a premium. In addition, on July 2, 2021, in anticipation of the Revolver repayment and termination of the revolving commitments (and related letter of credit subfacility), Sabre GLBL entered into a new \$20 million bilateral letter of credit facility, which is secured by a cash collateral deposit account and included as Restricted cash on our consolidated balance sheets as of December 31, 2021.

Under the Amended and Restated Credit Agreement, the loan parties are subject to certain customary non-financial covenants, including certain restrictions on incurring certain types of indebtedness, creation of liens on certain assets, making of certain investments, and payment of dividends. As of December 31, 2021, we are in compliance with all covenants under the terms of the Amended and Restated Credit Agreement.

Applicable margins for the Term Loan B are 2.00% per annum for Eurocurrency rate loans and 1.00% per annum for base rate loans over the life of the loan, with a floor of 0.00%. Applicable margins for the Term Loan B-1 and Term Loan B-2 are 3.50% per annum for Eurocurrency rate loans and 2.50% per annum for base rate loans over the life of the loan, with a floor of 0.50% for the Eurocurrency rate, and 1.50% for the base rate, respectively.

We are also required to pay down the 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, 2020, we were not required to make an excess cash flow payment in 2021, and no excess cash flow payment is expected to be required in 2022 with respect to our results for the year ended December 31, 2021. We are further required to pay down the term loans with proceeds from certain asset sales or borrowings, that are not otherwise reinvested in the business, as defined in the Amended and Restated Credit Agreement.

As of December 31, 2021, we had outstanding approximately \$2.8 billion of variable debt that is indexed to the London Interbank Offered Rate ("LIBOR") consisting of Term Loan B for \$1.8 billion, Term Loan B-1 for \$401 million and Term Loan B-2 for \$635 million. In July 2017, the Financial Conduct Authority announced its intention to phase out LIBOR by the end of 2021, and subsequently extended the phase-out date to June 30, 2023. In July 2021, we entered into the 2021 Refinancing which, among other things, allows for the LIBOR rate to be phased out and replaced with SOFR plus a credit spread adjustment factor for Term Loan B-1 and Term Loan B-2, and we therefore do not anticipate a material impact from the anticipated phase out of LIBOR with respect to these loans. Term Loan B allows for a transition to the Prime rate plus a margin, and assuming the discontinuation of LIBOR in June 2023 and assuming no change in Prime rates in effect as of December 31, 2021, we estimate the impact of transitioning to the Prime rate in June 2023 would result in an aggregate of approximately \$25 million of incremental interest expense over the remaining life of Term Loan B. We intend to seek an amendment with our lenders of Term Loan B prior to June 2023 to provide for a transition to SOFR or another alternative to LIBOR in anticipation of its discontinuation, but there can be no assurance that we will be able to reach an agreement with our lenders for any such amendment or that the incremental amount of any interest pursuant to such amendment would be significantly less than current requirements. See "Risk Factors—We are exposed to interest rate fluctuations."

Tax Receivable Agreement

Immediately prior to the closing of our initial public offering in April 2014, we entered into the Tax Receivable Agreement (the "TRA"), which provides the right to receive future payments from us to stockholders and equity award holders that were our stockholders and equity award holders, respectively, immediately prior to the closing of our initial public offering (collectively, the "Pre-IPO Existing Stockholders"). In connection with the TRA, we made payments, including interest, of \$72 million in January 2020 and \$105 million in 2019, respectively. In December 2019, we exercised our right under the terms of the TRA to accelerate our remaining payments under the TRA and make an early termination payment of \$1 million, to the Pre-IPO Existing Shareholders, which was included in the January 2020 payment of \$72 million described above. As a result, no future payments are required to be made to the Pre-IPO Existing Stockholders under the TRA.

Cash Flows

Operating Activities

Cash used in operating activities totaled \$415 million for the year ended December 31, 2021. The \$356 million decrease in cash used for operating activities from 2020 was primarily due to an improvement in our results of operations as a result of the gradual global recovery from the COVID-19 pandemic during 2021, acquisition termination fees of \$21 million paid in the first quarter of 2020 in connection with the now-terminated agreement to acquire Farelogix, a reduction in severance payments of \$34 million related to restructuring activities initiated in 2020, and a \$21 million reduction in upfront incentive consideration payments. This increase in operating cash flow was partially offset by additional interest payments of \$61 million resulting from debt refinancing activities during 2020.

Cash used in operating activities totaled \$770 million for the year ended December 31, 2020. The \$1.4 billion decrease in operating cash flow from 2019 is primarily due to the impact of COVID-19 on the travel industry and on our results of operations during 2020, severance payments of \$48 million related to restructuring activities during 2020, additional interest payments of \$29 million resulting from debt refinancing activities during 2020, acquisition termination fees paid in 2020 of \$21 million, and net cash outflows to carriers resulting from the cancellations of previous bookings. This decrease in operating cash flow was partially offset by a \$44 million decrease in upfront incentive consideration payments and a \$31 million decrease in tax payments.

Investing Activities

For the year ended December 31, 2021, we received proceeds of \$25 million from the sale of certain investments and assets, offset by \$54 million of cash used on capital expenditures primarily related to software developed for internal use.

For the year ended December 31, 2020, we had \$69 million provided by proceeds from the sale of our two headquarter buildings. Cash provided from the sale was offset by cash used of \$65 million on capital expenditures, including \$41 million related to software developed for internal use.

Financing Activities

For the year ended December 31, 2021, we used \$51 million for financing activities. Significant highlights of our financing activities included:

- proceeds of \$403 million and \$642 million from the issuance of New Term B-1 Facility and New Term B-2 Facility, respectively;
- proceeds from borrowings under the Revolver of \$25 million;
- payment of \$661 million on Term Loan B and Other Term Loan B;
- payments of \$400 million for the Revolver;
- net payments of \$23 million from the settlement of employee stock-option awards;
- payment of \$22 million in dividends on our preferred stock;
- payment of \$12 million in debt prepayment fees and issuance costs; and
- payment of \$3 million for the settlement of exchangeable notes.

For the year ended December 31, 2020, proceeds from financing activities were \$1,838 million. Significant highlights of our financing activities included:

- proceeds from borrowings under the senior secured and exchangeable notes of \$1,970 million;
- proceeds from issuance of stock of \$598 million;
- proceeds from borrowings under the Revolver of \$375 million;
- payment of \$1,030 million on senior secured notes due 2023;
- payment of \$503 million on Term Loan A and Term Loan B;
- fourth and final annual payment on the TRA liability for \$72 million, excluding interest;
- payment of \$78 million on debt issuance costs;
- payment of \$39 million in dividends on our common stock;
- net payments of \$6 million from the settlement of employee stock-option awards, including payments of \$6 million in income tax withholdings associated with the settlement of employee restricted-stock awards; and
- payment of \$5 million on our capital leases.

Recent Accounting Pronouncements

Information related to Recent Accounting Pronouncements is included in Note 1. Summary of Business and Significant Accounting Policies, to our consolidated financial statements included in Part II, Item 8 in this Annual Report on Form 10-K, 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.

Our accounting policies that include significant estimates and assumptions include: (i) estimation for revenue recognition and multiple performance obligation arrangements, (ii) judgments used in our air booking cancellation reserve, (iii) estimation for our allowance for credit losses (iv) the evaluation of the recoverability of the carrying value of long-lived assets and goodwill, (v) assumptions utilized to test recoverability of capitalized implementation costs, (vi) the evaluation of uncertainties surrounding the calculation of our tax assets and liabilities, and (vii) estimation of loss contingencies. 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.

We have included below 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. We have discussed the development, selection and disclosure of these accounting policies with our Audit Committee. Although we believe these policies to be the most critical, other accounting policies also have a significant effect on our financial statements and certain of these policies also require the use of estimates and assumptions. For further information about our significant accounting policies, see Note 1. Summary of Business and Significant Accounting Policies, to our consolidated financial statements.

Revenue Recognition and Multiple Performance Obligation Arrangements

Our agreements with customers of our Travel Solutions business may have multiple performance obligations which generally include software solutions through SaaS and hosted delivery, professional service fees and implementation services. In addition, from time to time, we enter into agreements with customers to provide access to Travel Solutions' GDS and, at or near the same time, enter into a separate agreement to provide IT solutions through SaaS and hosted delivery. These multiple performance obligation arrangements involve judgments, including estimating the selling prices of goods and services, estimating the total contract consideration and allocating amounts to each distinct performance obligation, forecasting future volumes and estimating total costs and costs to complete a project.

Revenue recognition from our IT Solutions products requires significant judgments such as identifying distinct performance obligations including material rights within an agreement, estimating the total contract consideration and allocating amounts to each distinct performance obligation, determining whether variable pricing within a contract meets the allocation objective, and forecasting future volumes. For a small number of our contracts, we are required to forecast volumes as a result of pricing variability within the contract in order to calculate the rate for revenue recognition. Any changes in these judgments and estimates could have an impact on the revenue recognized in future periods. Our forecasted volumes were significantly impacted in 2020 and 2021 due to the impacts of COVID-19 on our customers which had, and will continue to have, a significant impact on our current and future revenues.

We evaluate revenue recognition for agreements with customers which generally are represented by individual contracts but could include groups of contracts if the contracts are executed at or near the same time. Typically, access to our GDS and our professional service fees are separated from the implementation and software services. We account for separate performance obligations on an individual basis with value assigned to each performance obligation based on our best estimate of relative standalone selling price ("SSP"). Judgment is required to determine the SSP for each distinct performance obligation. SSP is assessed annually using a historical analysis of contracts with customers executed in the most recently completed calendar year to determine the range of selling prices applicable to a distinct good or service. In making these judgments, we analyze various factors, including discounting practices, price lists, contract prices, value differentiators, customer segmentation and overall market and economic conditions. Based on these results, the estimated SSP is set for each distinct product or service delivered to customers. As our market strategies evolve, we may modify pricing practices in the future which could result in changes to SSP.

Deferred customer advances and discounts are amortized against revenue in future periods as the related revenue is earned. Our contract assets include revenue recognized for services already transferred to a customer, for which the fulfillment of another contractual performance obligation is required, before we have the unconditional right to bill and collect based on contract terms. Contract assets are reviewed for recoverability on a periodic basis based on a review of impairment indicators.

Deferred customer advances and discounts are reviewed for recoverability based on future contracted revenues and estimated direct costs of the contract when a significant event occurs that could impact the recoverability of the assets, such as a significant contract modification or early renewal of contract terms. These assets are directly supported by estimates of Passengers Boarded and booking volumes for specific customers over their remaining contractual terms. Due to the long-term nature of the relevant contracts, recovery of these assets is not sensitive to near-term declines in volumes such as those that have occurred in 2021. For the year ended December 31, 2021, we did not impair any of these assets as a result of the related contracts becoming uncollectable, modified or canceled. Contracts are priced to generate total revenues over the life of the contract that exceed any discounts or advances provided and any upfront costs incurred to implement the customer contract.

Air Booking Cancellation Reserve

Transaction revenue for airline travel reservations is recognized by Travel Solutions at the time of the booking of the reservation, net of estimated future cancellations. Cancellations prior to the day of departure are estimated based on the historical and expected level of cancellation rates, adjusted to take into account any recent factors which could cause a change in those rates. In circumstances where expected cancellation rates or booking behavior changes, our estimates are revised, and in these circumstances, future cancellation rates could vary materially, with a corresponding variation in revenue net of estimated future cancellations. Factors that could have a significant effect on our estimates include global security issues, epidemics or pandemics (such as that experienced in the current year as a result of COVID-19), natural disasters, general economic conditions, the financial condition of travel suppliers, and travel related accidents. Our cancellation reserve is highly sensitive to our estimate of bookings that we expect will eventually travel, as well as to the mix of those bookings between domestic and international, given the varying rates paid by airline suppliers. The air booking cancellation reserve was \$18 million as of December 31, 2021. If international cancellations increased by 10% on the same estimated base of cancelled bookings, the reserve as of December 31, 2021 would increase by \$1 million. If total bookings expected to cancel increased by 10%, the reserve as of December 31, 2021 would increase by \$2 million.

Allowance for Credit Losses

We determine the allowance for credit losses at the portfolio segment level by assessing the risks and losses inherent in our receivables related to each segment. Historical loss data provides the basis for estimating expected credit losses. This data is then adjusted for asset-specific considerations, current economic conditions and reasonable and supportable forecasts. Additionally, we utilize global GDP growth rates as the primary metric in forecasting the current expected credit loss ("CECL") forecast reserve on a quarterly basis. As of December 31, 2021, the five-year forward-looking growth rate approximates the data over the past 30 years and therefore no CECL forecast reserve was recorded.

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 provide for credit losses 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. All receivables aged over twelve months are fully reserved.

Given the uncertainties surrounding the duration and effects of COVID-19, we cannot provide assurance that the assumptions used in our estimates will be accurate and actual collections may vary from our estimates, resulting in a material impact to our results of operations. See 8. Credit Losses, to our consolidated financial statements for further considerations involved in the development of this estimate.

Goodwill and Long-Lived Assets

We have two reporting units associated with our continuing operations: Travel Solutions and Hospitality Solutions. As a result of the Strategic Realignment, our historical Travel Network and Airline Solutions business segments have been combined into a new business segment, Travel Solutions. In connection with this reorganization, the historical Travel Network and Airline Solutions reporting units and their related goodwill were combined into a single Travel Solutions reporting unit, thereby requiring no reallocation of goodwill based on fair values. There was no change to our historical Hospitality Solutions reporting unit. Goodwill related to our reporting units totaled \$2.5 billion as of December 31, 2021.

We evaluate goodwill for impairment on an annual basis or when impairment indicators exist. We begin our evaluation with a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value before applying a quantitative assessment. Our qualitative assessments considered recent information available regarding the anticipated duration of the recovery period which we believe to be a key assumption, including information as of April 2021 from the International Air Transport Association ("IATA") that forecast in its base-case scenario that global passenger traffic is not expected to return to pre-COVID-19 levels until 2024. If it is determined through the evaluation of events or circumstances that the carrying value may not be recoverable, we perform a comparison of the estimated fair value of the reporting unit to which the goodwill has been assigned to the sum of the carrying value of the assets and liabilities of that unit. If the sum of the carrying value of the assets and liabilities of a reporting unit exceeds the estimated fair value of that reporting unit, the carrying value of the reporting unit's goodwill is reduced to its fair value through an adjustment to the goodwill balance, resulting in an impairment charge. The determination of fair value requires us to make significant judgments and estimates including cash flow projections and assumptions related to market participants, the principal markets, and the highest and best use of the reporting units. Changes in the assumptions used in our impairment testing may result in future impairment losses which could have a material impact on our results of operations. As of December 31, 2021, based on a qualitative review of Goodwill, it is more likely than not that fair value exceeds carrying value; therefore, we deemed it reasonable not to perform a quantitative impairment analysis. We did not record any goodwill impairment charges for the years ended December 31, 2021, 2020 and 2019.

On October 28, 2021, we announced that we have entered into an agreement with a third party to sell our suite of flight and crew management and optimization solutions, which represents our AirCentre airline operations portfolio within Travel Solution's IT Solutions. As part of this disposition, we allocated goodwill of \$153 million from the Travel Solutions reporting unit to assets held for sale as of December 31, 2021 based on relative fair value. The determination of fair value of both the Travel Solutions reporting unit and the AirCentre business requires us to make judgments and estimates including cash flow projections and assumptions related to the value of this portfolio in the principal market. We evaluated goodwill for impairment both prior and subsequent to allocation to the held for sale assets. We did not record any goodwill impairment charges as a result of this evaluation for the year ended December 31, 2021.

Definite-lived intangible assets are assigned depreciable lives of two to thirty years, depending on classification, and are evaluated 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. If impairment indicators exist for definite-lived intangible assets, the undiscounted future cash flows associated with the expected service potential of the assets are compared to the carrying value of the assets. If our projection of undiscounted future cash flows is in excess of the carrying value of the intangible assets, no impairment charge is recorded. If our projection of undiscounted cash flows is less than the carrying value, the intangible assets are then measured at fair value and an impairment charge is recorded based on the excess of the carrying value of the assets over its fair value. We also evaluate the need for additional impairment disclosures based on our Level 3 inputs. For fair value measurements categorized within Level 3 of the fair value hierarchy, we disclose the valuation processes used by the reporting entity. We did not record material intangible asset impairment charges for the years ended December 31, 2021, 2020 and 2019.

Capitalized Implementation Costs

Capitalized implementation costs represents upfront costs to implement new customer contracts under our SaaS and hosted revenue model. Capitalized implementation costs are amortized on a straight-line basis over the related contract term, ranging from three to ten years, as they are recoverable through deferred or future revenues associated with the relevant contract. These assets are reviewed for recoverability on a periodic basis or when an event occurs that could impact the recoverability of the assets, such as the impact of COVID-19 on a particular customer, a significant contract modification or early renewal of contract terms. Recoverability is measured based on the future estimated revenue and direct costs of the contract compared to the capitalized implementation costs. During 2021 and 2020, we considered current estimates of recovery from the COVID-19 pandemic to 2019 levels, which we believe to be a key assumption in our assessment of recoverability. We record an impairment charge for the portion of the asset considered unrecoverable in the period identified, while considering the uncertainties associated with these types of contracts and judgments made in estimating revenue and direct costs. These assets are directly supported by estimates of Passengers Boarded and booking volumes for specific customers over their remaining contractual terms. Due to the long-term nature of the relevant contracts, recovery of these assets is not sensitive to near-term declines in volumes such as those that have occurred in 2021 and 2020. For the year ended December 31, 2021, we recorded \$1 million in impairments associated with unrecoverable amounts in capitalized implementation costs. During the year ended December 31, 2020, we recorded \$10 million in impairments associated with unrecoverable amounts in capitalized implementation costs.

Income and Non-Income Taxes

We recognize deferred tax assets and liabilities based on the temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities. We regularly review deferred tax assets by jurisdiction to assess their potential realization and establish a valuation allowance for portions of such assets that we believe will not be ultimately realized. In performing this review, we make estimates and assumptions regarding projected future taxable income, the expected timing of the reversals of existing temporary differences and the implementation of tax planning strategies. A change in these assumptions could cause an increase or decrease to the valuation allowance resulting in an increase or decrease in the effective tax rate, which could materially impact our results of operations. The COVID-19 pandemic has caused increased uncertainty in determining certain key assumptions within the assessment of our future taxable income upon which recognition of deferred tax

assets is assessed. At year end, we had a valuation allowance on a portion of our deferred tax assets based on our assessment that it is more likely than not that the deferred tax asset will not be realized. We believe that our estimates for the valuation allowances against deferred tax assets are appropriate based on current facts and circumstances.

When assessing the need for a valuation allowance, all positive and negative evidence is analyzed, including our ability to carry back net operating losses ("NOLs") to prior periods, the reversal of deferred tax liabilities, tax planning strategies and projected future taxable income. Significant losses related to COVID-19 resulted in a three-year cumulative loss in certain jurisdictions, which represents significant negative evidence regarding the ability to realize deferred tax assets. As a result, we maintain a cumulative valuation allowance on our U.S. federal and state deferred tax assets of \$322 million and \$22 million, respectively as of December 31, 2021. For non-U.S. deferred tax assets of certain subsidiaries, we maintained a cumulative valuation allowance on current year losses and other deferred tax assets of \$86 million as of December 31, 2021. We reassess these assumptions regularly, which could cause an increase or decrease to the valuation allowance resulting in an increase or decrease in the effective tax rate, and could materially impact our results of operations.

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. At December 31, 2021 and 2020, we had a liability, including interest and penalty, of \$110 million and \$96 million, respectively, for unrecognized tax benefits, of which \$98 million and \$77 million, respectively, would affect our effective tax rate if recognized. Such a change in recognition or measurement would result in the recognition of a tax benefit or an additional charge to the provision for income taxes from continuing operations.

Loss Contingencies

While certain legal proceedings and related indemnification obligations and certain tax matters to which we are a party specify the amounts claimed, these claims may not represent reasonably possible losses. Given the inherent uncertainties of litigation and tax claims, the ultimate outcome of these matters cannot be predicted, 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 required 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. Changes in these factors could materially impact our results of operations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk Management

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.

Interest Rate Risk

As of December 31, 2021, our exposure to interest rates relates primarily to our senior secured credit facilities, as all of our interest rate swaps have matured. Offsetting some of this exposure is interest income received from our money market funds. The objectives of our investment in money market funds are (i) preservation of principal, (ii) liquidity and (iii) yield. If future short-term interest rates averaged 10% lower than they were during the year ended December 31, 2021, the impact to our interest income from money market funds would not be material. This amount was determined by applying the hypothetical interest rate change to our average money market funds invested.

In September 2017, we entered into forward starting interest rate swaps to hedge the interest payments associated with \$750 million of the floating-rate Term Loan B. The total notional outstanding of \$750 million became effective December 31, 2019 and extended through the full year 2020. In April 2018, we entered into forward starting interest rate swaps to hedge the interest payments associated with \$600 million, \$300 million and \$450 million of the floating-rate Term Loan B related to years 2019, 2020 and 2021, respectively. In December 2018, we entered into forward starting interest rate swaps to hedge the interest payments associated with \$150 million of the floating-rate Term Loan B for the years 2020 and 2021. We designated these swaps as cash flow hedges.

Interest rate swaps matured during the years ended December 31, 2021, 2020 and 2019 are as follows:

Notional Amount	Interest Rate Received	Interest Rate Paid	Effective Date	Maturity Date
Designated as Hedging Instrument				
\$1,350 million	1 month LIBOR ⁽¹⁾	2.27%	December 31, 2018	December 31, 2019
\$1,200 million	1 month LIBOR ⁽¹⁾	2.19%	December 31, 2019	December 31, 2020
\$600 million	1 month LIBOR ⁽¹⁾	2.81%	December 31, 2020	December 31, 2021

(1) Subject to a 1% floor.

Since outstanding balances under our senior secured credit facilities incur interest at rates based on LIBOR, subject to an applicable floor, increases in short-term interest rates would impact our interest expense. If our mix of interest rate-sensitive assets and liabilities changes significantly, we may enter into additional derivative transactions to manage our net interest rate exposure. We did not have any liabilities from interest rate swaps for the year ended December 31, 2021. The fair value of these interest rate swaps was a liability of \$16 million at December 31, 2020.

As of December 31, 2021, we had outstanding approximately \$2.8 billion of variable debt that is indexed to LIBOR consisting of Term Loan B for \$1.8 billion, Term Loan B-1 for \$401 million and Term Loan B-2 for \$635 million. In July 2017, the Financial Conduct Authority announced its intention to phase out LIBOR by the end of 2021, and subsequently extended the phase-out date to June 30, 2023. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Senior Secured Credit Facilities" for the estimated impacts of this change. We intend to seek an amendment with our lenders of Term Loan B prior to June 2023 to provide for a transition to SOFR or another alternative to LIBOR in anticipation of its discontinuation, but there can be no assurance that we will be able to reach an agreement with our lenders for any such amendment or that the incremental amount of any interest pursuant to such amendment would be significantly less than current requirements.

Foreign Currency Risk

We conduct various operations outside the United States, primarily in Asia Pacific, Europe and Latin America. Our foreign currency risk is primarily associated with operating expenses. During the year ended December 31, 2021, foreign currency operations included \$158 million of revenue and \$446 million of operating expenses, representing approximately 9% and 19% of our total revenue and operating expenses, respectively. During the year ended December 31, 2020, foreign currency operations included \$98 million of revenue and \$373 million of operating expenses, representing approximately 7% and 16% of our total revenue and operating expenses, respectively.

The principal foreign currencies involved include the Euro, the Indian Rupee, the British Pound Sterling, the Australian Dollar, the Polish Zloty, and the Singapore Dollar. Our most significant foreign currency denominated operating expenses is in the Euro, which comprised approximately 5% and 4% of our operating expenses for the years ended December 31, 2021 and 2020, respectively. In recent years, exchange rates between foreign currencies and the U.S. dollar have fluctuated significantly and may continue to do so in the future. During times of volatile currency movements, this risk can impact our earnings. To reduce the impact of this earnings volatility, we have historically hedged a portion of our foreign currency exposure in our operating expenses by entering into foreign currency forward contracts on several of our largest exposures, including the Indian Rupee, the British Pound Sterling, the Australian Dollar, the Polish Zloty, the Singaporean Dollar, and the Swedish Krona. Additionally, approximately 35% of our exposure in foreign currency operating expenses is naturally hedged by foreign currency cash receipts associated with foreign currency revenue.

Our forward contracts represent obligations to purchase foreign currencies at a predetermined exchange rate to fund a portion of our expenses that are denominated in foreign currencies. Due to the uncertainty driven by the COVID-19 pandemic on our foreign currency exposures, we have paused entering into new cash flow hedges of forecasted foreign currency cash flows until we have more clarity regarding the recovery trajectory and its impacts on net exposures. As a result, as of December 31, 2021, we have no unsettled forward contracts and have not entered into any foreign currency forward contracts for 2021.

We are also exposed to foreign currency fluctuations through the translation of the financial condition and results of operations of our foreign operations into U.S. dollars in consolidation. These gains and losses are recognized as a component of accumulated other comprehensive loss and is included in stockholders' (deficit) equity. We recognized net translation gains in other comprehensive income (loss) of \$7 million and \$2 million for the years ended December 31, 2021 and 2019, respectively, and net translation losses of \$8 million for the year ended December 31, 2020.

Credit Risk

Our customers are primarily located in the United States, Canada, Europe, Latin America and Asia, and are concentrated in the travel industry.

We generate a significant portion of our revenues and corresponding accounts receivable from services provided to the commercial air travel industry. Our other accounts receivable are generally due from other participants in the travel and transportation industry. As of December 31, 2021 and 2020, approximately \$166 million, or 80%, and \$183 million, or 74%, respectively, of our trade accounts receivable were attributable to services provided to the commercial air travel industry and travel agency customers. Substantially all of our accounts receivable represents trade balances. We generally do not require security or collateral from our customers as a condition of sale. See "[Risk Factors](#)—Our travel supplier customers may

experience financial instability or consolidation, pursue cost reductions, change their distribution model or undergo other changes.”

We regularly monitor the financial condition of the air transportation industry. We believe the credit risk related to the air carriers’ difficulties is significantly mitigated by the fact that we collect a significant portion of the receivables from these carriers through clearing houses, such as the Airline Clearing House (“ACH”).

As of December 31, 2021, 2020 and 2019, approximately 53%, 52%, and 59%, respectively, of our air customers make payments through the ACH which accounts for approximately 82%, 63% and 89%, respectively, of our air billings. ACH requires participants to deposit certain balances into their demand deposit accounts by certain deadlines, which facilitates a timely settlement process. For these carriers, we believe the use of ACH mitigates our credit risk with respect to airline bankruptcies. For those carriers from which we do not collect payments through the ACH or other similar clearing houses, our credit risk is higher. We monitor these carriers and account for the related credit risk through our normal reserve policies.

Inflation

Competitive market conditions and the general economic environment have minimized inflation’s impact on our results of operations in recent periods. There can be no assurance, however, that our operating results will not be affected by inflation in the future.

An overall labor shortage, lack of skilled labor, increased turnover or labor inflation, caused by COVID-19 or as a result of general macroeconomic factors, could have a material adverse impact on our operations, results of operations, liquidity or cash flows. See [Item 7](#), “[Management’s Discussion and Analysis of Financial Condition and Results of Operations](#)—Factors Affecting our Results—Technology transformation and change in mix of technology spend” and “Risk Factors—Our business could be harmed by adverse global and regional economic and political conditions.”

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Sabre Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Sabre Corporation (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive (loss) income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and financial statement schedule listed in the Index at Item 15 (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 18, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Measurement of IT Solutions Revenue

Description of the Matter

As discussed in Note 2 of the financial statements, the Company recognized \$602 million of IT Solutions revenue. IT Solutions customer agreements are long-term contracts that frequently contain multiple performance obligations. Judgment exists in determining which performance obligations are distinct and accounted for separately. These contracts also contain variable consideration in the form of tiered pricing, contractual minimums or discounts. Judgment exists in estimating the total contract consideration and allocating amounts to each distinct performance obligation. Contracts with variable consideration may require forecasts over the term of the contract to determine the appropriate rate used to recognize revenue.

Auditing management's recognition of IT Solutions revenue was complex and involved a high degree of judgment because of the significant management judgments and estimates required to identify the distinct performance obligations, estimate and allocate contract consideration, and determine the rate used to recognize revenue.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of internal controls related to the Company's process for recognizing IT Solutions revenue, including management's review of the significant judgments and estimates used in the identification of distinct performance obligations, the estimation and allocation of amounts to each performance obligation, the estimation of revenue to constrain, and the determination of the rate used to recognize revenue.

Our audit procedures included, among others, testing management's identification of the distinct performance obligations based on terms in the contracts and the Company's policies. Our procedures also included testing the judgments and estimates used to determine the rate to recognize revenue and estimation of revenue to constrain, based on the contractual minimums, tiered pricing and other discounts, current economic conditions and customer concessions. To test the calculation of the amount of consideration allocated to each distinct performance obligation, we performed procedures to test management's judgments and assumptions related to the allocation of consideration to each distinct performance obligation. Our procedures included an evaluation of the significant assumptions and the accuracy and completeness of the underlying data used in management's calculation of revenue recognized. We have also evaluated the adequacy of the Company's IT Solutions revenue disclosures included in Note 2 in relation to these revenue recognition matters.

Uncertain Tax Positions

Description of the Matter

As discussed in Note 7 of the financial statements, the Company operates in the United States and multiple international jurisdictions, and its income tax returns are subject to examination by tax authorities in those jurisdictions who may challenge income tax positions on these returns. Uncertainty in a tax position may arise because tax laws are subject to interpretation. The Company uses significant judgment in (1) determining whether, based on the technical merits, a tax position is more likely than not to be sustained and (2) measuring the amount of tax benefit that qualifies for recognition. As of December 31, 2021, the Company accrued liabilities of \$110 million for uncertain tax positions, including penalties and interest.

Auditing management's estimate of the amount of tax benefit that qualifies for recognition involved auditor judgment and use of tax professionals with specialized skills and knowledge to evaluate the Company's interpretation of, and compliance with, tax laws and legal rulings across its multiple subsidiaries located in multiple taxing jurisdictions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's accounting process for uncertain tax positions. For example, we tested controls over the Company's assessment of the technical merits of tax positions and management's process to measure the benefit of those tax positions.

Among other procedures performed, we involved our tax professionals to assess the technical merits of the Company's tax positions. This included assessing the Company's correspondence with the relevant tax authorities and evaluating income tax opinions or other third-party advice obtained by the Company. We also evaluated the appropriateness of the Company's accounting for its tax positions taking into consideration relevant information, local income tax laws, and legal rulings. We analyzed the Company's assumptions and data used to determine the amount of tax benefit to recognize and tested the accuracy of the calculations. We have also evaluated the adequacy of the Company's income tax disclosures included in Note 7 in relation to these tax matters.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1993.

Dallas, Texas
February 18, 2022

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Sabre Corporation

Opinion on Internal Control over Financial Reporting

We have audited Sabre Corporation's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Sabre Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive (loss) income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and financial statement schedule listed in the Index at Item 15, and our report dated February 18, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Dallas, Texas
February 18, 2022

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

	Year Ended December 31,		
	2021	2020	2019
Revenue	\$ 1,688,875	\$ 1,334,100	\$ 3,974,988
Cost of revenue, excluding technology costs	691,451	579,010	1,726,157
Technology costs	1,052,833	1,156,723	1,285,204
Selling, general and administrative	610,078	586,406	600,210
Operating (loss) income	<u>(665,487)</u>	<u>(988,039)</u>	<u>363,417</u>
Other income (expense):			
Interest expense, net	(257,818)	(225,785)	(156,391)
Loss on extinguishment of debt	(13,070)	(21,626)	—
Equity method (loss) income	(264)	(2,528)	2,044
Other, net	(1,748)	(66,961)	(9,432)
Total other expense, net	<u>(272,900)</u>	<u>(316,900)</u>	<u>(163,779)</u>
(Loss) income from continuing operations before income taxes	(938,387)	(1,304,939)	199,638
(Benefit) Provision for income taxes	(14,612)	(21,012)	35,326
(Loss) income from continuing operations	(923,775)	(1,283,927)	164,312
(Loss) Income from discontinued operations, net of tax	(2,532)	2,788	(1,766)
Net (loss) income	(926,307)	(1,281,139)	162,546
Net income attributable to noncontrolling interests	2,162	1,200	3,954
Net (loss) income attributable to Sabre Corporation	(928,469)	(1,282,339)	158,592
Preferred stock dividends	21,602	7,659	—
Net (loss) income attributable to common stockholders	<u>\$ (950,071)</u>	<u>\$ (1,289,998)</u>	<u>\$ 158,592</u>
Basic net (loss) income per share attributable to common stockholders:			
(Loss) income from continuing operations	\$ (2.95)	\$ (4.46)	\$ 0.58
(Loss) income from discontinued operations	(0.01)	0.01	(0.01)
Net (loss) income per common share	<u>\$ (2.96)</u>	<u>\$ (4.45)</u>	<u>\$ 0.57</u>
Diluted net (loss) income per share attributable to common stockholders:			
(Loss) income from continuing operations	\$ (2.95)	\$ (4.46)	\$ 0.58
(Loss) income from discontinued operations	(0.01)	0.01	(0.01)
Net (loss) income per common share	<u>\$ (2.96)</u>	<u>\$ (4.45)</u>	<u>\$ 0.57</u>
Weighted-average common shares outstanding:			
Basic	320,922	289,855	274,168
Diluted	320,922	289,855	276,217
Dividend per common share	\$ —	\$ 0.14	\$ 0.56

See Notes to Consolidated Financial Statements.

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

	Year Ended December 31,		
	2021	2020	2019
Net (loss) income	\$ (926,307)	\$ (1,281,139)	\$ 162,546
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments ("CTA")	(7,223)	7,698	(1,946)
Retirement-related benefit plans:			
Net actuarial gain (loss), net of taxes of \$(517), \$3,447 and \$2,379	36,742	(11,778)	(8,269)
Pension settlement, net of taxes of \$—, \$(4,066), \$—	7,529	14,005	—
Amortization of prior service credits, net of taxes of \$—, \$321 and \$321	(1,432)	(1,111)	(1,111)
Amortization of actuarial losses, net of taxes of \$—, \$(1,934) and \$(1,400)	7,985	6,677	5,421
Net change in retirement-related benefit plans, net of tax	50,824	7,793	(3,959)
Derivatives:			
Unrealized gains (losses), net of taxes of \$26, \$5,571 and \$4,497	(134)	(20,521)	(15,217)
Reclassification adjustment for realized losses, net of taxes of \$(3,670), \$(4,959) and \$(1,469)	12,805	17,890	5,507
Net change in derivatives, net of tax	12,671	(2,631)	(9,710)
Share of other comprehensive (loss) income of equity method investments	(602)	489	(967)
Other comprehensive income (loss)	55,670	13,349	(16,582)
Comprehensive (loss) income	(870,637)	(1,267,790)	145,964
Less: Comprehensive income attributable to noncontrolling interests	(2,162)	(1,200)	(3,954)
Comprehensive (loss) income attributable to Sabre Corporation	<u>\$ (872,799)</u>	<u>\$ (1,268,990)</u>	<u>\$ 142,010</u>

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31,	
	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 978,352	\$ 1,499,665
Restricted cash	21,039	—
Accounts receivable, net	259,934	255,468
Prepaid expenses and other current assets	121,591	132,972
Current assets held for sale	21,358	—
Total current assets	1,402,274	1,888,105
Property and equipment, net of accumulated depreciation	249,812	363,491
Equity method investments	22,671	24,265
Goodwill	2,470,206	2,636,546
Acquired customer relationships, net of accumulated amortization	257,362	289,150
Other intangible assets, net of accumulated amortization	183,321	222,216
Deferred income taxes	27,056	24,181
Other assets, net	475,424	629,768
Long-term assets held for sale	203,204	—
Total assets	\$ 5,291,330	\$ 6,077,722
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 122,934	\$ 115,229
Accrued compensation and related benefits	135,974	86,830
Accrued subscriber incentives	137,448	100,963
Deferred revenues	81,061	99,470
Other accrued liabilities	188,706	193,383
Current portion of debt	29,290	26,068
Current liabilities held for sale	21,092	—
Total current liabilities	716,505	621,943
Deferred income taxes	38,344	72,196
Other noncurrent liabilities	297,037	380,621
Long-term debt	4,723,685	4,717,808
Long-term liabilities held for sale	15,476	—
Commitments and contingencies (Note 17)		
Stockholders' equity		
Preferred stock; \$0.01 par value, 225,000 authorized, 3,290 and 3,340 shares issued and outstanding as of December 31, 2021 and 2020, respectively; aggregate liquidation value of \$329,000 and \$334,000 as of December 31, 2021 and 2020, respectively	33	33
Common stock: \$0.01 par value; 1,000,000 authorized shares; 346,430 and 338,662 shares issued, 323,501 and 317,297 shares outstanding at December 31, 2021 and 2020, respectively	3,464	3,387
Additional paid-in capital	3,115,719	2,985,077
Treasury stock, at cost, 22,930 and 21,365 shares at December 31, 2021 and 2020, respectively	(498,141)	(474,790)
Accumulated deficit	(3,049,695)	(2,099,624)
Accumulated other comprehensive loss	(80,287)	(135,957)
Noncontrolling interest	9,190	7,028
Total stockholders' (deficit) equity	(499,717)	285,154
Total liabilities and stockholders' (deficit) equity	\$ 5,291,330	\$ 6,077,722

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2021	2020	2019
Operating Activities			
Net (loss) income	\$ (926,307)	\$ (1,281,139)	\$ 162,546
Adjustments to reconcile net (loss) income to cash (used in) provided by operating activities:			
Depreciation and amortization	262,185	363,743	414,621
Stock-based compensation expense	120,892	69,946	66,885
Amortization of upfront incentive consideration	57,570	74,677	82,935
Deferred income taxes	(27,515)	(27,333)	(22,925)
Gain on sale of investment	(14,532)	—	—
Loss on extinguishment of debt	13,070	21,626	—
Amortization of debt discount and issuance costs	11,984	9,633	3,972
Provision for expected credit losses	(7,788)	65,710	20,563
Pension settlement charge	7,529	18,071	—
Loss (income) from discontinued operations	2,532	(2,788)	1,766
Debt modification costs	2,435	—	—
Acquisition termination fee	—	24,811	—
Impairment and related charges	—	8,684	—
Facilities-related charges	—	5,816	—
Other	4,701	7,981	2,085
Changes in operating assets and liabilities:			
Accounts and other receivables	(17,881)	204,970	(33,911)
Prepaid expenses and other current assets	5,837	(1,908)	1,145
Capitalized implementation costs	(19,027)	(17,301)	(28,588)
Upfront incentive consideration	(5,980)	(27,445)	(71,447)
Other assets	(1,838)	16,012	38,795
Accrued compensation and related benefits	51,652	(15,317)	(17,469)
Accounts payable and other accrued liabilities	70,346	(304,051)	(27,232)
Deferred revenue including upfront solution fees	(4,519)	15,357	(12,481)
Cash (used in) provided by operating activities	(414,654)	(770,245)	581,260
Investing Activities			
Additions to property and equipment	(54,302)	(65,420)	(115,166)
Proceeds from disposition of investments and assets	24,874	68,504	—
Acquisitions, net of cash acquired	—	—	(107,462)
Other investing activities	—	(4,375)	(20,398)
Cash used in investing activities	(29,428)	(1,291)	(243,026)
Financing Activities			
Proceeds of borrowings from lenders	1,070,380	2,982,000	45,000
Payments on borrowings from lenders	(1,061,050)	(1,533,597)	(106,560)
Net payment on the settlement of equity-based awards	(22,682)	(5,996)	(5,736)
Dividends paid on preferred stock	(21,629)	(5,850)	—
Debt prepayment fees and issuance costs	(12,194)	(77,878)	—
Payment for settlement of exchangeable notes	(2,540)	—	—
Proceeds from issuance of preferred stock, net	—	322,885	—
Proceeds from issuance of common stock, net	—	275,003	—
Payments on Tax Receivable Agreement	—	(71,958)	(101,482)
Cash dividends paid to common shareholders	—	(38,544)	(153,508)
Repurchase of common stock	—	—	(77,636)
Other financing activities	(843)	(8,324)	(9,799)
Cash provided by (used in) financing activities	(50,558)	1,837,741	(409,721)
Cash Flows from Discontinued Operations			
Cash used in operating activities	(3,498)	(2,932)	(2,383)
Cash used in discontinued operations	(3,498)	(2,932)	(2,383)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2,136)	216	781
(Decrease) increase in cash, cash equivalents and restricted cash	(500,274)	1,063,489	(73,089)
Cash, cash equivalents and restricted cash at beginning of period	1,499,665	436,176	509,265
Cash, cash equivalents and restricted cash at end of period	<u>\$ 999,391</u>	<u>\$ 1,499,665</u>	<u>\$ 436,176</u>
Cash payments for income taxes	\$ 14,659	\$ 24,505	\$ 55,137
Cash payments for interest	\$ 246,933	\$ 186,235	\$ 157,648
Capitalized interest	\$ 1,599	\$ 2,508	\$ 5,085
Non-cash additions to property and equipment	\$ 2,678	\$ —	\$ 33,136

See Notes to Consolidated Financial Statements.

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

Stockholders' Equity (Deficit)											
	Preferred Stock		Common Stock			Treasury Stock		Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Additional Paid in Capital	Shares	Amount				
Balance at December 31, 2018	—	\$ —	291,663,954	\$ 2,917	\$ 2,243,419	16,311,538	\$ (377,980)	\$ (768,566)	\$ (132,724)	\$ 7,205	\$ 974,271
Comprehensive income	—	—	—	—	—	—	—	158,592	(16,582)	3,954	145,964
Common stock dividends	—	—	—	—	—	—	—	(153,508)	—	—	(153,508)
Repurchase of common stock	—	—	—	—	—	3,673,768	(77,636)	—	—	—	(77,636)
Settlement of stock-based awards	—	—	2,655,463	26	7,240	601,546	(13,002)	—	—	—	(5,736)
Stock-based compensation expense	—	—	—	—	66,885	—	—	—	—	—	66,885
Dividends paid to non-controlling interest on subsidiary common stock	—	—	—	—	—	—	—	—	—	(2,571)	(2,571)
Balance at December 31, 2019	—	—	294,319,417	2,943	2,317,544	20,586,852	(468,618)	(763,482)	(149,306)	8,588	947,669
Comprehensive loss	—	—	—	—	—	—	—	(1,282,339)	13,349	1,200	(1,267,790)
Common stock dividends	—	—	—	—	—	—	—	(38,544)	—	—	(38,544)
Issuance of preferred stock, net	3,340,000	33	—	—	322,852	—	—	—	—	—	322,885
Issuance of common stock, net	—	—	41,071,429	411	274,592	—	—	—	—	—	275,003
Preferred stock dividend ⁽¹⁾	—	—	—	—	—	—	—	(7,659)	—	—	(7,659)
Settlement of stock-based awards	—	—	3,271,114	33	143	778,375	(6,172)	—	—	—	(5,996)
Stock-based compensation expense	—	—	—	—	69,946	—	—	—	—	—	69,946
Dividends paid to non-controlling interest on subsidiary common stock	—	—	—	—	—	—	—	—	—	(2,760)	(2,760)
Adoption of New Accounting Standard	—	—	—	—	—	—	—	(7,600)	—	—	(7,600)
Balance at December 31, 2020	3,340,000	33	338,661,960	3,387	2,985,077	21,365,227	(474,790)	(2,099,624)	(135,957)	7,028	285,154
Comprehensive loss	—	—	—	—	—	—	—	(928,469)	55,670	2,162	(870,637)
Preferred stock dividends ⁽¹⁾	—	—	—	—	—	—	—	(21,602)	—	—	(21,602)
Conversion from preferred stock to common stock	(50,000)	—	595,240	6	—	—	—	—	—	—	6
Settlement of stock-based awards	—	—	5,903,724	59	717	1,564,441	(23,351)	—	—	—	(22,575)
Stock-based compensation expense	—	—	—	—	120,892	—	—	—	—	—	120,892
Settlement of exchangeable notes	—	—	—	—	(780)	—	—	—	—	—	(780)
Issuance of common stock upon conversion of exchangeable notes	—	—	1,269,497	12	9,813	—	—	—	—	—	9,825
Balance at December 31, 2021	3,290,000	\$ 33	346,430,421	\$ 3,464	\$ 3,115,719	22,929,668	\$ (498,141)	\$ (3,049,695)	\$ (80,287)	\$ 9,190	\$ (499,717)

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

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Business and Significant Accounting Policies

Description of Business

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 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.

We connect people and places with technology that reimagines the business of travel. We operate through two business segments: (i) Travel Solutions, our global travel marketplace for travel suppliers and travel buyers, a broad portfolio of software technology products and solutions for airlines and other travel suppliers, and (ii) Hospitality Solutions, an extensive suite of leading software solutions for hoteliers.

Recent Events

The travel industry continues to be adversely affected by the global health crisis due to the outbreak of the coronavirus ("COVID-19") in January 2020, as well as by government directives that have been enacted to slow the spread of the virus. As expected, this pandemic has continued to have a material impact on our consolidated financial results in 2021. Despite the continued negative impacts of the COVID-19 pandemic on our business and global travel volumes, we have seen some gradual improvement in our key volume metrics during the year ended December 31, 2021 as compared to the prior year as COVID-19 vaccines have continued to be administered and some travel restrictions have been relaxed. Domestic bookings continue to exceed international bookings, however, negatively impacting revenue. With the continued increase in volumes, our incentive consideration costs have also increased significantly compared to the prior year.

We believe the ongoing effects of COVID-19 on our operations and global bookings will continue to have a material negative impact on our financial results and liquidity, and this negative impact may continue well beyond the containment of the outbreak. We believe our cash position and the liquidity measures we have taken will provide additional flexibility as we manage through the global economic recovery from the COVID-19 pandemic. As a result, we believe that we have resources to sufficiently fund our liquidity requirements over at least the next twelve months; however, given the magnitude of travel decline and the unknown duration of the COVID-19 impact, we will continue to monitor our liquidity levels and take additional steps should we determine they are necessary.

The inputs into our judgments and estimates consider the economic implications of COVID-19 on our critical and significant accounting estimates. Our air booking cancellation reserve totaled \$18 million as of December 31, 2021 and 2020. Additionally, our allowance for credit losses at December 31, 2021 was \$60 million, a decrease of \$38 million from December 31, 2020. Our provision for expected credit losses for the year ended December 31, 2021 decreased \$74 million from December 31, 2020, primarily related to fully reserving for aged balances of certain customers in the prior year and an overall improvement in our forecasted credit losses in the current year given the start of the global economic recovery from the COVID-19 pandemic. See Note 8. Credit Losses.

Strategic Realignment

We completed a strategic realignment ("the Strategic Realignment") of our airline and agency-focused businesses in the third quarter of 2020 to address the changing travel landscape and respond to the impacts of the COVID-19 pandemic on our business and cost structure. See Note 4. Restructuring Activities for further details on the costs incurred related to restructuring activities. As a result of the Strategic Realignment, we now 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 leading software solutions for hoteliers. All revenue and expenses previously assigned to the Travel Network and Airline Solutions business segments were consolidated into a unified revenue and expense structure now reported as the Travel Solutions business segment. There were no changes to the historical Hospitality Solutions reporting segment.

Additionally, we present expenses on our statement of operations to provide additional clarification on our costs by separating technology costs from cost of revenue and moving certain expenses previously classified as cost of revenue to selling, general and administrative to align with the current leadership and operational organizational structure. Financial information for all periods presented reflects these classifications. Within our segments and results of operations, cost of revenue, excluding technology costs, primarily consists of costs associated with the delivery and distribution of our products and services, including employee-related costs for our delivery, customer operations and call center teams, transactional-related costs, including travel agency incentive consideration for reservations made on our global distribution system ("GDS") for Travel Solutions and GDS transaction fees for Hospitality Solutions, amortization of upfront incentive consideration and depreciation and amortization associated with capitalized implementation costs, and certain intangible assets. Technology costs consist of expenses related to third-party providers and employee-related costs to operate technology operations including data processing and hosting, third-party software, other costs associated with the maintenance and minor enhancement of our technology, and

depreciation and amortization associated with software developed for internal use that supports our products, assets supporting our technology platform, businesses and systems and intangible assets related to technology. Technology costs also include costs associated with our technology transformation efforts. 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, 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, and depreciation and amortization associated with property and equipment, acquired customer relationships, trademarks and brand names.

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). 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.

The preparation of these annual 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, which utilize significant estimates and assumptions, include, among other things, estimation of the collectability of accounts receivable, estimation of future cancellations of bookings processed through the Sabre GDS, revenue recognition for Software-as-a-Service ("SaaS") arrangements, determination of the fair value of assets and liabilities acquired in a business combination, determination of the fair value of derivatives, the evaluation of the recoverability of the carrying value of intangible assets and goodwill, assumptions utilized in the determination of pension and other postretirement benefit liabilities, the evaluation of the recoverability of capitalized implementation costs, assumptions utilized to evaluate the recoverability of deferred customer advance and discounts, estimation of loss contingencies, and evaluation of uncertainties surrounding the calculation of our tax assets and liabilities.

Revenue Recognition

Travel Solutions and Hospitality Solutions' revenue recognition is primarily driven by GDS and reservation system transactions. Timing of revenue recognition is primarily based on the consistent provision of services in a stand-ready series SaaS environment and the amount of revenue recognized varies with the volume of transactions processed. Revenue is recognized if it is not considered probable of reversal.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under Accounting Standards Codification ("ASC") 606. The transaction price is allocated to each performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Most of our contracts for GDS services and central reservation system (CRS) services for Hospitality Solutions have a single stand-ready series performance obligation. For Travel Solutions' IT Solutions revenue, many of our contracts may have multiple performance obligations, which generally include software and product solutions through SaaS and hosted delivery, and other service fees. In addition, at times we enter into agreements with customers to provide access to Travel Solutions' GDS and, at or near the same time, enter into a separate agreement to provide IT solutions through SaaS and hosted delivery, resulting in multiple performance obligations within a combined agreement.

Our significant product and services and methods of recognition are as follows:

Stand-ready series revenue recognition

We recognize revenue from usage-based fees for the use of the software which represents a stand-ready performance obligation. Variability in the usage-based fee that does not align with the value provided to the customer can result in a difference between billings to the customer and the timing of contract performance and revenue recognition, which may result in the recognition of a contract asset. This can result in a requirement to forecast expected usage-based fees and volumes over the contract term in order to determine the rate for revenue recognition. This variable consideration is constrained if there is an inability to reliably forecast this revenue or if future reversal is considered probable. Additionally, 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.

Travel Solutions—Travel Solutions generates distribution revenue for bookings made through our GDS (e.g., Air, and Lodging, Ground and Sea ("LGS")). GDS services link and engage transactions between travel agents and travel suppliers. Revenue is generated from contracts with the travel suppliers as each booking is made or transaction occurs and represents a stand-ready series performance obligation where our systems perform the same service each day for the customer, based on the customer's level of usage. Distribution revenue associated with car rental, hotel transactions and other travel providers is recognized at the time the reservation is used by the customer. Distribution revenue associated with airline travel reservations is recognized at the time of booking of the reservation, net of estimated future cancellations. Cancellations prior to the day of departure are estimated based on historical and expected levels of cancellation rates, adjusted to take into account any recent factors which could cause a change in those rates.

Travel Solutions also generates IT solutions revenue from its product offerings including reservation systems for full-service and low-cost carriers, commercial and operations products, agency solutions and booking data. Reservation system revenue is primarily generated based on the number of passengers boarded. Generally, customers are charged a fixed, upfront solutions fee and a recurring usage-based fee for the use of the software in a stand-ready series performance obligation. In the context of both our reservation systems and our commercial and operations products, upfront solutions fees are recognized primarily on a straight-line basis over the relevant contract term, upon cut-over of the primary SaaS solution.

Hospitality Solutions—Hospitality Solutions provides technology solutions and other professional services, through SaaS and hosted delivery models, to hoteliers around the world. Generally, customers are charged an upfront solutions fee and a recurring usage-based fee for the use of the software, which represents a stand-ready series performance obligation where our systems perform the same service each day for the customer, based on the customer's level of usage. Upfront solutions fees are recognized primarily on a straight-line basis over the relevant contract term, upon cut-over of the primary SaaS solution.

Contract Assets and Deferred Customer Advances and Discounts

Deferred customer advances and discounts are amortized against revenue in future periods as the related revenue is earned. Our contract assets include revenue recognized for services already transferred to a customer, for which the fulfillment of another contractual performance obligation is required, before we have the unconditional right to bill and collect based on contract terms. Contract assets are reviewed for recoverability on a periodic basis based on a review of impairment indicators. Deferred customer advances and discounts are reviewed for recoverability based on future contracted revenues and estimated direct costs of the contract when a significant event occurs that could impact the recoverability of the assets, such as a significant contract modification or early renewal of contract terms. For the years ended December 31, 2021, 2020 and 2019, we did not impair any of these assets as a result of the related contract becoming uncollectible, modified or canceled. Contracts are priced to generate total revenues over the life of the contract that exceed any discounts or advances provided and any upfront costs incurred to implement the customer contract.

Other revenue recognition patterns

Travel Solutions also provides other services including development labor or professional consulting. These services can be sold separately or with other products and services, and Travel Solutions may bundle multiple technology solutions in one arrangement with these other services. Revenue from other services consisting of development services that represent minor configuration or professional consulting is generally recognized over the period the services are performed or upon completed delivery.

Travel Solutions also directly licenses certain software to its customers where the customer obtains on-site control of the license. Revenue from software license fees is recognized when the customer gains control of the software enabling them to directly use the software and obtain substantially all of the remaining benefits. Fees for ongoing software maintenance are recognized ratably over the life of the contract. Under these arrangements, often we are entitled to minimum fees which are collected over the term of the agreement, while the revenue from the license is recognized at the point when the customer gains control, which results in current and long-term unbilled receivables for these arrangements.

Variability in the amounts billed to the customer and revenue recognized coincides with the customer's level of usage with the exception of upfront solution fees, non-usage based variable consideration, license and maintenance agreements and other services including development labor and professional consulting. Contracts with the same customer which are entered into at or around the same period are analyzed for revenue recognition purposes on a combined basis across our businesses which can impact timing of revenue recognition.

For contracts with multiple performance obligations, we account for separate performance obligations on an individual basis with value assigned to each performance obligation based on our best estimate of relative standalone selling price ("SSP"). Judgment is required to determine the SSP for each distinct performance obligation. SSP is assessed annually using a historical analysis of contracts with customers executed in the most recently completed calendar year to determine the range of selling prices applicable to a distinct good or service. In making these judgments, we analyze various factors, including discounting practices, price lists, contract prices, value differentiators, customer segmentation and overall market and economic conditions. Based on these results, the estimated SSP is set for each distinct product or service delivered to customers. As our market strategies evolve, we may modify pricing practices in the future which could result in changes to SSP.

Revenue recognition from our Travel Solutions business requires significant judgments such as identifying distinct performance obligations including estimating the total contract consideration and allocating amounts to each distinct performance obligation, determining whether variable pricing within a contract meets the allocation objective, assessing revenue for constraint particularly due to impacts of the COVID-19 pandemic on our customers and contracts and forecasting future volumes. For a small number of our contracts, we are required to forecast volumes as a result of pricing variability within the contract in order to calculate the rate for revenue recognition. Any changes in these judgments and estimates could have an impact on the revenue recognized in future periods.

We evaluate whether it is appropriate to record the gross amount of our revenues and related costs by considering whether the entity is a principal (gross presentation) or an agent (net presentation) by evaluating the nature of our promise to the customer. We report revenue net of any revenue-based taxes assessed by governmental authorities that are imposed on and concurrent with specific revenue producing transactions.

Incentive Consideration

Certain service contracts with significant travel agency customers contain booking productivity clauses and other provisions that allow travel agency customers to receive cash payments or other consideration. We establish liabilities for these commitments and recognize the related expense as these travel agencies earn incentive consideration based on the applicable contractual terms. Periodically, we make cash payments to these travel agencies at inception or modification of a service contract which are capitalized and amortized to cost of revenue over the expected life of the service contract, which is generally three to ten years. Deferred charges related to such contracts are recorded in other assets, net on the consolidated balance sheets. The service contracts are priced so that the additional airline and other booking fees generated over the life of the contract will exceed the cost of the incentive consideration provided. Incentive consideration paid to the travel agency represents a commission paid to the travel agency for booking travel on our GDS. Similar to the revenue cancellation reserve, we record a reduction to incentive expense within cost of revenue, excluding technology costs for amounts considered probable of recovery from travel agencies for incentives previously paid on cancelled bookings.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs incurred by our continuing operations totaled \$4 million, \$8 million and \$19 million for the years ended December 31, 2021, 2020 and 2019, respectively.

Cash and Cash Equivalents

We classify all highly liquid instruments, including money market funds and money market securities with original maturities of three months or less, as cash equivalents.

Restricted Cash

Restricted cash primarily includes \$21 million of cash collateral for standby letters of credit associated with guarantees related to our bilateral letter of credit facility issued in conjunction with the 2021 Refinancing (as defined below). See Note 9. Debt for additional information.

Allowance for Credit Losses and Concentration of Credit Risk

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 unique to each and we determine the adequacy of our allowance for credit loss by assessing the risks and losses inherent in our receivables related to each.

The majority of our receivables are trade receivables due in less than one year. In addition to our short-term trade and unbilled receivables, our receivables also include contract assets and long-term trade unbilled receivables. See Note 2. Revenue from Contracts with Customers for more information about these financial assets. Contract assets and long-term receivables are reviewed for recoverability on a periodic basis based on a review of subjective factors and trends in collection data including the aging of our trade receivable balances with these customers and expectations of future global economic growth. We believe our credit risk is mitigated with carriers who use the Airline Clearing House ("ACH") and other similar clearing houses, as ACH requires participants to deposit certain balances into their demand deposit accounts by certain deadlines, which facilitates a timely settlement process. For those carriers from which we do not collect payments through the ACH or other similar clearing houses, our credit risk is higher. We monitor our ongoing credit exposure for these carriers through active review of customer

balances against contract terms and due dates with account management. Our activities include established collection processes, account reconciliations, dispute resolution and payment confirmations. We may employ collection agencies and legal counsel to pursue recovery of defaulted receivables. We generally do not require security or collateral from our customers as a condition of sale.

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 provide for credit losses 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.

Receivables are considered to be delinquent when contractual payment terms are exceeded. All receivables aged over twelve months are fully reserved. Receivables are written off against the allowance when it is probable that all remaining contractual payments will not be collected as evidenced by factors such as the extended age of the balance, the exhaustion of collection efforts, and the lack of ongoing contact or billing with the customer.

We maintained an allowance for credit losses of approximately \$60 million, \$98 million and \$58 million at December 31, 2021, 2020 and 2019, respectively. See Note 8. Credit Losses for further considerations involved in the development of this estimate.

Derivative Financial Instruments

We recognize all derivatives on the consolidated balance sheets at fair value. If the derivative is designated as a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are offset against the change in fair value of the hedged item through earnings (a "fair value hedge") or recognized in other comprehensive income (loss) until the hedged item is recognized in earnings (a "cash flow hedge"). For derivative instruments not designated as hedging instruments, the gain or loss resulting from the change in fair value is recognized in current earnings during the period of change. No hedging ineffectiveness was recorded in earnings during the periods presented.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization, which is calculated on the straight-line basis. Our depreciation and amortization policies are as follows:

Buildings	Lesser of lease term or 35 years
Leasehold improvements	Lesser of lease term or useful life
Furniture and fixtures	5 to 15 years
Equipment, general office and computer	3 to 5 years
Software developed for internal use	3 to 5 years

We capitalize certain costs related to our infrastructure, software applications and reservation systems under authoritative guidance on software developed for internal use. Capitalizable costs consist of (a) certain external direct costs of materials and services incurred in developing or obtaining internal use computer software and (b) payroll and payroll related costs for employees who are directly associated with and who devote time to our GDS and SaaS-related development projects. Costs incurred during the preliminary project stage or costs incurred for data conversion activities and training, maintenance and general and administrative or overhead costs are expensed as incurred. Costs that cannot be separated between maintenance of, and relatively minor upgrades and enhancements to, internal use software are also expensed as incurred. See Note 6. Balance Sheet Components, for amounts capitalized as property and equipment in our consolidated balance sheets. Depreciation and amortization of property and equipment totaled \$154 million, \$248 million and \$295 million for the years ended December 31, 2021, 2020 and 2019, respectively. Amortization of software developed for internal use, included in depreciation and amortization, totaled \$132 million, \$203 million and \$241 million for the years ended December 31, 2021, 2020 and 2019, respectively. During the years ended December 31, 2021, 2020 and 2019, we capitalized \$39 million, \$41 million, and \$89 million, respectively, related to software developed for internal use.

We also evaluate the useful lives of these assets on an annual basis and test for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets used in combination to generate cash flows largely independent of other assets may not be recoverable. We did not record any property and equipment impairment charges for the years ended December 31, 2021 and 2019. During the year ended December 31, 2020, we recorded an impairment charge related to our Hospitality Solutions business of \$5 million associated with software developed for internal use based on our analysis of the recoverability of such amounts. This impairment charge is recorded within technology costs in our consolidated statement of operations. Additionally, we recorded a \$4 million impairment charge associated with leasehold improvements and furniture and fixtures of abandoned leased office space during the year ended December 31, 2020 which is recorded within selling, general, and administrative expenses in our consolidated statement of operations.

Leases

We lease certain facilities under long term operating leases. We determine if an arrangement is a lease at inception. We evaluate lessee agreements with a minimum term greater than one year for recording on the balance sheet. Operating lease assets are included in operating lease right-of-use ("ROU") assets within other assets, net and operating lease liabilities are included in other current liabilities and other noncurrent liabilities in our consolidated balance sheets. Finance lease assets are included in property and equipment with associated liabilities included in current portion of debt and long-term debt in our consolidated balance sheets.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our internal borrowing rate for leases with a lease term of less than or equal to five years. For leases with a lease term greater than five years, we use our incremental borrowing rate based on the estimated rate of interest for corporate bond borrowings over a similar term of the lease payments. Certain of our lease agreements contain renewal options, early termination options and/or payment escalations based on fixed annual increases, local consumer price index changes or market rental reviews. We recognize rent expense with fixed rate increases and/or fixed rent reductions on a straight-line basis over the term of the lease.

Business Combinations

Business combinations are accounted for under the acquisition method of accounting. Under this method, the assets acquired and liabilities assumed are recognized at their respective fair values as of the date of acquisition. The excess, if any, of the acquisition price over the fair values of the assets acquired and liabilities assumed is recorded as goodwill. For significant acquisitions, we utilize third-party appraisal firms to assist us in determining the fair values for certain assets acquired and liabilities assumed. The measurement of these fair values requires us to make significant estimates and assumptions which are inherently uncertain.

Adjustments to the fair values of assets acquired and liabilities assumed are made until we obtain all relevant information regarding the facts and circumstances that existed as of the acquisition date (the "measurement period"), not to exceed one year from the date of the acquisition. We recognize measurement-period adjustments in the period in which we determine the amounts, including the effect on earnings of any amounts we would have recorded in previous periods if the accounting had been completed at the acquisition date.

Assets Held for Sale

We periodically divest assets that we do not consider core to our business strategy. The carrying value of the net assets held for sale are compared to their fair value, less cost to sell, and any initial adjustments of the carrying value to fair value, less cost to sell are recorded when the held for sale criteria are met. Gains or losses associated with the disposal of assets held for sale are recorded within other operating costs. When the net assets constitute a business, we allocate a portion of the goodwill from the related reporting unit to the carrying value of the net assets held for sale. The amount of goodwill allocated is based on the relative fair values of the business to be disposed of and the portion of the reporting unit that will be retained.

Goodwill and Intangible Assets

Goodwill is the excess of the purchase price over the fair value of identifiable tangible and intangible assets acquired in business combinations. Goodwill is not amortized but is reviewed for impairment on an annual basis or more frequently if events and circumstances indicate the carrying amount may not be recoverable. Definite-lived intangible assets are amortized on a straight-line basis and assigned useful economic lives of two to thirty years, depending on classification. The useful economic lives are evaluated on an annual basis.

We perform our annual goodwill impairment assessment as of October 1 of each year and interim assessments as required upon the identification of a triggering event. We begin with the qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value before applying the quantitative assessment described below. If it is determined through the evaluation of events or circumstances that the carrying value may not be recoverable, we perform a comparison of the estimated fair value of the reporting unit to which the goodwill has been assigned to the sum of the carrying value of the assets and liabilities of that unit. If the sum of the carrying value of the assets and liabilities of a reporting unit exceeds the estimated fair value of that reporting unit, the carrying value of the reporting unit's goodwill is reduced to its fair value through an adjustment to the goodwill balance, resulting in an impairment charge. We have two reporting units associated with our continuing operations: Travel Solutions and Hospitality Solutions. We did not record any goodwill impairment charges for the years ended December 31, 2021, 2020 and 2019. See Note 5. Goodwill and Intangible Assets for additional information.

Definite-lived intangible assets are evaluated 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. If impairment indicators exist for definite-lived intangible assets, the undiscounted future cash flows associated with the expected service potential of the assets are compared to the carrying value of the assets. If our projection of undiscounted future cash flows is in excess of the carrying value of the intangible assets, no impairment charge is recorded. If our projection of undiscounted cash flows is less than the carrying value, the intangible assets are measured at fair value and an impairment charge is recorded based on the excess of the carrying value of the assets to its fair value. We did not record material intangible asset impairment charges for the years ended December 31, 2021, 2020 and 2019. See Note 5. Goodwill and Intangible Assets for additional information.

Equity Method Investments

We utilize the equity method to account for our interests in joint ventures that we do not control but over which we exert significant influence. We periodically evaluate equity and debt investments in entities accounted for under the equity method for impairment by reviewing updated financial information provided by the investee, including valuation information from new financing transactions by the investee and information relating to competitors of investees when available. We own voting interests in various national marketing companies ranging from 20% to 49%, a voting interest of 40% in ESS Elektroniczne Systemy Spzedazy Sp. zo.o, and a voting interest of 20% in Asiana Sabre, Inc. The carrying value of these equity method investments in joint ventures amounts to \$23 million as of December 31, 2021 and \$24 million as of December 31, 2020.

Contract Acquisition Costs and Capitalized Implementation Costs

We incur contract acquisition costs related to new contracts with our customers in the form of sales commissions based on estimated contract value for our Travel Solutions and Hospitality Solutions businesses. These costs are capitalized and reviewed for impairment on an annual basis. We generally amortize these costs, and those for renewals, over the average contract term for those businesses, excluding commissions on contracts with a term of one year or less, which are generally expensed in the period earned and recorded within selling, general and administrative expenses.

We incur upfront costs to implement new customer contracts under our SaaS revenue model. We capitalize these costs, including (a) certain external direct costs of materials and services incurred to implement a customer contract and (b) payroll and payroll related costs for employees who are directly associated with and devote time to implementation activities. Capitalized implementation costs are amortized on a straight-line basis over the related contract term, ranging from three to ten years, as they are recoverable through deferred or future revenues associated with the relevant contract. These assets are reviewed for recoverability on a periodic basis or when an event occurs that could impact the recoverability of the assets, such as a significant contract modification or early renewal of contract terms. Recoverability is measured based on the future estimated revenue and direct costs of the contract compared to the capitalized implementation costs. See Note 6. Balance Sheet Components and Note 2. Revenue from Contracts with Customers, for additional information. Amortization of capitalized implementation costs, included in depreciation and amortization, totaled \$35 million, \$37 million and \$39 million for the years ended December 31, 2021, 2020 and 2019, respectively.

Income Taxes

Deferred income tax assets and liabilities are determined based on differences between financial reporting and income tax basis of assets and liabilities and are measured using the tax rates and laws enacted at the time of such determination. We regularly review our deferred tax assets for recoverability and a valuation allowance is provided when it is more likely than not that some portion, or all, of a deferred tax asset will not be realized. In assessing the need for a valuation allowance, we make estimates and assumptions regarding projected future taxable income, the reversal of deferred tax liabilities and implementation of tax planning strategies. We reassess these assumptions regularly which could cause an increase or decrease to the valuation allowance, resulting in an increase or decrease in the effective tax rate, and could materially impact our results of operations.

We recognize liabilities when we believe that an uncertain tax position may not be fully sustained upon examination by the tax authorities. We use significant judgment in determining whether a tax position's technical merits are more likely than not to be sustained and in measuring the amount of tax benefit that qualifies for recognition. For matters that are determined will more likely than not be sustained, we measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. We recognize penalties and interest accrued related to income taxes as a component of the provision for income taxes. As the matters challenged by the taxing authorities are typically complex and open to subjective interpretation, their ultimate outcome may differ from the amounts recognized.

The Tax Cuts and Jobs Act (the "TCJA"), which was enacted on December 22, 2017, imposes a tax on global low-taxed intangible income ("GILTI") in tax years beginning after December 31, 2017. GILTI provisions are applicable to certain profits of a controlled foreign corporation that exceed the U.S. stockholder's deemed "routine" investment return under the TCJA and results in income includable in the return of U.S. shareholders. We recognize liabilities, if any, related to this provision of the TCJA in the year in which the liability arises and not as a deferred tax liability.

Pension and Other Postretirement Benefits

We recognize the funded status of our defined benefit pension plans and other postretirement benefit plans in our consolidated balance sheets. The funded status is the difference between the fair value of plan assets and the benefit obligation as of the balance sheet date. The fair value of plan assets represents the cumulative contributions made to fund the pension and other postretirement benefit plans which are invested primarily in domestic and foreign equities and fixed income securities. The benefit obligation of our pension and other postretirement benefit plans are actuarially determined using certain assumptions approved by us. The benefit obligation is adjusted annually in the fourth quarter to reflect actuarial changes and may also be adjusted upon the adoption of plan amendments. These adjustments are initially recorded in accumulated other comprehensive income (loss) and are subsequently amortized over the life expectancy of the plan participants as a component of net periodic benefit costs.

Equity-Based Compensation

We account for our stock awards and options by recognizing compensation expense, measured at the grant date based on the fair value of the award, on a straight-line basis over the award vesting period, giving consideration as to whether the amount of compensation cost recognized at any date is equal to the portion of grant date value that is vested at that date. Compensation expense on stock awards subject to performance conditions, which is based on the quantity of awards we have determined are probable of vesting, is recognized over the longer of the estimated performance goal attainment period or time vesting period. We recognize equity-based compensation expense net of any actual forfeitures.

We measure the grant date fair value of stock option awards as calculated by the Black-Scholes option-pricing model which requires certain subjective assumptions, including the expected term of the option, the expected volatility of our common stock, risk-free interest rates and expected dividend yield. The expected term is estimated by using the "simplified method" which is based on the midpoint between the vesting date and the expiration of the contractual term. We utilized the simplified method due to the lack of sufficient historical experience under our current grant terms. The expected volatility is based on the historical volatility of our stock price. The expected risk-free interest rates are based on the yields of U.S. Treasury securities with maturities appropriate for the expected term of the stock options. The expected dividend yield was based on the calculated yield on our common stock at the time of grant assuming quarterly dividends totaling \$0.14 per share for awards granted prior to the suspension of our common stock dividends on March 16, 2020. Subsequent to March 16, 2020, a zero expected dividend was used.

Foreign Currency

We remeasure foreign currency transactions into the relevant functional currency and record the foreign currency transaction gains or losses as a component of other, net in our consolidated statements of operations. We translate the financial statements of our non-U.S. dollar functional currency foreign subsidiaries into U.S. dollars in consolidation and record the translation gains or losses as a component of other comprehensive income (loss). Translation gains or losses of foreign subsidiaries related to divested businesses are reclassified into earnings as a component of other, net in our consolidated statements of operations once the liquidation of the respective foreign subsidiaries is substantially complete.

Adoption of New Accounting Standards

In December 2021, the Financial Accounting Standards Board ("FASB") issued guidance that requires an entity (acquirer) to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC 606: *Revenue from contracts with customers*. We adopted this standard in the fourth quarter of 2021, which did not have a material impact on our consolidated financial statements.

In August 2020, the FASB issued updated guidance limiting the accounting models for convertible instruments, which requires the senior exchangeable notes due 2025 (the "Exchangeable Notes") entered into April 2020 to be accounted for as a single liability measured at amortized cost. We elected to early adopt this standard on January 1, 2021 using the full retrospective method, which requires us to restate each prior reporting period presented. As a result of adoption, the component of the Exchangeable Notes originally bifurcated as equity was derecognized and accounted for as a liability. The net deferred tax liability originally recognized within equity in connection with the debt discount and issuance costs was also derecognized. The debt issuance costs that were originally allocated to equity were reclassified to debt and amortized using an effective interest rate of approximately 5%. As a result of derecognizing the net deferred tax liability of \$18 million related to the debt discount, the valuation allowance associated with the deferred tax asset increased by \$17 million for the year ended December 31, 2020. The impact of the adoption of the guidance on our consolidated statements of operations for the year end December 31, 2020 was a decrease in interest, net of \$9 million, and a decrease in benefit for income taxes of \$19 million. This increased our net loss attributable to common stockholders by \$10 million for the year ended December 31, 2020. There was a \$0.03 decrease in earnings per share for the year ended December 31, 2020 as a result of the adoption. The impacts to our consolidated balance sheets as of December 31, 2020 are shown below (in thousands):

	December 31, 2020		
	As Originally Reported	Adjustments	Recast
Deferred income taxes	\$ 72,744	\$ (548)	\$ 72,196
Long-term debt	4,639,782	78,026	4,717,808
Additional paid-in capital	3,052,953	(67,876)	2,985,077
Accumulated deficit	(2,090,022)	(9,602)	(2,099,624)
Total stockholders' equity	362,632	(77,478)	285,154
Total liabilities and stockholders' equity	6,077,722	—	6,077,722

In December 2019, the FASB issued updated guidance which simplifies the accounting for income taxes, eliminates certain exceptions within existing income tax guidance, and clarifies certain aspects of the current guidance to promote consistency among reporting entities. We adopted this standard prospectively in the first quarter of 2021, which did not have a material impact on our consolidated financial statements.

In October 2018, the FASB issued updated guidance that eliminates the requirement that entities consider indirect interests held through related parties under common control in their entirety when assessing whether a decision-making fee is a variable interest and instead requires entities to consider these indirect interests on a proportional basis. We adopted this standard in the first quarter of 2020, which did not have a material impact on our consolidated financial statements.

In August 2018, the FASB issued updated guidance on customer's accounting for implementation costs incurred in a cloud computing arrangement that is a service contract. Under this updated standard, a customer in a cloud-computing arrangement that is a service contract is required to follow guidance on software developed for internal use to determine which implementation costs to capitalize as assets or expense as incurred. This standard aligns the accounting for implementation costs for hosting arrangements, regardless of whether they convey a license to the hosted software. The standard requires that capitalized implementation costs related to a hosting arrangement that is a service contract be amortized over the term of the hosting arrangement, beginning when the component of the hosting arrangement is ready for its intended use, similar to requirements in guidance on software developed for internal use. In addition, costs incurred during the preliminary project and post-implementation phases are expensed as they are incurred. We adopted this standard prospectively in the first quarter of 2020, which did not have a material impact on our consolidated financial statements.

In June 2016, the FASB issued updated guidance for the measurement of credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. Under this updated standard, the current "incurred loss" approach is replaced with an "expected loss" model for instruments measured at amortized cost. We adopted this standard in the first quarter of 2020, resulting in a \$10 million increase in the allowance for credit losses, partially offset by a \$1 million decrease in deferred tax liabilities and a \$1 million increase in accounts receivable with a corresponding increase of approximately \$8 million in our opening retained deficit as of January 1, 2020. See Note 8. Credit Losses for more information on the impacts from adoption and ongoing considerations.

Recent Accounting Pronouncements

In March 2020, the FASB issued updated guidance which provides optional expedients and exceptions for applying U.S. GAAP to 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, 2022. As of December 31, 2021 we have not modified any of the interest rates on our outstanding debt and therefore, the options under this standard are not applicable.

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, 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 December 31, 2021 and December 31, 2020 (in thousands):

Account	Consolidated Balance Sheet Location	December 31, 2021	December 31, 2020
Contract assets and customer advances and discounts ⁽¹⁾	Prepaid expenses and other current assets / other assets, net	\$ 79,682	\$ 88,850
Trade and unbilled receivables, net	Accounts receivable, net	258,800	253,511
Long-term trade unbilled receivables, net	Other assets, net	23,709	38,156
Contract liabilities	Deferred revenues / other noncurrent liabilities	135,273	176,956

⁽¹⁾ Includes contract assets of \$11 million and \$8 million for December 31, 2021 and 2020, respectively.

During the year ended December 31, 2021, we recognized revenue of approximately \$38 million from contract liabilities that existed as of January 1, 2021. Our long-term trade unbilled receivables, net relate to license fees billed ratably 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 8. Credit Losses.

Revenue

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

	Year Ended December 31,		
	2021	2020	2019
Distribution	\$ 901,478	\$ 582,115	\$ 2,730,845
IT Solutions ⁽¹⁾	602,061	594,579	992,155
Total Travel Solutions	1,503,539	1,176,694	3,723,000
SynXis Software and Service	178,940	156,749	257,612
Other	23,688	17,879	35,268
Total Hospitality Solutions	202,628	174,628	292,880
Eliminations	(17,292)	(17,222)	(40,892)
Total Sabre Revenue	\$ 1,688,875	\$ 1,334,100	\$ 3,974,988

⁽¹⁾ Includes license fee revenue recognized upon delivery to the customer of \$22 million and \$31 million for the years ended December 31, 2021 and 2020, respectively.

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 year ended December 31, 2021, the impact on revenue recognized in the current period, from performance obligations partially or fully satisfied in the previous period, is \$13 million.

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. See Note 1. Summary of Business and Significant Accounting Policies regarding revenue recognition of our various revenue streams for more information.

We estimate future cancellations using the expected value approach at the end of each reporting period based on the number of undeparted bookings, expected cancellations and an estimated rate. Our cancellation reserve is highly sensitive to our estimate of bookings that we expect will eventually travel, as well as to the mix of those bookings between domestic and international, given the varying rates paid by airline suppliers. Our air booking cancellation reserve totaled \$18 million as of December 31, 2021 and 2020. Given the uncertainties surrounding the duration and effects of COVID-19, including any variants, on transaction volumes in the global travel industry, particularly air travel transaction volumes and future cancellation activity, we cannot provide assurance that the assumptions used in these estimates will be accurate and the impacts could be material on our cancellation reserves and results of operations.

Contract Acquisition Costs and Capitalized Implementation Costs

We incur contract costs in the form of acquisition costs and implementation costs. Contract acquisition costs are related to new contracts with our customers in the form of sales commissions based on the estimated contract value. We incur contract implementation costs to implement new customer contracts under our SaaS revenue model. We periodically assess contract costs for recoverability, and our assessment resulted in impairments of approximately \$1 million and \$10 million for the years

ended December 31, 2021 and 2020, respectively. See Note 1. Summary of Business and Significant Accounting Policies for an overview of our policy for capitalization of acquisition and implementation costs.

The following table presents the activity of our acquisition costs and capitalized implementation costs for the years ended December 31, 2021 and 2020 (in thousands):

	Year Ended December 31,	
	2021	2020
Contract acquisition costs:		
Beginning balance	\$ 21,871	\$ 23,595
Additions	7,609	5,590
Amortization	(7,171)	(7,314)
Ending balance	\$ 22,309	\$ 21,871
Capitalized implementation costs:		
Beginning balance	\$ 145,712	\$ 175,968
Additions	19,027	17,301
Amortization	(34,750)	(37,094)
Impairment ⁽¹⁾	(1,315)	(9,562)
Assets classified as held for sale, net	(19,169)	—
Other	257	(901)
Ending balance	\$ 109,762	\$ 145,712

⁽¹⁾ Includes an impairment charge related to a specific customer of \$4 million and \$6 million in other impairments for the year ended December 31, 2020.

3. Acquisitions and Dispositions

AirCentre Disposition

On October 28, 2021, we announced that we have entered into an agreement with a third party to sell our suite of flight and crew management and optimization solutions, which represents our AirCentre airline operations portfolio within Travel Solution's IT Solutions. At closing, we will sell the AirCentre product portfolio, related technology and intellectual property for \$392.5 million. The sale is subject to customary closing conditions and regulatory approvals and is expected to close in the first quarter of 2022. We cannot provide assurance that the sale will occur on these terms or at all. AirCentre met the requirements for presentation as held for sale as of December 31, 2021. There were no losses recorded on held for sale assets for the year ended December 31, 2021.

We determined that the impending exit from these businesses does not represent a strategic shift that had or will have a major effect on our consolidated results of operations, and therefore were not classified as a discontinued operation. The results of operations for these businesses are included within the Travel Solutions reportable segment for all periods presented.

The assets and liabilities held for sale, measured at the lower of carrying value or fair value, less cost to sell, were as follows as of December 31, 2021 (in thousands):

	As of December 31, 2021
Assets:	
Accounts receivable, net	\$ 21,151
Prepaid expenses and other current assets	207
Current assets held for sale	21,358
Property and equipment, net of accumulated depreciation	9,496
Goodwill	152,742
Acquired customer relationships, net of accumulated amortization	2,785
Other assets, net	38,181
Long-term assets held for sale	203,204
Total assets held for sale	\$ 224,562
Liabilities:	
Accounts payable	\$ 73
Accrued compensation and related benefits	715
Deferred revenues	19,753
Other accrued liabilities	551
Current liabilities held for sale	21,092
Other noncurrent liabilities	15,476
Long-term liabilities held for sale	15,476
Total liabilities held for sale	\$ 36,568

Terminated Farelogix Acquisition

On August 20, 2019, the U.S. Department of Justice ("DOJ") filed a complaint in federal court in the District of Delaware, seeking a permanent injunction to prevent Sabre from acquiring Farelogix, Inc. ("Farelogix"), alleging that the proposed acquisition is likely to substantially lessen competition in violation of federal antitrust law. On April 7, 2020, the trial court ruled in favor of Sabre, denying the DOJ's request for an injunction. On April 9, 2020, the U.K. Competition and Markets Authority ("CMA") blocked the acquisition following its Phase 2 investigation. Given the CMA's decision, we recorded a charge of \$46 million during the year ended December 31, 2020 included in other, net in our consolidated statements of operations which is comprised of \$25 million in advances for certain attorneys' fees and additional termination fees of \$21 million. Sabre and Farelogix agreed to terminate the acquisition agreement on May 1, 2020, and we paid Farelogix aggregate termination fees of \$21 million pursuant to the acquisition agreement.

Radixx Acquisition

In October 2019, we completed the acquisition of Radixx, a provider of retailing and customer service solutions to airlines in the low-cost carrier ("LCC") market, for \$107 million, net of cash acquired and funded by cash on hand. During the year ended December 31, 2020, we recorded immaterial measurement period adjustments to deferred income taxes and goodwill and completed the purchase price allocation for the Radixx acquisition. Radixx is managed as a part of our Travel Solutions segment.

4. Restructuring Activities

We completed a strategic realignment of our airline and agency-focused businesses in the third quarter of 2020 to address the changing travel landscape and respond to the impacts of the COVID-19 pandemic on our business and cost structure. As a result of this strategic realignment, we incurred restructuring costs beginning in the first quarter of 2020 associated with our workforce and leased office space. The strategic realignment and related actions are substantially complete. We do not expect additional restructuring charges associated with these activities to be significant.

During the year ended December 31, 2020, we incurred \$86 million in connection with these restructuring activities, of which \$19 million is recorded within cost of revenue, excluding technology costs, \$32 million is recorded within technology costs and \$35 million is recorded within selling, general and administrative costs within our consolidated statement of operations.

During the year ended December 31, 2021, we reduced restructuring charges by \$7 million, for a total of \$79 million incurred in connection with these restructuring activities, since the first quarter of 2020.

The following table summarizes the accrued liability related to severance and related benefits costs as recorded within accrued compensation and related benefits within our consolidated balance sheet (in thousands):

	Year Ended December 31, 2021
Balance as of January 1, 2021	\$ 23,253
Cash payments	(13,803)
Non-cash adjustments	(7,137)
Balance as of December 31, 2021	<u>\$ 2,313</u>

5. Goodwill and Intangible Assets

As a result of the 2020 strategic realignment discussed above, our historical Travel Network and Airline Solutions business segments have been combined into a new business segment, Travel Solutions. In connection with this reorganization, the historical Travel Network and Airline Solutions reporting units and their related goodwill were combined into a single Travel Solutions reporting unit, thereby requiring no reallocation of goodwill based on fair values. There was no change to our historical Hospitality Solutions reporting unit. We updated our goodwill assessment on a qualitative basis, reflecting both pre- and post-organization, for all reporting units as of June 30, 2020, and determined that our goodwill was not impaired for any reporting unit at this date.

Changes in the carrying amount of goodwill during the years ended December 31, 2021 and 2020 are as follows (in thousands):

	Travel Solutions	Hospitality Solutions	Total Goodwill
Balance as of December 31, 2019	\$ 2,478,440	\$ 154,811	\$ 2,633,251
Adjustments ⁽¹⁾	(2,239)	5,534	3,295
Balance as of December 31, 2020	\$ 2,476,201	\$ 160,345	\$ 2,636,546
Reclassified to assets held for sale	(152,742)	—	(152,742)
Adjustments ⁽¹⁾	(8,942)	(4,656)	(13,598)
Balance as of December 31, 2021	<u>\$ 2,314,517</u>	<u>\$ 155,689</u>	<u>\$ 2,470,206</u>

⁽¹⁾ Includes allocated goodwill on divestitures as well as net foreign currency effects during the year.

The following table presents our intangible assets as of December 31, 2021 and 2020 (in thousands):

	December 31, 2021			December 31, 2020		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Acquired customer relationships	\$ 1,028,841	\$ (771,479)	\$ 257,362	\$ 1,050,485	\$ (761,335)	\$ 289,150
Trademarks and brand names	333,537	(169,260)	164,277	333,538	(158,491)	175,047
Reacquired rights	113,500	(105,393)	8,107	113,500	(89,179)	24,321
Purchased technology	435,914	(426,306)	9,608	436,988	(418,926)	18,062
Acquired contracts, supplier and distributor agreements	37,600	(36,271)	1,329	37,599	(32,813)	4,786
Non-compete agreements	14,686	(14,686)	—	14,686	(14,686)	—
Total intangible assets	\$ 1,964,078	\$ (1,523,395)	\$ 440,683	\$ 1,986,796	\$ (1,475,430)	\$ 511,366

Amortization expense relating to intangible assets subject to amortization totaled \$64 million, \$66 million and \$65 million for the years ended December 31, 2021, 2020 and 2019, respectively. Estimated amortization expense related to intangible assets subject to amortization for each of the five succeeding years and beyond is as follows (in thousands):

2022	\$ 50,866
2023	37,160
2024	33,938
2025	31,224
2026	30,952
2027 and thereafter	256,543
Total	\$ 440,683

6. Balance Sheet Components

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following (in thousands):

	December 31,	
	2021	2020
Prepaid Expenses	\$ 71,162	\$ 77,232
Value added tax receivable	33,123	30,782
Other	17,306	24,958
Prepaid expenses and other current assets	\$ 121,591	\$ 132,972

Property and Equipment, Net

Property and equipment, net consists of the following (in thousands):

	December 31,	
	2021	2020
Buildings and leasehold improvements	\$ 38,792	\$ 37,766
Furniture, fixtures and equipment	35,675	38,290
Computer equipment	318,156	391,126
Software developed for internal use	1,769,840	1,891,718
Property and equipment	2,162,463	2,358,900
Accumulated depreciation and amortization	(1,912,651)	(1,995,409)
Property and equipment, net	<u>\$ 249,812</u>	<u>\$ 363,491</u>

Other Assets, Net

Other assets, net consist of the following (in thousands):

	December 31,	
	2021	2020
Capitalized implementation costs, net	\$ 109,762	\$ 145,712
Deferred upfront incentive consideration	84,099	127,104
Long-term contract assets and customer advances and discounts ⁽¹⁾	82,742	86,610
Right-of-Use asset ⁽²⁾	99,587	125,110
Long-term trade unbilled receivables ⁽¹⁾	23,709	38,156
Other	75,525	107,076
Other assets, net	<u>\$ 475,424</u>	<u>\$ 629,768</u>

⁽¹⁾ Refer to Note 2. Revenue from Contracts with Customers for additional information.

⁽²⁾ Refer to Note 12. Leases, for additional information.

Other Noncurrent Liabilities

Other noncurrent liabilities consist of the following (in thousands):

	December 31,	
	2021	2020
Pension and other postretirement benefits	\$ 85,666	\$ 127,841
Deferred revenue	45,734	69,934
Lease liabilities ⁽¹⁾	79,368	97,403
Other	86,269	85,443
Other noncurrent liabilities	<u>\$ 297,037</u>	<u>\$ 380,621</u>

⁽¹⁾ Refer to Note 12. Leases, for additional information.

Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consists of the following (in thousands):

	December 31,	
	2021	2020
Defined benefit pension and other postretirement benefit plans	\$ (84,773)	\$ (135,596)
Unrealized foreign currency translation gain	6,282	13,671
Share of other comprehensive loss of equity method investment	(1,796)	(1,195)
Unrealized loss on foreign currency forward contracts, interest rate swaps and available-for-sale securities	—	(12,837)
Total accumulated other comprehensive loss, net of tax	<u>\$ (80,287)</u>	<u>\$ (135,957)</u>

The amortization of actuarial losses and periodic service credits associated with our retirement-related benefit plans is included in Other, net. See Note 10. Derivatives, for information on the income statement line items affected as the result of reclassification adjustments associated with derivatives.

7. Income Taxes

The components of pretax income from continuing operations, generally based on the jurisdiction of the legal entity, were as follows:

	Year Ended December 31,		
	2021	2020	2019
Components of pre-tax (loss) income:			
Domestic	\$ (738,394)	\$ (1,023,243)	\$ 30,960
Foreign	(199,993)	(281,696)	168,678
	<u>\$ (938,387)</u>	<u>\$ (1,304,939)</u>	<u>\$ 199,638</u>

The provision for income taxes relating to continuing operations consists of the following:

	Year Ended December 31,		
	2021	2020	2019
Current portion:			
Federal	\$ (1,575)	\$ (5,067)	\$ 4,488
State and Local	(709)	(435)	3,781
Non U.S.	15,187	11,823	49,982
Total current	<u>12,903</u>	<u>6,321</u>	<u>58,251</u>
Deferred portion:			
Federal	(2,223)	(16,548)	(14,215)
State and Local	563	(3,379)	(1,692)
Non U.S.	(25,855)	(7,406)	(7,018)
Total deferred	<u>(27,515)</u>	<u>(27,333)</u>	<u>(22,925)</u>
Total provision for income taxes	<u>\$ (14,612)</u>	<u>\$ (21,012)</u>	<u>\$ 35,326</u>

The provision for income taxes relating to continuing operations differs from amounts computed at the statutory federal income tax rate as follows:

	Year Ended December 31,		
	2021	2020	2019
Income tax provision at statutory federal income tax rate	\$ (197,061)	\$ (274,037)	\$ 41,924
State income taxes, net of federal benefit	(9,414)	(15,003)	2,223
Impact of non U.S. taxing jurisdictions, net	26,029	38,994	9,458
Employee stock based compensation	9,836	13,985	8,380
Research tax credit	(16,901)	(11,328)	(28,593)
Tax receivable agreement (TRA) ⁽¹⁾	—	—	(536)
Valuation Allowance	176,921	218,687	957
Other, net	(4,022)	7,690	1,513
Total provision for income taxes	\$ (14,612)	\$ (21,012)	\$ 35,326

⁽¹⁾ Amount includes adjustments to the TRA, which are not taxable.

The Tax Receivable Agreement ("TRA") provided for payments to Pre-IPO Existing Stockholders (as defined below) for cash savings for U.S. federal income tax realized as a result of the utilization of Pre-IPO Tax Assets (as defined below). These cash savings would be realized at the enacted statutory tax rate effective in the year of utilization. In 2018, we finalized the 2017 U.S. federal income tax return and utilized additional Pre-IPO Tax Assets in the return, primarily as a result of electing to utilize our net operating loss ("NOLs") against our one-time transition tax income. As a result of the change in estimated NOL utilization at the higher corporate income tax rate in 2017 we recorded an increase to our liability of \$5 million related to the TRA, which is reflected in our 2018 income from continuing operations before taxes. During 2019, we decreased the TRA liability by \$3 million as a result of certain audit and transfer pricing adjustments recorded during the period, which is reflected in our 2019 income from continuing operations before taxes.

The components of our deferred tax assets and liabilities are as follows:

	As of December 31,	
	2021	2020
Deferred tax assets:		
Employee benefits other than pension	\$ 36,670	\$ 21,903
Lease liabilities	22,214	22,108
Deferred revenue	37,348	33,824
Pension obligations	19,129	27,865
Tax loss carryforwards	377,286	259,095
Incentive consideration	4,864	4,158
Tax credit carryforwards	57,657	47,110
Suspended loss	14,592	14,528
Software developed for internal use	16,208	—
Accrued expenses	12,946	1,209
Total deferred tax assets	598,914	431,800
Deferred tax liabilities:		
Bond discounts	(1,731)	(1,158)
Right of use assets	(22,276)	(21,376)
Depreciation and amortization	(6,419)	(8,284)
Software developed for internal use	—	(19,917)
Intangible assets	(98,072)	(110,625)
Unrealized gains and losses	(24,118)	(24,109)
Non U.S. operations	(17,543)	(15,674)
Investment in partnership	(8,528)	(7,565)
Other	(1,580)	(3,031)
Total deferred tax liabilities	(180,267)	(211,739)
Valuation allowance	(429,935)	(268,076)
Net deferred tax liability	\$ (11,288)	\$ (48,015)

As a result of the enactment of the TCJA, we recorded a one-time transition tax on the undistributed earnings of our foreign subsidiaries. We do not consider undistributed foreign earnings to be indefinitely reinvested as of December 31, 2021,

with certain limited exceptions and have, in those cases, recorded corresponding deferred taxes. We consider the undistributed capital investments in most of our foreign subsidiaries to be indefinitely reinvested as of December 31, 2021 and have not provided deferred taxes on any outside basis differences, with the exception of balances associated with the AirCentre disposition. With respect to the held for sale nature of our AirCentre portfolio of products, we have established deferred taxes, where applicable, for the outside basis of the capital investment of subsidiaries to be sold.

As of December 31, 2021, we have U.S. federal NOL carryforwards of approximately \$969 million, which primarily have an indefinite carryforward period. Additionally, we have research tax credit carryforwards of approximately \$31 million, which will expire between 2022 and 2041. As a result of the acquisition of Radixx and other prior business combinations, \$33 million of our U.S. federal NOLs are subject to the annual limit on the ability of a corporation to use certain tax attributes (as defined in Section 382 of the Code) with the majority expiring between 2023 and 2037. However, we expect that Section 382 will not limit our ability to fully realize the tax benefits. We have state NOLs of \$18 million which will expire primarily between 2022 and 2041 and state research tax credit carryforwards of \$19 million which will expire between 2023 and 2040. We have \$508 million of NOL carryforwards and \$9 million of foreign tax credits related to certain non-U.S. taxing jurisdictions that are primarily from countries with indefinite carryforward periods.

We regularly review our deferred tax assets for realizability and a valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. The ultimate realization of deferred tax assets is dependent upon future taxable income during the periods in which those temporary differences become deductible. When assessing the need for a valuation allowance, all positive and negative evidence is analyzed, including our ability to carry back NOLs to prior periods, the reversal of deferred tax liabilities, tax planning strategies and projected future taxable income. Significant losses related to COVID-19 resulted in a three-year cumulative loss in certain jurisdictions, which represents significant negative evidence regarding the ability to realize deferred tax assets. As a result, we maintain a cumulative valuation allowance on our U.S. federal and state deferred tax assets of \$322 million and \$22 million, respectively as of December 31, 2021. For non-U.S. deferred tax assets of certain subsidiaries, we maintained a cumulative valuation allowance on current year losses and other deferred tax assets of \$86 million as of December 31, 2021. We reassess these assumptions regularly, which could cause an increase or decrease to the valuation allowance resulting in an increase or decrease in the effective tax rate and could materially impact our results of operations.

It is our policy to recognize penalties and interest accrued related to income taxes as a component of the provision for income taxes from continuing operations. During the years ended December 31, 2021, 2020, and 2019, we recognized a benefit of \$3 million, an expense of \$6 million, and benefit of \$7 million, respectively, related to interest and penalties. As of December 31, 2021 and 2020, we had a liability, including interest and penalties, of \$110 million and \$96 million, respectively, for unrecognized tax benefits, including cumulative accrued interest and penalties of approximately \$25 million and \$23 million, respectively.

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding interest and penalties, is as follows:

	Year Ended December 31,		
	2021	2020	2019
Balance at beginning of year	\$ 73,054	\$ 64,645	\$ 70,327
Additions for tax positions taken in the current year	3,655	3,090	5,149
Additions for tax positions of prior years	12,625	7,504	12,679
Additions for tax positions from acquisitions	—	—	1,294
Reductions for tax positions of prior years	(29)	—	(19,611)
Reductions for tax positions of expired statute of limitations	(4,376)	(656)	(1,192)
Settlements	—	(1,529)	(4,001)
Balance at end of year	<u>\$ 84,929</u>	<u>\$ 73,054</u>	<u>\$ 64,645</u>

We present unrecognized tax benefits as a reduction to deferred tax assets for NOLs, similar tax loss or a tax credit carryforward that is available to settle additional income taxes that would result from the disallowance of a tax position, presuming disallowance at the reporting date. The amount of unrecognized tax benefits that were offset against deferred tax assets was \$44 million, \$47 million, and \$42 million as of December 31, 2021, 2020, and 2019 respectively.

As of December 31, 2021, 2020, and 2019, the amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate was \$73 million, \$55 million, and \$48 million, respectively. We believe that it is reasonably possible that \$6 million in unrecognized tax benefits may be resolved in the next twelve months, due to statute of limitations expiration.

In the normal course of business, we are subject to examination by taxing authorities throughout the world. The following table summarizes, by major tax jurisdiction, our tax years that remain subject to examination by taxing authorities:

Tax Jurisdiction	Years Subject to Examination
United Kingdom	2016 - forward
Singapore	2016 - forward
India	1996 - forward
Uruguay	2015 - forward
U.S. Federal	2014, 2015, 2018 - forward
Texas	2016 - forward

We currently have ongoing audits in India and various other jurisdictions. We do not expect that the results of these examinations will have a material effect on our financial condition or results of operations. With few exceptions, we are no longer subject to income tax examinations by tax authorities for years prior to 2010.

Tax Receivable Agreement

Immediately prior to the closing of our initial public offering in April 2014, we entered into the TRA, which provides the right to receive future payments from us to stockholders and equity award holders that were our stockholders and equity award holders, respectively, immediately prior to the closing of our initial public offering (collectively, the "Pre-IPO Existing Stockholders"). In connection with the TRA, we made payments, including interest, of \$72 million in January 2020, and \$105 million in 2019. In December 2019, we exercised our right under the terms of the TRA to accelerate our remaining payments under the TRA and make an early termination payment of \$1 million, to the Pre-IPO Existing Shareholders, which was included in the January 2020 payment of \$72 million described above. As a result, no future payments are required to be made to the Pre-IPO Existing Stockholders under the TRA.

8. Credit Losses

In the first quarter of 2020, we adopted the updated guidance within ASC 326, Credit Impairment for the measurement of credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. Under this updated standard, the previous "incurred loss" approach is replaced with an "expected loss" model for instruments measured at amortized cost. The adoption of this standard in the first quarter of 2020 resulted in a \$10 million increase in the allowance for credit losses, partially offset by a \$1 million decrease in deferred tax liabilities and a \$1 million increase in accounts receivable with a corresponding increase of approximately \$8 million in our opening retained deficit as of January 1, 2020.

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 year ended December 31, 2021 for our portfolio segment is summarized as follows (in thousands):

	Year Ended December 31, 2021
Balance at December 31, 2020	\$ 97,569
Provision for expected credit losses	(7,788)
Write-offs	(27,843)
Other	(2,292)
Balance at December 31, 2021	<u>\$ 59,646</u>

Our provision for expected credit losses was a reduction of \$8 million for the year ended December 31, 2021. Our provision for expected credit losses totaled \$66 million for the year ended December 31, 2020. For the year ended December 31, 2020, we fully reserved certain aged balances related to particular customers due to heightened uncertainty regarding collectability, including uncertainty related to bankruptcy filings by several of our customers during the year ended December 31, 2020. Additionally, the impact of the COVID-19 pandemic on the global economy and other general increases in aging balances has affected our current estimate of expected credit losses since implementation of the new credit impairment standard. Macro-economic factors, including the economic downturn, lack of liquidity in the capital markets resulting from the COVID-19 pandemic and lack of additional government funding, can have a significant effect on additions to the allowance as the pandemic may continue to result in the restructuring or bankruptcy of additional customers. Given the uncertainties surrounding the duration and effects of COVID-19, including any variants, we cannot provide assurance that the assumptions used in our estimates will be accurate and actual write-offs may vary from our estimates.

We regularly monitor the financial condition of the air transportation industry. We believe the credit risk related to the air carriers' difficulties is significantly mitigated by the fact that we collect a significant portion of the receivables from these carriers through the ACH. As of December 31, 2021, approximately 53% of our air customers make payments through the ACH which accounts for approximately 82% of our air revenue. For these carriers, we believe the use of ACH mitigates our credit risk with respect to airline bankruptcies. For those carriers from which we do not collect payments through the ACH or other similar

clearing houses, our credit risk is higher. We monitor these carriers and account for the related credit risk through our normal reserve policies.

9. Debt

As of December 31, 2021 and 2020, our outstanding debt included in our consolidated balance sheets totaled \$4,753 million and \$4,744 million, respectively, which are net of debt issuance costs of \$45 million and \$54 million, respectively, and unamortized discounts of \$9 million and \$10 million, respectively. The following table sets forth the face values of our outstanding debt as of December 31, 2021 and 2020 (in thousands):

	Rate	Maturity	December 31,	
			2021	2020
Senior secured credit facilities:				
Term Loan B	L+2.00%	February 2024	\$ 1,805,806	\$ 1,824,616
Other Term Loan B ⁽¹⁾	L+4.00%	December 2027	—	637,000
Term Loan B-1 ⁽¹⁾	L+3.50%	December 2027	401,980	—
Term Loan B-2 ⁽¹⁾	L+3.50%	December 2027	640,780	—
Revolver, \$400 million ⁽¹⁾	L+2.75%	November 2023	—	375,000
9.250% senior secured notes due 2025	9.25%	April 2025	775,000	775,000
7.375% senior secured notes due 2025	7.375%	September 2025	850,000	850,000
4.00% senior exchangeable notes due 2025	4.00%	April 2025	333,220	345,000
Finance lease obligations			—	889
Face value of total debt outstanding			4,806,786	4,807,505
Less current portion of debt outstanding			(29,290)	(26,068)
Face value of long-term debt outstanding			\$ 4,777,496	\$ 4,781,437

⁽¹⁾ The balances under the Other Term Loan B facility and the Revolver were refinanced pursuant to the 2021 Refinancing (as defined below), with the proceeds of the Term Loan B-1 and Term Loan B-2.

On July 12, 2021, pursuant to the 2021 Refinancing (as defined below), we drew \$25 million under the Revolver, entered into agreements to refinance the \$400 million outstanding balance and terminated the revolving commitments thereunder. See the discussion of the 2021 Refinancing below. We had outstanding letters of credit totaling \$10 million as of December 31, 2021, which were secured by a \$20 million cash collateral deposit account. We had \$375 million outstanding under the Revolver on December 31, 2020, and had outstanding letters of credit totaling \$10 million as of December 31, 2020, which reduced our overall credit capacity under the Revolver.

Senior Secured Credit Facilities

Refinancing Transactions

On August 23, 2017, Sabre GBLB entered into a Fourth Incremental Term Facility Amendment to our Amended and Restated Credit Agreement, Term Loan A Refinancing Amendment to our Amended and Restated Credit Agreement, and Second Revolving Facility Refinancing Amendment to our Amended and Restated Credit Agreement (the "2017 Refinancing"). The 2017 Refinancing included a \$400 million revolving credit facility ("Revolver") as well as the application of the proceeds of the approximately \$1,891 million incremental Term Loan B facility ("Term Loan B") and \$570 million Term Loan A facility ("Term Loan A").

On August 27, 2020, Sabre GBLB entered into a Third Revolving Facility Refinancing Amendment to the Amended and Restated Credit Agreement (the "Third Revolving Refinancing Amendment") and the First Term A Loan Extension Amendment to the Amended and Restated Credit Agreement (the "Term A Loan Extension Amendment" and, together with the Third Revolving Refinancing Amendment, the "2020 Refinancing"), which extended the maturity of the Revolver from July 1, 2022 to November 23, 2023 at the earliest and February 22, 2024 at the latest, depending on certain "springing" maturity conditions as described in the Third Revolving Refinancing Amendment. In addition to extending the maturity date of the Revolver, the 2020 Refinancing also provided that, during any covenant suspension resulting from a "Material Travel Event Disruption" (as defined in the Amended and Restated Credit Agreement), including during the current covenant suspension period, we were required to maintain liquidity of at least \$300 million on a monthly basis, which was lowered in December 2020 from \$450 million. In addition, during this covenant suspension, the 2020 Refinancing limited certain payments to equity holders, certain investments, certain prepayments of unsecured debt and the ability of certain subsidiaries to incur additional debt. The applicable margins for the Revolver were between 2.50% and 1.75% per annum for Eurocurrency rate loans and between 1.50% and 0.75% per annum for base rate loans, with the applicable margin for any quarter reduced by 25 basis points (up to 75 basis points total) if the Senior Secured First-Lien Net Leverage Ratio (as defined in the Amended and Restated Credit Agreement) was less than 3.75 to 1.0,

3.00 to 1.0, or 2.25 to 1.0, respectively. These interest rate spreads for the Revolver were increased by 0.25%, during covenant suspension, in connection with the 2020 Refinancing.

On December 17, 2020, Sabre GBLB entered into a Sixth Term A Loan Refinancing and Incremental Amendment to our Amended and Restated Credit Agreement, resulting in additional Term Loan B borrowings of \$637 million ("Other Term B Loans") due December 17, 2027. The applicable interest rate margins for the Other Term B Loans are 4.00% per annum for Eurocurrency rate loans and 3.00% per annum for base rate loans, with a floor of 0.75% for the Eurocurrency rate, and 1.75% for the base rate, respectively. The net proceeds of \$623 million from the issuance, net of underwriting fees and commissions, were used to fully redeem both the \$500 million outstanding 5.25% senior secured notes due November 2023 and the \$134 million outstanding Term Loan A. We incurred no material additional indebtedness as a result of these transactions, other than amounts for certain interest, fees and expenses. We recognized a loss on extinguishment of debt of \$11 million during the year ended December 31, 2020 in connection with these transactions, which consisted of a redemption premium of \$6 million and the write-off of unamortized debt issuance costs of \$5 million.

On July 12, 2021, we entered into agreements to refinance the Other Term Loan B facility and the Revolver, and terminated the revolving commitments thereunder (the "2021 Refinancing"). We incurred no additional indebtedness as a result of the 2021 Refinancing, other than amounts covering certain interest, fees and expenses. Among other things, the 2021 Refinancing amended the financial performance covenant to remove the minimum liquidity requirement of \$300 million, the Total Net Leverage Ratio maintenance requirement, and certain other limitations. The 2021 Refinancing included the application of the proceeds of (i) a new \$404 million term loan "B-1" facility (the "New Term B-1 Facility") and (ii) a new \$644 million term loan "B-2" facility (the "New Term B-2 Facility" and together with the New Term B-1 Facility, the "New Facilities"), borrowed by Sabre GBLB under our Amended and Restated Credit Agreement, to pay down in full approximately \$634 million of Other Term B Loans and the outstanding \$400 million Revolver balance, and to terminate the revolving commitments thereunder. The remaining proceeds, net of a \$3 million discount, were used to pay a \$6 million redemption premium and \$6 million in other fees associated with the refinancing. We recognized a loss on extinguishment of debt in connection with these transactions during the year ended December 31, 2021 of \$13 million and debt modification costs for financing fees of \$2 million recorded to Other, net. The New Facilities mature on December 17, 2027, and we have the ability to prepay the New Facilities after December 17, 2021 without a premium. In addition, on July 2, 2021, in anticipation of the Revolver repayment and termination of the revolving commitments (and related letter of credit subfacility), Sabre GBLB entered into a new \$20 million bilateral letter of credit facility, which is secured by a cash collateral deposit account and included as Restricted cash on our consolidated balance sheets as of December 31, 2021.

Principal Payments

Term Loan B matures on February 22, 2024 and requires principal payments in equal quarterly installments of 0.25% through to the maturity date on which the remaining balance is due. Term Loan B-1 and Term Loan B-2 mature on December 17, 2027 and require principal payments in equal quarterly installments of 0.25% through to the maturity date on which the remaining balance is due. For the year ended December 31, 2021, we made \$24 million of scheduled principal payments.

We are also required to pay down the 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, 2020, we were not required to make an excess cash flow payment in 2021, and no excess cash flow payment is expected to be required in 2022 with respect to our results for the year ended December 31, 2021. We are further required to pay down the term loan with proceeds from certain asset sales or borrowings as defined in the Amended and Restated Credit Agreement.

Financial Covenants

Under the Amended and Restated Credit Agreement, the loan parties are subject to certain customary non-financial covenants, including certain 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 December 31, 2021, we are in compliance with all covenants under the terms of the Amended and Restated Credit Agreement.

Interest

Borrowings under the Amended and Restated Credit Agreement bear interest at a rate equal to either, at our option: (i) the Eurocurrency rate plus an applicable margin for Eurocurrency borrowings as set forth below, or (ii) a base rate determined by the highest of (1) the prime rate of Bank of America, (2) the federal funds effective rate plus 1/2% or (3) LIBOR plus 1.00%, plus an applicable margin for base rate borrowings as set forth below. The Eurocurrency rate is based on LIBOR for all U.S. dollar borrowings and has a floor. We have elected the one-month LIBOR as the floating interest rate on all of our outstanding term loans. Interest payments are due on the last day of each month as a result of electing one-month LIBOR. Interest on a portion of the outstanding loan was hedged with interest rate swaps (see Note 10. Derivatives).

	Eurocurrency borrowings	Base rate borrowings
	Applicable Margin ⁽¹⁾	Applicable Margin
Term Loan B	2.00%	1.00%
Term Loan B-1	3.50%	2.50%
Term Loan B-2	3.50%	2.50%

⁽¹⁾ Term Loan B is subject to a 0.00% floor, while Term Loan B-1 and Term Loan B-2 are subject to a 0.50% floor.

Applicable margins for the Term Loan B are 2.00% per annum for Eurocurrency rate loans and 1.00% per annum for base rate loans over the life of the loan, with a floor of 0.00%. Applicable margins for the Term Loan B-1 and Term Loan B-2 are 3.50% per annum for Eurocurrency rate loans and 2.50% per annum for base rate loans over the life of the loan, with a floor of 0.50% for the Eurocurrency rate, and 1.50% for the base rate, respectively.

The Eurocurrency rate is based on LIBOR. In July 2017, the Financial Conduct Authority announced its intention to phase out LIBOR by the end of 2021, and subsequently extended the phase-out date to June 30, 2023. In July 2021, we entered into the 2021 Refinancing which, among other things, allows for the LIBOR rate to be phased out and replaced with the Secured Overnight Financing Rate plus a credit spread adjustment factor for Term Loan B-1 and Term Loan B-2. Term Loan B allows for a transition to the Prime rate plus a margin from the LIBOR rate.

Our effective interest rates on borrowings under the Amended and Restated Credit Agreement for the years ended December 31, 2021, 2020 and 2019, inclusive of amounts charged to interest expense, are as follows:

	Year Ended December 31,		
	2021	2020	2019
Including the impact of interest rate swaps	3.91 %	4.03 %	4.64 %
Excluding the impact of interest rate swaps	3.33 %	3.26 %	4.63 %

Effective December 31, 2021 all outstanding interest rate swaps have matured.

Senior Secured Notes due 2025

On April 17, 2020, Sabre GLBL entered into a new debt agreement consisting of \$775 million aggregate principal amount of 9.250% senior secured notes due 2025 (the "April 2025 Notes"). The April 2025 Notes are jointly and severally, irrevocably and unconditionally guaranteed by Sabre Holdings and all of Sabre GLBL's restricted subsidiaries that guarantee Sabre GLBL's credit facility. The April 2025 Notes bear interest at a rate of 9.250% per annum and interest payments are due semi-annually in arrears on April 15 and October 15 of each year, beginning on October 15, 2020. The April 2025 Notes mature on April 15, 2025. The net proceeds received from the sale of the April 2025 Notes of \$763 million, net of underwriting fees and commissions, are being used for general corporate purposes.

On August 27, 2020, Sabre GLBL entered into a new debt agreement consisting of \$850 million aggregate principal amount of 7.375% senior secured notes due 2025 (the "September 2025 Notes"). The September 2025 Notes are jointly and severally, irrevocably and unconditionally guaranteed by Sabre Holdings and all of Sabre GLBL's restricted subsidiaries that guarantee Sabre GLBL's credit facility. The September 2025 Notes bear interest at a rate of 7.375% per annum and interest payments are due semi-annually in arrears on March 1 and September 1 of each year, beginning on March 1, 2021. The September 2025 Notes mature on September 1, 2025. The net proceeds of \$839 million received from the sale of the September 2025 Notes, net of underwriting fees and commissions, plus cash on hand, was used to: (1) repay approximately \$319 million principal amount of debt under the Term Loan A; (2) redeem all of our \$530 million outstanding 5.375% senior secured notes due April 2023; and (3) repay approximately \$3 million principal amount of debt under the Term Loan B. We recognized a loss on extinguishment of debt of \$10 million during the year ended December 31, 2020 in connection with these transactions which consisted of a redemption premium of \$7 million and the write-off of unamortized debt issuance costs of \$3 million.

Exchangeable Notes

On April 17, 2020, Sabre GLBL entered into a new debt agreement consisting of \$345 million aggregate principal amount of 4.000% senior exchangeable notes due 2025 (the "Exchangeable Notes"). The Exchangeable Notes are senior, unsecured obligations of Sabre GLBL, 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 indenture governing the Exchangeable Notes.

Under the terms of 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 Exchangeable Notes, as determined following a request by their holder in accordance with the procedures in the 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 indenture governing the notes);
- 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 indenture governing the Exchangeable Notes), the holders of the Exchangeable Notes may require us to repurchase all or part of the principal amount of the Exchangeable Notes at a repurchase price equal to 100% of the principal amount of the Exchangeable Notes, plus any accrued and unpaid interest to, but excluding, the repurchase date. Due to the price of our common stock during the 30 days preceding December 31, 2021, the first condition above has not been met as of December 31, 2021 and the Exchangeable Notes are not exchangeable by the holders during the first quarter of 2022. As of December 31, 2021, the if-converted value of the Exchangeable Notes exceeds the outstanding principal amount by \$30 million.

The Exchangeable Notes are convertible at their holder's election into shares of our common stock based on an initial conversion rate of 126.9499 shares of common stock per \$1,000 principal amount of the Exchangeable Notes, which is equivalent to an initial conversion price of approximately \$7.88 per share. The exchange rate is subject to anti-dilution and other adjustments. Upon conversion, Sabre GBL 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 Exchangeable Notes Indenture) occurs with respect to any Exchangeable Note and the exchange date for the exchange of such Exchangeable Note occurs during the related "Make-Whole Fundamental Change Exchange Period" (as defined in the Exchangeable Notes Indenture), then, subject to the provisions set forth in the 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 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 Exchangeable Notes of \$336 million, net of underwriting fees and commissions, are being used for general corporate purposes.

During the year ended December 31, 2021, a certain holder elected to exchange \$10 million of the Exchangeable Notes for 1,269,497 shares of common stock, which we elected to settle in shares of our common stock. Additionally, certain holders elected to exchange \$2 million of the Exchangeable Notes for \$3 million in cash, which we elected to settle in cash. As of December 31, 2021, we have \$333 million aggregate principal amount of Exchangeable Notes outstanding.

As the result of the adoption of a new accounting standard on January 1, 2021, using the full retrospective method, the Exchangeable Notes are presented as a single liability measured at amortized cost. As presented in Note 1. Summary of Business and Significant Accounting Policies, the component of the Exchangeable Notes originally bifurcated as equity was derecognized and accounted for as a liability. The net deferred tax liability originally established in connection with the debt discount and issuance costs within equity was also removed and the debt issuance costs which were allocated to equity were reclassified to debt and amortized using an effective interest rate of approximately 5%.

The following table sets forth the carrying value of the Exchangeable Notes as of December 31, 2021 (in thousands):

	Year Ended December 31, 2021	Year Ended December 31, 2020
Principal	\$ 333,220	\$ 345,000
Less: Unamortized debt discount	7,917	10,443
Net carrying value ⁽¹⁾	\$ 325,303	\$ 334,557

The following table sets forth interest expense recognized related to the Exchangeable Notes for year ended December 31, 2021 (in thousands):

	Year Ended December 31, 2021	Year Ended December 31, 2020
Contractual interest expense	\$ 13,576	\$ 9,698
Amortization of issuance costs	2,209	1,527

Aggregate Maturities

As of December 31, 2021, aggregate maturities of our long-term debt were as follows (in thousands):

	Amount
Years Ending December 31,	
2022	\$ 29,290
2023	29,290
2024	1,778,665
2025	1,968,700
2026	10,480
Thereafter	990,361
Total	\$ 4,806,786

10. Derivatives

Hedging Objectives—We are exposed to certain risks relating to ongoing business operations. The primary risks managed by using derivative instruments are foreign currency exchange rate risk and interest rate risk. Forward contracts on various foreign currencies are entered into to manage the foreign currency exchange rate risk on operational expenditures' exposure denominated in foreign currencies. 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 foreign currency forward contracts as cash flow hedges on operational exposure and interest rate swaps as cash flow hedges of floating-rate borrowings.

Cash Flow Hedging Strategy—To protect against the reduction in value of forecasted foreign currency cash flows, we hedge portions of our revenues and expenses denominated in foreign currencies with forward contracts. For example, when the dollar strengthens significantly against the foreign currencies, the decline in present value of future foreign currency expense is offset by losses in the fair value of the forward contracts designated as hedges. Conversely, when the dollar weakens, the increase in the present value of future foreign currency expense is offset by gains in the fair value of the forward contracts. Due to the uncertainty driven by the COVID-19 pandemic on our foreign currency exposures, we have paused entering into new cash flow hedges of forecasted foreign currency cash flows until we have more clarity regarding the recovery trajectory and its impacts on net exposures.

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, and the hedge components excluded from the assessment of effectiveness, 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. Derivatives not designated as hedging instruments are carried at fair value with changes in fair value reflected in Other, net in the consolidated statement of operations.

Forward Contracts—In order to hedge our operational expenditures' exposure to foreign currency movements, we were a party to certain foreign currency forward contracts that extended until December 31, 2020. We designated these instruments as cash flow hedges. No hedging ineffectiveness was recorded in earnings relating to the forward contracts during the years ended December 31, 2021 and 2020. As of December 31, 2021, we had no unsettled forward contracts.

Interest Rate Swap Contracts—We had no interest rate swaps outstanding as of December 31, 2021. Interest swaps matured during the years ended December 31, 2021, 2020 and 2019 as follows:

Notional Amount	Interest Rate Received	Interest Rate Paid	Effective Date	Maturity Date
Designated as Hedging Instrument				
\$1,350 million	1 month LIBOR ⁽¹⁾	2.27%	December 31, 2018	December 31, 2019
\$1,200 million	1 month LIBOR ⁽¹⁾	2.19%	December 31, 2019	December 31, 2020
\$600 million	1 month LIBOR ⁽¹⁾	2.81%	December 31, 2020	December 31, 2021

⁽¹⁾ Subject to a 1% floor.

In September 2017, we entered into forward starting interest rate swaps to hedge the interest payments associated with \$750 million of the floating-rate Term Loan B. The total notional outstanding of \$750 million became effective December 31, 2019 and extended through the full year 2020. In April 2018, we entered into forward starting interest rate swaps to hedge the interest payments associated with \$600 million, \$300 million and \$450 million of the floating-rate Term Loan B related to years 2019, 2020 and 2021, respectively. In December 2018, we entered into forward starting interest rate swaps to hedge the interest payments associated with \$150 million of the floating-rate Term Loan B for the years 2020 and 2021. We have designated these swaps as cash flow hedges.

The estimated fair values of our derivatives designated as hedging instruments as of December 31, 2021 and 2020 are as follows (in thousands):

Derivatives Designated as Hedging Instruments	Consolidated Balance Sheet Location	Derivative Liabilities	
		Fair Value as of December 31,	
		2021	2020
Interest rate swaps	Other accrued liabilities	\$ —	\$ (16,038)
Total		\$ —	\$ (16,038)

The effects of derivative instruments, net of taxes, on OCI for the years ended December 31, 2021, 2020 and 2019 are as follows (in thousands):

Derivatives in Cash Flow Hedging Relationships	Amount of Loss Recognized in OCI on Derivative, Effective Portion		
	Year Ended December 31,		
	2021	2020	2019
Foreign exchange contracts	\$ —	\$ (4,652)	\$ (360)
Interest rate swaps	(134)	(15,869)	(14,857)
Total	\$ (134)	\$ (20,521)	\$ (15,217)

Derivatives in Cash Flow Hedging Relationships	Income Statement Location	Amount of Loss Reclassified from Accumulated OCI into Income, Effective Portion		
		Year Ended December 31,		
		2021	2020	2019
Foreign exchange contracts	Cost of revenue, excluding technology costs	\$ —	\$ 2,992	\$ 5,351
Interest rate swaps	Interest expense, net	12,805	14,898	156
Total		\$ 12,805	\$ 17,890	\$ 5,507

11. 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 are 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.

Pension Plan Assets—See Note 16. Pension and Other Postretirement Benefit Plans, for fair value information on our pension plan assets.

The following tables present our liabilities that are required to be measured at fair value on a recurring basis as of December 31, 2020 (in thousands):

	December 31, 2020	Fair Value at Reporting Date Using		
		Level 1	Level 2	Level 3
Derivatives ⁽¹⁾ :				
Interest rate swap contracts	\$ (16,038)	\$ —	\$ (16,038)	\$ —
Total	\$ (16,038)	\$ —	\$ (16,038)	\$ —

⁽¹⁾ See Note 10. Derivatives for further details.

There were no transfers between Levels 1 and 2 within the fair value hierarchy for the years ended December 31, 2021 and 2020.

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 Exchangeable Notes, senior secured notes due 2025 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 following table presents the fair value and carrying value of our senior notes and borrowings under our senior secured credit facilities as of December 31, 2021 and 2020 (in thousands):

Financial Instrument	Fair Value at December 31,		Carrying Value ⁽¹⁾ at December 31,	
	2021	2020	2021	2020
Term Loan B	\$ 1,767,432	\$ 1,785,843	\$ 1,803,318	\$ 1,821,016
Term Loan B-1	397,458	—	401,036	—
Term Loan B-2	633,171	—	635,416	—
Other Term Loan B ⁽¹⁾	—	639,389	—	630,663
Revolver, \$400 million	—	375,000	—	375,000
9.25% senior secured notes due 2025	877,916	925,610	775,000	775,000
7.375% senior secured notes due 2025	886,423	925,030	850,000	850,000
4.00% senior exchangeable notes due 2025	454,459	610,907	333,220	345,000

⁽¹⁾ Excludes net unamortized debt issuance costs.

Assets that are Measured at Fair Value on a Nonrecurring Basis

As described in Note 1. Summary of Business and Significant Accounting Policies, 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 that would require us to perform a goodwill impairment test and we did not record any goodwill impairment charges for the year ended December 31, 2021. As we cannot predict the duration or scope of the COVID-19 pandemic, future impairments may occur and the negative financial impact to our consolidated financial statements and results of operations of potential future impairments cannot be reasonably estimated but could be material. See Note 5. Goodwill and Intangible Assets for additional information.

12. Leases

The following table presents the components of lease expense for the years ended December 31, 2021 and 2020 (in thousands):

	Year Ended December 31,	
	2021	2020
Operating lease cost	\$ 28,932	\$ 25,442
Finance lease cost:		
Amortization of right-of-use assets	\$ 1,076	\$ 6,743
Interest on lease liabilities	34	124
Total finance lease cost	\$ 1,110	\$ 6,867

The following table presents supplemental cash flow information related to leases (in thousands):

	Year Ended December 31,	
	2021	2020
Supplemental Cash Flow Information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used in operating leases	\$ 26,517	\$ 23,694
Operating cash flows used in finance leases	34	124
Financing cash flows used in finance leases	75	4,600
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 296	\$ 89,328

The following table presents supplemental balance sheet information related to leases (in thousands):

	December 31,	
	2021	2020
Operating Leases		
Operating lease right-of-use assets	\$ 99,587	\$ 125,110
Other accrued liabilities	21,106	37,892
Other noncurrent liabilities	79,368	97,403
Total operating lease liabilities	\$ 100,474	\$ 135,295
Finance Leases		
Property and equipment	33,819	34,931
Accumulated depreciation	(33,819)	(32,747)
Property and equipment, net	\$ —	\$ 2,184
Other accrued liabilities	—	889
Total finance lease liabilities	\$ —	\$ 889

The following table presents other supplemental information related to leases:

	December 31,	
	2021	2020
Weighted Average Remaining Lease Term (in years)		
Operating leases	7.9	7.9
Finance leases	—	1
Weighted Average Discount Rate		
Operating leases	5.5 %	5.3 %
Finance leases	— %	4.0 %

Sale and Leaseback Transaction

During the fourth quarter of 2020, we completed the sale of our two headquarters buildings for aggregate receipts, net of closing costs, of \$69 million. Our carrying value for the buildings approximated the proceeds from the sale. Contemporaneously with the closing of the sale, we entered into two leases pursuant to which we leased back the properties for initial terms of 12 years and 18 months, respectively, with renewal options up to 10 years in certain circumstances. Both leases entered into as a result of the sale and leaseback transaction are classified as operating leases. In connection with these leases, lease liabilities representing the fair value of future lease payments of \$46 million were recorded within the consolidated balance sheet as of December 31, 2020 and a non-cash net gain on sale of \$10 million was recorded to Other, net, resulting in right-of-use assets of \$56 million recorded within the consolidated balance sheet as of December 31, 2020. The net proceeds from the sale will be used for general operating purposes.

Lease Commitments

We lease certain facilities under long term operating leases. Collectively, we lease approximately 1.3 million square feet of office space in 65 locations in 38 countries. Certain of our lease agreements contain renewal options, early termination options and/or payment escalations based on fixed annual increases, local consumer price index changes or market rental reviews. We recognize rent expense with fixed rate increases and/or fixed rent reductions on a straight line basis over the term of the lease.

Our leases have remaining minimum terms that range between one and twelve years. Some of our leases include options to extend for up to ten additional years; others include options to terminate the agreement within two years. Future minimum lease payments under non-cancellable leases as of December 31, 2021 are as follows (in thousands):

Year Ending December 31,	Operating Leases
2022	\$ 21,684
2023	17,126
2024	15,682
2025	11,125
2026	11,726
Thereafter	48,993
Total	126,336
Imputed Interest	(25,862)
Total	\$ 100,474

13. 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.

The Preferred Stock accumulates 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 will continue to accumulate. Dividends are payable when, as and if declared by our Board of Directors, out of funds legally available for their payment to the extent paid in cash, quarterly in arrears on March 1, June 1, September 1 and December 1 of each year, beginning on December 1, 2020 and ending on, and including, September 1, 2023.

Declared dividends on the Preferred Stock will be payable, at our election, in cash, shares of our common stock or a combination of cash and shares of our common stock.

Subject to limited exceptions, no dividends may be declared or paid on shares of our common stock, unless all accumulated dividends have been paid or set aside for payment on all outstanding shares of our Preferred Stock for all past completed dividend periods. In the event of our voluntary or involuntary liquidation, dissolution or winding-up, no distribution of our assets may be made to holders of our common stock until we have paid to holders of our Preferred Stock a liquidation preference equal to \$100 per share plus accumulated and unpaid dividends.

We recorded \$22 million of accrued preferred stock dividends in our consolidated results of operations for the year ended December 31, 2021. During the year ended December 31, 2021, we paid cash dividends on our preferred stock of \$22 million. On February 2, 2022, the Board of Directors declared a dividend of \$1.625 per share on Preferred Stock payable on March 1, 2022 to holders of record of the Preferred Stock on February 15, 2022.

Unless earlier converted, each outstanding share of Preferred Stock will automatically convert, on the mandatory conversion date, which is expected to be September 1, 2023 into shares of our common stock at a rate between 11.9048 and 14.2857, subject to customary anti-dilution adjustments. The number of shares of our common stock issuable upon conversion will be determined based on the average volume-weighted average price per share of our common stock over the 20 consecutive trading day period beginning on, and including, the 21st scheduled trading day immediately before September 1, 2023. The number of shares issued at conversion based on the unadjusted conversion rates will be between 39 million and 47 million shares.

Holders of the Preferred Stock have the right to convert all or any portion of their shares at any time until the close of business on the mandatory conversion date. Early conversions that are not in connection with a "Make-Whole Fundamental Change" (as defined in the Certificate of Designations governing the Preferred Stock) will be settled at the minimum conversion rate of 11.9048. If a Make-Whole Fundamental Change occurs, holders of the Preferred Stock will, in certain circumstances, be entitled to convert their shares at an increased conversion rate for a specified period of time and receive an amount to compensate them for certain unpaid accumulated dividends and any remaining future scheduled dividend payments. In the fourth quarter of 2021, a certain holder elected to convert 50,000 shares of preferred stock to 595,240 shares of common stock.

The Preferred Stock is not redeemable at our election before the mandatory conversion date. The holders of the Preferred Stock do not have any voting rights, with limited exceptions. In the event that Preferred Stock dividends have not been declared and paid in an aggregate amount corresponding to six or more dividend periods, whether or not consecutive, the holders of the Preferred Stock will have the right to elect two new directors until all accumulated and unpaid Preferred Stock dividends have been paid in full, at which time that right will terminate.

Common Stock

On August 24, 2020, we completed an offering of 41,071,429 shares of our common stock which generated net proceeds of approximately \$275 million for use as general corporate purposes.

During the year ended December 31, 2021, we did not pay cash dividends on our common stock. We paid a cash dividend on our common stock of \$0.14 per share, totaling \$39 million, on March 30, 2020, and we paid a quarterly cash dividend on our common stock of \$0.14 per share, totaling \$154 million, during the year ended December 31, 2019. Given the impacts of COVID-19, we suspended the payment of quarterly cash dividends on our common stock, effective with respect to the dividends occurring after the March 30, 2020 payment.

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. For the years ended December 31, 2021 and 2020 we did not repurchase any shares pursuant to the Share Repurchase Program. For the year ended December 31, 2019 we repurchased 3,673,768 shares totaling \$78 million 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. Approximately \$287 million remains authorized for repurchases under the Share Repurchase Program as of December 31, 2021.

Exchangeable Notes

On April 17, 2020, we issued \$345 million aggregate principal amount of Exchangeable Notes. Under the terms of indenture, the Exchangeable Notes are exchangeable into our common stock under specified circumstances. During the year ended December 31, 2021, a certain holder elected to exchange \$10 million of the Exchangeable Notes for 1,269,497 shares of common stock. We elected to settle this conversion in shares of our common stock. As of December 31, 2021, we have \$333 million aggregate principal amount of Exchangeable Notes outstanding. See Note 9. Debt for further details. We expect to settle the principal amount of the outstanding Exchangeable Notes in shares of our common stock.

14. Equity-Based Awards

As of December 31, 2021, our outstanding equity-based compensation plans and agreements include the Sovereign Holdings, Inc. Management Equity Incentive Plan ("Sovereign MEIP"), the Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan ("Sovereign 2012 MEIP"), the Sabre Corporation 2014 Omnibus Incentive Compensation Plan (the "2014 Omnibus Plan"), the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (the "2016 Omnibus Plan"), the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (the "2019 Omnibus Plan"), the 2019 Director Equity Compensation Plan ("2019 Director Plan"), and the Sabre Corporation 2021 Omnibus Incentive Compensation Plan (the "2021 Omnibus Plan"). Our 2021 Omnibus Plan serves as a successor to the 2019 Omnibus Plan, the 2016 Omnibus Plan, the 2014 Omnibus Plan, the Sovereign MEIP and Sovereign 2012 MEIP and provides for the issuance of stock options, restricted shares, restricted stock units ("RSUs"), performance-based RSU awards ("PSUs"), cash incentive compensation and other stock-based awards. Our 2019 Director Plan provides for the issuance of RSUs, Deferred Stock Units ("DSUs"), and stock options to non-employee Directors. Outstanding awards under the 2016 Omnibus Plan, the 2014 Omnibus Plan, the Sovereign MEIP and Sovereign 2012 MEIP continue to be subject to the terms and conditions of their respective plan.

We initially reserved 12,000,000 shares of our common stock for issuance under our 2021 Omnibus Plan. We added 6,438,450 shares that were reserved but not issued under the Sovereign MEIP, Sovereign 2012 MEIP, 2014 Omnibus, 2016 Omnibus Plans, and 2019 Omnibus Plan to the 2021 Omnibus Plan reserves, for a total of 18,438,450 authorized shares of common stock for issuance under the 2021 Omnibus Plan. Additionally, we have reserved 500,000 shares of our common stock for issuance under our 2019 Director Plan. Time-based options granted under the 2019, 2016, and 2014 Omnibus Plans prior to 2020 generally vest over a four year period with 25% vesting at the end of year one and the remaining vesting quarterly thereafter. Time-based options granted under the 2021 Omnibus plan and the 2019 Omnibus Plan in 2020 and 2021 vest over a three-year period, vesting in equal annual installments. Options granted prior to fiscal year 2020 vested over a four-year period. Options granted are exercisable for up to 10 years. RSUs generally vest over a four year period with 25% vesting annually. PSUs granted prior to 2020 generally vest over a four year period with 25% vesting annually. During 2020 and 2021, we granted PSUs that vest over a three year period in equal annual installments, as well as PSUs that cliff vest at the end of one, two, or three years, depending on the terms of the grant. Vesting of PSUs is dependent upon the achievement of certain company-based performance measures. Stock-based compensation expense for all awards totaled \$121 million, \$70 million and \$67 million for the years ended December 31, 2021, 2020 and 2019, respectively.

The fair value of the stock options granted was estimated at the date of grant using the Black-Scholes option pricing model. For further details on these assumptions, see Note 1. Summary of Business and Significant Accounting Policies. The following table summarizes the weighted-average assumptions used:

	Year Ended December 31,		
	2021	2020	2019
Exercise price	\$ 11.81	\$ 8.24	\$ 21.37
Average risk-free interest rate	0.67 %	0.70 %	2.40 %
Expected life (in years)	6.00	6.00	6.11
Expected volatility	54.95 %	36.41 %	26.32 %
Dividend yield	— %	5.11 %	2.62 %

The following table summarizes the stock option award activities under our outstanding equity-based compensation plans and agreements for the year ended December 31, 2021:

	Quantity	Weighted-Average		Aggregate Intrinsic Value (in thousands) ⁽¹⁾
		Exercise Price	Remaining Contractual Term (years)	
Outstanding at December 31, 2020	3,300,256	\$ 13.59	7.9	\$ 7,401
Granted	19,641	11.81		
Exercised	(84,341)	8.81		
Forfeited	(61,383)	15.39		
Expired	(130,897)	22.95		
Outstanding at December 31, 2021	3,043,276	\$ 13.27	7.2	\$ 733
Vested and exercisable at December 31, 2021	1,672,903	\$ 16.37	6.4	\$ 240

⁽¹⁾ Aggregate intrinsic value is calculated as the difference between the exercise price of the underlying stock options awards and the closing price of our common stock of \$8.59 and \$12.02 on December 31, 2021 and 2020, respectively. If the aggregate intrinsic value is negative, it is assigned a nil value.

The total intrinsic value of stock options exercised was immaterial for the years ended December 31, 2021 and 2020. For the year ended December 31, 2019, the total intrinsic value of stock options exercised was \$4 million. The weighted-average fair values of options granted were \$6.01, \$1.71, and \$4.55 during the years ended December 31, 2021, 2020 and 2019,

respectively. As of December 31, 2021, \$2 million in unrecognized compensation expense associated with stock options will be recognized over a weighted-average period of 1.5 years.

The following table summarizes the activities for our RSUs for the year ended December 31, 2021:

	Quantity	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2020	12,309,646	\$ 12.07
Granted	3,697,135	15.82
Vested	(4,899,238)	12.43
Forfeited	(871,986)	13.52
Unvested at December 31, 2021	<u>10,235,557</u>	<u>\$ 13.16</u>

The total fair value of RSUs vested, as of their respective vesting dates, was \$62 million, \$52 million, and \$47 million during the years ended December 31, 2021, 2020 and 2019, respectively. As of December 31, 2021, approximately \$85 million in unrecognized compensation expense associated with RSUs will be recognized over a weighted average period of 2.2 years.

The following table summarizes the activities for our PSUs for the year ended December 31, 2021:

	Quantity	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2020	2,846,795	\$ 14.18
Granted	2,066,181	15.83
Vested	(891,395)	17.84
Forfeited	(244,436)	15.46
Unvested at December 31, 2021	<u>3,777,145</u>	<u>\$ 11.42</u>

The total fair value of PSUs vested, as of their respective vesting dates, was \$15 million, \$14 million, and \$11 million during the years ended December 31, 2021, 2020 and 2019, respectively. The recognition of compensation expense associated with PSUs is contingent upon the achievement of annual company-based performance measures. During the year ended December 31, 2020, we amended the 2020 performance metrics associated with PSUs that vest in March 2021 due to the impact of COVID-19 on our performance and these awards became subject to variable accounting based on the fair value at the end of each period with the cumulative effect of changes in fair value recorded each reporting period through March 2021. During the year ended December 31, 2021, we amended the performance criteria for all other outstanding PSUs as of March 2021. During the years ended December 31, 2021, 2020 and 2019, we assessed the probability of achieving the performance measures associated with PSU awards each reporting period and, if there was an adjustment, recorded the cumulative effect of the adjustment in that respective reporting period. As of December 31, 2021, unrecognized compensation expense associated with PSUs expected to vest totaled \$31 million and \$13 million for the annual measurement periods ending December 31, 2022 and 2023, respectively.

15. 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):

	Year Ended December 31,		
	2021	2020	2019
Numerator:			
(Loss) income from continuing operations	\$ (923,775)	\$ (1,283,927)	\$ 164,312
Less: Net income attributable to non-controlling interests	2,162	1,200	3,954
Less: Preferred stock dividends	21,602	7,659	—
Net (loss) income from continuing operations available to common stockholders, basic and diluted	<u>\$ (947,539)</u>	<u>\$ (1,292,786)</u>	<u>\$ 160,358</u>
Denominator:			
Basic weighted-average common shares outstanding	320,922	289,855	274,168
Add: Dilutive effect of stock options and restricted stock awards	—	—	2,049
Diluted weighted-average common shares outstanding	<u>320,922</u>	<u>289,855</u>	<u>276,217</u>
Earnings per share from continuing operations:			
Basic	\$ (2.95)	\$ (4.46)	\$ 0.58
Diluted	\$ (2.95)	\$ (4.46)	\$ 0.58

Basic earnings per share is computed by dividing net income 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 income 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 4 million and 2 million of dilutive stock options and restricted stock awards for the years ended December 31, 2021 and 2020, respectively, as their effect would be anti-dilutive given the net loss incurred in those periods. The calculation of diluted weighted-average shares excludes the impact of 2 million for the year ended December 31, 2021 and 3 million for the years ended December 31, 2020 and 2019 of anti-dilutive common stock equivalents.

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 Exchangeable Notes are assumed to be converted at the beginning of the period 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 42 million and 44 million resulting common shares related to the Exchangeable Notes are not included in the dilutive weighted-average common shares outstanding calculation for the years ended December 31, 2021 and 2020, respectively, as their effect would be anti-dilutive given the net loss incurred in those periods. There was a \$0.03 decrease to our earnings per share for the year ended December 31, 2020, as a result of the full retrospective adoption on January 1, 2021 of updated guidance affecting the accounting for the Exchangeable Notes. See Note 1. Summary of Business and Significant Accounting Policies for further information.

Likewise, the potential dilutive effect of our Preferred Stock outstanding during the period 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 approximately 39 million and 40 million resulting common shares related to the Preferred Stock are not included in the dilutive weighted-average common shares outstanding calculation for the years ended December 31, 2021 and 2020, respectively, as their effect would be anti-dilutive given the net loss incurred in those periods.

16. Pension and Other Postretirement Benefit Plans

We sponsor the Sabre Inc. 401(k) Savings Plan ("401(k) Plan"), which is a tax qualified defined contribution plan that allows tax-deferred savings by eligible employees to provide funds for their retirement. We make a matching contribution equal to 100% of each pre-tax dollar contributed by the participant on the first 6% of eligible compensation. During 2020, we temporarily suspended our 401(k) match program for US-based employees in connection with our cost reduction efforts in response to market conditions as the result of the COVID-19 pandemic. We recognized expenses related to the 401(k) Plan of approximately \$18 million, \$7 million and \$23 million for the years ended December 31, 2021, 2020 and 2019, respectively.

We sponsor the Sabre Inc. Legacy Pension Plan (“LPP”), which is a tax qualified defined benefit pension plan for employees meeting certain eligibility requirements. The LPP was amended to freeze pension benefit accruals as of December 31, 2005, and as a result, no additional pension benefits have been accrued since that date. In April 2008, we amended the LPP to add a lump sum optional form of payment which participants may elect when their plan benefits commence. The effect of the amendment was to decrease the projected benefit obligation by \$34 million, which is being amortized over 23.5 years, representing the weighted average of the lump sum benefit period and the life expectancy of all plan participants. We also sponsor postretirement benefit plans for certain employees in Canada and other jurisdictions.

The following tables provide a reconciliation of the changes in the LPP’s benefit obligations and fair value of assets during the years ended December 31, 2021 and 2020, and the unfunded status as of December 31, 2021 and 2020 (in thousands):

	Year Ended December 31,	
	2021	2020
Change in benefit obligation:		
Benefit obligation at January 1	\$ (469,016)	\$ (463,436)
Interest cost	(11,822)	(14,675)
Actuarial gain (loss), net	22,387	(53,831)
Benefits paid	18,992	18,476
Lump sum settlement	21,500	44,450
Benefit obligation at December 31	\$ (417,959)	\$ (469,016)
Change in plan assets:		
Fair value of assets at January 1	\$ 345,253	\$ 338,264
Actual return on plan assets	26,330	55,215
Employer contributions	2,700	14,700
Benefits paid	(18,992)	(18,476)
Lump sum settlement	(21,500)	(44,450)
Fair value of assets at December 31	\$ 333,791	\$ 345,253
Unfunded status at December 31	\$ (84,168)	\$ (123,763)

The actuarial gain, net of \$22 million for the year ended December 31, 2021 is attributable to an increase in the discount rate. The actuarial loss, net of \$54 million for the year ended December 31, 2020 is attributable to a decrease in the discount rate. During the year ended December 31, 2021 and 2020 lump sum settlements occurred within our defined benefit pension plan which resulted in a loss of \$8 million and \$18 million, respectively, recorded to Other, net.

The net benefit obligation of \$84 million and \$124 million as of December 31, 2021 and 2020, respectively, is included in other noncurrent liabilities in our consolidated balance sheets.

The amounts recognized in accumulated other comprehensive income (loss) associated with the LPP, net of deferred taxes of \$40 million as of December 31, 2021 and 2020, are as follows (in thousands):

	December 31,	
	2021	2020
Net actuarial loss	\$ (115,772)	\$ (159,709)
Prior service credit	7,666	9,099
Pension settlement	21,534	14,005
Accumulated other comprehensive loss	\$ (86,572)	\$ (136,605)

The following table provides the components of net periodic benefit costs associated with the LPP and the principal assumptions used in the measurement of the LPP benefit obligations and net benefit costs for the three years ended December 31, 2021, 2020 and 2019 (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Interest cost ⁽¹⁾	\$ 11,822	\$ 14,675	\$ 18,324
Expected return on plan assets ⁽¹⁾	(14,334)	(15,420)	(18,510)
Amortization of prior service credit ⁽¹⁾	(1,432)	(1,432)	(1,432)
Amortization of actuarial loss ⁽¹⁾	7,985	8,622	6,516
Net periodic benefit	\$ 4,041	\$ 6,445	\$ 4,898
Settlement charge ⁽¹⁾	7,529	18,071	—
Net cost	\$ 11,570	\$ 24,516	\$ 4,898
Weighted-average discount rate used to measure benefit obligations	2.97 %	2.60 %	3.53 %
Weighted average assumptions used to determine net benefit cost:			
Discount rate ⁽²⁾	2.60 %	3.53 %	4.41 %
Expected return on plan assets	5.00 %	5.00 %	5.75 %

⁽¹⁾ Included in Other, net on our consolidated statement of operations.

⁽²⁾ Discount rates are as of January 1 of the respective years. Due to settlements during the year additional discount rates assumed are as follows: August 31, 2020: 2.76%, June 30, 2021: 2.89%, September 30, 2021: 2.96%.

The following table provides the pre-tax amounts recognized in other comprehensive income (loss), including the amortization of the actuarial loss and prior service credit, associated with the LPP for the years ended December 31, 2021, 2020 and 2019 (in thousands):

Obligations Recognized in Other Comprehensive Income (Loss)	Year Ended December 31,		
	2021	2020	2019
Net actuarial loss (gain)	\$ (37,258)	\$ 15,225	\$ 11,196
Pension settlement	(7,529)	(18,071)	—
Amortization of actuarial loss	(7,985)	(8,611)	(6,516)
Amortization of prior service credit	1,432	1,432	1,432
Total (income) loss recognized in other comprehensive income (loss)	\$ (51,340)	\$ (10,025)	\$ 6,112
Total recognized in net periodic benefit cost and other comprehensive income (loss)	\$ (39,771)	\$ 14,491	\$ 11,010

Our overall investment strategy for the LPP is to provide and maintain sufficient assets to meet pension obligations both as an ongoing business, as well as in the event of termination, at the lowest cost consistent with prudent investment management, actuarial circumstances and economic risk, while minimizing the earnings impact. Diversification is provided by using an asset allocation primarily between equity and debt securities in proportions expected to provide opportunities for reasonable long term returns with acceptable levels of investment risk. Fair values of the applicable assets are determined as follows:

Mutual Fund—The fair value of our mutual funds are estimated by using market quotes as of the last day of the period.

Common Collective Trusts—The fair value of our common collective trusts are estimated by using market quotes as of the last day of the period, quoted prices for similar securities and quoted prices in non-active markets.

Real Estate—The fair value of our real estate funds are derived from the fair value of the underlying real estate assets held by the funds. These assets are initially valued at cost and are reviewed periodically utilizing available market data to determine if the assets held should be adjusted.

The basis for the selected target asset allocation included consideration of the demographic profile of plan participants, expected future benefit obligations and payments, projected funded status of the plan and other factors. The target allocations for LPP assets are 40% global equities, 15% real estate assets, 15% diversified credit and 28% liability hedging assets, and 2% cash. It is recognized that the investment management of the LPP assets has a direct effect on the achievement of its goal. As

defined in Note 11. Fair Value Measurements, the following tables present the fair value of the LPP assets as of December 31, 2021 and 2020:

	Fair Value Measurements at December 31, 2021			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Common collective trusts:				
Foreign equity securities	\$ —	\$ 269,860	\$ —	\$ 269,860
U.S. equity securities	—	54,944	—	54,944
Money market mutual fund	1,104	—	—	1,104
Limited partnership interest:				
Real estate	—	—	7,883	7,883
Total assets at fair value	\$ 1,104	\$ 324,804	\$ 7,883	\$ 333,791

	Fair Value Measurements at December 31, 2020			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Common collective trusts:				
Foreign equity securities	\$ —	\$ 263,244	\$ —	\$ 263,244
U.S. equity securities	—	65,257	—	65,257
Money market mutual fund	8,017	—	—	8,017
Limited partnership interest:				
Real estate	—	—	8,735	8,735
Total assets at fair value	\$ 8,017	\$ 328,501	\$ 8,735	\$ 345,253

The following table provides a rollforward of plan assets valued using significant unobservable inputs (level 3), in thousands:

	Real Estate
Ending balance at December 31, 2019	\$ 9,948
Contributions	87
Net distributions	(300)
Redemptions	(573)
Advisory fee	(92)
Net investment income	400
Unrealized loss	(728)
Net realized loss	(7)
Ending balance at December 31, 2020	\$ 8,735
Net distributions	(235)
Redemptions	(977)
Advisory fee	(83)
Net investment income	330
Unrealized gain	89
Net realized gain	24
Ending balance at December 31, 2021	\$ 7,883

We contributed \$3 million and \$15 million to fund our defined benefit pension plans during the years ended December 31, 2021 and 2020, respectively. Annual contributions to our defined benefit pension plans in the United States, Canada, and other jurisdictions are based on several factors that may vary from year to year. Our funding practice is to contribute the minimum required contribution as defined by law while also maintaining an 80% funded status as defined by the Pension Protection Act of 2006. Thus, past contributions are not always indicative of future contributions. On March 11, 2021, the American Rescue Plan Act ("ARPA") of 2021 was signed into law, which modified funding requirements for single-employer defined benefit pension plans by restarting and extending the amortization of funding shortfalls and extending and enhancing interest rate stabilization percentages. We have elected to use excess contributions resulting from a reduction to past contribution requirements allowed

by ARPA to offset contributions for calendar year 2021 and 2022. As such, we do not expect to make contributions to our defined benefit pension plans in 2022.

The expected long term rate of return on plan assets for each measurement date was selected after giving consideration to historical returns on plan assets, assessments of expected long term inflation and market returns for each asset class and the target asset allocation strategy. We do not anticipate the return of any plan assets to us in 2022.

We expect the LPP to make the following estimated future benefit payments (in thousands):

	Amount
2022	\$ 28,674
2023	26,873
2024	30,521
2025	33,280
2026	31,257
2027-2031	148,135

17. Commitments and Contingencies

Purchase Commitments

In the ordinary course of business, we make various commitments in connection with the purchase of goods and services from specific suppliers. We have outstanding commitments of approximately \$2.8 billion. These purchase commitments extend through 2030.

Legal Proceedings

While certain legal proceedings and related indemnification obligations to which we are a party specify the amounts claimed, these claims 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 required 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. The claims that were not dismissed are claims brought under Section 1 of the Sherman Act, relating to our contracts with US Airways, which US Airways claims contain anticompetitive provisions, and an alleged conspiracy with the other GDSs, allegedly to maintain the industry structure and not to compete for content. We strongly deny all of the allegations made by US Airways.

Sabre filed summary judgment motions in April 2014. 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 by which US Airways sought to bar Sabre from enforcing certain provisions in our contracts. In September 2015, the court also dismissed US Airways' claim for declaratory relief. In February 2017, US Airways sought reconsideration of the court's opinion dismissing the claim for declaratory relief, which the court denied in March 2017.

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. The jury rejected US Airways' claim alleging a conspiracy with the other GDSs.

Based on the jury's verdict, in March 2017 the court entered final judgment in favor of US Airways in the amount of \$15 million, which is three times the jury's award of \$5 million as required by the Sherman Act. As a result of the jury's verdict, US Airways was also entitled to receive reasonable attorneys' fees and costs under the Sherman Act. As such, it filed a motion seeking approximately \$125 million in attorneys' fees and costs, the amount of which we strongly dispute. In January 2018, the court denied US Airways' motion seeking attorneys' fees and costs, without prejudice.

In the fourth quarter of 2016, we accrued a loss of \$32 million, which represented the court's final judgment of \$15 million, plus our estimate of \$17 million for US Airways' reasonable attorneys' fees, expenses and costs.

In April 2017, we filed an appeal with the United States Court of Appeals for the Second Circuit seeking a reversal of the judgment. US Airways also filed a counter-appeal challenging earlier court orders, including the above-referenced orders

dismissing and/or issuing summary judgment as to portions of its claims and damages. In connection with this appeal, we posted an appellate bond equal to the aggregate amount of the \$15 million judgment entered plus interest, which stayed the judgment pending the appeal. The Second Circuit heard oral arguments on this matter in December 2018.

In September 2019, the Second Circuit issued its Order and Opinion. The Second Circuit 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. In addition, the Second Circuit affirmed the trial court's ruling limiting US Airways' damages. The judgment in our favor on US Airways' conspiracy claim remains intact. The lawsuit has been remanded to federal court in the Southern District of New York for further proceedings. The trial court has scheduled the trial to begin on April 25, 2022. We continue to believe that our business practices and contract terms are lawful.

As a result of the Second Circuit's opinion, we believe that the claims associated with this case are not probable; therefore, in the third quarter of 2019, we reversed our previously accrued loss of \$32 million and do not have any losses accrued for this matter as of December 31, 2021.

We have and will incur significant fees, costs and expenses for as long as the litigation is ongoing. In addition, litigation by its nature is highly uncertain and fraught with risk, and it is therefore difficult to predict the outcome of any particular matter, including any changes to our business that may be required as a result of the litigation. If favorable resolution of the matter is not reached upon remand, any monetary damages are subject to trebling under the antitrust laws and US Airways would be eligible to be reimbursed by us for its reasonable costs and attorneys' fees. Depending on the amount of any such judgment, if we do not have sufficient cash on hand, we may be required to seek private or public financing. Depending on the outcome of the litigation, any of these consequences could have a material adverse effect on our business, financial condition and results of operations.

American Airlines Commercial Litigation

On June 29, 2021, American Airlines filed suit against us in state district court in Tarrant County, Texas, alleging that our New Airline Storefront, a modern retailing experience designed to enhance comparison shopping of airline offers in the GDS, and a new value-based incentive model with agencies breach our contract with American Airlines. American Airlines is seeking a temporary and permanent injunction preventing the alleged breach of contract. We strongly deny the allegations and have filed our response denying American Airlines' allegations and seeking a declaratory judgment that, among other things, New Airline Storefront does not violate the contract and that the contract does not prohibit Sabre's value-based fee arrangements. In October 2021, the court heard arguments to determine whether to grant a temporary injunction preventing the alleged breach of contract, and on October 27, 2021, the court issued a ruling denying the temporary injunction. The Court also denied American Airlines' subsequent motion seeking reconsideration of the Court's denial of the temporary injunction. We could incur significant fees, costs and expenses for as long as the litigation is ongoing. If we cannot resolve this matter favorably, we could be limited in our ability to utilize New Airline Storefront and make the value-based incentive payments until our contract with American Airlines terminates. Furthermore, if this dispute were to result in the termination of our distribution contract with American Airlines, we may be unable to negotiate a new contract with American Airlines on as favorable terms or at all, which could have a material adverse effect on our business, financial condition and results of operations.

Indian Income Tax Litigation

We are currently 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, and later issued further tax assessments for assessment years ending March 2000 through March 2006. The DIT has continued to issue further tax assessments on a similar basis for subsequent years; however, the tax assessments for assessment years ending March 2007 and later are no longer 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"). The ITAT ruled in our favor on June 19, 2009 and July 10, 2009, 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 on July 19, 2010. The DIT has appealed the decision to the Supreme Court of India and our case is currently pending before that court. We have appealed the tax assessments for the assessment years ended March 2013 to March 2018 with the ITAT and no trial date has been set for these subsequent years.

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 DIT also assessed taxes on a similar basis plus some additional issues for assessment years ending March 2006 through March 2018 and appeals for assessment years ending March 2006 through March 2018 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, we could be subject to taxes, interest and penalties of approximately \$46 million as of December 31, 2021. 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

SynXis Central Reservation System

As previously disclosed, we 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"). Our investigation was supported by third party experts, including a leading cybersecurity firm. Our investigation determined that an unauthorized party: obtained access to account credentials that permitted access to a subset of hotel reservations processed through the HS Central Reservation System; used the account credentials to view a credit card summary page on the HS Central Reservation System and access payment card information (although we use encryption, this credential had the right to see unencrypted card data); and first obtained access to payment card information and some other reservation information on August 10, 2016. The last access to payment card information was on March 9, 2017. The unauthorized party was able to access information for certain hotel reservations, including cardholder name; payment card number; card expiration date; and, for a subset of reservations, card security code. The unauthorized party was also able, in some cases, to access certain information such as guest name(s), email, phone number, address, and other information if provided to the HS Central Reservation System. Information such as Social Security, passport, or driver's license number was not accessed. The investigation did not uncover forensic evidence that the unauthorized party removed any information from the system, but it is a possibility. We took successful measures to ensure this unauthorized access to the HS Central Reservation System was stopped and is no longer possible. There is no indication that any of our systems beyond the HS Central Reservation System, such as Sabre's Travel Solutions platforms, were affected or accessed by the unauthorized party. We notified law enforcement and the payment card brands and engaged a payment card industry data ("PCI") forensic investigator to investigate this incident at the payment card brands' request. We have notified customers and other companies that use or interact with, directly or indirectly, the HS Central Reservation System about the incident. In December 2020, we entered into settlement agreements with certain state Attorneys General to resolve their investigation into this incident. As part of these settlement 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.

Separately, in November 2017, Sabre Hospitality Solutions observed a pattern of activity that, after further investigation, led it to believe that an unauthorized party improperly obtained access to certain hotel user credentials for purposes of accessing the HS Central Reservation System. We deactivated the compromised accounts and notified law enforcement of this activity. We also notified the payment card brands, and at their request, we have engaged a PCI forensic investigator to investigate this incident. We did not find any evidence of a breach of the network security of the HS Central Reservation System, and we believe that the number of affected reservations represented only a fraction of 1% of the bookings in the HS Central Reservation System. Although the costs related to these incidents, including any associated penalties assessed by any other governmental authority or payment card brand or indemnification obligations to our customers, as well as any other impacts or remediation related to this incident, may be material, it is not possible at this time to determine whether we will incur, or to reasonably estimate the amount of, any liabilities in connection with them, with the exception of the payment related to the settlement agreements as described above. We maintain insurance that covers certain aspects of cyber risks, including the payment related to the settlement agreements, and we continue to work with our insurance carriers in these matters.

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 believe 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. As of December 31, 2021, we do not believe that an adverse outcome is probable with respect to current outstanding claims; as a result, we have not accrued any material amounts for exposure related to such contingencies or adverse decisions. Nevertheless, 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.

18. 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 Chief Executive Officer, who is our Chief Operating Decision Maker ("CODM"), to evaluate segment performance; the availability of separate financial information; and overall materiality considerations.

We now operate our business and present our results through two business segments effective the third quarter of 2020 (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. All revenue and expenses previously assigned to the Travel Network and Airline Solutions business segments have been consolidated into a unified revenue and expense structure which aligns with information that our CODM utilizes beginning in the third quarter of 2020 to evaluate segment performance and allocate resources. These changes did not impact the historical Hospitality Solutions reporting segment's revenue and expenses.

Our CODM utilizes Adjusted Operating (Loss) Income, which is not a recognized term under GAAP, as the measure of profitability to evaluate performance of our segments and allocate resources. Our uses of Adjusted Operating (Loss) Income has limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP.

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

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 of our 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. 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.

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.

Segment information for the years ended December 31, 2021, 2020 and 2019 is as follows (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Revenue			
Travel Solutions	\$ 1,503,539	\$ 1,176,694	\$ 3,723,000
Hospitality Solutions	202,628	174,628	292,880
Eliminations	(17,222)	(17,222)	(40,892)
Total revenue	\$ 1,688,875	\$ 1,334,100	\$ 3,974,988
Adjusted Operating (Loss) Income^(a)			
Travel Solutions	\$ (222,679)	\$ (523,122)	\$ 729,266
Hospitality Solutions	(39,806)	(63,915)	(21,632)
Corporate	(196,832)	(158,237)	(194,226)
Total	\$ (459,317)	\$ (745,274)	\$ 513,408
Depreciation and amortization			
Travel Solutions	\$ 170,673	\$ 250,540	\$ 292,097
Hospitality Solutions	26,354	42,789	53,098
Total segments	197,027	293,329	345,195
Corporate	65,158	70,414	69,426
Total	\$ 262,185	\$ 363,743	\$ 414,621
Capital Expenditures			
Travel Solutions	\$ 25,128	\$ 23,481	\$ 52,642
Hospitality Solutions	224	3,177	11,324
Total segments	25,352	26,658	63,966
Corporate	28,950	38,762	51,200
Total	\$ 54,302	\$ 65,420	\$ 115,166

(a) The following table sets forth the reconciliation of operating (loss) income in our statement of operations to Adjusted Operating (Loss) Income (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Operating (loss) income	\$ (665,487)	\$ (988,039)	\$ 363,417
Add back:			
Equity method (loss) income	(264)	(2,528)	2,044
Impairment and related charges ⁽¹⁾	—	8,684	—
Acquisition-related amortization ⁽²⁾	64,144	65,998	64,604
Restructuring and other costs ⁽³⁾	(7,608)	85,797	—
Acquisition-related costs ⁽⁴⁾	6,744	16,787	41,037
Litigation costs, net ⁽⁵⁾	22,262	(1,919)	(24,579)
Stock-based compensation	120,892	69,946	66,885
Adjusted Operating (loss) income	\$ (459,317)	\$ (745,274)	\$ 513,408

- (1) Impairment and related charges represents \$5 million associated with software developed for internal use and \$4 million associated with capitalized implementation costs related to a specific customer based on our analysis of the recoverability of such amounts.
- (2) 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.
- (3) Restructuring and other costs represent charges, and adjustments to those charges, associated with business restructuring and associated changes, including the Strategic Realignment, as well as other measures to support the new organizational structure and to respond to the impacts of the COVID-19 pandemic on our business, facilities and cost structure. See Note 4. Restructuring Activities for further details.
- (4) Acquisition-related costs represent fees and expenses incurred associated with the now-terminated agreement to acquire Farelogix, as well as costs related to the acquisition of Radixx in 2019 and other acquisition and disposition related activities. See Note 3. Acquisitions and Dispositions for further information.
- (5) Litigation costs, net represent charges associated with antitrust litigation and other foreign non-income tax contingency matters. In 2020, we reversed the previously accrued non-income tax expense of \$4 million due to success in our claims. In 2019, we recorded the reversal of our previously accrued loss related to the US Airways legal matter for \$32 million. See Note 17. Commitments and Contingencies for further information.

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 GDS, and from our IT solutions through recurring usage-based fees for the use of our 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. Transaction-based revenue accounted for approximately 72%, 79% and 91% of our Travel Solutions revenue for each of the years ended December 31, 2021, 2020 and 2019. Transaction-based revenue accounted for approximately 72%, 68% and 80% for the years ended December 31, 2021, 2020 and 2019, respectively, of our Hospitality Solutions revenue. All joint venture equity income relates to Travel Solutions.

Our revenues and long-lived assets, excluding goodwill and intangible assets, by geographic region are summarized below. Distribution revenue for the Travel Solutions business is attributed to countries based on the location of the travel supplier and IT Solutions revenue is based on the location of the customer. For Hospitality Solutions, revenue is attributed to countries based on the location of the customer. The majority of our revenues and long-lived assets are derived from the United States, Europe, and Asia-Pacific ("APAC") as follows (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Revenue:			
United States	\$ 734,568	\$ 636,854	\$ 1,306,450
Europe	341,862	287,421	913,245
APAC	184,075	151,206	822,679
All Other	428,370	258,619	932,614
Total	<u>\$ 1,688,875</u>	<u>\$ 1,334,100</u>	<u>\$ 3,974,988</u>
	As of December 31,		
	2021	2020	
Long-lived assets			
United States	\$ 293,610	\$ 417,070	
Europe	33,963	39,160	
APAC	10,844	17,956	
All Other	10,983	14,415	
Total	<u>\$ 349,400</u>	<u>\$ 488,601</u>	

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)). Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have conducted an evaluation of the effectiveness of our internal control over financial reporting based on criteria established in the framework in Internal Control —Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on our evaluation, we concluded that our internal control over financial reporting is effective as of December 31, 2021.

Our independent registered public accounting firm, Ernst & Young LLP, has issued an attestation report on the effectiveness of our internal control over financial reporting as of December 31, 2021, which is included in [Item 8](#) of this Annual Report on Form 10-K.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as this term is defined in Exchange Act Rule 13a-15(f)) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. In the fourth quarter of 2021 we implemented a new billing system that impacted our control environment over a small portion of our revenue. Over the next few years, we expect to migrate the majority of our billing of revenue and processing of incentive consideration to this system, which is reasonably likely to materially affect our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information set forth under the following headings of our definitive Proxy Statement for our 2022 annual meeting of stockholders (the "2022 Proxy Statement") is incorporated in this Item 10 by reference:

- "Certain Information Regarding Nominees for Director" under "Proposal 1. Election of Directors," which identifies our directors and nominees for our Board of Directors.
- "Other information—Delinquent Section 16(a) Reports."
- "Corporate Governance—Other Corporate Governance Practices and Matters—Code of Business Ethics," which describes our Code of Business Ethics.
- "Corporate Governance—Stockholder Nominations for Directors" and "Other Information—Proxy Access Nominations and Annual Meeting Advance Notice Requirements" which describe the procedures by which stockholders may nominate candidates for election to our Board of Directors.
- "Corporate Governance—Board Committees—Audit Committee," which identifies members of the Audit Committee of our Board of Directors and audit committee financial experts.

Information regarding our executive officers is reported under the caption "Information About Our Executive Officers" in [Part I](#) of this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information set forth under the headings "Compensation Discussion and Analysis," "Executive Compensation," "Proposal 1. Election of Directors—Director Compensation Program" and "Corporate Governance—Compensation Committee Interlocks and Insider Participation" of the 2022 Proxy Statement is incorporated in this Item 11 by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information set forth under the heading "Security Ownership of Certain Beneficial Owners and Management" of the 2022 Proxy Statement is incorporated in this Item 12 by reference.

Equity Compensation Plan Information

The following table gives information about our common stock that may be issued upon the exercise of options, warrants and rights under all of our equity compensation plans as of December 31, 2021.

	Number of securities to be issued upon exercise of outstanding options (a)	Weighted average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (c)
Equity compensation plans approved by stockholders	17,055,978	\$ 13.27	18,167,783

(a) Includes shares of common stock to be issued upon the exercise of outstanding options under our 2021 Omnibus Plan, 2019 Omnibus Plan, 2019 Director Plan, 2016 Omnibus Plan, 2014 Omnibus Plan, the Sovereign 2012 MEIP, and the Sovereign MEIP. Also includes 14,012,702 restricted share units under our 2021 Omnibus Plan, 2019 Omnibus Plan, 2016 Omnibus Plan, and 2014 Omnibus Plan (including shares that may be issued pursuant to outstanding performance-based restricted share units, assuming the target award is met; actual shares may vary, depending on actual performance).

(b) Excludes restricted share units which do not have an exercise price.

(c) Excludes securities reflected in column (a).

Sabre Corporation 2021 Omnibus Incentive Compensation Plan. The 2021 Omnibus Plan serves as a successor to the 2019 Omnibus Plan and provides for the issuance of stock options, restricted shares, restricted stock units ("RSUs") performance-based RSU awards ("PSUs"), cash incentive compensation and other stock-based awards.

Sabre Corporation 2019 Omnibus Incentive Compensation Plan. The 2019 Omnibus Plan serves as a successor to the 2016 Omnibus Plan provides for the issuance of stock options, restricted shares, restricted stock units ("RSUs") performance-based RSU awards ("PSUs"), cash incentive compensation and other stock-based awards. All shares available for future grants, along with shares that were covered by prior awards of stock options granted under the 2019 Omnibus Plan that were forfeited or otherwise expire unexercised or without issuance of Sabre Corporation common stock, have been transferred to the 2021 Omnibus Plan. Therefore, as of December 31, 2021, no shares remained available for future grants under the 2019 Omnibus Plan.

Sabre Corporation 2019 Director Plan. The plan provides for the issuance of RSUs, DSUs, and stock options to non-employee Directors.

Sabre Corporation 2016 Omnibus Incentive Compensation Plan. The 2016 Omnibus Plan serves as a successor to the 2014 Omnibus Plan and provides for the issuance of stock options, restricted shares, RSUs, PSUs, cash incentive compensation and other stock-based awards. All shares available for future grants, along with shares that were covered by prior awards of stock options granted under the 2016 Omnibus Plan that were forfeited or otherwise expire unexercised or without issuance of Sabre Corporation common stock, have been transferred to the 2019 Omnibus Plan. Therefore, as of December 31, 2021, no shares remained available for future grants under the 2016 Omnibus Plan.

Sabre Corporation 2014 Omnibus Incentive Compensation Plan. The 2014 Omnibus Plan serves as successor to the Sovereign MEIP and Sovereign 2012 MEIP and provides for the issuance of stock options, restricted shares, RSUs, PSUs, cash incentive compensation and other stock-based awards. All shares available for future grants, along with shares that were covered by prior awards of stock options granted under the 2014 Omnibus Plan that were forfeited or otherwise expire unexercised or without issuance of Sabre Corporation common stock, have been transferred to the 2016 Omnibus Plan and then to the 2019 Omnibus Plan. Therefore, as of December 31, 2021, no shares remained available for future grants under the 2014 Omnibus Plan.

Sovereign Holdings, Inc. Management Equity Incentive Plan. Under the Sovereign MEIP, key employees and, in certain circumstances, the directors, service providers and consultants, of Sabre and its affiliates may be granted stock options. All shares available for future grants, along with shares that were covered by prior awards of stock options granted under the Sovereign MEIP that were forfeited or otherwise expire unexercised or without the issuance of shares of Sabre Corporation common stock, have been transferred to the Sovereign 2012 MEIP, which have subsequently been transferred to the 2014 Omnibus Plan, then to the 2016 Omnibus Plan and then to the 2019 Omnibus Plan. Therefore, as of December 31, 2021, no shares remained available for future grants under the Sovereign MEIP.

Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan. Under the Sovereign 2012 MEIP, key employees and, in certain circumstances, the directors, service providers and consultants, of Sabre and its affiliates may be granted stock options, restricted shares, RSUs, PSUs and other stock-based awards. All shares available for future grants, along with shares that were covered by prior awards of stock options granted under the Sovereign MEIP that were forfeited or otherwise expire unexercised or without the issuance of shares of Sabre Corporation common stock, have been transferred to the 2014 Omnibus Plan, then to the 2016 Omnibus Plan and then to the 2019 Omnibus Plan. Therefore, as of December 31, 2021, no shares remained available for future grants under the Sovereign 2012 MEIP.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information set forth under the headings “Certain Relationships and Related Party Transactions” and “Corporate Governance—Board Composition and Director Independence” of the 2022 Proxy Statement is incorporated in this Item 13 by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information set forth under the headings “Principal Accounting Firm Fees” and “Audit Committee Approval of Audit and Non-Audit Services” under “Proposal 2. Ratification of Independent Auditors” of the 2022 Proxy Statement is incorporated in this Item 14 by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this report.

1. *Financial statements.* The financial statements are set forth under [Item 8](#) of this Annual Report on Form 10-K.
2. *Financial statement schedules.* [Schedule II Valuation and Qualifying Accounts](#) is filed as part of this Annual Report on Form 10-K and should be read in conjunction with the financial statements and notes thereto contained in [Item 8](#).

All other financial statements and financial statement schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instruction, are not material or are not applicable and, therefore, have been omitted.

3. *Exhibits.*

Exhibit Number	Description of Exhibits
2.1	Asset Purchase Agreement, dated as of January 23, 2015 by and among Expedia Inc., Sabre GLBL Inc., Travelocity.com LP and certain affiliates of Sabre GLBL Inc. and Travelocity.com LP (incorporated by reference to Exhibit 2.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 26, 2015).
2.2	Share Purchase Agreement, dated as of May 14, 2015 by and between Abacus International Holdings Ltd and Sabre Technology Enterprises II Ltd. (incorporated by reference to Exhibit 2.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 14, 2015).
3.1	Fourth Amended and Restated Certificate of Incorporation of Sabre Corporation (incorporated by reference to Exhibit 3.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 24, 2019).
3.2	Sixth Amended and Restated Bylaws of Sabre Corporation (incorporated by reference to Exhibit 3.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 6, 2020).
4.2	Indenture, dated as of April 14, 2015, among Sabre GLBL Inc., each of the guarantors party thereto and Wells Fargo Bank, National Association, as trustee and collateral agent, (incorporated by reference to Exhibit 4.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 15, 2015).
4.3	Form of 5.375% Senior Secured Notes due 2023 (included in Exhibit 4.2).
4.4	Indenture, dated as of November 9, 2015, among Sabre GLBL Inc., each of the guarantors party thereto and Wells Fargo Bank, National Association, as trustee and collateral agent, (incorporated by reference to Exhibit 4.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 9 2015).
4.5	Form of 5.250% Senior Secured Notes due 2023 (included in Exhibit 4.4).
4.6*	Description of Sabre Corporation's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.
10.1	Loan Agreement, dated March 29, 2007, between Sabre Headquarters, LLC, as borrower, and JPMorgan Chase Bank, N.A., as lender (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.2	Amendment and Restatement Agreement, dated as of February 19, 2013, among Sabre Inc., Sabre Holdings Corporation, the subsidiary guarantors party thereto, the lenders party thereto, Deutsche Bank AG New York Branch, as administrative agent and Bank of America, N.A. as successor administrative agent (incorporated by reference to Exhibit 10.2 of Sabre Corporation's Amendment No. 1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 10, 2014).
10.3	Amended and Restated Guaranty, dated as of February 19, 2013, among Sabre Holdings Corporation, certain subsidiaries of Sabre Inc. from time to time party thereto and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.3 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.4	Amended and Restated Pledge and Security Agreement, dated as of February 19, 2013, among Sabre Holdings Corporation, Sabre Inc., certain subsidiaries of Sabre Inc. from time to time party thereto and Bank of America, N.A., as administrative agent for the secured parties (incorporated by reference to Exhibit 10.4 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).
10.5	First Lien Intercreditor Agreement, dated as of May 9, 2012, among Sabre Inc., Sabre Holdings Corporation, the other grantors party thereto, Deutsche Bank AG New York Branch, as administrative agent and authorized representative for the Credit Agreement secured parties, Wells Fargo Bank, National Association, as the Initial First Lien Collateral Agent and initial additional authorized representative, each Additional First Lien Collateral Agent and each additional Authorized Representative (incorporated by reference to Exhibit 10.5 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).

Exhibit Number	Description of Exhibits
10.6	<u>First Incremental Term Facility Amendment to Amended and Restated Credit Agreement, dated as of September 30, 2013, among Sabre Inc., Sabre Holdings Corporation, the subsidiary guarantors party thereto, and Bank of America, N.A., as incremental term lender and administrative agent (incorporated by reference to Exhibit 10.7 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).</u>
10.7+	<u>Sovereign Holdings, Inc. Management Equity Incentive Plan adopted June 11, 2007, as amended April 22, 2010 (incorporated by reference to Exhibit 10.8 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).</u>
10.8+	<u>Form of Non Qualified Stock Option Grant Agreement under Sovereign Holdings, Inc. Management Equity Incentive Plan adopted June 11, 2007, as amended April 22, 2010 (incorporated by reference to Exhibit 10.9 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).</u>
10.9+	<u>Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan adopted September 14, 2012 (incorporated by reference to Exhibit 10.16 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).</u>
10.10+	<u>Form of Non Qualified Stock Option Grant Agreement under the Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan (incorporated by reference to Exhibit 10.17 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).</u>
10.11+	<u>Form of Restricted Stock Unit Grant Agreement under the Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan (incorporated by reference to Exhibit 10.18 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).</u>
10.12+	<u>Form of Restricted Stock Unit Grant Agreement for Non Employee Directors under the Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan (incorporated by reference to Exhibit 10.20 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).</u>
10.13+	<u>Form of Non Qualified Stock Option Grant Agreement for Non Employee Directors under the Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan (incorporated by reference to Exhibit 10.21 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 21, 2014).</u>
10.14	<u>Amendment No. 1 to Amended and Restated Credit Agreement, dated as of February 20, 2014, among Sabre GLBL Inc., Sabre Holdings Corporation, each of the other Loan Parties, Bank of America, N.A., as administrative agent and the Lenders thereto (incorporated by reference to Exhibit 10.38 of Sabre Corporation's Amendment No. 1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 10, 2014).</u>
10.15	<u>First Revolver Extension Amendment to Amended and Restated Credit Agreement, dated as of February 20, 2014, among Sabre GLBL Inc., Sabre Holdings Corporation, each of the other Loan Parties, Bank of America, N.A., as administrative agent and the Revolving Credit Lenders thereto (incorporated by reference to Exhibit 10.39 of Sabre Corporation's Amendment No. 1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 10, 2014).</u>
10.16	<u>First Incremental Revolving Credit Facility Amendment to Amended and Restated Credit Agreement, dated as of February 20, 2014, among Sabre GLBL Inc., Sabre Holdings Corporation, each of the other Loan Parties, Bank of America, N.A., as administrative agent and the Revolving Credit Lenders thereto (incorporated by reference to Exhibit 10.40 of Sabre Corporation's Amendment No. 1 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 10, 2014).</u>
10.17	<u>Income Tax Receivable Agreement dated as of April 23, 2014 between Sabre Corporation and Sovereign Manager Co-Invest, LLC (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 23, 2014).</u>
10.18	<u>Amended and Restated Stockholders' Agreement dated as of April 23, 2014 by and among Sabre Corporation and the stockholders party thereto (incorporated by reference to Exhibit 10.2 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 23, 2014).</u>
10.19+	<u>Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.20 of Sabre Corporation's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 16, 2018).</u>

Exhibit Number	Description of Exhibits
10.20+	<u>Sabre Corporation 2014 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.48 of Sabre Corporation's Amendment No. 3 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 26, 2014).</u>
10.21+	<u>Form of Restricted Stock Unit Grant Agreement under the Sabre Corporation 2014 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.49 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 5, 2015).</u>
10.22+	<u>Form of Non Qualified Stock Option Grant Agreement under the Sabre Corporation 2014 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.50 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 5, 2015).</u>
10.23+	<u>Form of Restricted Stock Unit Annual Grant Agreement for Non Employee Directors under the Sabre Corporation 2014 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.51 of Sabre Corporation's Amendment No. 3 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 26, 2014).</u>
10.24+	<u>Form of Restricted Stock Unit Initial Grant Agreement for Non Employee Directors under the Sabre Corporation 2014 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.52 of Sabre Corporation's Amendment No. 3 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 26, 2014).</u>
10.25	<u>Supplement No. 1, dated as of December 31, 2012, to the Pledge and Security Agreement dated as of May 9, 2012, among Sabre Holdings Corporation, Sabre Inc., the subsidiary guarantors and Wells Fargo Bank, National Association, as collateral agent for the secured parties (incorporated by reference to Exhibit 10.53 of Sabre Corporation's Amendment No. 4 to the Registration Statement on Form S-1 filed with the Securities and Exchange Commission on March 31, 2014).</u>
10.26+	<u>Sabre Corporation Non-Employee Directors Compensation Deferral Plan dated October 29, 2014 (incorporated by reference to Exhibit 10.57 of Sabre Corporation's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on January 26, 2015).</u>
10.27	<u>Second Amended and Restated Stockholders' Agreement dated as of February 6, 2015 by and among Sabre Corporation and the stockholders party thereto (incorporated by reference to Exhibit 10.58 of Sabre Corporation's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 3, 2015).</u>
10.28+	<u>Form of Award Agreement for Long-Term Stretch Program (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 13, 2015).</u>
10.29	<u>Pledge and Security Agreement, dated as of April 14, 2015, among Sabre GLBL Inc., Sabre Holdings Corporation, the subsidiary guarantors party thereto and Wells Fargo Bank, National Association, as collateral agent (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 15, 2015).</u>
10.30	<u>Pledge and Security Agreement, dated as of November 9, 2015, among Sabre GLBL Inc., Sabre Holdings Corporation, the subsidiary guarantors party thereto and Wells Fargo Bank, National Association, as collateral agent (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 9, 2015).</u>
10.31+	<u>Sabre Corporation Executive Deferred Compensation Plan (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 16, 2015).</u>
10.32†	<u>Master Services Agreement dated as of November 1, 2015, between Sabre GLBL, Inc. and HP Enterprise Services, LLC, as provider (incorporated by reference to Exhibit 10.65 of Sabre Corporation's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 19, 2016).</u>
10.33+	<u>Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 26, 2016).</u>
10.34+	<u>Form of Restricted Stock Unit Grant Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.44 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 2, 2017).</u>
10.35+	<u>Form of Non-Qualified Stock Option Grant Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.45 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 2, 2017).</u>
10.36	<u>Joinder Agreement to Second Amended and Restated Stockholders' Agreement, dated January 5, 2016, by Sovereign Co-Invest II, LLC (incorporated by reference to Exhibit 10.66 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on April 28, 2016).</u>
10.37	<u>Joinder Agreement to Amended and Restated Registration Rights Agreement, dated January 5, 2016, by Sovereign Co-Invest II, LLC (incorporated by reference to Exhibit 10.67 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on April 28, 2016).</u>

Exhibit Number	Description of Exhibits
10.38	<u>Revolving Facility Refinancing Amendment to Amended and Restated Credit Agreement, dated July 18, 2016, among Sabre GBLB Inc., Sabre Holdings Corporation, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent and the Revolving Credit Lenders party thereto (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 19, 2016).</u>
10.39	<u>Amendment No. 2 to Amended and Restated Credit Agreement, dated July 18, 2016, among Sabre GBLB Inc., Sabre Holdings Corporation, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent and the Lenders party thereto (incorporated by reference to Exhibit 10.2 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 19, 2016).</u>
10.40	<u>Second Incremental Term Facility Amendment to Amended and Restated Credit Agreement, dated July 18, 2016, among Sabre GBLB Inc., Sabre Holdings Corporation, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent and the Incremental Term A Lenders party thereto (incorporated by reference to Exhibit 10.3 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 19, 2016).</u>
10.41+	<u>Employment Agreement by and between Sabre Corporation and Sean Menke, dated December 15, 2016 (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 16, 2016).</u>
10.42	<u>Amendment dated December 22, 2016, to that certain Master Services Agreement dated as of November 1, 2015 by and between HP Enterprise Services, LLC and Sabre GBLB Inc. (incorporated by reference to Exhibit 10.56 of Sabre Corporation's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 17, 2017).</u>
10.43	<u>Third Incremental Term Facility Amendment to Amended and Restated Credit Agreement, dated February 22, 2017, among Sabre GBLB Inc., Sabre Holdings Corporation, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent, the 2017 Incremental Term Lenders party thereto and each other Lender party thereto (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 24, 2017).</u>
10.44+	<u>Letter Agreement by and between Sabre Corporation and David Shirk, dated April 5, 2017 (incorporated by reference to Exhibit 10.60 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 1, 2017).</u>
10.45+	<u>Letter Agreement by and between Sabre Corporation and Wade Jones, dated April 24, 2017 (incorporated by reference to Exhibit 10.61 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 1, 2017).</u>
10.46	<u>Amendment Number Two, dated May 1, 2017, to that certain Master Services Agreement dated as of November 1, 2015 by and between Enterprises Services, LLC (f/k/a HP Enterprise Services, LLC) and Sabre GBLB Inc. (incorporated by reference to Exhibit 10.62 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 1, 2017).</u>
10.47	<u>Fourth Incremental Term Facility Amendment to Amended and Restated Credit Agreement, dated August 23, 2017, among Sabre GBLB Inc., Sabre Holdings Corporation, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent and the 2017 B-1 Incremental Term Lenders party thereto (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 23, 2017).</u>
10.48	<u>Term Loan A Refinancing Amendment to Amended and Restated Credit Agreement, dated August 23, 2017, among Sabre GBLB Inc., Sabre Holdings Corporation, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent and the 2017 Other Term A Lenders party thereto (incorporated by reference to Exhibit 10.2 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 23, 2017).</u>
10.49	<u>Second Revolving Facility Refinancing Amendment to Amended and Restated Credit Agreement, dated August 23, 2017, among Sabre GBLB Inc., Sabre Holdings Corporation, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent and Lenders party thereto (incorporated by reference to Exhibit 10.3 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 23, 2017).</u>
10.50+	<u>Sabre Corporation Executive Severance Plan (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 8, 2017).</u>
10.51	<u>Fifth Term Loan B Refinancing Amendment to Amended and Restated Credit Agreement, dated March 2, 2018, among Sabre GBLB Inc., Sabre Holdings Corporation, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent and the 2018 Other Term B Lenders party thereto (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 2, 2018).</u>
10.52+	<u>Form of Executive Officer Restricted Stock Unit Grant Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.37 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 1, 2018).</u>

Exhibit Number	Description of Exhibits
10.53+	Form of Non-Qualified Stock Option Grant Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.38 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 1, 2018).
10.54+	Form of Chairman of the Board Restricted Stock Unit Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.58 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 1, 2018).
10.55+	Offer Letter by and between Sabre Corporation and Douglas E. Barnett, dated June 26, 2018 (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 2, 2018).
10.56+	Amendment to Employment Agreement, by and between Sabre Corporation and David Shirk, dated July 23, 2018 (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 18, 2018).
10.57+	Form of Global Form of Restricted Stock Unit Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.61 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on July 31, 2018).
10.58+	Form of Global Form of Stock Option Grant Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.62 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on July 31, 2018).
10.59+	Offer Letter by and between Sabre Corporation and Cem Tanyel, dated September 4, 2018 (incorporated by reference to Exhibit 10.65 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on October 30, 2018).
10.60+	Form of Restricted Stock Unit Agreement under the Sabre Corporation the 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.68 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 1, 2019).
10.61+	Form of Executive Officer Stock Option Grant Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.69 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 1, 2019).
10.62+	Form of Executive Officer Restricted Stock Unit Grant Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.70 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 1, 2019).
10.63+	Form of Non-Executive Chairman Restricted Stock Unit Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.71 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 1, 2019).
10.64+	Form of Non-Employee Director Restricted Stock Unit Annual Grant Agreement under the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.72 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 1, 2019).
10.65+	Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 24, 2019).
10.66+	Sabre Corporation 2019 Director Equity Compensation Plan (incorporated by reference to Exhibit 10.2 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 24, 2019).
10.67+	Form of Executive Stock Option Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.75 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 1, 2019).
10.68+	Form of Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.76 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 1, 2019).
10.69+	Form of Non-Employee Director Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Director Equity Compensation Plan (incorporated by reference to Exhibit 10.77 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 1, 2019).
10.70	Payment and Termination Agreement, dated December 18, 2019 by and between Sabre Corporation and Sovereign Manager Co-Invest, LLC (incorporated by reference to Exhibit 10.78 of Sabre Corporation's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 26, 2020).
10.71+	Form of Award Agreement for Long-Term Cash Program under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.01 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 6, 2020).
10.72	Indenture, dated as of April 17, 2020, among Sabre Global Inc., each of the guarantors party thereto and Wells Fargo Bank, National Association, as trustee and collateral agent (incorporated by reference to Exhibit 4.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 17, 2020).

Exhibit Number	Description of Exhibits
10.73	Form of 9.250% Senior Secured Notes due 2025 (incorporated by reference to Exhibit 4.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 17, 2020).
10.74	Indenture, dated as of April 17, 2020, among Sabre GLBL Inc., Sabre Corporation, Sabre Holdings Corporation and Wells Fargo Bank, National Association as trustee (incorporated by reference to Exhibit 4.3 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 17, 2020).
10.75	Form of 4.000% Exchangeable Senior Notes due 2025 (incorporated by reference to Exhibit 4.3 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 17, 2020).
10.76	Pledge and Security Agreement, dated April 17, 2020, among Sabre GLBL, Inc., Sabre Holdings Corporation, the subsidiary guarantor party thereto and Wells Fargo Bank, National Association, as collateral agent ((incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 17, 2020).
10.77+	Form of Non-Employee Director Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Director Equity Compensation Plan (incorporated by reference to Exhibit 10.80 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 8, 2020).
10.78+	Form of Executive Officer Stock Option Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.81 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 8, 2020).
10.79+	Form of Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.82 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 8, 2020).
10.80+	Form of Executive Officer Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.83 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 8, 2020).
10.81+	Form of Executive Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.84 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.82+	Form of Executive Officer Stock Option Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.85 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.83+	Form of Executive Officer Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.86 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.84+	Form of Executive Officer Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.87 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.85+	Form of Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.88 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.86+	Form of Executive Officer Restricted Stock Unit Grant Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.89 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.87+	Form of Non-Employee Director Restricted Stock Unit Grant Agreement (Initial Grant) under the Sabre Corporation 2019 Director Equity Compensation Plan (incorporated by reference to Exhibit 10.90 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.88+	Letter Agreement by and between Sabre Corporation and Roshan Mendis, dated June 2, 2020 (incorporated by reference to Exhibit 10.91 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.89+	Letter Agreement by and between Sabre Corporation and David D. Moore, dated June 3, 2020 (incorporated by reference to Exhibit 10.92 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2020).
10.90	Indenture, dated as of August 27, 2020, among Sabre GLBL Inc., each of the guarantors party thereto and Wells Fargo Bank, National Association, as trustee and collateral agent (incorporated by reference to Exhibit 4.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 27, 2020).
10.91	Form of 7.375% Senior Secured Notes due 2025 (incorporated by reference to Exhibit 4.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 27, 2020).

Exhibit Number	Description of Exhibits
10.92	Pledge and Security Agreement, dated as of August 27, 2020, among Sabre GLBL Inc., Sabre Holdings Corporation, the subsidiary guarantors party thereto and Wells Fargo Bank, National Association, as collateral agent. (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 27, 2020).
10.93+	Letter Agreement between Sabre Corporation and Shawn Williams dated July 15, 2020 (incorporated by reference to Exhibit 10.94 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 6, 2020).
10.94+	Letter Agreement between Sabre Corporation and Scott Wilson, dated July 30, 2020 (incorporated by reference to Exhibit 10.95 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 6, 2020).
10.95	Amendment Number 3, dated as of August 1, 2020 to that certain Master Services Agreement dated as of November 1, 2015 by and between DXC Technology Services LLC (successor in interest to HP Enterprises, LLC) and Sabre GLBL (incorporated by reference to Exhibit 10.96 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 6, 2020).**
10.96	Indenture, dated as of August 27, 2020, among Sabre GLBL Inc. each of the guarantors party thereto and Wells Fargo Bank National Association, as trustee and collateral agent incorporated by reference to Exhibit 10.97 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 6, 2020).
10.97	Form of 7.375% Senior Secured Notes due 2025 (incorporated by reference to Exhibit 10.97 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 6, 2020).
10.98	Amendment No. 3 to Amended and Restated Credit Agreement, dated December 17, 2020, among Sabre GLBL Inc., as Borrower, Sabre Holdings Corporation, as Holdings, the Lenders party thereto and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 17, 2020).
10.99	Sixth Term A Loan Refinancing and Incremental Amendment to Amended and Restated Credit Agreement, dated December 17, 2020, among Sabre GLBL Inc., as Borrower, Sabre Holdings Corporation, as Holdings, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent, Bank of America, N.A., as the 2020 Other Term B Lender and Bank of America, N.A., as the 2020 Incremental Term Lender (incorporated by reference to Exhibit 10.2 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 17, 2020).
10.100	Amended and Restated Master Services Agreement entered into as of August 1, 2020 by and between Sabre GLBL Inc. and DXC Technology Services LLC (incorporated by reference to Exhibit 10.103 of Sabre Corporation's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 28, 2021).**
10.101	Amended and Restated Service Agreement No. 1 effective as of August 1, 2020 by and between Sabre GLBL Inc. and DXC Technology Services LLC (incorporated by reference to Exhibit 10.104 of Sabre Corporation's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 28, 2021).**
10.102+	Sabre Corporation 2021 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 29, 2021).
10.103+	Form of Executive Restricted Stock Unit Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.99 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 4, 2021).
10.104+	Form of Non-Employee Director Restricted Stock Unit Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.100 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 4, 2021).
10.105+	Form of Executive Restricted Stock Unit Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.101 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 4, 2021).
10.106+	Form of Executive Restricted Stock Unit Agreement under the Sabre Corporation 2019 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.102 of Sabre Corporation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 4, 2021).
10.107	Amendment No. 4 to Amended and Restated Credit Agreement, dated July 12, 2021, among Sabre GLBL Inc., as Borrower, Sabre Holdings Corporation, as Holdings, the Lenders party thereto and Bank of America, N.A., as administrative Agent (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 13, 2021).
10.108	Fourth Revolving Refinancing Amendment to Amended and Restated Credit Agreement, dated July 12, 2021, among Sabre GLBL Inc., as Borrower, Sabre Holding Corporation, as Holdings, each of the other Loan Parties thereto, Bank of America, N.A., as Administrative Agent and Bank of America, N.A., as the 2020 Other Term B-1 Lender (incorporated by reference to Exhibit 10.2 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 13, 2021).

Exhibit Number	Description of Exhibits
10.109	Seventh Term B Loan Refinancing Amendment to Amended and Restated Credit Agreement, dated July 12, 2021, among Sabre GBL Inc., as Borrower, Sabre Holdings Corporation, as Holdings, each of the other Loan Parties party thereto, Bank of America, N.A., as Administrative Agent and Bank of America, N.A., as the 2021 Other Term B-2 Lender (incorporated by reference to Exhibit 10.3 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 13, 2021).
10.110	Sales Agreement, dated August 19, 2021, by and between Sabre Corporation and BofA Securities, Inc., Citigroup Global Markets Inc. and Mizuho Securities USA LLC (incorporated by reference to Exhibit 1.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 19, 2021).
10.111+	Offer Letter by and between Sabre Corporation and Kurt Ekert, dated December 15, 2021 (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 15, 2021).
10.112+	Employment Agreement, by and between Sabre Corporation and David Shirk, dated December 15, 2021 (incorporated by reference to Exhibit 10.2 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 15, 2021).
10.113+*	Employment Agreement, by and between Sabre Global Technologies Limited and Roshan Mendis, effective from January 1, 2022.
10.114+*	Amendment Number 24 dated as of 17 December 2021 to that certain Service Agreement No. 1 effective as of 1 August 2020 by and between DXC Technology Services LLC and Sabre GBL Inc.
21.1*	List of Subsidiaries
23.1*	Consent of Ernst & Young LLP
24.1*	Powers of Attorney (included on signature page)
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.

† Confidential treatment has been granted to portions of this exhibit by the Securities and Exchange Commission.

* Filed herewith.

** Certain confidential portions of this exhibit have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K. The omitted information is (i) not material and (ii) would likely cause us competitive harm if publicly disclosed. We agree to furnish supplementally an unredacted copy of the exhibit to the Securities and Exchange Commission on its request.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

Date: February 18, 2022

By: /s/ Douglas E. Barnett
Douglas E. Barnett
Executive Vice President and
Chief Financial Officer

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints Sean Menke, Douglas E. Barnett, and Steve Milton, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution, for him or her and in his or her name, place and stead, in any and all capacities, to execute any or all amendments to this Annual Report on Form 10-K and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>/s/ Sean Menke</u> Sean Menke	Chief Executive Officer and Director (Principal Executive Officer)	February 18, 2022
<u>/s/ Douglas E. Barnett</u> Douglas E. Barnett	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 18, 2022
<u>/s/ Jami B. Kindle</u> Jami B. Kindle	Senior Vice President - Finance and Controlling (Principal Accounting Officer)	February 18, 2022
<u>/s/ Karl Peterson</u> Karl Peterson	Chairman of the Board and Director	February 18, 2022
<u>/s/ George Bravante, Jr.</u> George Bravante, Jr.	Director	February 18, 2022
<u>/s/ Hervé Couturier</u> Hervé Couturier	Director	February 18, 2022
<u>/s/ Gary Kusin</u> Gary Kusin	Director	February 18, 2022
<u>/s/ Gail Mandel</u> Gail Mandel	Director	February 18, 2022
<u>/s/ Phyllis Newhouse</u> Phyllis Newhouse	Director	February 18, 2022
<u>/s/ Zane Rowe</u> Zane Rowe	Director	February 18, 2022
<u>/s/ Gregg Saretsky</u> Gregg Saretsky	Director	February 18, 2022
<u>/s/ John Scott</u> John Scott	Director	February 18, 2022
<u>/s/ Wendi Sturgis</u> Wendi Sturgis	Director	February 18, 2022

SABRE CORPORATION
SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
DECEMBER 31, 2021, 2020 AND 2019
(In millions)

	Balance at Beginning	Charged to Expense or Other Accounts	Write-offs and Other Adjustments	Balance at End of Period
Allowance for Credit Losses				
Year Ended December 31, 2021	\$ 97.6	\$ (7.8)	\$ (30.2)	\$ 59.6
Year ended December 31, 2020	\$ 57.7	\$ 65.7	\$ (25.8)	\$ 97.6
Year ended December 31, 2019	\$ 45.3	\$ 20.6	\$ (8.2)	\$ 57.7
Valuation Allowance for Deferred Tax Assets				
Year Ended December 31, 2021	\$ 268.1	\$ 162.7	\$ (0.9)	\$ 429.9
Year ended December 31, 2020	\$ 38.3	\$ 218.4	\$ 11.4	\$ 268.1
Year ended December 31, 2019	\$ 59.3	\$ —	\$ (21.0)	\$ 38.3

DESCRIPTION OF SABRE CORPORATION'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

Sabre Corporation (the "Company," "we," "our" or "us") has two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (1) our common stock, par value \$0.01 per share (the "common stock") and (2) our 6.50% Series A Mandatory Convertible Preferred Stock, par value \$0.01 per share.

The Company is authorized to issue up to 1,000,000,000 shares of common stock, par value \$0.01 per share, and 225,000,000 shares of preferred stock, par value \$0.01 per share.

This description may not contain all of the information that is important to you. To understand them fully, you should read our fourth amended and restated certificate of incorporation (the "Certificate of Incorporation") and sixth amended and restated bylaws (the "Bylaws"), copies of which are filed as exhibits to our Annual Report on Form 10-K, the certificate of designations, which is filed as an exhibit to our Current Report on Form 8-K filed on August 24, 2020, as well as the relevant portions of the Delaware General Corporation Law, as amended ("DGCL").

Description of Common Stock

Generally

Our Certificate of Incorporation authorizes the issuance of up to 1 billion shares of common stock, par value \$0.01. None of our outstanding common stock has been designated as non-voting.

Voting Rights

Except as otherwise provided in our Certificate of Incorporation or required by law, holders of common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. Accordingly, holders of a majority of the shares of common stock entitled to vote in any election of directors may elect all of the directors standing for election. Except for the election of directors, if a quorum is present, an action on a matter is approved if the votes cast favoring the action or matter exceed the votes cast against the action or matter, unless the vote of a greater number is required by applicable law, the DGCL, our Certificate of Incorporation or our Bylaws. The election of directors in an uncontested election will be determined by a majority of the votes cast with respect to that director's election, requiring the number of votes cast "for" a director's election to exceed the number of votes cast "against" that director. The rights, preferences and privileges of holders of common stock are subject to, and may be impacted by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Dividends

Holders of our common stock are entitled to receive ratably those dividends, if any, as may be declared by the board of directors out of legally available funds.

Liquidation, Dissolution, and Winding Up

Upon our liquidation, dissolution or winding up, the holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the

payment of all of our debts, liabilities and all preferential amounts to which holders of any outstanding class of preferred stock may be entitled.

Preemptive Rights

Holders of our common stock have no preemptive or conversion rights or other subscription rights, and there are no redemption or sinking funds provisions applicable to our common stock.

Transfer Agent and Registrar

American Stock Transfer & Trust Company, LLC is the transfer agent and registrar for our common stock.

Exchange

Our common stock is listed on The NASDAQ Stock Market under the symbol "SABR."

Assessment

All outstanding shares of our common stock are fully paid and nonassessable.

Description of Preferred Stock

Generally

Our certificate of incorporation authorizes us to issue up to 225,000,000 shares of preferred stock, par value \$0.01 per share, in one or more series, and authorizes our board of directors to designate the preferences, rights and other terms of each series.

Subject to applicable law, we or our subsidiaries may directly or indirectly repurchase or otherwise acquire mandatory convertible preferred stock in the open market or otherwise, including through private or public tender or exchange offers, cash-settled swaps or other cash-settled derivatives, without the consent of, or notice to, holders. The certificate of designation requires us to promptly deliver to the transfer agent for cancellation all mandatory convertible preferred stock that we or our subsidiaries have purchased or otherwise acquired.

Transfer Agent, Registrar, Conversion Agent and Dividend Disbursing Agent

American Stock Transfer & Trust Company, LLC is the transfer agent, registrar, conversion agent and dividend disbursing agent for the mandatory convertible preferred stock. We may change the transfer agent, registrar, dividend disbursing agent and conversion agent, and we or any of our subsidiaries may choose to act as registrar, dividend disbursing agent or conversion agent as well, without prior notice to the preferred stockholders.

Registered Holders

Absent manifest error, a person in whose name any share of mandatory convertible preferred stock is registered on the registrar's books will be considered to be the holder of that share for all purposes, and only registered holders (which, in the case of mandatory convertible preferred stock held through DTC, will initially be DTC's nominee, Cede & Co.) will have rights under our certificate of incorporation and certificate of designations as holders of the mandatory convertible preferred stock. In this section, we refer to the registered holders of the mandatory

convertible preferred stock as “holders” of the mandatory convertible preferred stock or “preferred stockholders.”

The mandatory convertible preferred stock will initially be issued in global form, represented by one or more “global certificates” registered in the name of Cede & Co., as nominee of DTC, and DTC will act as the initial depository for the mandatory convertible preferred stock. In limited circumstances, global certificates will be exchanged for “physical certificates” registered in the name of the applicable preferred stockholders. See “—Book Entry, Settlement and Clearance” for a definition of these terms and a description of certain DTC procedures that will be applicable to mandatory convertible preferred stock represented by global certificates.

Transfers and Exchanges

A preferred stockholder may transfer or exchange its mandatory convertible preferred stock at the office of the registrar in accordance with the terms of the certificate of designation. We, the transfer agent and the registrar may require the preferred stockholder to, among other things, deliver appropriate endorsements or transfer instruments as we or they may reasonably require. In addition, subject to the terms of the certificate of designations, we, the transfer agent and the registrar may refuse to register the transfer or exchange of any share of mandatory convertible preferred stock that is subject to conversion.

Listing

Our mandatory convertible preferred stock is listed on The Nasdaq Global Select Market under the symbol “SABRP.” A liquid trading market for the mandatory convertible preferred stock may not develop, and the listing may be subsequently withdrawn. Accordingly, you may not be able to sell your mandatory convertible preferred stock at the times you wish to or at favorable prices, if at all.

Payments on the Mandatory Convertible Preferred Stock

We will pay (or cause the dividend disbursing agent to pay) all declared cash dividends or other cash amounts due on any mandatory convertible preferred stock represented by a global certificate by wire transfer of immediately available funds or otherwise in accordance with the applicable procedures of the depository. We will pay (or cause the dividend disbursing agent to pay) all declared cash dividends or other cash amounts due on any mandatory convertible preferred stock represented by a physical certificate as follows:

- if the aggregate “liquidation preference” (as defined below under the caption “—Definitions”) of the mandatory convertible preferred stock represented by such physical certificate is at least \$5.0 million (or such lower amount as we may choose in our sole and absolute discretion) and the holder of such mandatory convertible preferred stock entitled to such cash dividend or amount has delivered to the dividend disbursing agent, no later than the time set forth below, a written request to receive payment by wire transfer to an account of such holder within the United States, by wire transfer of immediately available funds to such account; and
- in all other cases, by check mailed to the address of such holder set forth in the register for the mandatory convertible preferred stock.

To be timely, a written request referred to in the first bullet point above must be delivered no later than the “close of business” (as defined below under the caption “—Definitions”) on the following date: (i) with respect to the payment of any declared cash dividend due on a dividend

payment date for the mandatory convertible preferred stock, the immediately preceding regular record date; and (ii) with respect to any other payment, the date that is 15 calendar days immediately before the date such payment is due.

If the due date for a payment on any mandatory convertible preferred stock is not a “business day” (as defined below under the caption “—Definitions”), then such payment may be made on the immediately following business day and no interest, dividend or other amount will accrue or accumulate on such payment as a result of the related delay. Solely for purposes of the immediately preceding sentence, a day on which the applicable place of payment is authorized or required by law or executive order to close or be closed will be deemed not to be a “business day.”

Ranking

The mandatory convertible preferred stock will rank as follows:

- senior to (i) “dividend junior stock” (as defined below under the caption “—Definitions”) with respect to the payment of dividends; and (ii) “liquidation junior stock” (as defined below under the caption “—Definitions”) with respect to the distribution of assets upon our liquidation, dissolution or winding up;
- equally with (i) “dividend parity stock” (as defined below under the caption “—Definitions”) with respect to the payment of dividends; and (ii) “liquidation parity stock” (as defined below under the caption “—Definitions”) with respect to the distribution of assets upon our liquidation, dissolution or winding up;
- junior to (i) “dividend senior stock” (as defined below under the caption “—Definitions”) with respect to the payment of dividends; and (ii) “liquidation senior stock” (as defined below under the caption “—Definitions”) with respect to the distribution of assets upon our liquidation, dissolution or winding up;
- junior to our existing and future indebtedness; and
- structurally junior to all existing and future indebtedness and other liabilities, including trade payables, and (to the extent we are not a holder thereof) capital stock of our subsidiaries.

Dividends

Generally

The mandatory convertible preferred stock will accumulate cumulative dividends at a rate per annum equal to 6.50% (such rate per annum, the “stated dividend rate”) on the liquidation preference thereof, regardless of whether or not declared or funds are legally available for their payment. Subject to the other provisions described below, such dividends will be payable when, as and if declared by our “board of directors” (as defined below under the caption “—Definitions”), out of funds legally available for their payment to the extent paid in cash, quarterly in arrears on each “dividend payment date” (as defined below under the caption “—Definitions”) to the preferred stockholders of record as of the close of business on the “regular record date” (as defined below under the caption “—Definitions”) immediately preceding the applicable dividend payment date. Dividends on the mandatory convertible preferred stock will accumulate from, and including, the last date to which dividends have been paid (or, if no dividends have been paid, from, and including, the initial issue date) to, but excluding, the next dividend payment date, and dividends will cease to accumulate from and after September 1, 2023. No interest, dividend or

other amount will accrue or accumulate on any dividend on the mandatory convertible preferred stock that is not declared or paid on the applicable dividend payment date.

Accumulated dividends will be computed on the basis of a 360-day year comprised of twelve 30-day months. The first scheduled dividend of \$1.7514 per share of mandatory convertible preferred stock was paid on December 1, 2020. Each subsequent scheduled quarterly dividend, if declared in full for payment in cash, will be \$1.625 per share.

Declared dividends on the mandatory convertible preferred stock will be payable, at our election, in cash, shares of our common stock or a combination of cash and shares of our common stock, in the manner, and subject to the provisions, described below under the caption “—Method of Payment.” References in this “Description of Mandatory Convertible Preferred Stock” section to dividends “paid” on the mandatory convertible preferred stock, and any other similar language, will be deemed to include dividends paid thereon in shares of common stock in compliance with the provisions described in this “—Dividends” section.

Each payment of declared dividends on the mandatory convertible preferred stock will be applied to the earliest “dividend period” (as defined below under the caption “—Definitions”) for which dividends have not yet been paid.

Method of Payment

Generally

Each declared dividend on the mandatory convertible preferred stock will be paid in cash unless we elect, by providing written notice to each preferred stockholder no later than the 10th “scheduled trading day” (as defined below under the caption “—Definitions”) before the applicable dividend payment date, to pay all or any portion of such dividend in shares of our common stock. Such written notice must state the total dollar amount of the declared dividend per share of mandatory convertible preferred stock and the respective dollar portions thereof that will be paid in cash and in shares of our common stock. Any such election made in such written notice, once sent, will be irrevocable and will apply to all shares of mandatory convertible preferred stock then outstanding.

Dividends Paid Partially or Entirely in Shares of Common Stock

The number of shares of common stock payable in respect of any dollar amount of a declared dividend that we have duly elected to pay in shares of common stock will be (x) such dollar amount, *divided by* (y) the “dividend stock price” (as defined below under the caption “—Definitions”) for such dividend. However, in no event will the total number of shares of common stock issuable per share of mandatory convertible preferred stock as payment for a declared dividend exceed an amount equal to (x) the total dollar amount of such declared dividend per share of mandatory convertible preferred stock (including, for the avoidance of doubt, the portion thereof that we have not elected to pay in shares of common stock), *divided by* (y) the “floor price” (as defined below under the caption “—Definitions”) in effect on the last “VWAP trading day” (as defined below under the caption “—Definitions”) of the related “dividend stock price observation period” (as defined below under the caption “—Definitions”). If the dollar amount of such declared dividend per share of mandatory convertible preferred stock that we have duly elected to pay in shares of common stock exceeds the product of such dividend stock price and the number of shares of common stock delivered per share of mandatory convertible preferred stock in respect of such dividend, then we will, to the extent we are legally able to do so and permitted under the terms of our indebtedness for borrowed money, declare and pay, on the relevant Dividend Payment Date, such excess amount in cash pro rata on all shares of mandatory convertible preferred stock then outstanding.

The initial floor price is \$2.45 per share of common stock. The floor price will be subject to adjustment, as provided in its definition, whenever the “boundary conversion rates” (as defined below under the caption “—Definitions”) are adjusted pursuant to the provisions described below under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments.”

Payment of Cash in Lieu of any Fractional Share of Common Stock

Notwithstanding anything to the contrary in the provisions described above, in lieu of delivering any fractional share of common stock otherwise issuable as payment for all or any portion of a declared dividend that we have duly elected to pay in shares of common stock, we will, to the extent we are legally able to do so and permitted under the terms of our indebtedness for borrowed money, pay cash based on the “daily VWAP” (as defined below under the caption “—Definitions”) per share of our common stock on the last VWAP trading day of the relevant dividend stock price observation period.

When Preferred Stockholders Become Stockholders of Record of Shares of Common Stock Issued as Payment for a Declared Dividend

If we have duly elected to pay all or any portion of a declared dividend on any share of mandatory convertible preferred stock in shares of common stock, then such shares of common stock, when issued, will be registered in the name of the holder of such share of mandatory convertible preferred stock as of the close of business on the related regular record date, and such holder will be deemed to become the holder of record of such shares of common stock as of the close of business on the last VWAP trading day of the related dividend stock price observation period.

Settlement Delayed if Necessary to Calculate the Dividend Stock Price

If we have duly elected to pay all or any portion of a declared dividend in shares of common stock and the last VWAP trading day of the related dividend stock price observation period occurs on or after the related dividend payment date, then the payment of such declared dividend will be made on the business day immediately after such last VWAP trading day and no interest, dividend or other amount will accrue or accumulate as a result of the related delay.

Securities Laws Matters

If, in our reasonable judgment, the issuance of shares of common stock as payment for any declared dividend on the mandatory convertible preferred stock, or the resale of those shares by preferred stockholders or beneficial owners that are not, and have not at any time during the preceding three months been, an affiliate of ours for purposes of the Securities Act, requires registration under the Securities Act, then we will use our commercially reasonable efforts to:

- file and cause there to become effective under the Securities Act a registration statement covering such issuance or covering such resales from time to time, pursuant to Rule 415 under the Securities Act, by such preferred stockholders or beneficial owners, as applicable; and
- keep such registration statement effective under the Securities Act until all such shares are resold pursuant to such registration statement or are, or would be, eligible for resale without restriction, pursuant to Rule 144 under the Securities Act (or any successor rule), by preferred stockholders that are not, and have not at any time during the preceding three months been, an affiliate of ours.

In addition, we will use our commercially reasonable efforts to qualify or register such shares under applicable U.S. state securities laws, to the extent required in our reasonable judgment.

Treatment of Dividends Upon Conversion

If the “conversion date” (as defined below under the caption “—Definitions”) of any share of mandatory convertible preferred stock is after a regular record date for a declared dividend on the mandatory convertible preferred stock and on or before the next dividend payment date, then the holder of such share at the close of business on such regular record date will be entitled, notwithstanding such conversion, to receive, on or, at our election, before such dividend payment date, such declared dividend on such share.

Except as described in the preceding paragraph or below under the captions “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Mandatory Conversion—Unpaid Accumulated Dividend Amount,” “—Early Conversion at the Option of the Preferred Stockholders—Unpaid Accumulated Dividend Amount” and “—Conversion During a Make-Whole Fundamental Change Conversion Period—Unpaid Accumulated Dividend Amount and Future Dividend Present Value Amount,” dividends on any share of mandatory convertible preferred stock will cease to accumulate from and after the conversion date for such share.

Limitations on Our Ability to Pay Dividends

We may not have sufficient cash to pay dividends on the mandatory convertible preferred stock. In addition, applicable law (including the Delaware General Corporations Law), regulatory authorities and the agreements governing our indebtedness may restrict our ability to pay dividends on the mandatory convertible preferred. Similarly, statutory, contractual or other restrictions may limit our subsidiaries’ ability to pay dividends or make distributions, loans or advances to us to enable us to pay cash dividends on the mandatory convertible preferred stock. See “Risk Factors—Risks Relating to the Mandatory Convertible Preferred Stock—We conduct a significant amount of our operations through our subsidiaries and will rely significantly on our subsidiaries to pay cash dividends on the mandatory convertible preferred stock” and “—We may not have sufficient funds to pay, or may choose not to pay, dividends on the mandatory convertible preferred stock. In addition, regulatory and contractual restrictions may prevent us from declaring or paying dividends.”

Priority of Dividends; Limitation on Junior Payments; No Participation Rights

Except as described below under “—Limitation on Dividends on Parity Stock” and “—Limitation on Junior Payments,” the certificate of designations will not prohibit or restrict us or our board of directors from declaring or paying any dividend or distribution (whether in cash, securities or other property, or any combination of the foregoing) on any class or series of our stock, and, unless such dividend or distribution is declared on the mandatory convertible preferred stock, the mandatory convertible preferred stock will not be entitled to participate in such dividend or distribution.

For purposes of the following two paragraphs, a dividend on the mandatory convertible preferred stock will be deemed to have been paid if such dividend is declared and consideration in kind and amount that is sufficient, in accordance with the certificate of designations, to pay such dividend is set aside for the benefit of the preferred stockholders entitled thereto.

Limitation on Dividends on Parity Stock

If:

- less than all accumulated and unpaid dividends on the outstanding mandatory convertible preferred stock have been declared and paid as of any dividend payment date; or
- our board of directors declares a dividend on the mandatory convertible preferred stock that is less than the total amount of unpaid dividends on the outstanding mandatory convertible preferred stock that would accumulate to, but excluding, the dividend payment date following such declaration,

then, until and unless all accumulated and unpaid dividends on the outstanding mandatory convertible preferred stock have been paid, no dividends may be declared or paid on any class or series of dividend parity stock unless dividends are simultaneously declared on the mandatory convertible preferred stock on a pro rata basis, such that (i) the ratio of (x) the dollar amount of dividends so declared per share of mandatory convertible preferred stock to (y) the dollar amount of the total accumulated and unpaid dividends per share of mandatory convertible preferred stock immediately before the payment of such dividend is no less than (ii) the ratio of (x) the dollar amount of dividends so declared or paid per share of such class or series of dividend parity stock to (y) the dollar amount of the total accumulated and unpaid dividends per share of such class or series of dividend parity stock immediately before the payment of such dividend (which dollar amount in this clause (y) will, if dividends on such class or series of dividend parity stock are not cumulative, be the full amount of dividends per share thereof in respect of the most recent dividend period thereof).

Limitation on Junior Payments

If any mandatory convertible preferred stock is outstanding, then no dividends or distributions (whether in cash, securities or other property, or any combination of the foregoing) will be declared or paid on any of our “junior stock” (as defined below under the caption “—Definitions”), and neither we nor any of our “subsidiaries” (as defined below under the caption “—Definitions”) will purchase, redeem or otherwise acquire for value (whether in cash, securities or other property, or any combination of the foregoing) any of our junior stock, in each case unless all accumulated dividends on the mandatory convertible preferred stock then outstanding for all prior completed dividend periods, if any, have been paid in full. However, the restrictions described in the preceding sentence will not apply to the following:

- dividends and distributions on junior stock that are payable solely in shares of junior stock, together with cash in lieu of any fractional share;
- purchases, redemptions or other acquisitions of junior stock in connection with the administration of any benefit or other incentive plan of ours (including any employment contract) in the ordinary course of business, including (x) the forfeiture of unvested shares of restricted stock, or any withholdings (including withholdings effected by a repurchase or similar transaction), or other surrender, of shares that would otherwise be deliverable upon exercise, delivery or vesting of equity awards under any such plan or contract, in each case whether for payment of applicable taxes or the exercise price, or otherwise; (y) cash paid in connection therewith in lieu of issuing any fractional share; and (z) purchases of junior stock pursuant to a publicly announced repurchase plan to offset the dilution resulting from issuances pursuant to any such plan or contract; *provided, however*, that repurchases pursuant to this clause (z) will be permitted pursuant to the exception described in this bullet point only to

the extent that the number of shares of junior stock so repurchased does not exceed the related “number of incremental diluted shares” (as defined below under the caption “—Definitions”);

- purchases, or other payments in lieu of the issuance, of any fractional share of junior stock in connection with the conversion, exercise or exchange of such junior stock or of any securities convertible into, or exercisable or exchangeable for, junior stock;
- (x) dividends and distributions of junior stock, or rights to acquire junior stock, pursuant to a stockholder rights plan; and (y) the redemption or repurchase of such rights pursuant to such stockholder rights plan;
- purchases of junior stock pursuant to a binding contract (including a stock repurchase plan) to make such purchases, if such contract was in effect before the initial issue date;
- the settlement of any convertible note hedge transactions or capped call transactions entered into in connection with the issuance, by us or any of our subsidiaries, of any debt securities that are convertible into, or exchangeable for, common stock (or into or for any combination of cash and common stock based on the value of the common stock); provided such convertible note hedge transactions or capped call transactions, as applicable, are on customary terms and were entered into in compliance with the provision described in the first sentence under this “—Limitation on Junior Payments” section;
- the acquisition, by us or any of our subsidiaries, of record ownership of any junior stock solely on behalf of persons (other than us or any of our subsidiaries) that are the beneficial owners thereof, including as trustee or custodian; and
- the exchange, conversion or reclassification of junior stock solely for or into other junior stock, together with the payment, in connection therewith, of cash in lieu of any fractional share.

For the avoidance of doubt, the provisions described in this “—Limitation on Junior Payments” section will not prohibit or restrict the payment or other acquisition for value of any debt securities that are convertible into, or exchangeable for, any junior stock.

Rights Upon Our Liquidation, Dissolution or Winding Up

If we liquidate, dissolve or wind up, whether voluntarily or involuntarily, then, subject to the rights of any of our creditors or holders of any outstanding liquidation senior stock, each share of mandatory convertible preferred stock will entitle the holder thereof to receive payment for the following amount out of our assets or funds legally available for distribution to our stockholders, before any such assets or funds are distributed to, or set aside for the benefit of, any liquidation junior stock:

- The liquidation preference per share of mandatory convertible preferred stock, which is equal to \$100.00 per share; and
- all unpaid dividends that will have accumulated on such share to, but excluding, the date of such payment.

Upon payment of such amount in full on the outstanding mandatory convertible preferred stock, holders of the mandatory convertible preferred stock will have no rights to our remaining assets or funds, if any. If such assets or funds are insufficient to fully pay such amount on all outstanding shares of mandatory convertible preferred stock and the corresponding amounts payable in respect of all outstanding shares of liquidation parity stock, if any, then, subject to the rights of any of our creditors or holders of any outstanding liquidation senior stock, such assets or funds will be distributed ratably on the outstanding shares of mandatory convertible preferred stock and liquidation parity stock in proportion to the full respective distributions to which such shares would otherwise be entitled.

For purposes of the provisions described above in this “—Rights Upon Our Liquidation, Dissolution or Winding Up” section, our consolidation or combination with, or merger with or into, or the sale, lease or other transfer of all or substantially all of our assets (other than a sale, lease or other transfer in connection with our liquidation, dissolution or winding up) to, another person will not, in itself, constitute our liquidation, dissolution or winding up, even if, in connection therewith, the mandatory convertible preferred stock is converted into, or is exchanged for, or represents solely the right to receive, other securities, cash or other property, or any combination of the foregoing.

We may have no assets or funds available for payment on the mandatory convertible preferred stock upon our liquidation, dissolution or winding up. See “Risk Factors—Risks Relating to the Mandatory Convertible Preferred Stock—The mandatory convertible preferred stock will be junior to our existing and future indebtedness and will be structurally junior to the liabilities of our subsidiaries.”

No Redemption at Our Option

We may not redeem the mandatory convertible preferred stock at our option.

Voting Rights

The mandatory convertible preferred stock will have no voting rights except as described below or as provided in our certificate of incorporation or required by the Delaware General Corporation Law.

Right to Designate Two Preferred Stock Directors Upon a Dividend Non-Payment Event

Generally

If a “dividend non-payment event” (as defined below under the caption “—Definitions”) occurs, then, subject to the other provisions described below, the authorized number of our directors will automatically increase by two and the preferred stockholders, voting together as a single class with the holders of each class or series of voting parity stock, if any, will have the right to elect two directors to fill such two new directorships at our next annual meeting of stockholders (or, if earlier, at a special meeting of our stockholders called for such purpose) and at each following annual meeting of our stockholders until such dividend non-payment event has been cured, at which time such right will terminate with respect to the mandatory convertible preferred stock until and unless a subsequent dividend non-payment event occurs. However, as a condition to the election of any such director, whom we refer to as a “preferred stock director,” such election must not cause us to violate any rule of any securities exchange or other trading facility on which any of our securities are then listed or qualified for trading requiring that a majority of our directors be independent. We refer to this condition as the “director qualification requirement.” In addition, our board of directors will at no time include more than two preferred stock directors. Upon the termination of such right with respect to the mandatory convertible

preferred stock and all other outstanding voting parity stock, if any, the term of office of each person then serving as a preferred stock director will immediately and automatically terminate and the authorized number of our directors will automatically decrease by two.

Each preferred stock director will hold office until our next annual meeting of stockholders or, if earlier, upon his or her death, resignation or removal or the termination of the term of such office as described above.

Removal and Vacancies of the Preferred Stock Directors

At any time, each preferred stock director may be removed either (i) with cause in accordance with applicable law; or (ii) with or without cause by the affirmative vote of the preferred stockholders, voting together as a single class with the holders of each class or series of voting parity stock, if any, with similar voting rights that are then exercisable, representing a majority of the combined voting power of the mandatory convertible preferred stock and such voting parity stock.

During the continuance of a dividend non-payment event, a vacancy in the office of any preferred stock director (other than vacancies before the initial election of the preferred stock directors in connection with such dividend non-payment event) may be filled, subject to the director qualification requirement, by the remaining preferred stock director or, if there is no remaining preferred stock director or such vacancy resulted from the removal of a preferred stock director, by the affirmative vote of the preferred stockholders, voting together as a single class with the holders of each class or series of voting parity stock, if any, with similar voting rights that are then exercisable, representing a majority of the combined voting power of the mandatory convertible preferred stock and such voting parity stock.

The Right to Call A Special Meeting to Elect Preferred Stock Directors

During the continuance of a dividend non-payment event, the preferred stockholders, and holders of each class or series of voting parity stock, if any, with similar voting rights that are then exercisable, representing at least 25% of the combined voting power of the mandatory convertible preferred stock and such voting parity stock will have the right to call a special meeting of stockholders for the election of preferred stock directors (including an election to fill any vacancy in the office of any preferred stock director). Such right may be exercised by written notice, executed by such preferred stockholders and holders, as applicable, delivered to us at our principal executive offices (except that, in the case of any global certificate representing the mandatory convertible preferred stock or such voting parity stock, such notice must instead comply with the applicable “depository procedures” (as defined below under the caption “—Definitions”). However, if our next annual or special meeting of stockholders is scheduled to occur within 90 days after such right is exercised, and we are otherwise permitted to conduct such election at such next annual or special meeting, then such election will instead be included in the agenda for, and conducted at, such next annual or special meeting.

Voting and Consent Rights with Respect to Specified Matters

Subject to the other provisions described below, while any mandatory convertible preferred stock is outstanding, each following event will require, and cannot be effected without, the affirmative vote or consent of preferred stockholders, and holders of each class or series of voting parity stock, if any, with similar voting or consent rights with respect to such event, representing at least two thirds of the combined outstanding voting power of the mandatory convertible preferred stock and such voting parity stock, if any:

- (1) any amendment or modification of our certificate of incorporation to authorize or create, or to increase the authorized number of shares of, any class or series of dividend senior stock or liquidation senior stock;
- (2) any amendment, modification or repeal of any provision of our certificate of incorporation or the certificate of designations that adversely affects the rights, preferences or voting powers of the mandatory convertible preferred stock (other than an amendment, modification or repeal permitted by the provisions described below under the caption “—Certain Amendments Permitted Without Consent”); or
- (3) our consolidation or combination with, or merger with or into, another person, or any binding or statutory share exchange or reclassification involving the mandatory convertible preferred stock, in each case unless:
 - a. the mandatory convertible preferred stock either (i) remains outstanding after such consolidation, combination, merger, share exchange or reclassification; or (ii) is converted or reclassified into, or is exchanged for, or represents solely the right to receive, preference securities of the continuing, resulting or surviving person of such consolidation, combination, merger, share exchange or reclassification, or the parent thereof; and
 - b. the mandatory convertible preferred stock that remains outstanding or such preference securities, as applicable, have rights, preferences and voting powers that, taken as a whole, are not materially less favorable to the holders thereof than the rights, preferences and voting powers, taken as a whole, of the mandatory convertible preferred stock immediately before the consummation of such consolidation, combination, merger, share exchange or reclassification.

However, a consolidation, combination, merger, share exchange or reclassification that satisfies the requirements of clauses (a) and (b) of paragraph (3) above will not require any vote or consent pursuant to paragraph (1) or (2) above. In addition, each of the following will be deemed not to adversely affect the rights, preferences or voting powers of the mandatory convertible preferred stock (or cause any of the rights, preferences or voting powers of any such preference securities to be materially less favorable as described above) and will not require any vote or consent pursuant to any of the preceding clauses (1), (2) or (3):

- any increase in the number of the authorized but unissued shares of our undesignated preferred stock;
- any increase in the number of authorized or issued shares of mandatory convertible preferred stock;
- the creation and issuance, or increase in the authorized or issued number, of any class or series of stock that is neither dividend senior stock nor liquidation senior stock; and
- the application of the provisions described below under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Effect of Common Stock Change Event,” including the execution and delivery of any supplemental instruments described under such caption solely to give effect to such provisions.

If any event described in paragraphs (1), (2) or (3) above would adversely affect the rights, preferences or voting powers of one or more, but not all, classes or series of voting parity stock (which term, solely for these purposes, includes the mandatory convertible preferred stock), then those classes or series whose rights, preferences or voting powers would not be adversely affected will be deemed not to have voting or consent rights with respect to such event. Furthermore, an amendment, modification or repeal described in paragraph (2) above that adversely affects the special rights, preferences or voting powers of the mandatory convertible preferred stock cannot be effected without the affirmative vote or consent of preferred stockholders, voting separately as a class, of at least two thirds of the mandatory convertible preferred stock then outstanding.

Certain Amendments Permitted Without Consent

Notwithstanding anything to the contrary described in paragraph (2) above under the caption “—Voting and Consent Rights with Respect to Specified Matters,” we may amend, modify or repeal any of the terms of the mandatory convertible preferred stock without the vote or consent of any preferred stockholder to:

- cure any ambiguity or correct any omission, defect or inconsistency in the certificate of designations or the certificates representing the mandatory convertible preferred stock, including the filing of a certificate of correction, or a corrected instrument, pursuant to Section 103(f) of the Delaware General Corporation Law in connection therewith;
- conform the provisions of the certificate of designations or the certificates representing the mandatory convertible preferred stock to this “Description of Mandatory Convertible Preferred Stock” section, as supplemented by the related pricing term sheet; or
- make any other change to our certificate of incorporation, the certificate of designations or the certificates representing the mandatory convertible preferred stock that does not, individually or in the aggregate with all other such changes, adversely affect the rights of any preferred stockholder (other than preferred stockholders that have consented to such change), as such, in any material respect.

Procedures for Voting and Consents

If any vote or consent of the preferred stockholders will be held or solicited, including at a regular annual meeting or a special meeting of stockholders, then our board of directors will adopt customary rules and procedures at its discretion to govern such vote or consent, subject to the other provisions described in this section. Such rules and procedures may include fixing a record date to determine the preferred stockholders (and, if applicable, holders of voting parity stock) that are entitled to vote or provide consent, as applicable, rules governing the solicitation and use of proxies or written consents and customary procedures for the nomination and designation, by preferred stockholders (and, if applicable, holders of voting parity stock), of preferred stock directors for election. Without limiting the foregoing, the persons calling any special meeting of stockholders pursuant to the provisions described above under “—Right to Designate Two Preferred Stock Directors Upon a Dividend Non-Payment Event—The Right to Call A Special Meeting to Elect Preferred Stock Directors” will, at their election, be entitled to specify one or more preferred stock director nominees in the notice referred to in such section, if such special meeting is scheduled to include the election of any preferred stock director (including an election to fill any vacancy in the office of any preferred stock director).

Each share of mandatory convertible preferred stock will be entitled to one vote on each matter on which the holders of the mandatory convertible preferred stock are entitled to vote separately as a class and not together with the holders of any other class or series of stock. The respective voting powers of the mandatory convertible preferred stock and all classes or series of voting parity stock entitled to vote on any matter together as a single class will be determined (including for purposes of determining whether a plurality, majority or other applicable portion of votes has been obtained) in proportion to their respective liquidation amounts. Solely for these purposes, the liquidation amount of the mandatory convertible preferred stock or any such class or series of voting parity stock will be the maximum amount payable in respect of the mandatory convertible preferred stock or such class or series, as applicable, assuming we are liquidated on the record date for the applicable vote or consent (or, if there is no record date, on the date of such vote or consent).

At any meeting in which the mandatory convertible preferred stock (and, if applicable, any class or series of voting parity stock) is entitled to elect any preferred stock director (including to fill any vacancy in the office of any preferred stock director), the presence, in person or by proxy, of holders of mandatory convertible preferred stock (and, if applicable, holders of each such class or series) representing a majority of the outstanding voting power of the mandatory convertible preferred stock (and, if applicable, each such class or series) will constitute a quorum. The affirmative vote of a plurality of the outstanding voting power of the mandatory convertible preferred stock (and, if applicable, each such class or series) cast at such a meeting at which a quorum is present will be sufficient to elect the preferred stock director(s).

A consent or affirmative vote of the preferred stockholders pursuant to the provisions described above under the caption “—Voting and Consent Rights with Respect to Specified Matters” may be given or obtained either in writing without a meeting or in person or by proxy at a regular annual meeting or a special meeting of stockholders.

Conversion Provisions of the Mandatory Convertible Preferred Stock

Generally

The mandatory convertible preferred stock will be convertible into shares of our common stock (together, if applicable, with cash in lieu of any fractional share of common stock and, in certain circumstances, cash in payment for certain dividends on the mandatory convertible preferred stock) in the manner described below. In no event will any preferred stockholder be entitled to convert a number of shares of mandatory convertible preferred stock that is not a whole number.

Mandatory Conversion

Generally

Unless previously converted, each outstanding share of mandatory convertible preferred stock will automatically convert, for settlement on the “mandatory conversion settlement date” (as defined below under the caption “—Definitions”), at the “mandatory conversion rate” (as defined below under the caption “—Definitions”). We refer to such an automatic conversion as a “mandatory conversion.” The mandatory conversion settlement date is scheduled to occur on September 1, 2023.

Calculation of the Mandatory Conversion Rate

The mandatory conversion rate will be determined based on the average of the daily VWAPs for each VWAP trading day in the “mandatory conversion observation period,” which is

the 20 consecutive VWAP trading days beginning on, and including, the 21st scheduled trading day immediately before September 1, 2023. We refer to this average as the “mandatory conversion stock price.”

As more fully set forth in its definition, the mandatory conversion rate will generally be as follows:

Mandatory Conversion Stock Price		Mandatory Conversion Rate
Equal to or greater than the maximum conversion price	g	The minimum conversion rate
Less than the maximum conversion price, but greater than the minimum conversion price	g	An amount (rounded to the nearest fourth decimal place) equal to (x) \$100.00, <i>divided by</i> (y) mandatory conversion stock price
Equal to or less than the minimum conversion price	g	The maximum conversion rate

Accordingly, the mandatory conversion rate will be no less than the “minimum conversion rate” and no more than the “maximum conversion rate” (each, as defined below under the caption “—Definitions”), which are initially 11.9048 and 14.2857 shares of common stock, respectively, per share of mandatory convertible preferred stock. Each of the minimum conversion rate and the maximum conversion rate, which we refer to collectively as the “boundary conversion rates,” is subject to adjustment pursuant to the provisions described below under the caption “—Boundary Conversion Rate Adjustments.”

The initial “minimum conversion price” and “maximum conversion price” (each, as defined below under the caption “—Definitions”) are \$7.00 and \$8.40, respectively, and the initial maximum conversion price represents a premium of approximately 20% over the initial minimum conversion price. Each of the minimum conversion price and the maximum conversion price, which we refer to collectively as the “boundary conversion prices,” will be subject to adjustment, as provided in their respective definitions, whenever the boundary conversion rates are adjusted pursuant to the provisions described below under the caption “—Boundary Conversion Rate Adjustments.”

The table below presents the mandatory conversion rates that would apply for a series of hypothetical mandatory conversion stock prices, based on the initial boundary conversion rates. Also presented in the table below is the assumed conversion value per share of mandatory convertible preferred stock at each mandatory conversion rate, which is calculated as the product of such mandatory conversion rate and the applicable mandatory conversion stock price. The table below is for illustrative purposes only, and the actual mandatory conversion stock price, mandatory conversion rate and conversion value will be determined at the end of the mandatory conversion observation period.

Hypothetical Mandatory Conversion Stock Price	Mandatory Conversion Rate	Assumed Conversion Value per Share of Mandatory Convertible Preferred Stock
\$ 2.00	14.2857	\$ 28.57
\$ 4.00	14.2857	\$ 57.14
\$ 7.00	14.2857	\$100.00
\$ 7.50	13.3333	\$100.00
\$ 8.40	11.9048	\$100.00
\$10.00	11.9048	\$119.05
\$15.00	11.9048	\$178.57
\$20.00	11.9048	\$238.10
\$30.00	11.9048	\$357.14
\$40.00	11.9048	\$476.19
\$50.00	11.9048	\$595.24
\$60.00	11.9048	\$714.29

As shown in the table above, the assumed conversion value per share of mandatory convertible preferred stock will (i) exceed the liquidation preference per share of mandatory convertible preferred stock if the mandatory conversion price exceeds the maximum conversion price; (ii) equal the liquidation preference per share of mandatory convertible preferred stock if the mandatory conversion price is between the minimum conversion price and the maximum conversion price; and (iii) be less than the liquidation preference per share of mandatory convertible preferred stock if the mandatory conversion price is less than the minimum conversion price. In addition, if the trading price of our common stock at the time we settle any mandatory conversion is less than the applicable mandatory conversion stock price, then the actual conversion value at the time of settlement will be less than the assumed conversion values illustrated in the table above.

Unpaid Accumulated Dividend Amount

If, as of the conversion date for the mandatory conversion any share of mandatory convertible preferred stock, an “unpaid accumulated dividend amount” (as defined below under the caption “—Definitions”) exists for such share, then the conversion rate applicable to such conversion will be increased by a number of shares (rounded to the nearest fourth decimal place) equal to (i) such unpaid accumulated dividend amount, *divided by* (ii) the greater of (x) the floor price in effect on such conversion date; and (y) the “dividend make-whole stock price” (as defined below under the caption “—Definitions”) for such conversion. However, if such unpaid accumulated dividend amount exceeds the product of such dividend make-whole stock price and such number of shares added to the mandatory conversion rate, then we will, to the extent we are legally able to do so and permitted under the terms of our indebtedness for borrowed money, declare and pay such excess amount in cash to the holder of such share of mandatory convertible preferred stock being converted (and, if we declare less than all of such excess for payment, then such payment will be made pro rata on all shares to be converted pursuant to a mandatory conversion).

Early Conversion at the Option of the Preferred Stockholders

Generally

Preferred stockholders will have the right to convert all or any portion of their shares of mandatory convertible preferred stock at any time until the close of business on the mandatory conversion date, at the minimum conversion rate. We refer to such a conversion at the option of the preferred stockholders as an “early conversion.” However, if the conversion date for any early conversion occurs during a “make-whole fundamental change conversion period” (as defined below under the caption “—Definitions”), which we refer to as a “make-whole fundamental change conversion,” then such early conversion will be at the “make-whole fundamental change conversion rate” (as defined below under the caption “—Conversion During a Make-Whole Fundamental Change Conversion Period”) instead of the minimum conversion rate.

Unpaid Accumulated Dividend Amount

If, as of the conversion date for the early conversion of any share of mandatory convertible preferred stock, other than a make-whole fundamental change conversion, an unpaid accumulated dividend amount exists for such share, then the conversion rate applicable to such conversion will be increased by a number of shares (rounded to the nearest fourth decimal place) equal to (i) such unpaid accumulated dividend amount, *divided by* (ii) the greater of (x) the floor price in effect on such conversion date; and (y) the dividend make-whole stock price for such conversion. If such unpaid accumulated dividend amount exceeds the product of such dividend make-whole stock price and such number of shares added to the mandatory conversion rate, then we will have no obligation to pay such excess in cash or any other consideration.

Conversion During a Make-Whole Fundamental Change Conversion Period

Generally

If a “make-whole fundamental change” (as defined below under the caption “—Definitions”) occurs and the conversion date for the early conversion of any share of mandatory convertible preferred stock occurs during the related make-whole fundamental change conversion period, then, subject to the provisions described below, such early conversion will be settled at the conversion rate (the “make-whole fundamental change conversion rate”) set forth in the table below corresponding (after interpolation as described below) to the effective date and the “make-whole fundamental change stock price” (as defined below under the caption “—Definitions”) of such make-whole fundamental change:

Effective Date	Make-Whole Fundamental Change Stock Price											
	\$2.00	\$4.00	\$7.00	\$7.50	\$8.40	\$10.00	\$15.00	\$20.00	\$30.00	\$40.00	\$50.00	\$60.00
August 24, 2020	13.0540	12.6480	12.3320	12.2935	12.2302	12.1361	11.9600	11.8852	11.8349	11.8218	11.8178	11.8165
September 1, 2021	13.3930	12.9230	12.4921	12.4357	12.3429	12.2035	11.9470	11.8704	11.8524	11.8477	11.8462	11.8457
September 1, 2022	13.9285	13.4245	12.7463	12.6471	12.4840	12.2499	11.9249	11.8784	11.8751	11.8751	11.8750	11.8750
September 1, 2023	14.2857	14.2857	14.2857	13.3333	11.9048	11.9048	11.9048	11.9048	11.9048	11.9048	11.9048	11.9048

If such effective date or make-whole fundamental change stock price is not set forth in the table above, then:

- if such make-whole fundamental change stock price is between two prices in the table above or the effective date is between two dates in the table above, then the make-whole fundamental change conversion rate will be determined by straight-line

interpolation between the make-whole fundamental change conversion rates set forth for the higher and lower prices in the table above or the earlier and later dates in the table above, based on a 365- or 366-day year, as applicable;

- if the make-whole fundamental change stock price is greater than \$60.00 (subject to adjustment in the same manner as the make-whole fundamental change stock prices set forth in the column headings of the table above are adjusted, as described below under the caption “—Adjustment of Make-Whole Fundamental Change Stock Prices and Conversion Rates”) per share, then the make-whole fundamental change conversion rate will be the minimum conversion rate in effect on the relevant conversion date; and
- if the make-whole fundamental change stock price is less than \$2.00 (subject to adjustment in the same manner) per share, then the make-whole fundamental change conversion rate will be the maximum conversion rate in effect on the relevant conversion date.

Adjustment of Make-Whole Fundamental Change Stock Prices and Conversion Rates

Whenever the minimum conversion rate is adjusted pursuant to the provisions described below under the caption “—Boundary Conversion Rate Adjustments—Generally,” each make-whole fundamental change stock price in the first row (*i.e.*, the column headers) of the table above will be automatically adjusted at the same time by multiplying such make-whole fundamental change stock price by a fraction whose numerator is the minimum conversion rate immediately before such adjustment and whose denominator is the minimum conversion rate immediately after such adjustment. The make-whole fundamental change conversion rates in the table above will be adjusted in the same manner as, and at the same time and for the same events for which, the boundary conversion rates are adjusted pursuant to the provisions described below under the caption “—Boundary Conversion Rate Adjustments—Generally.”

Unpaid Accumulated Dividend Amount and Future Dividend Present Value Amount

If any share of mandatory convertible preferred stock is to be converted pursuant to a make-whole fundamental change conversion and, as of the effective date of the relevant make-whole fundamental change, an unpaid accumulated dividend amount exists for such share, then we will pay such unpaid accumulated dividend amount upon settlement of such conversion, in the manner, and subject to the provisions, described below. In addition, if a “future dividend present value amount” (as defined below under the caption “—Definitions”) exists for such share as of such effective date, then we will also pay such future dividend present value amount upon such settlement, in the manner, and subject to the provisions, described below.

Each of the unpaid accumulated dividend amount and the future dividend present value amount will be paid in cash, to the extent we are legally able to do so, unless we elect to pay all or any portion thereof in shares of our common stock. To make such an election, the notice of such make-whole fundamental change that we provide pursuant to the provisions described below under the caption “—Notice of the Make-Whole Fundamental Change” must be sent no later than the effective date of the make-whole fundamental change and must state such election and specify the respective dollar amounts of the unpaid accumulated dividend amount or future dividend present value amount, as applicable, per share of mandatory convertible preferred stock that will be paid in cash and in shares of our common stock. Any such election made in such make-whole fundamental change notice, once sent, will be irrevocable and will apply to all conversions of the mandatory convertible preferred stock with a conversion date occurring

during the related make-whole fundamental change conversion period. However, to the extent that we are not legally able to pay any portion of the unpaid accumulated dividend amount or the future dividend present value amount in cash, we will elect to pay the same in shares of our common stock.

If we duly elect to pay all or any portion of the unpaid accumulated dividend amount or future dividend present value amount relating to a make-whole fundamental change conversion in shares of common stock, then:

- the conversion rate applicable to such conversion will be increased by a number of shares (rounded to the nearest fourth decimal place) equal to (i) the dollar amount of such unpaid accumulated dividend amount or future dividend present value amount, as applicable, to be paid in shares of common stock, *divided by* (ii) the greater of (x) the floor price in effect on the conversion date for such conversion; and (y) the dividend make-whole stock price for such conversion; and
- if the dollar amount of such unpaid accumulated dividend amount or future dividend present value amount, as applicable, to be paid in shares of common stock exceeds the product of such dividend make-whole stock price and such number of shares added to the make-whole fundamental change conversion rate in respect thereof, then we will, to the extent we are legally able to do so and permitted under the terms of our indebtedness for borrowed money, declare and pay such excess amount in cash to the holders of the relevant mandatory convertible preferred stock being converted (and, if we declare less than all of such excess for payment, then such payment will be made pro rata on all shares to be converted with a conversion date occurring during the related make-whole fundamental change conversion period).

Our obligation to pay the future dividend present value amount (whether in cash or by increasing the make-whole fundamental change conversion rate) in connection with a make-whole fundamental change could be considered a penalty, in which case its enforceability would be subject to general principles of reasonableness and equitable remedies.

Notice of the Make-Whole Fundamental Change

No later than the business day after the effective date of any make-whole fundamental change, we will provide notice to the preferred stockholders of such make-whole fundamental change. Such notice will also include certain additional information set forth in the certificate of designations, including the following:

- a brief description of the preferred stockholders' right to convert their shares of mandatory convertible preferred stock at the make-whole fundamental change conversion rate and, if applicable, to receive the unpaid accumulated dividend amount and the future dividend present value amount;
- the make-whole fundamental change conversion period;
- the make-whole fundamental change conversion rate; and

- the unpaid accumulated dividend amount and future dividend present value amount per share of mandatory convertible preferred stock, including the dollar amounts thereof that we have elected to pay in cash or in shares of our common stock.

If we do not provide such notice by the business day after such effective date, then the last day of the related make-whole fundamental change conversion period will be extended by the number of days from, and including, the business day after such effective date to, but excluding, the date we provide the notice.

Conversion Procedures

Mandatory Conversion

Mandatory conversion will occur automatically, and without the need for any action on the part of the preferred stockholders, for all shares of mandatory convertible preferred stock that remain outstanding as of the mandatory conversion date. The shares of common stock due upon mandatory conversion of any mandatory convertible preferred stock will be registered in the name of, and, if applicable, the cash due upon conversion will be delivered to, the holder of such mandatory convertible preferred stock as of the close of business on the mandatory conversion date.

Make-Whole Fundamental Change Conversions and Other Early Conversions

To convert a beneficial interest in a global certificate pursuant to an early conversion (including a make-whole fundamental change conversion), the owner of the beneficial interest must:

- comply with the depositary procedures for converting the beneficial interest (at which time such conversion will become irrevocable); and
- if applicable, pay any documentary or other taxes as described below.

To convert any share of mandatory convertible preferred stock represented by a physical certificate pursuant to an early conversion (including a make-whole fundamental change conversion), the holder of such share must:

- complete, manually sign and deliver to the conversion agent the conversion notice attached to such physical certificate or a facsimile of such conversion notice;
- deliver such physical certificate to the conversion agent (at which time such conversion will become irrevocable);
- furnish any endorsements and transfer documents that we or the conversion agent may require; and
- if applicable, pay any documentary or other taxes as described below.

We refer to the first business day on which the requirements described above to convert a share of mandatory convertible preferred stock are satisfied as the “early conversion date.”

Mandatory convertible preferred stock may be surrendered for early conversion (including a make-whole fundamental change conversion) only after the “open of business” (as

defined below under the caption “—Definitions”) and before the close of business on a day that is a business day.

Settlement upon Conversion

Generally

Subject to the provisions described below under the caption “—Payment of Cash in Lieu of any Fractional Share of Common Stock,” we will pay or deliver, as applicable, the following consideration for each share of mandatory convertible preferred stock to be converted:

- a number of shares of our common stock equal to the “applicable conversion rate” (as defined below under the caption “—Definitions”) in effect immediately before the close of business on the conversion date for such conversion; and
- to the extent applicable, the cash due in respect of any unpaid accumulated dividend amount or future dividend present value amount on such share.

We will pay or deliver, as applicable, such consideration on or before the second business day immediately after such conversion date.

Payment of Cash in Lieu of any Fractional Share of Common Stock

In lieu of delivering any fractional share of common stock otherwise due upon conversion, we will, to the extent we are legally able to do so and permitted under the terms of our indebtedness for borrowed money, pay cash based on the “last reported sale price” (as defined below under the caption “—Definitions”) per share of our common stock on the conversion date for such conversion (or, if such conversion date is not a “trading day” (as defined below under the caption “—Definitions”), the immediately preceding trading day).

Treatment of Accumulated Dividends upon Conversion

Except as described above under the captions “—Mandatory Conversion—Unpaid Accumulated Dividend Amount,” “—Early Conversion at the Option of the Preferred Stockholders—Unpaid Accumulated Dividend Amount” and “—Conversion During a Make-Whole Fundamental Change Conversion Period—Unpaid Accumulated Dividend Amount and Future Dividend Present Value Amount,” we will not adjust the conversion rate to account for any accumulated and unpaid dividends on any mandatory convertible preferred stock being converted.

If the conversion date of any share of mandatory convertible preferred stock to be converted is after a regular record date for a declared dividend on the mandatory convertible preferred stock and on or before the next dividend payment date, then such dividend will be paid pursuant to the provisions described above under the caption “—Dividends—Treatment of Dividends Upon Conversion” notwithstanding such conversion.

When Converting Preferred Stockholders Become Stockholders of Record of the Shares of Common Stock Issuable Upon Conversion

The person in whose name any share of common stock is issuable upon conversion of any mandatory convertible preferred stock will be deemed to become the holder of record of that share as of the close of business on the conversion date for such conversion.

Boundary Conversion Rate Adjustments*Generally*

Each boundary conversion rate will be adjusted for the events described below. However, we are not required to adjust the boundary conversion rates for these events (other than a stock split or combination or a tender or exchange offer) if each preferred stockholder participates, at the same time and on the same terms as holders of our common stock, and solely by virtue of being a holder of the mandatory convertible preferred stock, in such transaction or event without having to convert such preferred stockholder's mandatory convertible preferred stock and as if such preferred stockholder held a number of shares of our common stock equal to the product of (i) the maximum conversion rate in effect on the related record date; and (ii) the total number of shares of mandatory convertible preferred stock held by such preferred stockholder on such record date.

- (1) *Stock Dividends, Splits and Combinations.* If we issue solely shares of our common stock as a dividend or distribution on all or substantially all shares of our common stock, or if we effect a stock split or a stock combination of our common stock (in each case excluding an issuance solely pursuant to a common stock change event, as to which the provisions described below under the caption “—Effect of Common Stock Change Event” will apply), then each boundary conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where:

- CR_0 = such boundary conversion rate in effect immediately before the close of business on the “record date” (as defined below under the caption “—Definitions”) for such dividend or distribution, or immediately before the open of business on the effective date of such stock split or stock combination, as applicable;
- CR_1 = such boundary conversion rate in effect immediately after the close of business on such record date or the open of business on such effective date, as applicable;
- OS_0 = the number of shares of our common stock outstanding immediately before the close of business on such record date or effective date, as applicable, without giving effect to such dividend, distribution, stock split or stock combination; and
- OS_1 = the number of shares of our common stock outstanding immediately after giving effect to such dividend, distribution, stock split or stock combination.

If any dividend, distribution, stock split or stock combination of the type described in this paragraph (1) is declared or announced, but not so paid or made, then each boundary conversion rate will be readjusted, effective as of the date our board of directors determines not to pay such dividend or distribution or to effect such stock split or stock combination, to the applicable boundary conversion rate that would then be in effect had such dividend, distribution, stock split or stock combination not been declared or announced.

- (2) *Rights, Options and Warrants.* If we distribute, to all or substantially all holders of our common stock, rights, options or warrants (other than rights issued or otherwise distributed pursuant to a stockholder rights plan, as to which the provisions described below in paragraph (3)(a) and under the caption “—Stockholder Rights Plans” will apply) entitling such holders, for a period of not more than 60 calendar days after the record date of such distribution, to subscribe for or purchase shares of our common stock at a price per share that is less than the average of the last reported sale prices per share of our common stock for the 10 consecutive trading days ending on, and including, the trading day immediately before the date such distribution is announced, then each boundary conversion rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{OS + X}{OS + Y}$$

where:

- CR_0 = such boundary conversion rate in effect immediately before the close of business on such record date;
- CR_1 = such boundary conversion rate in effect immediately after the close of business on such record date;
- OS = the number of shares of our common stock outstanding immediately before the close of business on such record date;
- X = the total number of shares of our common stock issuable pursuant to such rights, options or warrants; and
- Y = a number of shares of our common stock obtained by dividing (x) the aggregate price payable to exercise such rights, options or warrants by (y) the average of the last reported sale prices per share of our common stock for the 10 consecutive trading days ending on, and including, the trading day immediately before the date such distribution is announced.

To the extent such rights, options or warrants are not so distributed, each boundary conversion rate will be readjusted to the applicable boundary conversion rate that would then be in effect had the increase to such boundary conversion rate for such distribution been made on the basis of only the rights, options or warrants, if any, actually distributed. In addition, to the extent that shares of our common stock are not delivered after the expiration of such rights, options or warrants (including as a result of such rights, options or warrants not being exercised), each boundary conversion rate will be readjusted to the applicable boundary conversion rate that would then be in effect had the increase to such boundary conversion rate for such distribution been made on the basis of delivery of only the number of shares of our common stock actually delivered upon exercise of such rights, option or warrants.

For purposes of this paragraph (2), in determining whether any rights, options or warrants entitle holders of our common stock to subscribe for or purchase shares of our common stock at a price per share that is less than the average of the last reported sale prices per share of our common stock for the 10 consecutive trading days ending on, and including, the trading day immediately before the date the distribution of such rights, options or warrants is announced, and in determining the aggregate price payable to exercise such rights, options or warrants, there will be taken into account any consideration we receive for such rights, options or warrants and any amount payable on exercise thereof, with the value of such consideration, if not cash, to be determined by our board of directors.

(3) *Spin-Offs and Other Distributed Property.*

- a. *Distributions Other than Spin-Offs.* If we distribute shares of our “capital stock” (as defined below under the caption “—Definitions”), evidences of our indebtedness or other assets or property of ours, or rights, options or warrants to acquire our capital stock or other securities, to all or substantially all holders of our common stock, excluding:
- dividends, distributions, rights, options or warrants for which an adjustment to the boundary conversion rates is required pursuant to paragraph (1) or (2) above;
 - dividends or distributions paid exclusively in cash for which an adjustment to the boundary conversion rates is required pursuant to paragraph (4) below;
 - rights issued or otherwise distributed pursuant to a stockholder rights plan, except to the extent provided below under the caption “—Stockholder Rights Plans”;
 - spin-offs for which an adjustment to the boundary conversion rates is required pursuant to paragraph (3)(b) below;
 - a distribution solely pursuant to a tender offer or exchange offer for shares of our common stock, as to which the provisions described below in paragraph (5) will apply; and
 - a distribution solely pursuant to a common stock change event, as to which the provisions described below under the caption “—Effect of Common Stock Change Event” will apply,

then each boundary conversion rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{SP}{SP - FMV}$$

where:

<i>CR₀</i>	=	such boundary conversion rate in effect immediately before the close of business on the record date for such distribution;
<i>CR₁</i>	=	such boundary conversion rate in effect immediately after the close of business on such record date;
<i>SP</i>	=	the average of the last reported sale prices per share of our common stock for the 10 consecutive trading days ending on, and including, the trading day immediately before the “ex-dividend date” (as defined below under the caption “—Definitions”) for such distribution; and
<i>FMV</i>	=	the fair market value (as determined by our board of directors), as of such record date, of the shares of capital stock, evidences of indebtedness, assets, property, rights, options or warrants distributed per share of our common stock pursuant to such distribution.

However, if *FMV* is equal to or greater than *SP*, then, in lieu of the foregoing adjustment to each boundary conversion rate, each preferred stockholder will receive, for each share of mandatory convertible preferred stock held by such preferred stockholder on such record date, at the same time and on the same terms as holders of our common stock, the amount and kind of shares of capital stock, evidences of indebtedness, assets, property, rights, options or warrants that such preferred stockholder would have received in such distribution if such preferred stockholder had owned, on such record date, a number of shares of our common stock equal to the maximum conversion rate in effect on such record date.

To the extent such distribution is not so paid or made, each boundary conversion rate will be readjusted to the applicable boundary conversion rate that would then be in effect had the adjustment been made on the basis of only the distribution, if any, actually made or paid.

- b. *Spin-Offs*. If we distribute or dividend shares of capital stock of any class or series, or similar equity interests, of or relating to an “affiliate” (as defined below under the caption “—Definitions”) or subsidiary or other business unit of ours to all or substantially all holders of our common stock (other than solely pursuant to (x) a common stock change event, as to which the provisions described below under the caption “—Effect of Common Stock Change Event” will apply; or (y) a tender offer or exchange offer for shares of our common stock, as to which the provisions

described below in paragraph (5) will apply), and such capital stock or equity interests are listed or quoted (or will be listed or quoted upon the consummation of the transaction) on a U.S. national securities exchange (a “spin-off”), then each boundary conversion rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV + SP}{SP}$$

where:

- CR₀* = such boundary conversion rate in effect immediately before the close of business on the last trading day of the “spin-off valuation period” (as defined below) for such spin-off;
- CR₁* = such boundary conversion rate in effect immediately after the close of business on the last trading day of the spin-off valuation period;
- FMV* = the product of (x) the average of the last reported sale prices per share or unit of the capital stock or equity interests distributed in such spin-off over the 10 consecutive trading day period (the “spin-off valuation period”) beginning on, and including, the ex-dividend date for such spin-off (such average to be determined as if references to our common stock in the definitions of “last reported sale price,” “trading day” and “market disruption event” were instead references to such capital stock or equity interests); and (y) the number of shares or units of such capital stock or equity interests distributed per share of our common stock in such spin-off; and
- SP* = the average of the last reported sale prices per share of our common stock for each trading day in the spin-off valuation period.

Notwithstanding anything to the contrary, if the conversion date for any share of mandatory convertible preferred stock to be converted occurs during the spin-off valuation period, then, solely for purposes of determining the consideration due in respect of such conversion, such spin-off valuation period will be deemed to consist of the trading

days occurring in the period from, and including, the ex-dividend date for such spin-off to, and including, such conversion date.

To the extent any dividend or distribution of the type described above in this paragraph (3)(b) is declared but not made or paid, each boundary conversion rate will be readjusted to the applicable boundary conversion rate that would then be in effect had the adjustment been made on the basis of only the dividend or distribution, if any, actually made or paid.

- (4) *Cash Dividends or Distributions.* If any cash dividend or distribution is made to all or substantially all holders of our common stock, then each boundary conversion rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{SP}{SP-D}$$

where:

- CR_0 = such boundary conversion rate in effect immediately before the close of business on the record date for such dividend or distribution;
- CR_1 = such boundary conversion rate in effect immediately after the close of business on such record date;
- SP = the last reported sale price per share of our common stock on the trading day immediately before the ex-dividend date for such dividend or distribution; and
- D = the cash amount distributed per share of our common stock in such dividend or distribution.

However, if D is equal to or greater than SP , then, in lieu of the foregoing adjustment to the boundary conversion rates, each preferred stockholder will receive, for each share of mandatory convertible preferred stock held by such preferred stockholder on such record date, at the same time and on the same terms as holders of our common stock, the amount of cash that such preferred stockholder would have received in such dividend or distribution if such preferred stockholder had owned, on such record date, a number of shares of our common stock equal to the maximum conversion rate in effect on such record date. To the extent such dividend or distribution is declared but not made or paid, each boundary conversion rate will be readjusted to the applicable boundary conversion rate that would then be in effect had the adjustment been made on the basis of only the dividend or distribution, if any, actually made or paid.

- (5) *Tender Offers or Exchange Offers.* If we or any of our subsidiaries makes a payment in respect of a tender offer or exchange offer for shares of our common stock, and the value (determined as of the expiration time by our board of

directors) of the cash and other consideration paid per share of our common stock in such tender or exchange offer exceeds the last reported sale price per share of our common stock on the trading day immediately after the last date (the “expiration date”) on which tenders or exchanges may be made pursuant to such tender or exchange offer (as it may be amended), then each boundary conversion rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{AC + (SP \times OS_1)}{SP \times OS_0}$$

where:

- CR_0 = such boundary conversion rate in effect immediately before the close of business on the last trading day of the “tender/exchange offer valuation period” (as defined below) for such tender or exchange offer;
- CR_1 = such boundary conversion rate in effect immediately after the close of business on the last trading day of the tender/exchange offer valuation period;
- AC = the aggregate value (determined as of the time (the “expiration time”) such tender or exchange offer expires by our board of directors) of all cash and other consideration paid for shares of our common stock purchased or exchanged in such tender or exchange offer;
- OS_0 = the number of shares of our common stock outstanding immediately before the expiration time (including all shares of our common stock accepted for purchase or exchange in such tender or exchange offer);
- OS_1 = the number of shares of our common stock outstanding immediately after the expiration time (excluding all shares of our common stock accepted for purchase or exchange in such tender or exchange offer); and
- SP = the average of the last reported sale prices per share of our common stock over the 10 consecutive trading day period (the “tender/exchange offer valuation period”) beginning on, and including, the trading day immediately after the expiration date;

provided, however, that such boundary conversion rate will in no event be adjusted down pursuant to the provisions described in this paragraph (5), except to the extent provided in the immediately following paragraph. Notwithstanding anything to the contrary, if the conversion date for any share of mandatory convertible preferred stock occurs during the tender/exchange offer valuation period for such tender or exchange offer, then, solely for purposes of determining the consideration due in respect of such conversion, such tender/exchange offer valuation period will be deemed to consist of the trading days occurring in the

period from, and including, the trading day immediately after the expiration date to, and including, such conversion date.

To the extent such tender or exchange offer is announced but not consummated (including as a result of being precluded from consummating such tender or exchange offer under applicable law), or any purchases or exchanges of shares of common stock in such tender or exchange offer are rescinded, each boundary conversion rate will be readjusted to the applicable boundary conversion rate that would then be in effect had the adjustment been made on the basis of only the purchases or exchanges of shares of common stock, if any, actually made, and not rescinded, in such tender or exchange offer.

We will not be required to adjust the boundary conversion rates except as described above in this “Boundary Conversion Rate Adjustments—Generally” section (it being understood that adjustments to the applicable conversion rate may be made pursuant to the provisions described above under the captions “—Mandatory Conversion—Unpaid Accumulated Dividend Amount,” “—Early Conversion at the Option of the Preferred Stockholders—Unpaid Accumulated Dividend Amount” and “—Conversion During a Make-Whole Fundamental Change Conversion Period,” and adjustments to the make-whole fundamental change conversion rates may be made pursuant to the provisions described above under the caption “—Conversion During a Make-Whole Fundamental Change Conversion Period”). Without limiting the foregoing, we will not be required to adjust the boundary conversion rates on account of:

- except as described above, the sale of shares of our common stock for a purchase price that is less than the market price per share of our common stock or less than the maximum conversion price or the minimum conversion price;
- the issuance of any shares of our common stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on our securities and the investment of additional optional amounts in shares of our common stock under any such plan;
- the issuance of any shares of our common stock or options or rights to purchase shares of our common stock pursuant to any present or future employee, director or consultant benefit plan or program of, or assumed by, us or any of our subsidiaries;
- the issuance of any shares of our common stock pursuant to any option, warrant, right or convertible or exchangeable security of ours outstanding as of the initial issue date; or
- solely a change in the par value of our common stock.

Notice of Boundary Conversion Rate Adjustments

Upon the effectiveness of any adjustment to the boundary conversion rates pursuant to the provisions described above under the caption “—Boundary Conversion Rate Adjustments—Generally,” we will promptly provide notice to the preferred stockholders containing (i) a brief description of the transaction or other event on account of which such adjustment was made; (ii) the boundary conversion rates and boundary conversion prices in effect immediately after such adjustment; and (iii) the effective time of such adjustment.

Voluntary Conversion Rate Increases

To the extent permitted by law and applicable stock exchange rules, we, from time to time, may (but are not required to) increase each boundary conversion rate (with a corresponding decrease to the boundary conversion prices pursuant to the definitions of those terms) by any amount if (i) our board of directors determines that such increase is in our best interest or that such increase is advisable to avoid or diminish any income tax imposed on holders of our common stock or rights to purchase our common stock as a result of any dividend or distribution of shares (or rights to acquire shares) of our common stock or any similar event; (ii) such increase is in effect for a period of at least 20 business days; (iii) such increase is irrevocable during such period; and (iv) each boundary conversion rate is increased by multiplying it by the same percentage factor for the period of such increase. No later than the first business day of such 20 business day period, we will provide notice to each preferred stockholder of such increase to the boundary conversion rates and corresponding decrease to the boundary conversion prices, the amounts thereof and the period during which such increase and decrease will be in effect.

Tax Considerations

A beneficial owner of the mandatory convertible preferred stock may, in some circumstances, including a cash distribution or dividend on our common stock, be deemed to have received a distribution that is subject to U.S. federal income tax as a result of an adjustment or the non-occurrence of an adjustment to the boundary conversion rates. Applicable withholding taxes (including backup withholding) may be withheld from dividends and payments upon conversion of the mandatory convertible preferred stock. In addition, if any withholding taxes (including backup withholding) are paid on behalf of a preferred stockholder, then those withholding taxes may be set off against payments of cash or the delivery of shares of common stock in respect of the mandatory convertible preferred stock (or, in some circumstances, any payments on our common stock) or sales proceeds received by, or other funds or assets of, that preferred stockholder. For a discussion of the U.S. federal income tax treatment of an adjustment to the conversion rate, see “Material United States Federal Income Tax Considerations.”

Adjustments to the Maximum Conversion Price, the Minimum Conversion Price and the Floor Price

For the avoidance of doubt, at the time any adjustment to the boundary conversion rates pursuant to the provisions described above under the caption “—Boundary Conversion Rate Adjustments—Generally” becomes effective, each of the maximum conversion price, the minimum conversion price and the floor price will automatically adjust in accordance with the definition of such term.

Special Provisions for Adjustments that Are Not Yet Effective

Notwithstanding anything to the contrary, if:

- any share of mandatory convertible preferred stock is to be converted;
- the record date, effective date or expiration time for any event that requires an adjustment to the boundary conversion rates pursuant to the provisions described above under the caption “—Boundary Conversion Rate Adjustments—Generally” has occurred on or before the conversion date for such conversion, but an adjustment to the boundary conversion rates for such event has not yet become effective as of such conversion date;

- the consideration due upon such conversion includes any whole shares of our common stock; and
- such shares are not entitled to participate in such event (because they were not held on the related record date or otherwise),

then, solely for purposes of such conversion, we will, without duplication, give effect to such adjustment on such conversion date in determining the number of shares of our stock to be delivered. In such case, if the date we are otherwise required to deliver the consideration due upon such conversion is before the first date on which the amount of such adjustment can be determined, then we will delay the settlement of such conversion until the second business day after such first date.

Stockholder Rights Plans

If any shares of our common stock are to be issued upon conversion of any mandatory convertible preferred stock and, at the time of such conversion, we have in effect any stockholder rights plan, then the holder of such mandatory convertible preferred stock will be entitled to receive, in addition to, and concurrently with the delivery of, the consideration otherwise due upon such conversion, the rights set forth in such stockholder rights plan, unless such rights have separated from our common stock at such time, in which case, and only in such case, the boundary conversion rates will be adjusted pursuant to the provisions described above in paragraph (3)(a) under the caption “—Boundary Conversion Rate Adjustments—Generally” on account of such separation as if, at the time of such separation, we had made a distribution of the type referred to in such paragraph to all holders of our common stock, subject to readjustment as described above if such rights expire, terminate or are redeemed. We currently do not have a stockholder rights plan in effect.

Effect of Common Stock Change Event

Generally

If there occurs any:

- recapitalization, reclassification or change of our common stock, other than (x) changes solely resulting from a subdivision or combination of our common stock, (y) a change only in par value or from par value to no par value or no par value to par value or (z) stock splits and stock combinations that do not involve the issuance of any other series or class of securities;
- consolidation, merger, combination or binding or statutory share exchange involving us;
- sale, lease or other transfer of all or substantially all of the assets of us and our subsidiaries, taken as a whole, to any person; or
- other similar event,

and, as a result of which, our common stock is converted into, or is exchanged for, or represents solely the right to receive, other securities, cash or other property, or any combination of the foregoing (such an event, a “common stock change event,” and such other securities, cash or property, the “reference property,” and the amount and kind of reference property that a holder of

one share of our common stock would be entitled to receive on account of such common stock change event (without giving effect to any arrangement not to issue or deliver a fractional portion of any security or other property), a “reference property unit”), then, notwithstanding anything to the contrary,

- from and after the effective time of such common stock change event, (i) the consideration due upon conversion of, or as payment for dividends on (including for purposes of determining whether a dividend non-payment event has occurred), any mandatory convertible preferred stock will be determined in the same manner as if each reference to any number of shares of common stock in the provisions described under this “—Conversion Provisions of the Mandatory Convertible Preferred Stock” section or under the captions “—Dividends” above and “—Certain Provisions Relating to the Issuance of Common Stock” below, as applicable, or in any related definitions, were instead a reference to the same number of reference property units; and (ii) for purposes of the definition of “make-whole fundamental change,” the terms “common stock” and “common equity” will be deemed to mean the common equity, if any, forming part of such reference property; and
- for these purposes, (i) the daily VWAP of any reference property unit or portion thereof that consists of a class of common equity securities will be determined by reference to the definition of “daily VWAP,” substituting, if applicable, the Bloomberg page for such class of securities in such definition; and (ii) the daily VWAP of any reference property unit or portion thereof that does not consist of a class of common equity securities, and the last reported sale price of any reference property unit or portion thereof that does not consist of a class of securities, will be the fair value of such reference property unit or portion thereof, as applicable, determined in good faith by us (or, in the case of cash denominated in U.S. dollars, the face amount thereof).

If the reference property consists of more than a single type of consideration to be determined based in part upon any form of stockholder election, then the composition of the reference property unit will be deemed to be the weighted average of the types and amounts of consideration actually received, per share of our common stock, by the holders of our common stock. We will notify the preferred stockholders of such weighted average as soon as practicable after such determination is made.

We will not become a party to any common stock change event unless its terms are consistent with the provisions described under this “—Effect of Common Stock Change Event” caption.

Execution of Supplemental Instruments

On or before the date the common stock change event becomes effective, we and, if applicable, the resulting, surviving or transferee person (if not us) of such common stock change event (the “successor person”) will execute and deliver such supplemental instruments, if any, as we reasonably determine are necessary or desirable to (i) provide for subsequent adjustments to the boundary conversion rates in a manner consistent with the provisions described above; and (ii) give effect to such other provisions, if any, as we reasonably determine are appropriate to preserve the economic interests of the preferred stockholders and to give effect to the provisions described above. If the reference property includes shares of stock or other securities or assets of a person other than the successor person, then such other person will also execute such

supplemental instrument(s) and such supplemental instrument(s) will contain such additional provisions, if any, that we reasonably determine are appropriate to preserve the economic interests of preferred stockholders. Notwithstanding any other term described herein, no consent of holders shall be required for the taking of such actions by means of supplemental instrument(s) as described in this paragraph.

Notice of Common Stock Change Event

We will provide notice of each common stock change event to preferred stockholders no later than the effective date of the common stock change event.

Certain Provisions Relating to the Issuance of Common Stock

Equitable Adjustments to Prices

Whenever the certificate of designations requires us to calculate the average of the last reported sale prices or daily VWAPs, or any function thereof, over a period of multiple days (including to calculate the mandatory conversion stock price, the make-whole fundamental change stock price, the dividend make-whole stock price, the dividend stock price or an adjustment to the boundary conversion rates), we will make appropriate adjustments, if any, to those calculations to account for any adjustment to the boundary conversion rates pursuant to the provisions described above under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments—Generally” that becomes effective, or any event requiring such an adjustment to the boundary conversion rates where the ex-dividend date, effective date or expiration date, as applicable, of such event occurs, at any time during such period.

Reservation of Shares of Common Stock

We will reserve, out of our authorized but unissued and unreserved shares of common stock, for delivery upon conversion of the mandatory convertible preferred stock, a number of shares of common stock that would be sufficient to settle the conversion of all shares of mandatory convertible preferred stock then outstanding, if any, at the maximum conversion rate then in effect.

Status of Shares of Common Stock

Each share of common stock delivered upon conversion of, or as payment for all or any portion of any declared dividends on the mandatory convertible preferred stock of any preferred stockholder will be duly and validly issued, fully paid, non-assessable, free from preemptive rights and free of any lien or adverse claim (except to the extent of any lien or adverse claim created by the action or inaction of such preferred stockholder or the person to whom such share of common stock will be delivered). If our common stock is then listed on any securities exchange, or quoted on any inter-dealer quotation system, then we will cause each such share of common stock, when so delivered, to be admitted for listing on such exchange or quotation on such system. In addition, if such mandatory convertible preferred stock is then represented by a global certificate, then each such share of common stock will be so delivered through the facilities of the applicable depository and (except to the extent contemplated by the provisions described above under the caption “—Dividends—Method of Payment—Securities Laws Matters”) identified by an “unrestricted” CUSIP number (and, if applicable, ISIN number).

Taxes Upon Issuance of Common Stock

We will pay any documentary, stamp or similar issue or transfer tax or duty due on the issue of any shares of our common stock upon conversion of, or as payment for all or any portion of any declared dividends on the mandatory convertible preferred stock of any preferred stockholder, except any tax or duty that is due because such preferred stockholder requests those shares to be registered in a name other than such preferred stockholder's name.

No Preemptive Rights

Without limiting the rights of preferred stockholders described above (including in connection with the issuance of common stock or reference property upon conversion of, or as payment for dividends on, the mandatory convertible preferred stock), the mandatory convertible preferred stock will not have any preemptive rights to subscribe for or purchase any of our securities.

Calculations

Responsibility; Schedule of Calculations

Except as otherwise provided in the certificate of designations, we will be responsible for making all calculations called for under the certificate of designations or the mandatory convertible preferred stock, including determinations of the boundary conversion prices, the boundary conversion rates, the daily VWAPs, the floor price, the last reported sale prices and accumulated dividends on the mandatory convertible preferred stock. We will make all calculations in good faith, and, absent manifest error, our calculations will be final and binding on all preferred stockholders. We will provide a schedule of these calculations to any preferred stockholder upon written request.

Calculations Aggregated for Each Preferred Stockholder

The composition of the consideration due upon conversion of, or as payment for any declared dividends on the mandatory convertible preferred stock of any preferred stockholder will (in the case of a global certificate, to the extent permitted by, and practicable under, the depositary procedures) be computed based on the total number of shares of mandatory convertible preferred stock of such preferred stockholder being converted with the same conversion date, or held by such preferred stockholder at the close of business on the related regular record date, respectively. For these purposes, any cash amounts due to such preferred stockholder in respect thereof will be rounded to the nearest cent.

Notices

We will provide all notices or communications to preferred stockholders pursuant to the certificate of designations in writing by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery, to the preferred stockholders' respective addresses shown on the register for the mandatory convertible preferred stock. However, in the case of mandatory convertible preferred stock represented by one or more global certificates, we are permitted to provide notices or communications to preferred stockholders pursuant to the depositary procedures, and notices and communications that we provide in this manner will be deemed to have been properly sent to such preferred stockholders in writing.

Legally Available Funds

Without limiting the other rights of the preferred stockholders (including pursuant to the provisions described above under the captions “—Rights Upon Our Liquidation, Dissolution or Winding Up” and “—Voting Rights—Right to Designate Two Preferred Stock Directors Upon a Dividend Non-Payment Event”), if we do not have sufficient funds legally available to fully pay any cash amount otherwise due on the mandatory convertible preferred stock, then we will pay the deficiency promptly after funds thereafter become legally available therefor.

Definitions

“Affiliate” has the meaning set forth in Rule 144 under the Securities Act as in effect on the initial issue date.

“Applicable conversion rate” has the following meaning with respect to the conversion of any share of mandatory convertible preferred stock:

(i) if such conversion is a mandatory conversion, the conversion rate applicable thereto determined pursuant to the provisions described under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Mandatory Conversion”;

(ii) if such conversion is a make-whole fundamental change conversion, the conversion rate applicable thereto determined pursuant to the provisions described under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Conversion During a Make-Whole Fundamental Change Conversion Period”; and

(iii) if such conversion is an early conversion that is not a make-whole fundamental change conversion, the conversion rate applicable thereto determined pursuant to the provisions described under the captions “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Early Conversion at the Option of the Preferred Stockholders—Generally” and “—Unpaid Accumulated Dividend Amount.”

“Board of directors” means our board of directors or a committee of such board duly authorized to act on behalf of such board.

“Boundary conversion prices” mean the minimum conversion price and the maximum conversion price.

“Boundary conversion rates” mean the minimum conversion rate and the maximum conversion rate.

“Business day” means any day other than a Saturday, a Sunday or any day on which the Federal Reserve Bank of New York is authorized or required by law or executive order to close or be closed.

“Capital stock” of any person means any and all shares of, interests in, rights to purchase, warrants or options for, participations in, or other equivalents of, in each case however designated, the equity of such person, but excluding any debt securities convertible into such equity.

“Close of business” means 5:00 p.m., New York City time.

“Common stock change event” has the meaning set forth above under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Effect of Common Stock Change Event—Generally.”

“Conversion date” has the following meaning with respect to the conversion of any share of mandatory convertible preferred stock: (i) if such conversion is a mandatory conversion, the mandatory conversion date; and (ii) in all other cases, the early conversion date for such conversion.

“Daily VWAP” means, for any VWAP trading day, the per share volume-weighted average price of our common stock as displayed under the heading “Bloomberg VWAP” on Bloomberg page “SABR <EQUITY> AQR” (or, if such page is not available, its equivalent successor page) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such VWAP trading day (or, if such volume-weighted average price is unavailable, the market value of one share of our common stock on such VWAP trading day, determined, using a volume-weighted average price method, by a nationally recognized independent investment banking firm we select, which may include any of the underwriters). The daily VWAP will be determined without regard to after-hours trading or any other trading outside of the regular trading session.

“Depository” means, with respect to any conversion, transfer, exchange or transaction

“Depository procedures” means, with respect to any conversion, transfer, exchange or transaction involving a global certificate representing any mandatory convertible preferred stock, or any beneficial interest in such certificate, the rules and procedures of the depository applicable to such conversion, transfer, exchange or transaction.

“Director qualification requirement” means the requirement, as a condition to the election of any preferred stock director, that such election must not cause us to violate any rule of any securities exchange or other trading facility on which any of our securities are then listed or qualified for trading requiring that a majority of our directors be independent.

“Dividend junior stock” means any class or series of our stock whose terms do not expressly provide that such class or series will rank senior to, or equally with, the mandatory convertible preferred stock with respect to the payment of dividends (without regard to whether or not dividends accumulate cumulatively). Dividend junior stock includes our common stock. For the avoidance of doubt, dividend junior stock will not include any securities of our subsidiaries.

“Dividend make-whole stock price” has the following meaning with respect to the conversion of any share of mandatory convertible preferred stock: (i) if such conversion is a mandatory conversion, 97% of the mandatory conversion stock price; (ii) if such conversion is a make-whole fundamental change conversion, 97% of the make-whole fundamental change stock price for the relevant make-whole fundamental change; and (iii) if such conversion is an early conversion that is not a make-whole fundamental change conversion, the average of the daily VWAPs per share of common stock for each of the five consecutive VWAP trading days ending on, and including, the VWAP trading day immediately before the conversion date for such conversion.

A “Dividend non-payment event” will be deemed to occur when accumulated dividends on the outstanding mandatory convertible preferred stock have not been declared and paid in an aggregate amount corresponding to six or more dividend periods, whether or not consecutive. A dividend non-payment event that has occurred will be deemed to continue until such time when all accumulated and unpaid dividends on the outstanding mandatory convertible preferred stock

have been paid in full, at which time such dividend non-payment event will be deemed to be cured and cease to be continuing. For purposes of this definition, a dividend on the mandatory convertible preferred stock will be deemed to have been paid if such dividend is declared and consideration in kind and amount that is sufficient, in accordance with the certificate of designations, to pay such dividend is set aside for the benefit of the preferred stockholders entitled thereto.

“Dividend parity stock” means any class or series of our stock (other than the mandatory convertible preferred stock) whose terms expressly provide that such class or series will rank equally with the mandatory convertible preferred stock with respect to the payment of dividends (without regard to whether or not dividends accumulate cumulatively). For the avoidance of doubt, dividend parity stock will not include any securities of our subsidiaries.

“Dividend payment date” means each March 1, June 1, September 1 and December 1 of each year, beginning on December 1, 2020 and ending on, and including, September 1, 2023.

“Dividend period” means each period from, and including, a dividend payment date (or, in the case of the first dividend period, from, and including, the initial issue date) to, but excluding, the next dividend payment date.

“Dividend senior stock” means any class or series of our stock whose terms expressly provide that such class or series will rank senior to the mandatory convertible preferred stock with respect to the payment of dividends (without regard to whether or not dividends accumulate cumulatively). For the avoidance of doubt, dividend senior stock will not include any securities of our subsidiaries.

“Dividend stock price” means, with respect to any declared dividend on the mandatory convertible preferred stock, 97% of the average of the daily VWAPs per share of common stock for each VWAP trading day during the related dividend stock price observation period.

“Dividend stock price observation period” means, with respect to any declared dividend on the mandatory convertible preferred stock, the five consecutive VWAP trading days beginning on, and including, the sixth scheduled trading day immediately before the dividend payment date for such dividend.

“Early conversion” means the conversion of any share of mandatory convertible preferred stock other than a mandatory conversion.

“Early conversion date” means, with respect the early conversion (including a make-whole fundamental change conversion) of any share of mandatory convertible preferred stock, the first business day on which the requirements described above under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Conversion Procedures—Make-Whole Fundamental Change Conversions and Other Early Conversions” for such conversion are satisfied.

“Ex-dividend date” means, with respect to an issuance, dividend or distribution on our common stock, the first date on which shares of our common stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such issuance, dividend or distribution (including pursuant to due bills or similar arrangements required by the relevant stock exchange). For the avoidance of doubt, any alternative trading convention on the applicable exchange or market in respect of our common stock under a separate ticker symbol or CUSIP number will not be considered “regular way” for this purpose.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“Expiration date” has the meaning set forth above in paragraph (5) under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments—Generally.”

“Expiration time” has the meaning set forth above in paragraph (5) under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments—Generally.”

“Floor price” means, as of any time, an amount (rounded to the nearest cent) equal to 35% of the minimum conversion price in effect at such time. Whenever in this description of securities we refer to the floor price as of a particular date without setting forth a particular time on such date, such reference will be deemed to be to the floor price immediately before the close of business on such date.

“Future dividend present value amount” means, with respect to the make-whole fundamental change conversion of any share of mandatory convertible preferred stock, an amount equal to the present value, as of the effective date of the related make-whole fundamental change, of all regularly scheduled dividend payments on such share on each dividend payment date occurring after such effective date and on or before September 1, 2023, such present value to be computed using a discount rate equal to the stated dividend rate per annum; provided, *however*, that, for purposes of this definition, the amount of dividends payable on the dividend payment date immediately after such effective date will be deemed to be the following amount: (i) if such effective date is after a regular record date and on or before the next dividend payment date, and, as of the close of business on such effective date, we have declared part or all of the dividend scheduled to be paid on the mandatory convertible preferred stock on such dividend payment date, the excess, if any, of (x) the full amount of such dividend scheduled to be paid on such share on such dividend payment date (assuming the same were declared in full) over (y) the amount of such dividend actually so declared on such share (and, for the avoidance of doubt, the holder of such share as of the close of business on such regular record date will be entitled, notwithstanding such conversion, to receive such declared dividend on or, at our election, before such dividend payment date); and (ii) in all other cases, the full amount of dividends scheduled to be paid on such share on the dividend payment date immediately after such effective date, less an amount equal to dividends on such share that have accumulated from, and including, the dividend payment date immediately before such effective date to, but excluding, such effective date.

“Initial issue date” means the first date any mandatory convertible preferred stock offered was issued.

“Junior stock” means any dividend junior stock or liquidation junior stock.

“Last reported sale price” of our common stock for any trading day means the closing sale price per share (or, if no closing sale price is reported, the average of the last bid price and the last ask price per share or, if more than one in either case, the average of the average last bid prices and the average last ask prices per share) of our common stock on such trading day as reported in composite transactions for the principal U.S. national or regional securities exchange on which our common stock is then listed. If our common stock is not listed on a U.S. national or regional securities exchange on such trading day, then the last reported sale price will be the last quoted bid price per share of our common stock on such trading day in the over-the-counter market as reported by OTC Markets Group Inc. or a similar organization. If our common stock is not so quoted on such trading day, then the last reported sale price will be the average of the mid-point of the last bid price and the last ask price per share of our common stock on such trading day from each of at least three nationally recognized independent investment banking firms we select, which may include any of the underwriters.

“Liquidation junior stock” means any class or series of our stock whose terms do not expressly provide that such class or series will rank senior to, or equally with, the mandatory convertible preferred stock with respect to the distribution of assets upon our liquidation, dissolution or winding up. Liquidation junior stock includes our common stock. For the avoidance of doubt, liquidation junior stock will not include any securities of our subsidiaries.

“Liquidation parity stock” means any class or series of our stock (other than the mandatory convertible preferred stock) whose terms expressly provide that such class or series will rank equally with the mandatory convertible preferred stock with respect to the distribution of assets upon our liquidation, dissolution or winding up. For the avoidance of doubt, liquidation parity stock will not include any securities of our subsidiaries.

“Liquidation preference” means, with respect to the mandatory convertible preferred stock, an amount equal to \$100.00 per share of mandatory convertible preferred stock.

“Liquidation senior stock” means any class or series of our stock whose terms expressly provide that such class or series will rank senior to the mandatory convertible preferred stock with respect to the distribution of assets upon our liquidation, dissolution or winding up. For the avoidance of doubt, liquidation senior stock will not include any securities of our subsidiaries.

“Make-whole fundamental change” means any of the following events:

(iv) a “person” or “group” (within the meaning of Section 13(d)(3) of the Exchange Act), other than us or our “wholly owned subsidiaries” (as defined below) has become the direct or indirect “beneficial owner” (as defined below) of shares of our common equity representing more than 50% of the voting power of all of our then-outstanding common equity;

(v) the consummation of: (1) any sale, lease or other transfer, in one transaction or a series of transactions, of all or substantially all of the assets of us and our subsidiaries, taken as a whole, to any person; or (2) any transaction or series of related transactions in connection with which (whether by means of merger, consolidation, share exchange, combination, reclassification, recapitalization, acquisition, liquidation or otherwise) all of our common stock is exchanged for, converted into, acquired for, or constitutes solely the right to receive, other securities, cash or other property; or

(vi) our common stock ceases to be listed on any of The New York Stock Exchange, The Nasdaq Global Market or The Nasdaq Global Select Market (or any of their respective successors);

provided, however, that a transaction or event or series of transactions or events described in clause (i) or (ii) above will not constitute a fundamental change if at least 90% of the consideration received or to be received by the holders of our common stock (excluding cash payments for fractional shares or pursuant to dissenters rights), in connection with such transaction or event or series of transactions or events, consists of shares of common stock listed on any of The New York Stock Exchange, The Nasdaq Global Market or The Nasdaq Global Select Market (or any of their respective successors), or that will be so listed when issued or exchanged in connection with such transaction or event, and such transaction or event or series of transactions or events constitutes a common stock change event whose reference property consists of such consideration.

For the purposes of this definition, whether a person is a “beneficial owner,” and whether shares are “beneficially owned” will be determined in accordance with Rule 13d-3 under the Exchange Act.

“Make-whole fundamental change conversion” means an early conversion of any share of mandatory convertible preferred stock with a conversion date that occurs during the related make-whole fundamental change conversion period.

“Make-whole fundamental change conversion period” means, with respect to a make-whole fundamental change, the period from, and including, the effective date of such make-whole fundamental change to, and including, the 20th calendar day after such effective date (or, if calendar day is not a business day, the next business day); *provided, however*, that the last day of such make-whole fundamental change conversion period is subject to extension pursuant to the provisions described above under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Conversion During a Make-Whole Fundamental Change Conversion Period—Notice of the Make-Whole Fundamental Change.”

“Make-whole fundamental change conversion rate” has the meaning set forth above under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Conversion During a Make-Whole Fundamental Change Conversion Period.”

“Make-whole fundamental change stock price” has the following meaning for any make-whole fundamental change: (i) if the holders of our common stock receive only cash in consideration for their shares of common stock in such make-whole fundamental change and such make-whole fundamental change is pursuant to clause (ii) of the definition of such term, then the make-whole fundamental change stock price is the amount of cash paid per share of our common stock in such make-whole fundamental change; and (ii) in all other cases, the make-whole fundamental change stock price is the average of the last reported sale prices per share of common stock for the five consecutive trading days ending on, and including, the trading day immediately before the effective date of such make-whole fundamental change.

“Mandatory conversion” means the conversion of any share of mandatory convertible preferred stock pursuant to the provisions described above under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Mandatory Conversion.”

“Mandatory conversion date” means the last VWAP trading day of the mandatory conversion observation period.

“Mandatory conversion observation period” means the 20 consecutive VWAP trading days beginning on, and including, the 21st scheduled trading day immediately before September 1, 2023.

“Mandatory conversion rate” has the following meaning with respect to any mandatory conversion:

(vii) if the mandatory conversion stock price is equal to or greater than the maximum conversion price as of the mandatory conversion date, then the mandatory conversion rate is the minimum conversion rate as of the mandatory conversion date;

(viii) if the mandatory conversion stock price is less than the maximum conversion price as of the mandatory conversion date, but greater than the minimum conversion price as of the mandatory conversion date, then the mandatory conversion rate is an amount (rounded to the nearest fourth decimal place) equal to (x) the liquidation preference per share of mandatory convertible preferred stock, *divided by* (y) mandatory conversion stock price; and

(ix) if the mandatory conversion stock price is equal to or less than the minimum conversion price as of the mandatory conversion date, then the mandatory conversion rate is the maximum conversion rate as of the mandatory conversion date.

“Mandatory conversion stock price” means the average of the daily VWAPs per share of common stock for each VWAP trading day in the mandatory conversion observation period.

“Market disruption event” means, with respect to any date, the occurrence or existence, during the one-half hour period ending at the scheduled close of trading on such date on the principal U.S. national or regional securities exchange or other market on which our common stock is listed for trading or trades, of any material suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise) in our common stock or in any options contracts or futures contracts relating to our common stock.

“Maximum conversion price” means, as of any time, an amount (rounded to the nearest cent) equal to (i) the liquidation preference per share of mandatory convertible preferred stock, *divided by* (ii) the minimum conversion rate in effect at such time. Whenever in this description of securities we refer to the maximum conversion price as of a particular date without setting forth a particular time on such date, such reference will be deemed to be to the maximum conversion price immediately before the close of business on such date.

“Maximum conversion rate” initially means 14.2857 shares of our common stock per share of mandatory convertible preferred stock, which amount is subject to adjustment as described above under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments.” Whenever in this description of securities we refer to the maximum conversion rate as of a particular date without setting forth a particular time on such date, such reference will be deemed to be to the maximum conversion rate immediately before the close of business on such date.

“Minimum conversion price” means, as of any time, an amount (rounded to the nearest cent) equal to (i) liquidation preference per share of mandatory convertible preferred stock, *divided by* (ii) the maximum conversion rate in effect at such time. Whenever in this description of securities we refer to the minimum conversion price as of a particular date without setting forth a particular time on such date, such reference will be deemed to be to the minimum conversion price immediately before the close of business on such date.

“Minimum conversion rate” initially means 11.9048 shares of our common stock per share of mandatory convertible preferred stock, which amount is subject to adjustment as described above under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments.” Whenever in this description of securities we refer to the minimum conversion rate as of a particular date without setting forth a particular time on such date, such reference will be deemed to be to the minimum conversion rate immediately before the close of business on such date.

“Number of incremental diluted shares” means the increase in the number of diluted shares of the applicable class or series of junior stock (determined in accordance with generally accepted accounting principles in the United States, as the same is in effect on the initial issue date, and assuming net income is positive) that would result from the grant, vesting or exercise of equity-based compensation to directors, employees, contractors and agents (subject to proportionate adjustment for stock dividends, stock splits or stock combinations with respect to such class or series of junior stock).

“Open of business” means 9:00 a.m., New York City time.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or

other agency or political subdivision thereof. Any division or series of a limited liability company, limited partnership or trust will constitute a separate “person.”

“Preferred stock director” means any person elected to serve as our director in connection with a dividend non-payment event pursuant to the provisions described above under the caption “—Voting Rights—Right to Designate Two Preferred Stock Directors Upon a Dividend Non-Payment Event.”

“Preferred stockholder” means any person in whose name any share of mandatory convertible preferred stock is registered on the registrar’s books.

“Record date” means, with respect to any dividend or distribution on, or issuance to holders of, our common stock, the date fixed (whether by law, contract or our board of directors or otherwise) to determine the holders of our common stock that are entitled to such dividend, distribution or issuance.

“Regular record date” has the following meaning: (i) February 15, in the case of a dividend payment date occurring on March 1; (ii) May 15, in the case of a dividend payment date occurring on June 1; (iii) August 15, in the case of a dividend payment date occurring on September 1; and (iv) November 15, in the case of a dividend payment date occurring on December 1.

“Reference property” has the meaning set forth above under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Effect of Common Stock Change Event—Generally.”

“Reference property unit” has the meaning set forth above under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Effect of Common Stock Change Event—Generally.”

“Scheduled trading day” means any day that is scheduled to be a trading day on the principal U.S. national or regional securities exchange on which our common stock is then listed or, if our common stock is not then listed on a U.S. national or regional securities exchange, on the principal other market on which our common stock is then traded. If our common stock is not so listed or traded, then “scheduled trading day” means a business day.

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Spin-off” has the meaning set forth above in paragraph (3)(b) under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments—Generally.”

“Spin-off valuation period” has the meaning set forth above in paragraph (3)(b) under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments—Generally.”

“Stated dividend rate” has the meaning set for above under the caption “Dividends—Generally.”

“Subsidiary” means, with respect to any person, (i) any corporation, association or other business entity (other than a partnership or limited liability company) of which more than 50% of the total voting power of the capital stock entitled (without regard to the occurrence of any contingency, but after giving effect to any voting agreement or stockholders’ agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees, as

applicable, of such corporation, association or other business entity is owned or controlled, directly or indirectly, by such person or one or more of the other subsidiaries of such person; and (ii) any partnership or limited liability company where (x) more than 50% of the capital accounts, distribution rights, equity and voting interests, or of the general and limited partnership interests, as applicable, of such partnership or limited liability company are owned or controlled, directly or indirectly, by such person or one or more of the other subsidiaries of such person, whether in the form of membership, general, special or limited partnership or limited liability company interests or otherwise; and (v) such person or any one or more of the other subsidiaries of such person is a controlling general partner of, or otherwise controls, such partnership or limited liability company.

“Successor person” has the meaning set forth above in paragraph (5) under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments—Execution of Supplemental Instruments.”

“Tender/exchange offer valuation period” has the meaning set forth above in paragraph (5) under the caption “—Conversion Provisions of the Mandatory Convertible Preferred Stock—Boundary Conversion Rate Adjustments—Generally.”

“Trading day” means any day on which (i) trading in our common stock generally occurs on the principal U.S. national or regional securities exchange on which our common stock is then listed or, if our common stock is not then listed on a U.S. national or regional securities exchange, on the principal other market on which our common stock is then traded; and (ii) there is no “market disruption event” (as defined above in this “—Definitions” section). If our common stock is not so listed or traded, then “trading day” means a business day.

“Unpaid accumulated dividend amount” has the following meaning with respect to the conversion of any share of mandatory convertible preferred stock:

(x) if such conversion is a mandatory conversion, the aggregate accumulated dividends, if any, on such share that have not been declared, at or before the close of business on September 1, 2023, in respect of all dividend periods ending on or before September 1, 2023;

(xi) if such conversion is a make-whole fundamental change conversion, the sum (without duplication) of (1) the aggregate accumulated dividends, if any, on such share that have not been declared, at or before the close of business on the effective date for the related make-whole fundamental change, in respect of all dividend periods ending on a dividend payment date that is before such effective date; and (2) the amount of accumulated and unpaid dividends, if any, on such share for the period from, and including, the dividend payment date immediately before such effective date to, but excluding, such effective date; *provided, however*, that if such effective date is after a regular record date and on or before the next dividend payment date, and, as of the close of business on such effective date, we have declared the dividend due on the mandatory convertible preferred stock on such dividend payment date, then the unpaid accumulated dividend amount will not include any portion of such declared dividend (and, for the avoidance of doubt, the holder of such share as of the close of business on such regular record date will be entitled, notwithstanding such conversion, to receive such declared dividend on or, at our election, before such dividend payment date); and

(xii) if such conversion is an early conversion that is not a make-whole fundamental change conversion, the aggregate accumulated dividends, if any, on such share that have not been declared, at or before the close of business on the conversion date for such conversion, in respect of all dividend periods ending on a dividend payment date that is before such conversion date.

“Voting parity stock” means, with respect to any matter as to which preferred stockholders are entitled to vote pursuant to the provisions described above under the caption “—Voting Rights—Right to Designate Two Preferred Stock Directors Upon a Dividend Non-Payment Event” or “—Voting and Consent Rights with Respect to Specified Matters,” each class or series of outstanding dividend parity stock or liquidation parity stock, if any, upon which similar voting rights are conferred and are exercisable with respect to such matter. For the avoidance of doubt, voting parity stock will not include any securities of our subsidiaries.

“VWAP market disruption event” means, with respect to any date, (i) the failure by the principal U.S. national or regional securities exchange on which our common stock is then listed, or, if our common stock is not then listed on a U.S. national or regional securities exchange, the principal other market on which our common stock is then traded, to open for trading during its regular trading session on such date; or (ii) the occurrence or existence, for more than one half hour period in the aggregate, of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise) in our common stock or in any options contracts or futures contracts relating to our common stock, and such suspension or limitation occurs or exists at any time before 1:00 p.m., New York City time, on such date.

“VWAP trading day” means a day on which (i) there is no VWAP market disruption event; and (ii) trading in our common stock generally occurs on the principal U.S. national or regional securities exchange on which our common stock is then listed or, if our common stock is not then listed on a U.S. national or regional securities exchange, on the principal other market on which our common stock is then traded. If our common stock is not so listed or traded, then “VWAP trading day” means a business day.

“Wholly owned subsidiary” of a person means any subsidiary of such person all of the outstanding capital stock or other ownership interests of which (other than directors’ qualifying shares) are owned by such person or one or more wholly owned subsidiaries of such person.

Book Entry, Settlement and Clearance

Global Certificates

The mandatory convertible preferred stock will be initially issued in the form of one or more certificates (the “global certificates”) registered in the name of Cede & Co., as nominee of DTC, and will be deposited with the transfer agent as custodian for DTC.

Only persons who have accounts with DTC (“DTC participants”) or persons who hold interests through DTC participants may own beneficial interests in a global certificate. We expect that, under procedures established by DTC:

- upon deposit of a global certificate with DTC’s custodian, DTC will credit the shares of mandatory convertible preferred stock represented by such global certificate to the accounts of the DTC participants designated by the underwriters; and
- ownership of beneficial interests in a global certificate will be shown on, and transfers of such interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the global certificate).

Book-Entry Procedures for Global Certificates

All interests in a global certificate will be subject to the operations and procedures of DTC. Accordingly, you must allow for sufficient time in order to comply with those operations and procedures if you wish to exercise any of your rights with respect to the mandatory convertible preferred stock. The operations and procedures of DTC are controlled by DTC and may be changed at any time. None of us, the transfer agent or any of the underwriters will be responsible for those operations or procedures.

DTC has advised us that it is:

- a limited purpose trust company organized under the laws of the State of New York;
- a “banking organization” within the meaning of the New York State Banking Law;
- a member of the Federal Reserve System;
- a “clearing corporation” within the meaning of the Uniform Commercial Code; and
- a “clearing agency” registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC’s participants include securities brokers and dealers (including the underwriters), banks and trust companies, clearing corporations and other organizations. Indirect access to DTC’s book-entry system is also available to other “indirect participants,” such as banks, brokers, dealers and trust companies, who directly or indirectly clear through or maintain a custodial relationship with a DTC participant. Purchasers of mandatory convertible preferred stock who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC or its nominee is the registered owner of a global certificate, DTC or that nominee will be considered the sole owner or holder of the mandatory convertible preferred stock represented by that global certificate for all purposes under the certificate of designations. Except as provided below, owners of beneficial interests in a global certificate:

- will not be entitled to have mandatory convertible preferred stock represented by the global certificate registered in their names;
- will not receive or be entitled to receive physical, certificated mandatory convertible preferred stock registered in their respective names (“physical certificates”); and
- will not be considered the owners or holders of the mandatory convertible preferred stock under the certificate of designations for any purpose.

As a result, each investor who owns a beneficial interest in a global certificate must rely on the procedures of DTC (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through whom the investor owns its interest) to exercise any rights of a preferred stockholder under the certificate of designations.

Payments on any global certificates will be made to DTC's nominee as the registered holder of the global certificate. Neither we nor the transfer agent will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global certificate, for any aspect of the records relating to, or payments made on account of, those interests by DTC or for maintaining, supervising or reviewing any records of DTC relating to those interests. Payments by participants and indirect participants in DTC to the owners of beneficial interests in a global certificate will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and DTC.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds.

Physical Certificates

A global certificate will be exchanged, pursuant to customary procedures, for one or more physical certificates only if:

- DTC notifies us or the transfer agent that it is unwilling or unable to continue as depository for such global certificate or DTC ceases to be a "clearing agency" registered under Section 17A of the Exchange Act and, in each case, we fail to appoint a successor depository within 90 days of such notice or cessation; or
- we, in our sole discretion, permit the exchange of any beneficial interest in such global certificate for one or more physical certificates at the request of the owner of such beneficial interest.

The information in this section concerning DTC and its book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

Anti-Takeover Effects of Provisions of Our Certificate of Incorporation and Our Bylaws

Our Certificate of Incorporation and our Bylaws contain provisions that may delay, defer or discourage another party from acquiring control of us. We expect that these provisions will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with the board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they may also discourage acquisitions that some stockholders may favor. These provisions include:

Authorized but Unissued or Undesignated Capital Stock. Our authorized capital stock consists of 1 billion shares of common stock and 225 million shares of preferred stock. A large quantity of authorized but unissued shares may deter potential takeover attempts because of the ability of our board of directors to authorize the issuance of some or all of these shares to a friendly party, or to the public, which would make it more difficult for a potential acquirer to obtain control of us. This possibility may encourage persons seeking to acquire control of us to negotiate first with our board of directors. The authorized but unissued stock may be issued by the board of directors in one or more transactions. In this regard, our Certificate of Incorporation grants the board of directors broad power to establish the rights and preferences of authorized and unissued preferred stock. The issuance of shares of preferred stock pursuant to the board of directors' authority described above could decrease the amount of earnings and assets available for distribution to holders of common stock and adversely affect the rights and powers, including voting rights, of such holders and may have the effect of delaying, deferring or preventing a

change of control. The preferred stock could also be used in connection with the issuance of a shareholder rights plan, sometimes referred to as a “poison pill.” Our board of directors is able to implement a shareholder rights plan without further action by our stockholders. The board of directors does not intend to seek stockholder approval prior to any issuance of preferred or common stock, unless otherwise required by law.

Action by Written Consent. Our Certificate of Incorporation provides that stockholder action can be taken only at an annual meeting or special meeting of stockholders and cannot be taken by written consent in lieu of a meeting.

Special Meetings of Stockholders. Our Certificate of Incorporation provides that special meetings of our stockholders may be called only by our board of directors or the chairman of the board of directors. Our Bylaws prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting.

Advance Notice Procedures. Our Bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors. In order for any matter to be “properly brought” before a meeting, a stockholder will have to comply with advance notice requirements and provide us with certain information. Generally, to be timely, a stockholder’s notice must be received at our principal executive offices not earlier than the opening of business 120 days prior, and not later than the close of business 90 days before, the first anniversary date of the immediately preceding annual meeting of stockholders. Our Bylaws also specify requirements as to the form and content of a stockholder’s notice. Under our Bylaws, the board of directors may adopt by resolution the rules and regulations for the conduct of meetings. Except to the extent inconsistent with such rules and regulations adopted by the board of directors, the chairman of the meeting of stockholders shall have the right to adopt rules and regulations for the conduct of meetings, which may have the effect of precluding the conduct of certain business at a meeting if the rules and regulations are not followed. These provisions may also defer, delay or discourage a potential acquirer from conducting a solicitation of proxies to elect the acquirer’s own slate of directors or otherwise attempting to influence or obtain control of us.

Proxy Access. Our Bylaws permit a qualified stockholder or group of stockholders to include up to a specified number of director nominees in our proxy materials for an annual meeting of stockholders. To qualify, the stockholder (or group of up to 20 stockholders) must have continuously owned for at least three years 3% or more of our outstanding common stock. The maximum number of stockholder nominees permitted under the proxy access provisions of our Bylaws is generally the greater of (x) two or (y) 20% of the total number of our directors in office (rounded down to the nearest whole number) as of the last day on which notice of a nomination may be delivered. Notice of a nomination under these provisions must generally be received at our principal executive offices no earlier than 150 days and no later than 120 days before the anniversary of the date that we commenced mailing of our definitive proxy statement for the previous year’s annual meeting of stockholders. The notice must contain certain information specified in our Bylaws. The complete proxy access provisions for director nominations are set forth in our Bylaws.

Business Combinations with Interested Stockholders

Pursuant to our Certificate of Incorporation, we are subject to the provisions of Section 203 of the DGCL, which regulates business combinations with “interested stockholders.”

Corporate Opportunities

Our Certificate of Incorporation provides that we renounce, to the fullest extent permitted by applicable law, any interest or expectancy in the business opportunities of certain Exempted Persons (as defined in our Certificate of Incorporation). In addition our Certificate of Incorporation provides that the Exempted Persons have no obligation to offer us or even communicate to us an opportunity to participate in business opportunities presented to such Exempted Person even if the opportunity is one that we might reasonably have pursued (and therefore may be free to compete with us in the same business or similar businesses of which we or our affiliates now engage or propose to engage) and that, to the fullest extent permitted by applicable law, the Exempted Persons will not be liable to us or our stockholders for breach of any duty by reason of any such activities described immediately above. Stockholders are deemed to have notice of and consented to this provision of our Certificate of Incorporation.

Limitation of Liability and Indemnification of Officers and Directors

Our Certificate of Incorporation provides that no director shall be personally liable to us or any of our stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. Our Bylaws provide that we will indemnify, to the fullest extent permitted by the DGCL, any person made or threatened to be made a party to any action or is involved in a proceeding by reason of the fact that the person is or was our director or officer, or our director or officer who, while a director or officer, is or was serving at our request as a director, officer, employee, agent or manager of another corporation, partnership, limited liability company, joint venture, trust or other enterprise or non-profit entity, including service with respect to an employee benefit plan. Our Bylaws also provide that, subject to applicable law, we may, by action of our board of directors, grant rights to indemnification and advancement of expenses to persons other than our directors and officers with such scope and effect as the board of directors may then determine. We have entered into customary indemnification agreements with each of our directors that provide them, in general, with customary indemnification in connection with their service to us or on our behalf.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act"), may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Choice of Forum

Our Certificate of Incorporation provides that unless we consent to the selection of an alternate forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the DGCL, our Certificate of Incorporation or Bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in our securities shall be deemed to have notice of and consented to the forum provisions in our Certificate of Incorporation.

December 23, 2021

Roshan Mendis
EVP & Chief Commercial Officer

Dear Roshan,

Sabre Global Technologies Limited (the "Company") is pleased to offer you localized UK employment on the terms described below, effective from 1 January 2022.

The following particulars are given to you in accordance with the Employment Rights Act 1996 and will constitute your written statement of particulars of employment (as required by the Act) and your contract of employment (the "**Contract**").

The Contract should be read in conjunction with the Company's policies and procedures available on the Company's intranet. You are required to familiarise yourself with Company policies and procedures and to comply with the terms found on the Sabre Intranet. The Company reserves the right to amend and replace the Contract and/or any policies and procedures from time to time according to the needs of the business.

Your employment with the Company is conditional on:

- a. your acceptance of these terms; and
- b. receipt by the Company of documentation confirming your ongoing entitlement to work in the UK (which may be a passport, birth certificate, work permit, National Insurance card or other approved documentation).

if any of the above conditions are not fulfilled to the Company's satisfaction within a reasonable time (and in particular no later than three months after the date of this Contract), this Contract and/or your employment may be terminated (whether or not it has already commenced) without notice or payment in lieu of notice.

1. Position and Duties

You will continue in your full-time position as Executive Vice President and Chief Commercial Officer, and you will report to the Company's EVP and President – Travel Solutions until January 3, 2022 when you will then report to the Sabre President. Your position and reporting structure may be changed from time to time, subject to any applicable terms of Sabre Corporation's Executive Severance Plan (the "Executive Severance Plan").

In performance of your duties, you shall:

- a. exercise such powers and perform such duties in relation to the business of the Company or of any Group Company as may from time to time be vested in or assigned to you by your manager or the Board;

- b. well and faithfully serve the Company and any relevant Group Companies to the best of your ability and carry out your duties in a proper and efficient manner and use your best endeavours to promote and maintain their interests and reputation;
- c. if so requested by the Board or the management of Sabre Corporation ("Sabre"), remain or become a director of the Company or any Group Company and remain in such capacity without any additional remuneration;
- d. devote the whole of your working time, skill, ability and attention to the business of the Company;
- e. in all respects conform to and comply with lawful directions given and made by or on behalf of the Board;
- f. report your own wrong doing and any wrong doing or suspected wrong doing of any employee or director or officer of the Company or any Group Company to the Board, immediately upon becoming aware of it;
- g. if so required by the Board or the management of Sabre, perform your duties hereunder jointly with such other person or persons as the Board or management may from time to time reasonably require;
- h. promptly disclose forthwith to your manager or the Board any and all information you have or acquire which relates or may relate to the business or any potential business of the Group, save that this obligation shall not apply to information supplied to you under an obligation of confidentiality where it would be a breach of that obligation to disclose the information hereunder;
- i. not while employed by the Company under the terms of this Contract (whether during or outside working hours, and whether alone, on behalf of, or in association with any other person) without the written prior consent of your manager, be directly or indirectly engaged, concerned or interested in any capacity in any other business, trade, profession or occupation other than the business of the Company or any Group Company in accordance with the terms of this Contract, provided that nothing in this Contract shall prohibit you from being:
 - (i) the holder of not more than five per cent. of any class of stock, shares or debentures or other securities in any company whether or not it is listed and/or dealt in any recognised investment exchange; or
 - (ii) interested as shareholder or director only in such companies as the Board from time to time agrees in writing, such agreement not to be unreasonably withheld or withdrawn so long as none of such of your interests shall prejudice the business interests of the Company or of any Group Company and for so long as you continue to comply with the provisions of this clause 1.
- j. not while employed by the Company under the terms of this Contract (except with the prior written consent of your manager) introduce to any other person firm or company business of any kind which could appropriately be dealt with by the Company or any Group Company, nor shall you have any financial interest in or derive any financial benefit from any contracts made by the Company or any Group Company with any third party.

2. **Compensation**

a. **Base Salary**

You will be initially paid a salary of £432,000 per year, payable on the Company's regular payroll dates, which are monthly, in arrears. Your pay will be periodically reviewed as a part of the Company's regular reviews of compensation, but the Company is under no obligation to increase your pay on review.

b. **Executive Incentive Program**

You will be eligible to participate in Sabre's Executive Incentive Program available on the Company's Intranet, with an initial target bonus of 85% of Base Salary subject to satisfactory achievement (in the Company's sole determination) of pre-established performance goals as approved annually by the Board and satisfactory conduct (the "EIP Bonus").

The payment and amount of any payment of an EIP Bonus is at Board's absolute discretion. A payment at any particular time or at any particular level will not create any entitlement to or expectation of any future payment or the amount of any future payment. You will not be entitled to receive any EIP Bonus or any other bonus payment if you are not employed or are under notice to terminate employment from either party or are under any disciplinary proceedings or warning, in any case at the date that payment would otherwise ordinarily be made.

c. **Withholding and Deductions**

All forms of compensation referred to in this letter or otherwise paid to you in relation to your employment by the Company are subject to applicable withholding and payroll taxes and are non-pensionable. In addition, the Company may deduct from your compensation or other payments due to you any money that you owe to the Company.

3. **Start Date**

Your employment with the Company under the terms of this Contract will commence on 1 January 2022 (the "**Start Date**"). Your date of continuous employment is 2 June 1997.

4. **Place of and Hours of Work**

Your normal place of work will be at the Company's offices located in Richmond but you may be required to work and travel to such places as may be requested from time to time by the Company (whether inside or outside the United Kingdom).

You are contracted to work a minimum of 37.5 hours per week. The core office hours are Monday to Friday 9.00 am – 5.30 pm and you are entitled to one hour lunch break each day. In certain circumstances it may be necessary to adjust, change or exceed the hours in order to ensure that your duties under the terms of your employment are properly performed in accordance with the needs of the business. You shall not be entitled to receive any additional remuneration for work outside your normal hours unless otherwise agreed with the Company. For the purposes of the Working Time Regulations 1998, (i)

you agree whenever necessary to work longer than 48 hours a week on average and to give three months' notice of any revocation of such agreement and (ii) in light of your position with the Company, you acknowledge and agree with the Company that you are a managing executive with autonomous decision making powers.

5. Employee Benefits

During your employment you will be entitled:

- a. to participate in such private medical scheme as the Company may operate for employees of your status from time to time;
- b. to death in service benefit valued at 4 times your basic annual salary;
- c. to participate in such group income protection scheme as the Company may operate for employees of your status from time to time;

subject always to acceptance by underwriters, any applicable rules and conditions, eligibility criteria and subject to the Company's absolute right to substitute, replace, terminate or amend any such schemes and their terms. The Company shall not have any liability to pay any benefit (or compensation in lieu) to you (or any family member) if the insurer refuses for whatever reason to pay or provide or to continue to pay or to provide such benefit and shall not be required to take any legal action or other steps to require the insurer to pay or provide that benefit. If you are in receipt of benefits under the Company's permanent health insurance scheme, you agree that the Company will be entitled to appoint a successor to you to perform all or any of your duties under the terms of this agreement and your duties will be amended accordingly. You further agree to resign as a director of the Company and/or any Group Company on request in that event.

6. Pensions

The Company will comply with its obligations as employer under the employee pension auto-enrolment requirements detailed in Part 1 Pensions Act 2008. The policy is contained on the Company's intranet. Terms and conditions may change as required by law.

7. Holidays

In addition to the UK statutory holidays, which are New Year's Day, Good Friday, Easter Monday, Spring Bank Holiday, May Day, Late Summer Bank Holiday, Christmas Day and Boxing Day, you will be entitled to 25 working days' holiday in each holiday year, which shall accrue on a monthly basis. The holiday year runs from 1st January to 31st December.

You are required to take your annual holiday entitlement prior to the end of each calendar year however you are able to carry over a maximum of 5 days' holiday to 31st March in the following year subject to approval from your manager. You will not be reimbursed for any unused outstanding holiday entitlement.

On termination of your employment, if you have taken more or less than your pro-rated annual holiday entitlement up to the termination date, an appropriate adjustment shall be made to any payment of salary or benefits from the Company to you. For these purposes, a day's salary will be calculated at the rate of 1/260 of your annual salary.

The Company reserves the right to require you to take any outstanding holiday during your notice period.

8. Sickness

In the case of absence from work due to sickness, injury, or other incapacity, you or someone on your behalf must notify your manager on as soon as possible but no later than 9:00 AM on the first day of absence, stating the cause of the absence and its likely duration. After the first day of absence you should keep the Company updated on a regular basis with your progress. In cases of absence of up to six days you should submit a self-certification form to the Company and in the case of an absence lasting seven days or more (including weekends) you will be required to produce a doctor's certificate for your absence and for each subsequent period of seven days thereafter.

Subject to your compliance in full with the Company's sick leave policy, which can be found on the Company's intranet and the relevant statutory requirements, the Company will pay you during periods of sickness absence as detailed below. This entitlement is based upon your length of service on the first day of absence. Any payment of sick pay shall be deemed to be inclusive of any entitlement to statutory sick pay. The Company reserves the right to require you to attend a medical examination conducted by a doctor nominated by the Company and you will authorise such doctor to disclose and discuss with the Company the results of the examination and any matters arising from it. Certain reasons for sickness absence may cause you to be ineligible for Company sick pay. Please see the Company's intranet for more details. The payment of any kind of sick pay shall not affect the Company's power to terminate your employment.

Employee length of service	Sickness pay entitlement (inclusive of Statutory Sick Pay, or "SSP") in a consecutive 12 month period
Up to 3 months	SSP only if eligible
From 3 – 6 months	Basic salary for 30 working days and, subject to eligibility, SSP thereafter
From 6 – 9 months	Basic salary for 35 working days and, subject to eligibility, SSP thereafter
From 9 – 24 months	Basic salary for 40 working days and, subject to eligibility, SSP thereafter
From 24 – 36 months	Basic salary for 65 working days and, subject to eligibility, SSP thereafter
Over 36 months	Basic salary for 130 working days and, subject to eligibility, SSP thereafter

9. Intellectual Property and Confidentiality Agreement

Like all Company employees, you will be required, as a condition of your employment with the Company, to sign the Company's enclosed standard Intellectual Property and Confidentiality Agreement (see attachment A).

You agree that any invention made by you in the course of employment or originated by you using equipment or facilities owned by the Company shall belong to the Company.

10. Termination

The Compensation Committee of the Board has designated you as a Level 2 Employee under the Executive Severance Plan, which provides you with certain severance benefits in the event of your termination by the Company other than for Cause or your resignation for Good Reason (as defined in the Executive Severance Plan), and which otherwise addresses the treatment of your termination of employment.

You are required to give the notice provided for by the Executive Severance Plan if you resign for Good Reason (as defined in the Executive Severance Plan) and to give six (6) months' prior written notice if you choose to resign for reasons other than for a Good Reason as defined in the Executive Severance Plan.

You agree that any payments detailed in the Executive Severance Plan will be reduced by all salary, benefits, and bonus, if any, provided during any notice period and that any payments made pursuant to the Executive Severance Plan will be subject to prior receipt of a settlement agreement in a form provided to you by Sabre.

11. Garden Leave

The Company may alternatively place you on “garden leave” during any period of notice of termination or resignation of your employment. While on garden leave, the Company may: (a) require you to carry out different duties from your normal duties; (b) require you not to attend at work; (c) require you to cease carrying out your duties altogether and/or cease having any business dealings with the Company’s employees, consultants, suppliers, customers and prospective customers; and/or (d) exclude you from any premises and/or systems of the Company or any Group Company. During such period, you will continue to receive your salary and all contractual benefits provided by your employment save that you will not be entitled to receive any bonus payment, any EIP payment and/or any Sales Incentive Plan payments (to the extent applicable) save in relation to those earned up to the start of garden leave, and you must continue to comply with the terms of your employment and of this Agreement and in particular clause 12 below. If the Company does place you on garden leave, the period for which it does so will be deducted from the periods of post termination restrictions set out in the attached Intellectual Property and Confidentiality Agreement.

12. General Obligations and Outside Activities

As an employee, you will be expected to adhere to Sabre’s standards of professionalism, loyalty, integrity, honesty, reliability and respect for all. You will also be expected to comply with Sabre’s policies and procedures. While you render services to the Company, you agree that you will not engage in any other employment, consulting or other business activity without the prior written consent of the Company. In addition, while you render services to the Company, you will not assist any person or entity in competing with the Company or Sabre, in preparing to compete with the Company or Sabre or in hiring any employees or consultants of the Company or Sabre.

13. Data Privacy and Monitoring

The Company is the data controller responsible for protecting your personal data.

The Company will collect your personal data prior to and during the course of your employment with the Company, when you submit it to the Company or when the Company collects it from third parties, for example in the case of references provided by your previous employer.

The Company Data Protection Policy sets out the categories of your personal data the Company will hold, the basis for holding it and how the Company will use that personal data.

Your personal data may be transferred to other countries including those outside the European Economic Area, in which companies within the same group as the Company maintain facilities.

In accordance with the law, you have the following rights in respect of the personal data that the Company holds:

- a. Right of access. The right to obtain access to your personal data;
- b. Right to rectification. The right to obtain rectification of your personal data without undue delay where that personal data is inaccurate or incomplete;
- c. Right to erasure. The right to obtain the erasure of your personal data without undue delay in certain circumstances, such as where the personal data is no longer necessary in relation to the purposes for which it was collected or processed; and
- d. Right to restriction. The right to obtain the restriction of the processing undertaken by the Company on your personal data in certain circumstances, such as where the accuracy of the personal data is contested by you, for a period enabling the Company to verify the accuracy of that personal data.

You should direct any questions about how the Company processes your personal data to the Privacy Office. You have the right to lodge a complaint to the Information Commissioner's Office.

14. Miscellaneous

- a. **Collective Agreements.** There are no collective agreements which affect the terms and conditions of your employment.
- b. **Disciplinary and Grievance Procedures.** The Company's disciplinary and grievance procedure (which may be updated from time to time) is set out on the Company's intranet. The procedure is non-contractual.
- c. **Resignation of offices.** You undertake immediately upon the earlier of termination of your employment or notice of termination being served by either party in accordance with this Contract give written notice resigning forthwith as a director or trustee or from any other office you may hold from time to time with the Company and/or any Group Company or arising from your engagement by the Company and/or any Group Company without any further compensation. To that end, you hereby irrevocably and by way of security appoint the Company and each Group Company now or in the future existing to be your attorney and in your name and on your behalf and as your act and deed to sign, execute and do all acts, things and documents which you are obliged to execute and do under the provisions of this Contract (and in particular, but without limitation, this clause 14) and you hereby agree forthwith on the request of the Company to ratify and confirm all such acts, things and documents signed, executed or done in pursuance of this power.
- d. **Board.** The term "**Board**" in this Agreement refers to the Board of Directors of Sabre Corporation or any committee or sub-committee thereof.
- e. **Group Company.** The term "**Group Company**." in this Agreement means any undertaking which is a parent undertaking of the Company or a subsidiary undertaking of the Company or of any such parent undertaking (as such expressions are defined in sections 1159, 1161 and 1162 of the Companies Act 2006) and the term "**Group**" refers to the Company and all and any Group Companies.

- f. **Communications.** The Company may deliver any documents related to your employment and request your consent to such documents by electronic means. You hereby consent to receive such documents by electronic delivery and, if applicable, to execute such documents via electronic signatures, click-through acceptance of terms, or other online system as may be established and maintained by the Company.
- g. **Claims on Termination.** You shall have no claim against the Company or any Group Company in respect of the termination of your employment hereunder in relation to any provision in any articles of association, agreement, scheme, plan or arrangement which has the effect of requiring you to sell, transfer or give up any shares, securities, options or rights at any price or which causes any options or other rights granted to you to become prematurely exercisable or to lapse by reason of your termination or because you have given or received notice of termination.
- h. **Severability.** The provisions of this Agreement are severable, and if any one or more of the provisions are determined to be illegal or otherwise unenforceable, in whole or in part, it shall nevertheless be enforced to the fullest extent allowed by law, and the remaining provisions shall not be affected.
- i. **Governing Law and Forum.** This Agreement will be governed by the laws of England and Wales, without giving effect to any conflict of laws principles, and any dispute that cannot be resolved by the parties shall be submitted to the exclusive jurisdiction of the courts of England and Wales.
- j. **Entire Agreement.** This Agreement supersedes and replaces any prior understandings or agreements, whether oral, written or implied, between you and the Company and/or Sabre Corporation and/or any other Sabre Group Company regarding your employment and the matters described in this letter.

[signature page follows]

If you wish to accept this offer, please execute as your DEED (before a witness) both the enclosed duplicate original of this letter and the enclosed Intellectual Property and Confidentiality Agreement and return them to me.

IN WITNESS of the terms of this Contract, a duly authorised representative of the Company has signed this Contract and the Executive has executed this Contract as his Deed on the date detailed under his signature.

Very truly yours,
Sabre Global Technologies Limited
By: /s/ Monika Kaczmarek
(signature)
Name: Monika Kaczmarek
Title: Senior Principal – People Team

Executed as a deed by Roshan Mendis and delivered on the date marked below.

Signed: /s/ Roshan Mendis
Date: 12/26/21

in the presence of:

/s/ Andreia Brennan
(witness signature)
Witness name (print): Andreia Brennan
Witness address (print): [The address has been deleted]
Witness occupation (print): Senior Assistant

Attachment A: Intellectual Property and Confidentiality Agreement

Attachment A

Intellectual Property and Confidentiality Agreement

(see attached)

Employee Intellectual Property and Confidentiality Agreement

As an employee of Sabre Global Technologies Limited (the “**Company**”), or in the future, of the Group Company,¹ I acknowledge that I will have access to and use of Confidential and Proprietary Information, and will receive specialized training from the Company. In consideration of these, other benefits, and my employment by the Company I together with the Company (collectively, the “**Parties**”), agree as follows:

A. Relationship

This Agreement will apply to my employment relationship with the Company. Any such employment or consulting relationship between the Company and me, whether commenced prior to, upon or after the date of this Agreement, is referred to herein as the “**Relationship**.” If I was previously or in the future am employed or hired as a consultant by any Group Company, to the extent a separate Intellectual Property and Confidentiality Agreement was or is not entered into in relation to such employment or engagement, “**Relationship**” shall also refer to any such employment or engagement, as applicable, and “**Company**” shall also refer to such Group Company employer or hiring entity, and “**Effective Date**” shall also include such period of the Relationship.

B. Company Authorization

Upon the Effective Date of this Agreement, the Company will do one or more of the following: (i) provide me with authorization to access and use some of the Group Company's Confidential and Proprietary Information, by, for example, furnishing me with a computer password; and/or (ii) provide me with authorization to develop and use the goodwill of the Group Company by, for example, providing me with authorization to represent the Group Company in communications with customers and prospective customers, providing me with authorization to receive reimbursement for customer relations related expenses in accordance with Group Company policy limits, and/or assisting me in facilitating my contact with customers and prospective customers. This paragraph (B) is not dependent on continued employment, but is dependent upon, and provided in exchange for, my full compliance with the restrictions below.

Section I

Employee Confidentiality

1. I agree that, during and after the Relationship, I will (a) hold all Confidential and Proprietary Information in the strictest confidence, whether specifically marked as confidential or not, and use all reasonable precautions to ensure that it is properly protected and kept from unauthorized persons, and (b) Not disclose it or any part of it, except as, and only to the extent necessary to carry out my responsibilities as an employee of the Company, subject to a valid non-disclosure agreement or with the prior written consent of a duly authorized attorney of the Company other than me. I further agree not to make copies of such Confidential and Proprietary Information except in the ordinary course of my duties or as authorized by the Company.
2. I agree that, during and after the Relationship, I will not use any Confidential and Proprietary Information for my own benefit or the benefit of any third party. I will perform for the Company such duties as may be designated by the Company from time to time or that are otherwise within the scope of the Relationship and not contrary to instructions from the Company. During the Relationship, I will devote my entire best business efforts to the interests of the Company and will not engage in other employment or in any activities detrimental to the best interests of the Company without the prior written consent of the Company.
3. I agree that during the Relationship I will maintain records on current and prospective Group Company customers, suppliers and other business relationships that I develop or help to develop, and I acknowledge that such records are Confidential and Proprietary Information.
4. I agree that during the Relationship I will use the goodwill and contacts developed with the Group Company's customers and suppliers for the exclusive benefit of the Group Company.
5. I agree that during the Relationship I will not use or disclose to the Group Company any confidential or proprietary information or trade secrets belonging to my former employers or other third parties. I will not bring onto the premises of the Group Company any documents, materials, or any other property belonging to my former employers or other third parties to which I owe an obligation of confidentiality.
6. I acknowledge and agree that I have no expectation of privacy with respect to the Group Company's telecommunications, networking or information processing systems (including, without limitation, files, e-mail messages, and voice messages) and that my activity and any files or messages on or using any of those systems may be monitored at any time without notice. I further agree that any property situated on the Group Company's premises and owned by the Group Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Group Company personnel at any time with or without notice. I agree that upon termination of the Relationship, I will deliver to the Company (and will not keep in my possession, recreate or deliver to anyone else) as its sole property all materials and other things containing or relating to Confidential and Proprietary Information and all personal property furnished to or prepared by me in course of, or incident to, the Relationship or otherwise belonging to the Group Company.
7. I represent and warrant that I am under no obligation (such as a non-competition agreement) to a former employer or any other party affecting my ability: (a) to perform the terms of this Agreement; (b) to be employed by the Company; or (c) to otherwise perform services for the Company. I represent that my performance of all the terms of this Agreement does not and will not breach any agreement I have entered into, or will enter into, with any third

¹ Capitalized terms used in this Agreement and not otherwise defined in the text shall have the meanings assigned to such terms in General Provisions (F) below.

party, including without limitation any agreement to keep in confidence proprietary information or materials acquired by me in confidence or in trust prior to or during the Relationship. I will not disclose to the Group Company or use any inventions, confidential or non-public proprietary information or material belonging to any previous client, employer or any other party. I will not induce the Group Company to use any inventions, confidential or non-public proprietary information, or material belonging to any previous client, employer or any other party. I agree not to bring any such information or materials onto the Company's property or place of business. I agree not to enter into any written or oral agreement that conflicts with the provisions of this Agreement.

8. My agreements in this Section I are intended to be for the benefit of the Group Company and any third party that has entrusted information or physical material to the Group Company in confidence.
9. This Agreement is intended to supplement, and not to supersede, any rights the Group Company may have in law or equity with respect to the protection of trade secrets or proprietary information.
10. I acknowledge that nothing in this Agreement prohibits or restricts me from initiating communications directly with, responding to any inquiry from, or providing testimony before, the Securities and Exchange Commission ("SEC"), Department of Justice ("DOJ"), or any other governmental agency or self-regulatory organization, about actual or potential violations of laws or regulations and nothing in this Agreement prohibits me from making a protected disclosure within the meaning of Part IV of the Employment Rights Act 1996.

Creations and Proprietary Rights

11. I agree and acknowledge that all right, title and interest throughout the world with respect to all Creations and any and all related Proprietary Rights (including all Rights to Use) shall solely vest in, inure to the sole benefit of, and be the sole property of, the Company (or its designee) without any limitation. I agree and acknowledge that all Creations and works produced in the service of the Company within the scope of the Relationship and are compensated by my salary. I hereby waive and irrevocably quitclaim to the Company or its designee any and all claims, of any nature whatsoever, that I now have or may hereafter have for infringement of any and all Creations. Any assignment of Creations includes all rights of attribution, paternity, integrity, modification, disclosure and withdrawal, and any other rights throughout the world that may be known as or referred to as "moral rights," "artist's rights," "droit moral," or the like (collectively, "**Moral Rights**"). To the extent that Moral Rights cannot be assigned under applicable law, I hereby waive and agree not to enforce any and all Moral Rights, including, without limitation, any limitation on subsequent modification, to the extent permitted under applicable law.
 1. If, notwithstanding the foregoing, I retain any right, title or interest with respect to any Creations or any related Proprietary Rights, I hereby assign, transfer and convey, and agree to assign, transfer and convey, to the Company, without any limitations or any additional remuneration, all such right, title and interest. The rights assigned, transferred and conveyed hereunder shall include, without limitation, all Rights to Use.
 2. If, notwithstanding the foregoing, I retain any right, title or interest with respect to any Creations or any related Proprietary Rights, or to the extent any of the rights, title and interest in and to any Creations or any related Proprietary Rights cannot be assigned by me to the Company, I hereby grant, and agree to grant, to the Company, without any limitations or any additional remuneration, the worldwide, exclusive, perpetual, irrevocable, royalty-free, transferable, freely sublicenseable (through multiple tiers of sublicenses), right and license under all my right, title and interest with respect to such Creations, any other Technology that is the subject of, embodies or uses, or is made using, any Proprietary Rights relating to such Creations, and any and all related Proprietary Rights, including all Rights to Use.
 3. If in the course of the Relationship, I use or incorporate into a product, process or machine any Creation not covered by Section I of this Agreement in which I have an interest, I will promptly so inform the Company in writing. Whether or not I give such notice, I hereby irrevocably grant to the Company a nonexclusive, fully paid-up, royalty-free, assumable, perpetual, worldwide license, with right to transfer and to sublicense, to practice and exploit such Creation and to make, have made, copy, modify, make derivative works of, use, sell, import, and otherwise distribute such Creation under all applicable intellectual property laws without restriction of any kind. I understand and agree that it is my responsibility, and solely my responsibility, to ensure that any such Creations that I incorporate into a Group Company product, process and/or machine can indeed be incorporated therein, that such incorporation does not violate any commitments made by me to any third parties, and that any rights stipulated in this provision to be granted to Group Company can indeed be granted to Group Company, notwithstanding any other joint owners of such Creations. I also understand and agree that I shall indemnify Group Company against any costs or damages, etc. that may arise if I do not ascertain such rights to be granted or otherwise fail to meet my obligations under this provision.
 4. I will maintain adequate and current written records of all Creations, and the creation, making, conception, invention, discovery, development, reduction to practice or suggestion thereof. The records will be in the form of notes, sketches, drawings and/or any other format specified by the Company. Such records will be available to, and remain the sole property of, the Company. I agree not to remove such records from the Company's place of business except as expressly permitted by Company policy which may, from time to time, be revised at the sole election of the Company for the purpose of furthering the Company's business. I agree to deliver all such records (including any copies thereof) to the Company at the time of termination of the Relationship. I hereby authorize the Company to publish the Creations and any other Technology that is the subject of, embodies or uses, or is made using, any Proprietary Rights relating to the Creations, in the Company's sole discretion with or without attributing any of the foregoing to me or identifying me in connection therewith and regardless of the effect on such Creations and such other Technology or my relationship thereto.

5. If at any time, including after termination of the Relationship, the Company requests my signature or other cooperation regarding any Creations, I will fully cooperate with the Company. I will provide assistance at the request of the Company to obtain, establish, perfect, maintain, evidence, enforce or otherwise protect any of the rights, title and interests assigned, transferred, conveyed, or licensed (or intended to be assigned, transferred, conveyed, or licensed) to the Company or its designee under this Agreement, or otherwise carry out the intent and accomplish the purposes of this Agreement. Such cooperation and assistance shall include, without limitation, any execution of an assignment, transfer, conveyance, license or waiver of, or any covenant not to institute, support, maintain or permit any action or assert any rights, and cooperation and assistance in any proceedings before any government authorities or other legal proceedings, including being named a party for purposes thereof. Without limiting the generality of the foregoing, to the extent permitted by applicable law, I hereby appoint the Company as my attorney-in-fact (which appointment is coupled with an interest), with full power of substitution and delegation, with the right (but not the obligation) to perform any such acts and to execute, acknowledge and deliver any such documents on my behalf, provided that the Company shall not exercise such right unless I fail to perform such act or execute, acknowledge or deliver such document within five (5) business days after the Company's written request therefor. I will not independently file or prosecute any patent or copyright application relating to any Creation unless I have the prior written consent of an attorney of the Company.
6. I represent and warrant that I have identified on Schedule A of this Agreement any and all Technology and all related Proprietary Rights conceived, developed, created, made, or reduced to practice by me, either alone or with others, prior to my Relationship with the Company, that relate to the business in which the Group Company is, has been, or reasonably can be expected to become, involved and that I claim to own or in which I claim to have an interest or right. I do not and will not claim that prior to the Relationship I owned any right, title or interest in or to any Technology or any related Proprietary Rights that relates to the business in which the Group Company is, has been, or reasonably can be expected to become, involved, not specifically listed on Schedule A of this Agreement. To the extent such Technology does exist and is not listed on Schedule A, I hereby forever waive any and all rights or claims of ownership to such Technology and related Proprietary Rights. I understand that my listing of any Technology on Schedule A does not constitute an acknowledgement by the Company of the existence or extent of such Technology, nor of my ownership of such Technology. I further understand that I must receive the formal approval of the Company before commencing my Relationship with the Company.
7. Despite the foregoing provisions of this Section I, if I believe that I am entitled to ownership of any Creation and/or Proprietary Rights related thereto, conceived, developed, created, made or reduced to practice by me, either alone or with others, during my Relationship with the Company, I will promptly notify an attorney of the Company in writing. The Company will consider my position, but the Company will have no obligation to give me any ownership of or benefit from any Creation and/or Proprietary Rights related thereto.

Section II

Protective Covenants

I agree that the covenants below are reasonable and necessary agreements for the protection of legitimate business interests of the Group Company covered in the fully enforceable, ancillary agreements of the Parties, including but not limited to those set forth in Section I above. I agree that I will not in any proceeding, deny the reasonableness of, or assert the unreasonableness of any portion of the covenants below. I acknowledge that complying with the covenants below will not preclude me from engaging in a lawful profession, trade or business, or from becoming gainfully employed. I further acknowledge that the covenants below are separate and distinct obligations under this Agreement and that the failure or alleged failure of the Company to perform its obligations under any other provisions of this Agreement shall not constitute a defense to the enforceability of the covenants below.

A. Competing Business/Covered Customer

As used herein, "**Competing Business**" means any person, corporation, partnership, limited liability company or other entity that engages in activities so similar in nature or purpose to those of the Group Company business unit(s) or subsidiary(ies) for which I worked or serviced within the last (twelve) 12 months of my Relationship with the Company, such that they could displace business opportunities, customers or suppliers of such business unit(s) or subsidiary(ies). "**Covered Customer**" means those entities and/or persons (customers or suppliers) that have a continuing business relationship or prospective business relationship with the Group Company and that did business with the Group Company within the last twenty-four (24) months I was with the Company and that I either: (a) received or handled Confidential and Proprietary Information about; (b) had contact with; or (c) supervised others who had contact with.

B. Restriction on Interfering with Employee Relationships.

I agree that during my Relationship with the Company, and for a period of 3 months following the termination of my Relationship with the Company, I will not, either directly or indirectly, participate in hiring or attempting to hire away a Group Company employee or contractor, or solicit, induce, recruit or encourage any employees or contractors of the Group Company to terminate their relationship with the Group Company, without prior written consent of a Company attorney.

C. Restriction on Interfering with Customer and Supplier Relationships.

I agree that during the Relationship with the Company, and for a period of six (6) months following the termination of my Relationship with the Company, I will not, directly or indirectly, encourage or induce any Covered Customer to stop or reduce business done with the Group Company, or call on, service, or solicit a Covered Customer on behalf of a Competing Business, without prior written consent of a Company attorney. The Parties stipulate that this restriction is inherently limited to a reasonable geography because it is limited to the places or locations where the Covered Customer is located at the time.

D. Restriction on Unfair Competition.

I agree that during my Relationship with the Company, and for a period of six (6) months following the termination of my Relationship with the Company, I will not work for or assist a Competing Business in any capacity (as employee, consultant, contractor, officer, director, investor, agent, or otherwise) which is or is about to be engaged in any business activity that would involve: (i) the same or substantially similar functions or responsibilities to those I performed for the Company; or (ii) supervision over the same or substantially similar functions or responsibilities. These restrictions do not prohibit ownership of securities in widely held corporations that are quoted and sold on the open market. The Parties stipulate that the foregoing is enforceable, reasonable, and necessary to protect the Group Company's legitimate business interests such as goodwill, trade secrets and confidential information. Further, I agree that during my Relationship with the Company, and for a period of twelve months following the termination of my Relationship with the Company, I shall not, in relation to any trade, business or company other than that of the Group Company, use any name in such a way as to be capable of or likely to be confused with the name of the Group Company without first obtaining written consent of the Company.

E. Notice to Third Parties and Survival of Restrictions.

I agree that during the periods of time during which I am restricted in taking certain actions by the terms of this Agreement (the "**Restriction Period**"), I shall inform any entity or person with whom I may seek to enter into a business relationship (whether as an owner, employee, independent contractor, or otherwise) of my contractual obligations under this Agreement. I also understand and agree that the Company may, with or without prior notice to me and during or after the term of the Relationship, notify third parties of my agreements and obligations under this Agreement. I further agree that, upon written request by the Company, I will respond to the Company in writing regarding the status of my employment/engagement or proposed employment/engagement with any party during the Restriction Period. Each restriction set forth in this Section II shall survive the termination of my Relationship with the Company. If I fail to comply with the timed restrictions in this Agreement, the restrictive time periods provided for will be extended by one day for each day I am found to have failed to have complied up to a maximum of twenty-four (24) months.

F. Early Resolution Conference.

During my Relationship with the Company, and for a six (6) month period thereafter, I agree to: (i) give the Company written notice at least fifteen (15) business days prior to commencing work for a Competing Business; (ii) provide the Company with sufficient information about my new position for the Company to determine whether such position would be likely to lead to a violation of this Agreement; and (iii) participate in an early resolution conference or mediation in a good faith effort to resolve any disputes between the Parties within fifteen (15) business days of providing the Company the required notice.

General Provisions

A. Assignment and Severability

I acknowledge and agree that my obligations hereunder are personal, and that I shall have no right to assign, transfer or delegate and shall not assign, transfer or delegate or purport to assign, transfer or delegate this Agreement or any of my rights or obligations hereunder. This Agreement shall bind my heirs, executors, administrators, legal representatives and assigns and shall remain in effect in the event I am transferred to any affiliate of the Company. This Agreement shall be deemed assigned to such affiliate as of my first day of the Relationship with such affiliate. This Agreement shall remain in effect for the benefit of any successor or assign of the business of the Company, and shall inure to the benefit of such successor or assign.

If any provision of this Agreement, or the application thereof to any person, place or circumstance, shall be held to be invalid, void or otherwise unenforceable, such provision shall be enforced to the maximum extent possible so as to effect the intent of the Parties, or, if incapable of such enforcement, shall be deemed to be deleted from this Agreement, and the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect. I further acknowledge and agree that the restrictions contained in Section II are considered by the Company and me to be reasonable in all circumstances. However, should a court of competent jurisdiction determine that the scope of the covenants contained in Section II exceeds the maximum restrictiveness such court deems reasonable and enforceable, the parties intend that the court should reform, modify and enforce the provision to such narrower scope as it determines to be reasonable and enforceable under the circumstances existing at that time.

B. Governing Law.

The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of England and Wales without giving effect to the principles of conflict of laws, and any dispute that cannot be resolved by the parties shall be submitted to the exclusive jurisdiction of the courts of England and Wales.

C. Entire Agreement and Waiver.

This Agreement, including Schedule A, constitutes the entire agreement and understanding of the Parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous correspondence, negotiations, agreements and understandings among the Parties, both oral and written, regarding such subject matter. I acknowledge that the Company has not made, and that I have not relied upon, any representations or warranties concerning the subject matter of this Agreement other than those expressly set forth herein, if any. This Agreement may be amended only by written agreement signed by a duly authorized attorney of the Company other than me. The waiver of any rights under this Agreement in any particular instance, or the failure to enforce any provision of this Agreement in any particular instance, shall not constitute a waiver or relinquishment of the right to enforce such provision or enforce this Agreement generally.

D. Duty to Read.

I acknowledge that I have read and I understand this Agreement. I further agree that the Company would not have allowed me access to and use of Confidential and Proprietary Information, would not have provided me with the authority to develop and use goodwill of the Group Company and would not have provided me with specialized training without my acceptance of this Agreement.

E. Advice of Counsel.

I ACKNOWLEDGE THAT, IN EXECUTING THIS AGREEMENT, I HAVE HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND I HAVE READ AND UNDERSTOOD ALL OF THE TERMS AND

PROVISIONS OF THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

F. **Definitions.**

"Confidential and Proprietary Information" means all information and physical material of business or competitive value to the Group Company that is not generally known to the public and that is disclosed to or received by me (directly or indirectly and whether in writing, electronically, orally or by observation), or invented, conceived, developed, created, made, or reduced to practice by me, in the course of my Relationship with the Company, including but not limited to Technology, architecture, analyses, business plans, collections and compilations of information, computer programs, concepts, creations, current and/or prospective customer, supplier or other business relationship lists, records or other information, data, designs, devices, discoveries, documentation, drawings, employee salaries and other information, financial and sales information, flow charts, forecasts, formulae, hardware and hardware configurations, ideas, improvements, know-how, manuals, methods, notes, operating procedures, patterns, processes, projections, protocols, records, screen displays, software, specifications, studies, strategies, structures, surveys, system designs, techniques, tolerances, and all information obtained by the Group Company with a duty of confidentiality to third parties but excluding any information which would otherwise have been Confidential and Proprietary Information but which comes into the public domain otherwise than through any unauthorized disclosure by me or any third party.

"Creations" means any and all Technology that (i) is created, made, conceived, invented, discovered, developed, reduced to practice or suggested by me, alone or together with others, at any time during my Relationship with the Company or, whether during or within a reasonable time after my Relationship with the Company, otherwise in connection with my activities as an employee of, or based upon any Confidential and Proprietary Information or Proprietary Rights of, the Group Company, and (ii) relates in any manner to the actual or reasonably anticipated business, research, development or other activities of the Group Company, or were created, made, conceived, invented, discovered, developed, reduced to practice or suggested using the Group Company's equipment, supplies, facilities, or Confidential and Proprietary Information. Creations shall not include Technology expressly set forth on Schedule A.

"Group Company" means Sabre GBLB Inc., its predecessors, successors, assigns, and any of its parents, subsidiaries, affiliates, divisions, related or joint venture companies, or other companies or organizations controlled by, controlling, or under common control with it.

"Proprietary Rights" means, throughout the world, any and all (i) copyrights, database rights and all other rights associated with works of authorship (including computer programs), creations or performances, whether published or unpublished, (ii) rights with respect to trade secrets and know-how, (iii) patents and related rights, inventor's certificates, design rights, industrial design rights, utility model rights, (iv) trademark, service mark and trade dress rights and other rights relating to source or indicia of origin, and (v) any and all other intellectual property, industrial property, and other proprietary rights, together with (a) all rights related to any of the foregoing, including, without limitation, rights with respect to applications and filings for any of the foregoing, rights with respect to registrations or renewals of any of the foregoing, and rights to apply for, file, register, establish, maintain, extend or renew any of the foregoing, (b) all benefits, privileges, causes of action and remedies relating to any of the foregoing, whether before or hereafter accrued, including, without limitation, the right to enforce and protect any of the foregoing, including to bring legal actions against any party for all past, present and future infringements, misappropriations or other violations of or relating to any of the foregoing and to settle, and collect and retain the proceeds from, any such actions, and (c) all rights to transfer and grant licenses, sublicenses (through multiple tiers of sublicensees) and other rights with respect to any and all of the foregoing in Group Company's sole discretion.

"Rights to Use" means (i) all rights to publish, copy, reproduce, adapt, modify, translate, prepare derivatives based upon, distribute, rent, lease, lend, transmit, broadcast, publicly perform, publicly display, otherwise communicate or make available to the public, record, store on any medium, make, use, sell, offer for sale, have sold, import, have imported, practice any method in connection with and otherwise use or exploit for any purpose, throughout the world, by any and all means and in any form or medium whatsoever, the Creations and any other Technology that is the subject of, embodies or uses, or is made using, any Proprietary Rights relating to the Creations and any improvements thereof, and (ii) all rights to transfer and grant licenses, sublicenses (through multiple tiers of sublicensees), and other rights with respect to any and all of the foregoing rights, and to authorize any third party to exercise any of the foregoing rights, in the Group Company's sole discretion.

"Technology" means all materials, information (technical and non-technical), ideas (whether or not protectable under trade secret laws) and other subject matter, including, without limitation, works of authorship and other creations; information fixed in any tangible medium of expression (whether or not protectable under copyright laws); inventions (whether or not protectable under patent laws), invention disclosures, discoveries, developments and patent applications; know-how and trade secrets; plans, designs and concepts; new or useful art; artwork, drawings, designs, diagrams, sketches and schematics; writings, reports, white papers, notebooks, memoranda and other information; marketing requirements documents; specifications, formulas, structures and other technical or engineering information; prototypes, models, systems, compositions, hardware, tools, equipment, apparatuses, instruments and other devices, products and technology; processes, methods, techniques, procedures and work in process; computer programs (in source code, object code or any other format), applications, algorithms, protocols, data and databases, programmable logic and documentation; and any copies, extracts, portions, derivatives, improvements and enhancements thereof and modifications thereto.

IN WITNESS whereof a duly authorised representative of the Company has signed this as an Agreement and I have executed this Agreement as my Deed on the date of the Effective Date.

**Signed on behalf of Sabre
Global Technologies Limited by:**

Name: Monica Kaczmarek /s/ Monica Kaczmarek
Dated: 12/24/2021
Address: [The address has been deleted]

Signed by Employee: /s/ Roshan Mendis
Name: Roshan Mendis
Dated: 12/26/2021

**SIGNED AND DELIVERED by
Roshan Mendis AS his DEED
in the presence of:**

Andreia Brennan

Witness signature: /s/ Andreia Brennan

Name (print): Andreia Brennan

Address: [The address has been deleted]

Occupation: Senior Assistant

SCHEDULE A

List of prior Technology and related Proprietary Rights

Title	Date	Identifying Number or Brief Description

**AMENDMENT NUMBER 24 TO SERVICE AGREEMENT
NO. 1**

This Amendment Number 24 (“**Amendment 24**”), dated as of 17 December, 2021 (“**Amendment 24 Effective Date**”), by and between DXC Technology Services LLC, successor in interest to HP Enterprise Services, LLC (“**Provider**”) and Sabre GBLB Inc. (“**Customer**”) amends that certain Service Agreement No. 1, by and between Provider and Customer, dated as of 1 August 2020 (“**Service Agreement No. 1**”), made pursuant to that certain Amended and Restated Master Services Agreement by and between Provider and Customer, also dated as of 1 August 2020 (the “**Master Agreement**”). The Master Agreement and Service Agreement No. 1 are collectively known as the “**Agreement**”.

RECITALS

WHEREAS, Customer and Provider desire to amend certain terms and conditions of Service Agreement No. 1, as further described herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and intending to be legally bound, Customer and Provider hereby agree as follows:

1. **Amendments to Attachments and Appendices to Service Agreement No. 1.** In order to reflect the amendments agreed to by the Parties, the following documents are hereby replaced in their entirety in the form attached to this Amendment 24 as the applicable Attachment number referred to in the below table for such document:

Service Agreement No. 1 Document Reference	Document Name	Amendment 24 Attachment Number
Attachment C-1	RU Definitions	Attachment 1
Attachment C-3	Pricing and Baselines	Attachment 2
Attachment F-1	Mainframe ITTP	Attachment 3
Appendix 1 to Attachment F-1	Initial Project Schedule	Attachment 4
Appendix 2 to Attachment F-1	Pointer to FMO	Attachment 5

2. **Counterparts.** This Amendment 24 may be executed in several counterparts, all of which taken together shall constitute a single agreement between the Parties.
3. **Defined terms.** Unless otherwise defined herein, the capitalized terms used in this Amendment 24 shall have the same meaning assigned to such capitalized terms in the Agreement.
4. **Ratifications.** The terms and provisions set forth in this Amendment 24 shall modify and supersede all inconsistent terms and provisions set forth in the Agreement (and all prior agreements, letters, proposals, discussions and other documents) regarding the matters addressed in this Amendment 24. Except as otherwise expressly modified herein, all other terms and conditions of the Agreement shall remain in full force and effect and are ratified and confirmed as if set forth herein verbatim.

IN WITNESS WHEREOF, Provider and Customer have each caused this Amendment to be executed as below:

SABRE GLBL INC.

Signature: /s/ Chris Hamro
Name: Chris Hamro
Title: Sr. Director, Global Procurement
Date: December 20, 2021

DXC TECHNOLOGY SERVICES LLC

Signature: /s/ Joe Sequeira
Name: Joe Sequeira
Title: DXC Account General Manager - Sabre
Date: December 20, 2021

Sabre Corporation
2021 ANNUAL REPORT
List of Subsidiaries

The following are subsidiaries of Sabre Corporation as of December 31, 2021, and the states or jurisdictions in which they are organized. Except as otherwise specified, in each case Sabre Corporation owns, directly or indirectly, all of the voting securities of each subsidiary.

Legal Name of Subsidiary	Jurisdiction of Incorporation or Organization	% of Voting Interest Directly or Indirectly Held (If Not Wholly-owned)
Airline Technology Services Mauritius Ltd.	Mauritius	
Asiana Sabre Inc.	Korea, Republic of	20%
E-Beam Limited	United Kingdom	
Elektroniczne Systemy Sprzedazy Sp. ZO.O.	Poland	40%
Excellent Management Limited	Hong Kong	20%
EZY Webwerksraden AB	Sweden	
Flight Operations Holdings, LLC	Delaware	
FlightLine Data Services, Inc.	Georgia	
GetThere Inc.	Delaware	
GetThere L.P.	Delaware	
IHS US Inc.	Florida	
Innlink, LLC	Delaware	
Laser Holdings Limited	United Kingdom	
Lastminute (Cyprus) Limited	Cyprus	
lastminute.com Holdings, Inc.	Delaware	
lastminute.com LLC	Delaware	
Lastminute.com GmbH i.L.	Germany	
Last Minute Network Limited	United Kingdom	
Leisure Cars Broker S.L.	Spain	
Leisure Cars GmbH i.L.	Germany	
Leisure Cars Group Limited	United Kingdom	
Leisure Cars International Limited	United Kingdom	
Marlins Acquisition Corp	Delaware	
Nexus World Services, Inc.	Delaware	
PRISM Group, Inc.	Maryland	
PRISM Technologies, LLC	New Mexico	
PT Sabre Travel Network Indonesia	Indonesia	5%
Radixx Solutions International, Inc.	Delaware	
RSI Midco, Inc.	Delaware	
Sabre (Australia) Pty Ltd	Australia	
Sabre (Thailand) Holdings LLC	Delaware	
Sabre Airline Solutions GmbH	Germany	
Sabre AS (Luxembourg) S.a r.l.	Luxembourg	

Sabre Asia Pacific Pte. Ltd.	Singapore	
Sabre Australia Technologies I Pty. Ltd.	Australia	
Sabre Austria GmbH	Austria	
Sabre Belgium SA	Belgium	
Sabre Bulgaria AD	Bulgaria	60%
Sabre Canada Inc.	Canada	
Sabre China Sea Technologies Ltd.	Labuan	
Sabre Colombia Ltda.	Colombia	
Sabre Computer Reservierungssystem GmbH	Austria	
Sabre Danmark ApS	Denmark	
Sabre Decision Technologies International, LLC	Delaware	
Sabre Deutschland Marketing GmbH	Germany	
Sabre Digital Limited	United Kingdom	
Sabre EMEA Marketing Limited	United Kingdom	
Sabre Espana Marketing, S.A.	Spain	
Sabre Finance (Luxembourg) S.a.r.l.	Luxembourg	
Sabre France Sarl	France	
Sabre GDC, LLC	Delaware	
Sabre GLBL Inc.	Delaware	
Sabre Global Services S.A.	Uruguay	
Sabre Global Technologies, Limited	United Kingdom	
Sabre Headquarters, LLC	Delaware	
Sabre Hellas Computer Reservation Systems Services Societe Anonyme	Greece	
Sabre Holdings (Luxembourg) S.a.r.l.	Luxembourg	
Sabre Holdings Corporation	Delaware	
Sabre Holdings GmbH	Germany	
Sabre Hospitality Solutions GmbH	Germany	
Sabre Iceland ehf.	Iceland	
Sabre Informacion S.A. de C.V.	Mexico	
Sabre International (Bahrain) W.L.L.	Bahrain	
Sabre International (Luxembourg) S.a.r.l.	Luxembourg	
Sabre International B.V.	Luxembourg	
Sabre International Holdings, LLC	Delaware	
Sabre International Newco, Inc.	Delaware	
Sabre International, LLC.	Delaware	
Sabre Ireland Limited	Ireland	
Sabre Israel Travel Technologies LTD.	Israel	
Sabre Italia S.r.l.	Italy	
Sabre Limited	New Zealand	
Sabre Marketing Nederland B.V.	Netherlands	
Sabre Marketing Pte. Ltd.	Singapore	
Sabre Mexico LLC	Delaware	

Sabre Nederland Holdings B.V.	Netherlands	
Sabre Norge AS	Norway	
Sabre Pakistan (Private) Limited	Pakistan	
Sabre Polska Sp. Z.o.o.	Poland	
Sabre Portugal Servicos Lda	Portugal	
Sabre Rocatec AB	Sweden	
Sabre Seyahat Dagitim Sistemleri A.S.	Turkey	
Sabre Sociedad Technologica S de RL de CV	Mexico	60%
Sabre South Pacific I	Australia	
Sabre Strategic Holdings, LLC	Delaware	
Sabre Suomi Oy	Finland	
Sabre Sverige AB	Sweden	
Sabre Technology Holdings Pte. Ltd.	Singapore	
Sabre Technology Holland II B.V.	Netherlands	
Sabre Travel International Limited	Ireland	
Sabre Travel Network Asia Pacific	Singapore	
Sabre Travel Network (Australia) Pty Ltd.	Australia	
Sabre Travel Network (Bangladesh) Limited	Bangladesh	49%
Sabre Travel Network (Brunei) Sdn Bhd	Brunei Darussalam	15%
Sabre Travel Network (Central Asia) LLP	Kazakhstan	
Sabre Travel Network (Hong Kong) Limited	Hong Kong	
Sabre Travel Network (India) Private Limited	India	
Sabre Travel Network (Lao) Co., Ltd.	Lao People's Democratic Republic	40%
Sabre Travel Network (Malaysia) Sdn. Bhd.	Malaysia	
Sabre Travel Network (New Zealand) Limited	New Zealand	
Sabre Travel Network (Pakistan) Private Limited	Pakistan	25%
Sabre Travel Network (Philippines) Inc.	Philippines	17%
Sabre Travel Network (Thailand) Ltd.	Thailand	
Sabre Travel Network Egypt LLC	Egypt	60%
Sabre Travel Network Jordan LLC	Jordan	60%
Sabre Travel Network Lanka (Private) Limited	Sri Lanka	60%
Sabre Travel Network Middle East W.L.L.	Bahrain	60%
Sabre Travel Network Romania S.R.L.	Romania	
Sabre Travel Network Southern Africa (Proprietary) Limited	South Africa	
Sabre Travel Network Taiwan Ltd.	Taiwan	4.39%

Sabre Travel Technologies (Private) Limited	India	
Sabre UK Marketing Ltd.	United Kingdom	
Sabre Ukraine Limited	United Kingdom	30%
Sabre Ukraine LLC	Ukraine	30%
Sabre Vietnam JSC	Vietnam	24%
Sabre Zenon Cyprus Limited	Cyprus	
SabreMark G.P., LLC	Delaware	
SabreMark Limited Partnership	Delaware	
Switch Automated Booking Services Co WLL	Kuwait	49%
TG India Holdings Company	Cayman Islands	
TG India Management Company	Cayman Islands	
Travelocity Global Technologies Private Limited	India	
TravLynx LLC	Florida	
TVL Common, Inc.	Delaware	
TVL Europe	United Kingdom	
TVL Holdings I, LLC	Delaware	
TVL Holdings, Inc.	Delaware	
TVL LLC	Delaware	
TVL LP	Delaware	
TVL Travel Limited	United Kingdom	
Zuji Holdings Ltd.	Cayman Islands	

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 No. 333-255669) and related Prospectus of Sabre Corporation,
- (2) Registration Statement (Form S-8 No. 333-255679) pertaining to the Sabre Corporation 2021 Omnibus Incentive Compensation Plan,
- (3) Registration Statement (Form S-8 No. 333-231014) pertaining to the Sabre Corporation 2019 Omnibus Incentive Compensation Plan and the Sabre Corporation 2019 Director Equity Compensation Plan,
- (4) Registration Statement (Form S-8 No. 333-211661) pertaining to the Sabre Corporation 2016 Omnibus Incentive Compensation Plan, and
- (5) Registration Statement (Form S-8 No. 333-196056) pertaining to the Sovereign Holdings, Inc. Management Equity Incentive Plan, Sovereign Holdings, Inc. 2012 Management Equity Incentive Plan, and the Sabre Corporation 2014 Omnibus Incentive Compensation Plan;

of our reports dated February 18, 2022, with respect to the consolidated financial statements and schedule of Sabre Corporation, and the effectiveness of internal control over financial reporting of Sabre Corporation, included in this Annual Report (Form 10-K) for the year ended December 31, 2021.

/s/ Ernst & Young LLP
Dallas, Texas
February 18, 2022

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

I, Sean Menke, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 18, 2022

By: /s/ Sean Menke

Sean Menke

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, Douglas Barnett, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 18, 2022

By: /s/ Douglas Barnett

Douglas Barnett

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-K of Sabre Corporation for the year ended December 31, 2021 (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: February 18, 2022

By: /s/ Sean Menke

Sean Menke

Chief Executive Officer

(principal executive officer of the registrant)

This certification accompanies the Form 10-K 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-K), 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-K of Sabre Corporation for the year ended December 31, 2021 (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: February 18, 2022

By: /s/ Douglas Barnett

Douglas Barnett

Chief Financial Officer

(principal financial officer of the registrant)

This certification accompanies the Form 10-K 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-K), irrespective of any general incorporation language contained in such filing.