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GBT JERSEYCO LIMITED AND SUBSIDIARIES

Consolidated Financial Statements

December 31, 2022 and 2021
(With Independent Auditors' Report Thereon)

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INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

	<u>Page</u>
GBT JerseyCo Limited	
Report of Independent Registered Public Accounting Firm	F-2
Consolidated Balance Sheets as of December 31, 2022 and 2021	F-4
Consolidated Statements of Operations for the years ended December 31, 2022, 2021 and 2020	F-5
Consolidated Statements of Comprehensive Loss for the years ended December 31, 2022, 2021 and 2020	F-6
Consolidated Statements of Cash Flows for the years ended December 31, 2022, 2021 and 2020	F-7
Consolidated Statements of Changes in Total Shareholders' Equity for the years ended December 31, 2022, 2021 and 2020	F-8
Notes to Consolidated Financial Statements	F-9



KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Directors
GBT JerseyCo Limited:

We have audited the accompanying consolidated financial statements of GBT JerseyCo Limited and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GBT JerseyCo Limited and its subsidiaries as of December 31, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

New York, New York
December 4, 2023

GBT JERSEYCO LIMITED
CONSOLIDATED BALANCE SHEETS

(in \$ millions except share and per share data)	As of December 31,	
	2022	2021
Assets		
Current assets:		
Cash and cash equivalents.....	\$ 303	\$ 516
Accounts receivable (net of allowance for credit losses of \$23 and \$4 as of December 31, 2022 and 2021, respectively)	786	381
Due from affiliates	46	18
Prepaid expenses and other current assets	130	137
Total current assets	1,265	1,052
Property and equipment, net	218	216
Equity method investments	14	17
Goodwill	1,188	1,358
Other intangible assets, net	636	746
Operating lease right-of-use assets	58	59
Deferred tax assets	325	282
Other non-current assets	47	41
Total assets	\$ 3,751	\$ 3,771
Liabilities, preferred shares and shareholders' equity		
Current liabilities:		
Accounts payable	\$ 253	\$ 137
Due to affiliates	48	41
Accrued expenses and other current liabilities	443	519
Current portion of operating lease liabilities	17	21
Current portion of long-term debt	3	3
Total current liabilities	764	721
Long-term debt, net of unamortized debt discount and debt issuance costs	1,219	1,020
Deferred tax liabilities	6	119
Pension liabilities	147	333
Long-term operating lease liabilities	61	61
Earnout derivative liabilities	58	—
Other non-current liabilities	42	23
Total liabilities	2,297	2,277
<i>Commitments and Contingencies (see note 19)</i>		
Preferred shares (par value €0.00001; 3,000,000 shares authorized; 1,500,000 shares issued and outstanding as of December 31, 2021)	—	160
Shareholders' equity:		
Class A common stock (par value \$0.0001; 3,000,000,000 shares authorized; 67,753,543 shares issued and outstanding as of December 31, 2022)	—	—
Class B common stock (par value \$0.0001; 3,000,000,000 shares authorized; 394,448,481 shares issued and outstanding as of December 31, 2022)	—	—
Voting ordinary shares (par value €0.00001; 40,000,000 shares authorized; 36,000,000 shares issued and outstanding as of December 31, 2021)	—	—

(in \$ millions except share and per share data)	As of December 31,	
	2022	2021
Non-voting ordinary shares (par value €0.00001; 15,000,000 shares authorized as of December 31, 2021; 8,413,972 shares issued and outstanding as of December 31, 2021).....	—	—
Profit shares (par value €0.00001; 800,000 shares authorized, issued and outstanding as of December 31, 2021).....	—	—
Additional paid-in-capital	2,799	2,560
Accumulated deficit	(1,262)	(1,065)
Accumulated other comprehensive loss	(84)	(162)
Total equity of the Company's shareholders.....	1,453	1,333
Equity attributable to noncontrolling interest in subsidiaries.....	1	1
Total shareholders' equity.....	1,453	1,334
Total liabilities, preferred shares and shareholders' equity.....	\$ 3,751	\$ 3,771

See notes to consolidated financial statements

GBT JERSEYCO LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS

(in \$ millions, except share and per share data)	Year ended December 31,		
	2022	2021	2020
Revenue	\$ 1,873	\$ 763	\$ 793
Costs and expenses:			
Cost of revenue (excluding depreciation and amortization shown separately below)	833	477	529
Sales and marketing	337	201	199
Technology and content	388	264	277
General and administrative	293	213	181
Restructuring charges	(3)	14	206
Depreciation and amortization	182	154	148
Total operating expenses	2,030	1,323	1,540
Operating loss	(157)	(560)	(747)
Interest income	—	1	1
Interest expense	(98)	(53)	(27)
Fair value movement on earnouts derivative liabilities	6	—	—
Loss on early extinguishment of debt	—	(49)	—
Other income, net	1	8	14
Loss before income taxes and share of losses from equity method investments	(248)	(653)	(759)
Benefit from income taxes	57	186	145
Share of losses from equity method investments	(3)	(8)	(5)
Net loss	(194)	(475)	(619)
Less: net loss attributable to non-controlling interests in subsidiaries	(1)	2	1
Net loss attributable to the Company	(195)	(473)	(618)
Preferred shares dividend	(8)	(10)	—
Net loss attributable to the shareholders of the Company's ordinary shares	<u>\$ (203)</u>	<u>\$ (483)</u>	<u>\$ (618)</u>

See notes to consolidated financial statements

GBT JERSEYCO LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in \$ millions except share and per share data)	Year ended December 31		
	2022	2021	2020
Net loss	\$ (194)	\$ (475)	\$ (619)
Other comprehensive income (loss), net of tax:			
Change in currency translation adjustments, net of tax.....	(51)	(15)	(2)
Unrealized gains on cash flow hedge, net of tax:			
Unrealized gain from cash flow hedges arising during the year	32	—	—
Unrealized gains on cash flow hedge reclassified to interest expense.....	(4)	—	—
Change in defined benefit plans, net of tax:			
Actuarial gain (loss), net, and prior service cost arising during the year	99	28	(80)
Amortization of actuarial loss and prior service cost in net periodic pension cost	2	4	1
Other comprehensive income (loss), net of tax.....	78	17	(81)
Comprehensive loss	(116)	(458)	(700)
Less: Comprehensive loss attributable to non-controlling interests in subsidiaries.....	(1)	2	1
Comprehensive loss attributable to the Company.....	(117)	(456)	(699)
Preferred shares dividend	(8)	(10)	—
Comprehensive loss attributable to the shareholders of the Company's ordinary shares	<u>\$ (125)</u>	<u>\$ (466)</u>	<u>\$ (699)</u>

See notes to consolidated financial statements

GBT JERSEYCO LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in \$ millions)	Year ended December 31,		
	2022	2021	2020
<i>Operating activities:</i>			
Net loss	\$ (194)	\$ (475)	\$ (619)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	182	154	148
Deferred tax benefit	(61)	(178)	(110)
Equity-based compensation	39	3	3
Allowance for credit losses	19	(5)	4
Fair value movements on earnouts derivative liabilities	(6)	—	—
Loss on early extinguishment of debt	—	49	—
Impairment of operating lease ROU and other assets	—	1	20
Other	21	2	3
Defined benefit pension funding	(32)	(25)	(25)
Proceeds from termination of interest rate swap derivative contract	23	—	—
Changes in working capital, net of effects from acquisitions			
Accounts receivable	(448)	(85)	524
Prepaid expenses and other current assets	(29)	40	(20)
Due from affiliates	(28)	(3)	1
Due to affiliates	7	8	(20)
Accounts payable, accrued expenses and other current liabilities	113	2	(159)
Net cash used in operating activities	(394)	(512)	(250)
<i>Investing activities:</i>			
Purchase of property and equipment	(94)	(44)	(47)
Ovation business acquisition, net of cash acquired	—	(53)	—
Egencia business acquisition, net of cash acquired	—	73	—
Other	(1)	(3)	—
Net cash used in investing activities	(95)	(27)	(47)
<i>Financing activities:</i>			
Proceeds from reverse recapitalization, net	269	—	—
Redemption of preference shares	(168)	—	—
Proceeds from issuance of preferred shares	—	150	—
Proceeds from senior secured tranche B-1 term loans, net of debt discount ..	—	—	388
Proceeds from senior secured tranche B-2 term loans, net of debt discount ..	—	150	—
Proceeds from senior secured tranche B-3 term loans, net of debt discount ..	200	785	—
Repayment of senior secured term loans	(3)	(551)	(4)
Repayment of finance lease obligations	(2)	(2)	—
Payment of lender fees and issuance costs for senior secured term loans facilities	—	(8)	—
Prepayment penalty and other costs related to early extinguishment of debt ..	—	(34)	—
Payment of deferred consideration	(4)	—	—
Payment of offering costs	—	(10)	—

(in \$ millions)	Year ended December 31,		
	2022	2021	2020
Capital distributions to shareholders.....	—	(1)	—
Other	—	(1)	—
Net cash from financing activities.....	292	478	384
Effect of exchange rates changes on cash, cash equivalents and restricted cash	(12)	(7)	7
Net (decrease) increase in cash, cash equivalents and restricted cash.....	(209)	(68)	94
Cash, cash equivalents and restricted cash, beginning of year.....	525	593	499
Cash, cash equivalents and restricted cash, end of year.....	<u>\$ 316</u>	<u>\$ 525</u>	<u>\$ 593</u>
Supplemental cash flow information:			
Cash refund for income taxes (net of payments).....	\$ (1)	\$ (5)	\$ (13)
Cash paid for interest (net of interest received)	\$ 96	\$ 47	\$ 16
Dividend accrued on preferred shares.....	\$ —	\$ 10	\$ —
Deferred offering costs accrued	\$ —	\$ 10	\$ —
Right-of-use assets obtained in exchange for lease obligations, including on acquisitions (see note 12).....			

Cash, cash equivalents and restricted cash consist of:

(in \$ millions)	As of December 31,	
	2022	2021
Cash and cash equivalents	\$ 303	\$ 516
Restricted cash (included in other non-current assets)	\$ 13	\$ 9
Cash, cash equivalents and restricted cash	<u>\$ 316</u>	<u>\$ 525</u>

See notes to consolidated financial statements

GBT JERSEYCO LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN TOTAL SHAREHOLDERS' EQUITY

	Voting ordinary shares		Non-voting ordinary shares		Profit shares		Class A common stock		Class B common stock		Accumulated other comprehensive income (loss)	Total equity of the Company's stockholders	Equity attributable to noncontrolling interest in subsidiary	Total shareholders' equity
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount				
(In millions except share and per share data)														
Balance as of December 31, 2019:	16,900,000	—	—	—	800,000	—	—	—	—	—	(90)	1,678	4	1,682
Capital distributions to shareholders	—	—	—	—	—	—	—	—	—	(1)	—	—	—	(1)
Equity-based compensation	—	—	—	—	—	—	—	—	—	3	—	3	—	3
Other comprehensive loss, net of tax	—	—	—	—	—	—	—	—	—	—	(81)	(613)	—	(81)
Net loss	—	—	—	—	—	—	—	—	—	—	(618)	(613)	(1)	(619)
Balance as of December 31, 2020:	16,900,000	—	—	—	800,000	—	—	—	—	—	(179)	981	3	984
Issuance of shares in connection with the acquisition of Lignica (see note 10)	—	—	8,413,972	—	—	—	—	—	—	—	—	—	—	—
Dividend on preferred shares (see note 21)	—	—	—	—	—	—	—	—	—	—	—	816	—	816
Equity-based compensation	—	—	—	—	—	—	—	—	—	—	—	(10)	—	(10)
Settlement of MIP options	—	—	—	—	—	—	—	—	—	—	—	3	—	3
Other comprehensive income, net of tax	—	—	—	—	—	—	—	—	—	—	—	(1)	—	(1)
Net loss	—	—	—	—	—	—	—	—	—	—	17	17	—	17
Balance as of December 31, 2021:	16,900,000	—	8,413,972	—	800,000	—	—	—	—	—	(473)	1,333	(2)	1,334
Cumulative effect of the adoption of Accounting Standards Update, net of tax at \$1 (see note 8)	—	—	—	—	—	—	—	—	—	—	(162)	(162)	—	(162)
Dividend on preferred shares	—	—	—	—	—	—	—	—	—	—	(3)	(3)	—	(3)
Additional shares issued in Equity (see note 10)	—	—	59,111	—	—	—	—	—	—	—	—	(8)	—	(8)
Issuance of shares to GBT Group (BIC's public offering (see note 9))	(36,000,000)	—	(8,473,063)	—	(800,000)	—	58,945,033	394,448,481	—	—	—	6	—	6
Issuance of shares to GBT Group (BIC's warrant exchange)	—	—	—	—	—	—	(19,908,510)	—	—	—	—	286	—	286
Proceeds from issuance of Class A ordinary shares	—	—	—	—	—	—	—	—	—	—	—	(64)	—	(64)
Equity-based compensation	—	—	—	—	—	—	—	—	—	—	—	39	—	39
Net loss	—	—	—	—	—	—	—	—	—	—	(194)	(194)	—	(194)
Other comprehensive income, net of tax	—	—	—	—	—	—	—	—	—	—	78	78	—	78
Balance as of December 31, 2022:	—	—	—	—	—	—	—	394,448,481	—	—	(84)	1,453	1	1,454

See notes to consolidated financial statements

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Business Description and Basis of Presentation

GBT JerseyCo Limited (“Global Business Travel” or “GBT”), is a leading platform serving travel primarily for business purposes and provides a full suite of differentiated, technology-enabled solutions to business travelers and clients, suppliers of travel content (such as airlines, hotels, ground transportation and aggregators) and third-party travel agencies. The Company manages end-to-end logistics of business travel and provides a link between businesses and their employees, travel suppliers, and other industry participants. GBT is tax resident in the United Kingdom (“U.K.”).

On December 2, 2021, GBT entered into a business combination agreement (“Business Combination Agreement”) with Apollo Strategic Growth Capital (“APSG”), a special purpose acquisition company, listed on the New York Stock Exchange (the “Business Combination”). The Business Combination closed on May 27, 2022 and GBT became a direct subsidiary of APSG. Further, APSG was renamed as “Global Business Travel Group, Inc.”, or “GBTG”).

The Business Combination was accounted for as a reverse recapitalization. Accordingly, no assets or liabilities were measured at fair value, and no goodwill or other intangible assets were recognized as a result of the Business Combination (see note 9- *Reverse Recapitalization*).

GBT was incorporated on November 28, 2019 under the Companies (Jersey) Law 1991 and in a reorganization transaction undertaken then became the ultimate parent company of the group. Prior to the Business Combination, GBT operated as a joint venture with American Express Travel Holdings Netherlands Coöperatief U.A. (“Amex Coop”), a resident of the Netherlands, Juweel Investors (SPC) Limited (a successor entity of Juweel Investors Limited) (“Juweel”), a resident of Cayman Islands, and EG Corporate Travel Holdings LLC (“Expedia”) (collectively, with Amex Coop and Juweel the “Continuing JerseyCo Owners”).

The consolidated financial statements of GBT and its subsidiaries (the “Company”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Impact of COVID-19

The outbreak of the novel strain of the coronavirus (“COVID-19”) severely restricted the level of economic activity around the world beginning in 2020. Government measures implemented then to contain the spread of COVID-19, such as imposing restrictions on travel and business operations, limited business travel significantly below 2019 levels.

Since then, many countries have vaccinated a reasonable proportion of their population and the spread of virus is now being contained to varying degrees in different countries. With the evolution of milder COVID-19 variants, availability of multiple vaccine booster doses and increasing familiarity with the virus, many COVID-19 related travel restrictions have been lifted with the countries around the world reopening their borders for foreign travel and clients becoming more comfortable traveling. This has led to a moderation, and to an extent recovery, of the more severe declines in business travel bookings experienced at the height of the pandemic and during periods of resurgence. The Company has seen improvement in its transaction volume starting the second half of 2021 and continuing into 2022. While the global travel activity has since shown a recovery trend, it still remains below 2019 levels. The Company incurred a net loss of \$194 million and had cash outflows from operations of \$394 million for the year ended December 31, 2022 compared to a net loss of \$475 million and cash outflows from operations of \$512 million for the year ended December 31, 2021 and a net loss of \$619 million and cash outflows from operations of \$250 million for the year ended December 31, 2020.

Overall, the full duration and total impact of COVID-19 remains uncertain and it is difficult to predict how the recovery will unfold for the travel industry and, in particular, the Company’s business, going forward. The severity and duration of resurgence of COVID-19 variants, as well as uncertainty over the efficacy of the vaccines against such new variants of the virus, may contribute to delays in economic recovery.

The Company believes its liquidity is important given the limited ability to predict its future financial performance due to the uncertainty associated with the recovery from COVID-19 pandemic and/or resurgence due to new variants. Since March 2020, the Company has taken several measures to preserve its liquidity, including initiating

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

a business response plan to the COVID-19 pandemic (voluntary and involuntary redundancies, flexible workings, mandatory pay reductions, consolidating facilities, etc.), and entering into several financial transactions, including debt financing / refinancing transactions and the consummation of the Business Combination. Apart for the expectation of the recovery in its business operations, the Company continues to further explore other capital market transactions, process rationalizations and cost reduction measures to improve its liquidity position. In January 2023, the Company amended its senior secured credit agreement to obtain additional term loans in a principal amount of \$135 million to further strengthen its liquidity position. The Company also announced a restructuring plan to further streamline its operations and to build efficiencies in its operating model that will result in reduction in its work force and cost savings (see note 26 – *Subsequent Events*).

Based on the Company's current and expected operating plan, existing cash and cash equivalents, the resurgence of business travel indicated by recent volume trends, the Company's mitigation measures taken or planned to strengthen its liquidity and financial position, along with the Company's available funding capacity and cash flows from operations, the Company believes it has adequate liquidity to meet the future operating, investing and financing needs of the business for a minimum period of twelve months.

(2) Summary of Significant Accounting Policies

Consolidation

The Company's consolidated financial statements include the accounts of GBT, its wholly-owned subsidiaries and entities controlled by GBT. There are no entities that have been consolidated due to control through operating agreements, financing agreements or as the primary beneficiary of a variable interest entity. The Company reports the non-controlling ownership interests in subsidiaries that are held by third-party owners as equity attributable to non-controlling interests in subsidiaries on the consolidated balance sheets. The portion of income or loss attributable to third-party owners for the reporting periods is reported as net income (loss) attributable to non-controlling interests in subsidiaries on the consolidated statements of operations. The Company has eliminated intercompany transactions and balances in its consolidated financial statements.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures in the consolidated financial statements and accompanying notes. Estimates are used for, but not limited to, supplier revenue, allowance for credit losses, depreciable lives of property and equipment, acquisition purchase price allocations including valuation of acquired intangible assets and goodwill and contingent consideration, fair value determination of equity-based compensation, valuation of operating lease right-of-use ("ROU") assets, impairment of goodwill, other intangible assets, long-lived assets, capitalized client incentives and investments in equity method investments, valuation allowances on deferred income taxes, valuation of pensions, interest rate swaps, and Earnout Shares and accrual of contingent liabilities. Actual results could differ materially from those estimates.

The COVID-19 pandemic has created and may continue to create significant uncertainty in macroeconomic conditions, which may cause further business disruptions and adversely impact the Company's results of operations. As a result, many of the Company's estimates and assumptions require increased judgment. As events continue to evolve and additional information becomes available, the Company's estimates may change materially in future periods.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include cash on hand and at bank, and, bank deposits and other highly liquid investments with original maturities of 90 days or less. Restricted cash includes cash that is restricted through legal contracts or regulations. It primarily includes collateral provided for bank guarantees for certain office leases and to certain travel suppliers. Restricted cash is aggregated with cash and cash equivalents in the consolidated statements of cash flows.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Accounts Receivable and Allowance for Credit Losses

Accounts receivable primarily includes trade accounts receivable from business clients and travel suppliers, and receivables from government for grants, less allowances for credit losses. For periods prior to January 1, 2022, the allowance for doubtful accounts was estimated based on historical experience, aging of the receivable, credit quality of the customers, and other factors that may affect the Company's ability to collect from customers.

On January 1, 2022, the Company adopted the accounting standards update on the measurement of expected credit losses, which requires the Company to estimate lifetime expected credit losses upon recognition of the financial assets, which primarily comprise accounts receivable. The Company has identified the relevant risk characteristics, of its customers and the related receivables, which include size, type (e.g. business clients vs. supplier and credit card vs. non-credit-card customers) or geographic location of the customer, or a combination of these characteristics. The Company has considered the historical credit loss experience, current economic conditions, forecasts of future economic conditions, and any recoveries in assessing the lifetime expected credit losses on its accounts receivables. Other key factors that influence the expected credit loss analysis include customer demographics and payment terms offered in the normal course of business to customers. This is assessed at each quarter based on the Company's specific facts and circumstances. See note 6 – *Allowance for Expected Credit Losses for additional information.*

The majority of the Company's receivables are trade receivables due in less than one year. Receivables are considered to be delinquent when contractual payment terms are exceeded. All receivables aged over twelve months are generally 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.

Governments of multiple countries extended several programs to help businesses during the COVID-19 pandemic (see note 1 - *Business Description and Basis of Presentation*) through loans, wage subsidies, tax relief or deferrals and other financial aid. The Company has participated in several of these government programs. A substantial portion of these government support payments were to ensure that the Company continues to pay and maintain the employees on its payroll and does not make them redundant as the demand for travel services significantly reduced due to the Covid-19 pandemic. During the years ended December 31, 2022 2021 and 2020, the Company recognized in its consolidated statements of operations government grants and other assistance benefits of \$24 million, \$64 million and \$101 million, respectively, as a reduction of its operating expenses. As of December 31, 2022 and 2021, the Company had a receivable of \$13 million and \$6 million, respectively, in relation to such government grants, that is included in the accounts receivable balance in the consolidated balance sheets. These relate to payments that are expected to be received under the government programs where the Company has met the qualifying requirements and it is probable that payments will be received.

Property and Equipment

Property and equipment are recorded at cost, net of accumulated depreciation and amortization.

The Company also capitalizes certain costs associated with the acquisition or development of internal-use software. The Company capitalizes costs incurred during the application development stage related to the development of internal use software. The Company expenses cost incurred related to the planning and post-implementation phases of development as incurred.

Depreciation is recognized once an asset is available for its intended use. Depreciation is computed using the straight-line method over the estimated useful lives of assets which are as follows:

Capitalized software for internal use	2.5 – 7 years
Computer equipment	3 – 5 years
Leasehold improvements	Shorter of 5 –10 years or lease term
Furniture, fixtures and other equipment	Up to 7 years

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Equity Method Investments

Investments in entities in which the Company exercises significant influence over the operating and financial policies of the investee are accounted for using the equity method of accounting. Generally, if the Company owns voting rights of between 20% and 50% of equity interest, it is presumed to exercise significant influence. The Company's proportionate share of the net income (loss) of the equity method investments is included in the Company's results of operations. When the Company share of losses of an equity method investment equals or exceeds its investment value plus advances made to equity method investment, the Company discontinues recognizing share of further losses. Additional losses are provided for and a liability is recognized, only to the extent the Company has legal or constructive obligations to fund further losses in the equity method investment. Dividends received from the equity method investees are recorded as reductions to the carrying value of the equity method investment.

The Company periodically reviews the carrying value of these investments to determine if there has been an other-than temporary decline in their carrying values. A variety of factors are considered when determining if a decline in the carrying value of equity method investment is other than temporary, including, among others, the financial condition and business prospects of the investee, as well as the Company's investment intent. Based on the Company's assessment, the Company recorded \$2 million as impairment of equity method investments for the year ended December 31, 2021, which is included within share of (losses) earnings from equity method investments in the consolidated statements of operations. There were no impairments of equity method investments during the years ended December 31, 2022 and 2020.

Business Combinations and Goodwill

The Company accounts for business combinations using purchase method of accounting which requires assigning the fair value of the consideration transferred to acquire a business to the tangible assets and identifiable intangible assets acquired and liabilities assumed on the basis of their fair values at the date of acquisition. Goodwill represents the excess of the purchase consideration over the fair value of net tangible and identifiable assets acquired. The purchase price allocation process requires the Company to make significant assumptions and estimates in determining the purchase price, fair value of assets acquired and liabilities assumed at the acquisition date, especially with respect to acquired intangible assets. Fair value measurements may include the use of appraisals, market quotes for similar transactions, discounted cash flow techniques or other methodologies management believes to be relevant. Significant estimates in valuing certain intangible assets include but are not limited to future expected cash flows from customer and supplier relationships, and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Any changes to provisional amounts identified during the measurement period are recognized in the reporting period in which the adjustment amounts are determined.

The Company evaluates goodwill for impairment on December 31 each year, or more frequently, if impairment indicators exist. The Company performs either a qualitative or quantitative assessment of whether it is more likely than not that the reporting unit's fair value is less than its carrying value. A goodwill impairment loss is measured at the amount by which a reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill. Fair values are determined using a combination of standard valuation techniques, including an income approach (discounted cash flows) and market approaches (e.g., sales or earnings before interest, taxes, depreciation, and amortization ("EBITDA") multiples of comparable publicly traded companies) and based on market participant assumptions.

Based on the results of the annual impairment test, the Company concluded that there was no impairment of goodwill during the years ended December 31, 2022, 2021 and 2020 because qualitative and/or quantitative tests indicated the reporting units' fair value was in excess of their respective carrying values. The estimates and assumptions about future results of operations and cash flows made in connection with the impairment testing could differ from actual results of operations and cash flows, and if so, could cause the Company to conclude in the future that impairment indicators exist and that goodwill may become impaired.

Impairment of Other Intangible Assets and Long-Lived Assets

Finite-lived intangible assets are amortized on a straight-line basis and estimated to have useful lives as follows:

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Trademarks / tradenames	5 – 10 years
Business client relationships.....	10- 15 years
Supplier relationships	10 years
Travel partner network	10 years

Finite-lived intangible assets and long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of those assets or groups of assets, that generate cash flows largely independent of other assets or asset groups, may not be recoverable. If impairment indicators exist, the undiscounted future cash flows associated with the expected service potential of the asset or asset group and cash flows from their eventual disposition are compared to the carrying value of the asset or asset group. If the sum of the undiscounted expected cash flows is less than the carrying amount of the asset or asset group, an impairment loss is recognized in an amount by which the carrying value of the asset or asset group exceeds its fair value through a charge to the Company's consolidated statements of operations. The estimated fair value of the asset group is determined using appropriate valuation methodologies which would typically include an estimate of discounted cash flows.

Leases

The Company determines whether an arrangement contains a lease at inception of a contract. Lease assets represent the Company's right-of-use ("ROU") of an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. The Company's accounting policy is to evaluate lessee agreements with a minimum term greater than one year for recording on the consolidated balance sheet.

Finance leases are generally those leases that allow the Company to either utilize the entire asset over its economic life or substantially pay for all of the fair value of the asset over the lease term. All other leases are categorized as operating leases. Lease ROU assets and lease liabilities are recognized based on the present value of the fixed lease payments over the lease term at the commencement date. As the interest rate implicit in the lease is generally not determinable in transactions where the Company is a lessee, the Company uses its incremental borrowing rate, based on the information available at the commencement date, in determining the present value of future payments and uses the implicit rate when readily available. The operating lease ROU assets include lease pre-payments and initial direct costs and are reduced for deferred rent and any lease incentives. Certain of the Company's 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. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

The Company's lease agreements may include both lease and non-lease components. For leases of information technology equipment used in its data centers, the Company accounts for the lease and non-lease components on a combined basis. For leases of all other assets, lease and non-lease components are accounted for separately.

Operating leases are included in operating lease ROU assets, and current and long-term portion of operating lease liabilities on the Company's consolidated balance sheets. Operating lease expense is generally recognized on a straight-line basis over the lease term. Finance leases are included in property and equipment, net, and accrued expenses and other current liabilities, and other long-term liabilities on the Company's consolidated balance sheets.

Income Taxes

The Company accounts for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. All deferred income taxes are classified as non-current assets and/or liabilities on the Company's consolidated balance sheets.

Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that apply to taxable income in effect for the years in which those tax assets or liabilities are expected to be realized or settled. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized. In order for the Company to realize the deferred tax assets, it must be able to generate sufficient taxable income in those jurisdictions where the deferred tax assets are located. A change in the Company's estimate

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

of future taxable income may change the Company's conclusion on its ability to realize all or a part of its net deferred tax assets, requiring an adjustment to the valuation allowance charged to the provision for income taxes in the period in which such a determination is made.

The Company recognizes deferred taxes on undistributed earnings of foreign subsidiaries because it does not plan to indefinitely reinvest such earnings.

A two-step approach is applied in the recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return. The first step is to determine if the weight of available evidence indicates that it is more likely than not that the tax position will be sustained on examination by the taxing authorities, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. The Company recognizes interest and penalties related to unrecognized tax benefits within the benefit from/provision for income taxes in its consolidated statements of operations.

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 determining fair value, the Company uses various valuation approaches. A hierarchy has been established for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market rates obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's estimates about the assumptions market participants would use in the pricing of the asset or liability based on the best information available. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 — Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 — Valuations based on quoted prices in active markets for similar assets or liabilities, quoted prices in non-active markets or for which all significant inputs, other than quoted prices, are observable either directly or indirectly, or for which unobservable inputs are corroborated by market data.

Level 3 — Valuations based on inputs that are unobservable and significant to overall fair value measurement.

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss), net of taxes, consists of (i) foreign currency translation adjustments, (ii) unrealized actuarial gains and losses on defined benefit plans and unamortized prior service cost and (iii) unrealized gains and losses on derivatives accounted for as effective hedges and certain historical net investment hedges.

Certain Risks and Concentrations

Financial instruments, which potentially subject the Company to concentration of credit risk, consist primarily of cash and cash equivalents and accounts receivable.

The Company maintains cash and cash equivalents balances with financial institutions that are in excess of Federal Deposit Insurance Corporation (or equivalent) insurance limits. The Company's cash and cash equivalents are primarily composed of current account balances in banks, are mainly non-interest bearing and are primarily denominated in U.S. dollar, British pound sterling and Euro currencies. As of December 31, 2022, approximately 35% of our cash balance is with a single bank.

Concentrations of credit risk associated with accounts receivable are considered minimal due to the Company's diverse customer base spread across different countries.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Revenue Recognition

The Company generates revenue in two primary ways:

- Travel Revenues which include fees received from business clients and travel suppliers relating to servicing a travel transaction, which can be air, hotel, car rental, rail or other travel-related bookings or reservations, cancellations, exchanges or refunds and
- Products and Professional Services Revenues which include revenues received from business clients, travel suppliers and Network Partners for using the Company's platform, products and value-added services.

Revenue is recognized when control of the promised services in an arrangement is transferred to the customers in an amount that reflects the expected consideration in exchange for those services. The Company's customers are its (i) business clients to whom the Company provides travel processing, consultancy and management services and (ii) travel suppliers including providers of Global Distribution Systems ("GDS").

The Company has determined a net presentation of revenue (that is, the amount billed to a business client less the amount paid to a travel supplier) is appropriate for the majority of the Company's transactions as the travel supplier is primarily responsible for providing the underlying travel services and the Company does not control the service provided to the traveler/business clients. The Company excludes all taxes assessed by a government authority, if any, from the measurement of transaction prices that are imposed on its travel related services or collected by the Company from customers (which are therefore excluded from revenue).

Travel Revenue

Client Fees

Transaction Fees and Other Revenues: The Company enters into contracts with business clients to provide travel-related services each period over the contract term. The Company's obligation to the client is to stand ready to provide service over the contractual term. The performance obligations under these contracts are typically satisfied over time as the clients benefit from these services as they are performed. The Company receives nonrefundable transaction fees from business clients each time a travel transaction is processed. Transaction fee revenue, which is unit-priced under the service contract, is generally allocated to and recognized in the period the transaction is processed. The Company also receives revenue from the provision of other transactional services to clients such as revenue generated from the provision of servicing after business close or during travel disruption. Such other transactional travel revenue is also generally allocated to and recognized in the period when the travel transaction is processed.

Consideration Payable to Clients and Client Incentives: As part of the arrangements with business clients, the Company may be contractually obligated to share with them the commissions collected from travel suppliers that are directly attributable to the Company's business with the business clients. Additionally, in certain contractual agreements with its clients, the Company promises consideration to them in the form of credits or upfront payments. The Company capitalizes such consideration payments to its clients and recognizes it ratably over the period of contract, as a reduction of revenue, as the revenue is recognized, unless the payment is in exchange for a distinct good or service that the business clients transfer to the Company. The capitalized upfront payments are reviewed for recoverability and impairment based on future forecasted revenues, and are included within other non-current assets or liabilities, net, on the Company's consolidated balance sheets.

Supplier Fees

Base Commissions and Incentives: Certain of the Company's travel suppliers (e.g., airlines, hotels, car rental companies, and rail carriers) pay commissions and/or fees on tickets issued, sales and other services provided by the Company based on contractual agreements to promote or distribute the travel supplier content. Commissions and fees from travel suppliers are generally recognized (i) at the time a ticket is purchased for air travel reservations as the Company's performance obligation to the supplier is satisfied at the time of ticketing and (ii) upon fulfillment of the reservation for hotels and car rentals as the performance obligation to the hotel and car rental companies is not satisfied until the customer has checked-in to the hotel property and/or picked-up the rental car.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Incentive Revenues: The Company receives incentives from air travel suppliers for flown incremental bookings above minimum targeted thresholds established under the contract. The Company estimates such incentive revenues using internal and external data detailing completed and estimated completed airline travel and the price thresholds applicable to the volume for the period, as the consideration is variable and determined by meeting volume targets. The Company allocates the variable consideration to the flown bookings during the incentive period, which is generally determined by the airlines to be a single fiscal quarter, and recognizes that amount as the related performance obligations are satisfied, to the extent that it is probable that a subsequent change in the estimate would not result in a significant revenue reversal.

GDS Revenues: In certain transactions, the GDS provider receives commission revenues from travel suppliers in exchange for distributing its content and distributes a portion of these commissions to the Company as an incentive for the Company to utilize its platform. Therefore, the Company views payments from the providers of the GDS as commissions from travel suppliers and recognize these commissions in revenue as travel bookings are made through the GDS platform.

Products and Professional Services Revenues

Management Fees: The Company receives management fees from business clients for travel management services. The Company's obligation to the client is to stand ready to provide service over the contractual term. The performance obligation under these contracts are typically satisfied over time as the clients benefit from these services as they are performed. Management fees are recognized ratably over the contract term as the performance obligation is satisfied on a stand-ready basis over the contract period.

Product Revenues: Revenue from provision of travel management tools to business clients to manage their travel programs are recognized ratably over the contract term as the performance obligation is satisfied over the contract period over which the travel-related products are made available to the clients.

Consulting and Meeting and Events Revenues: The Company receives fees from consulting and meetings and events planning services that are recognized over the contract term as the promised services are delivered by the Company's personnel.

Other Revenues: Fees from Network Partners are recognized in proportion to sales as sales occur over the contract term, as the performance obligation is satisfied.

Cost of revenue

Cost of revenue primarily consists of (i) salaries and benefits of the Company's travel counsellors, meetings and events teams and their supporting functions and (ii) the cost of outsourcing resources in transaction processing and the processing costs of online booking tools.

Sales and marketing

Sales and marketing primarily consists of (i) salaries and benefits of the Company's employees in its sales and marketing function and (ii) the expenses for acquiring and maintaining customer partnerships including account management, sales, marketing, and consulting alongside the functions that support these efforts.

Technology and content

Technology and content primarily consists of (i) salaries and benefits of employees engaged in the Company's product and content development, back-end applications, support infrastructure and maintenance of the security of the Company's networks and (ii) other costs associated with licensing of software and information technology maintenance expense.

General and Administrative

General and administrative expenses consists of (i) salaries and benefits of the Company's employees in finance, legal, human resources and administrative support including expenses associated with the executive non-cash equity plan and long-term incentive plans, (ii) integration expenses related to acquisitions and mergers and acquisitions

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

costs primarily related to due diligence, legal expenses and related professional services fees and (iii) fees and costs related to accounting, tax and other professional services, legal related costs, and other miscellaneous expenses.

Restructuring charges

Restructuring and other charges consist primarily of costs associated with (i) employee termination benefits and (ii) lease exit and related costs. One-time involuntary employee termination benefits are recognized as a liability at estimated fair value when the plan of termination has been communicated to employees and certain other criteria have been met. With respect to employee terminations under ongoing benefit arrangements, a liability for termination benefits is recognized at estimated fair value when it is probable that amounts will be paid to employees and such amounts are reasonably estimable. Costs associated with exit or disposal activities, including impairment of operating lease ROU assets are presented as restructuring charges in the consolidated statement of operations (see note 15 – Restructuring Charges).

Advertising Expense

Advertising costs are expensed in the period incurred and include online marketing costs, such as search and banner advertising, and offline marketing, such as television, media and print advertising. Advertising expense, included in sales and marketing expenses on the consolidated statements of operations, was approximately \$6 million, \$2 million and \$3 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Equity-based Compensation

The Company has an equity-based compensation plan that provides for grants of stock options to employees and non-employee directors of the Company who perform services for the Company. The awards are equity-classified and the compensation is expensed, net of actual forfeitures, on a straight line basis over the requisite service period based upon the fair value of the award on the grant date and vesting conditions.

Pension and Other Post-retirement Benefits

The Company sponsors defined contribution savings plans under which the Company matches the contributions of participating employees on the basis specified by the plan. The Company's costs for contributions to these plans are recognized as a component of salaries and benefits, in the Company's consolidated statements of operations as such costs are incurred. The Company also sponsors both non-contributory and contributory defined benefit pension plans whereby benefits are based on an employee's years of credited service and a percentage of final average compensation, or as otherwise described by the plan. The Company recognizes the funded status of its defined benefit plans and presents it as a non-current liability on its 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 measurement date used to determine benefit obligations and the fair value of plan assets for all defined benefit plans is December 31 of each year.

Defined benefit plan expenses are recognized in the Company's consolidated statements of operations based upon various actuarial assumptions, including expected long-term rates of return on plan assets, discount rates, employee turnover, and mortality rates. Actuarial gains or losses arise from actual returns on plan assets being different from expected returns and from changes in assumptions used to calculate the projected benefit obligation each year. The defined benefit obligation may also be adjusted for any plan amendments. Such actuarial gains and losses and adjustments resulting from plan amendments are deferred within accumulated other comprehensive income (loss), net of tax.

The amortization of actuarial gains and losses is determined by using a 10% corridor of the greater of the fair value of plan assets or the defined benefit obligation. Total unamortized actuarial gains and losses in excess of the corridor are amortized over the average remaining future service. For plans with no active employees, they are amortized over the average life expectancy of plan participants. Adjustments resulting from plan amendments are generally amortized over the average remaining future service of plan participants at the time of the plan amendment.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All components of net periodic pension benefit (costs), other than service cost, is recognized within other income (expense), net, on the Company's consolidated statements of operations. Service cost is recognized as a component of salaries and wages on the Company's consolidated statements of operations.

Interest Expense and Interest Income

Interest expense is primarily comprised of interest expense on debt including the amortization of debt discount and debt issuance costs, calculated using the effective interest method and amounts reclassified from accumulated other comprehensive loss related to terminated interest rate swaps that were accounted for as effective cash flow hedges.

Interest income is comprised of interest earned from bank deposits.

Foreign Currency Translations and Transaction Gain (Loss)

On consolidation, assets and liabilities of subsidiaries having non-U.S. dollar functional currencies are translated into U.S. dollars based upon exchange rates prevailing at the end of each reporting period and the subsidiaries' results of operations are translated in U.S. dollars at the spot/daily exchange rates. The resulting translation adjustments are included in accumulated other comprehensive income (loss), a component of total equity on the Company's consolidated balance sheets, as currency translation adjustments. Translation adjustments are reclassified to earnings upon the sale or substantial liquidation of investments in foreign operations.

Gains and losses related to transactions in a currency other than the functional currency or upon remeasurement of non-functional currency denominated monetary assets and liabilities into functional currency are reported within other income (expense), net, in the Company's consolidated statements of operations.

Earnout Liabilities

The Company accounted for its Earnout Shares (see note 20 – *Earnout Shares*) in accordance with the guidance contained in ASC 815, "*Derivatives and Hedging*," ("ASC 815") whereby under that provision substantially all of the Earnout Shares do not meet the criteria for equity treatment and are recorded as liabilities. Accordingly, the Company classified the Earnout Shares as liabilities at fair value and adjusted the instruments to fair value at each reporting period. The Company remeasured the Earnout Shares liability at each balance sheet date and any change in the fair value was recognized in the Company's consolidated statement of operations. The Earnout Shares liabilities will be remeasured at fair value, with any movement in fair value recorded in the consolidated statement of operations, until such Earnout Shares are no longer contingent.

The fair value of Earnout Shares was determined using Monte Carlo valuation method and were categorized as level 3 on the fair value hierarchy (see note 24 – *Fair Value Measurements*).

Recently Adopted Accounting Pronouncements

Credit Losses

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), which significantly changed how entities account for credit losses for most financial assets, including accounts receivable, and certain other instruments that are not measured at fair value through net income. The new guidance replaces the then existing incurred loss impairment model with an expected loss methodology, which results in a more timely recognition of credit losses. Following loss of Emerging Growth Company status in the fourth quarter of 2022, the Company adopted ASU 2016-13 on a prospective basis, effective January 1, 2022, and recognized a \$3 million cumulative adjustment, net of taxes, in accumulated deficit. By applying ASU 2016-13 at the adoption date, the presentation of credit losses for periods prior to January 1, 2022 remained unchanged. See note 6 – *Allowance for Expected Credit Losses* for additional information.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Income Taxes

In December 2019, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2019-12, “*Income taxes (Topic 740): Simplifying the Accounting for Income Taxes*” that amends the guidance to simplify accounting for income taxes, including elimination of certain exceptions in current guidance related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period, and the recognition of deferred tax liabilities for outside basis differences, ownership changes in investments (changes from a subsidiary to equity method investments and vice versa), etc. The Company adopted this guidance on January 1, 2022, and there was no material impact on the Company’s consolidated financial statements upon the adoption of this guidance.

Freestanding Equity-Classified Written Call Options

In May 2021, the FASB issued ASU No. 2021-04, “*Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options*” which provides a principles-based framework for issuers to account for a modification or exchange of freestanding equity-classified written call options. The new guidance clarifies that to the extent applicable, issuers should first reference other accounting principles to account for the effect of a modification. If other accounting principles are not applicable, the guidance clarifies whether to account for the modification or exchange as (1) an adjustment to equity, with the related earnings per share implications, or (2) an expense, and if so, the manner and pattern of recognition. The accounting depends on the substance of the transaction, such as whether the modification or exchange is the result of raising equity, a financing transaction, or some other event. The Company adopted this guidance on January 1, 2022, and there was no material impact on the Company’s consolidated financial statements upon the adoption of this guidance.

Disclosures about Government Assistance

In November 2021, the FASB issued ASU No. 2021-10, “*Disclosures by Business Entities about Government Assistance*” which provides for disclosures by business entities about government assistance. The amendments in this update require disclosures about transactions with a government that have been accounted for by analogizing to a grant or contribution accounting model to increase transparency about (1) the nature and types of transactions, (2) the accounting for the transactions, and (3) the effect of the transactions on an entity’s financial statements. The guidance is effective for the Company for annual periods beginning after December 15, 2021, with early application permitted, and can be applied either prospectively or retrospectively. The Company adopted this guidance on January 1, 2022, and there was no material impact on the Company’s consolidated financial statements upon the adoption of this guidance.

Accounting Pronouncements — Not Yet Adopted

Reference rate reforms

In March 2020, the FASB issued ASU No. 2020-04, “*Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*.” This ASU provides expedients and exceptions to existing guidance on contract modifications and hedge accounting that is optional to facilitate the market transition from a reference rate, including the London Interbank Offered Rate (“LIBOR”) expected to be discontinued because of reference rate reform, to a new reference rate. The provisions of this ASU would impact contract modifications and other changes that occur while LIBOR is phased out. The guidance is effective upon issuance and generally can be applied to applicable contract modifications through December 31, 2022. In December 2022, the FASB issued ASU No. 2022-06, “*Reference Rate Reform: Deferral of the Sunset Date of Topic 848*.” As a result of the UK Financial Conduct Authority’s decision to extend the cessation date for publishing LIBOR rates from December 31, 2021 to June 30, 2023, the FASB decided to defer the sunset date of this topic from December 31, 2022 to December 31, 2024.

On January 25, 2023, the Company’s senior secured credit agreement was amended, which, among other things, replaced LIBOR with Secured Overnight Financing Rate (“SOFR”) as the benchmark rate applicable to each of its senior secured tranche B-3 term loan facility and the senior secured revolving credit facility. See note 16 – Long-term Debt. The Company continues to evaluate and monitor developments and its assessment of this guidance during the LIBOR transition period.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Contracts with Customers Acquired in a Business Combination

In October 2021, the FASB issued ASU No. 2021-08, "Accounting for Contract Assets and Contract Liabilities from Contracts with Customers" to add contract assets and contract liabilities acquired in a business combination to the list of exceptions to the recognition and measurement principles that apply to business combinations and to require that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with the revenue recognition guidance. This updated guidance amends the current business combination guidance where an acquirer generally recognizes such items at fair value on the acquisition date. The guidance is effective for the Company commencing with fiscal year 2023, including each interim period therein, and is to be applied prospectively to all business combinations that occur on or after the date of initial application. The Company does not expect a material impact of the adoption of the guidance on its consolidated financial statements.

(3) Revenue from Contracts with Customers

The Company disaggregates revenue based on (i) Travel Revenues which include all revenue relating to servicing a transaction, which can be air, hotel, car rental, rail or other travel-related booking or reservation and (ii) Products and Professional Services Revenues which include all revenue relating to using the Company's platform, products and value-added services. The following table presents the Company's disaggregated revenue by nature of service. Sales and usage-based taxes are excluded from revenue.

(in \$ millions)	Year ended December 31,		
	2022	2021	2020
Travel revenue	\$ 1,466	\$ 446	\$ 468
Products and professional services revenue	407	317	325
Total revenue	<u>\$ 1,873</u>	<u>\$ 763</u>	<u>\$ 793</u>

Payments from customers are generally received within 30-60 days of invoicing or from their contractual date agreed under the terms of contract.

Contract Balances

Contract assets represent the Company's right to consideration in exchange for services transferred to a customer when that right is conditioned on the Company's future performance obligations. Contract liabilities represent the Company's obligation to transfer services to a customer for which the Company has received consideration (or the amount is due) from the customer.

The opening and closing balances of the Company's accounts receivable, net, contract assets and contract liabilities are as follows:

(in \$ millions)	Accounts receivable, net ⁽¹⁾	Contract liabilities Client incentives, net (non-current)	Contract liabilities Deferred revenue (current)
Balance as of December 31, 2022	\$ 752	\$ 19	\$ 19
Balance as of December 31, 2021	\$ 375	\$ 3	\$ 18

(1) Accounts receivables, net, exclude balances not related to contracts with customers.

Deferred revenue is recorded when a performance obligation has not been satisfied but an invoice has been raised. Cash payments received from customers in advance of the Company completing its performance obligations are included in deferred revenue in the Company's consolidated balance sheets. The Company generally expects to complete its performance obligations under the contracts within one year. During the year ended December 31, 2022, the cash payments received or due in advance of the satisfaction of the Company's performance obligations were offset by \$13 million of revenue recognized that was included in the deferred revenue balance as of December 31, 2021.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Remaining Performance Obligations

As of December 31, 2022, the aggregate amount of the transaction price allocated to the Company's remaining performance obligations was approximately \$15 million, of which the Company expects to recognize revenue as performance obligations are satisfied over the next 24 months.

The Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected term of one year or less.

(4) Income Taxes

GBT is incorporated in and subject to Jersey company law, and is tax resident in the U.K.

The following table summarizes the Company's U.S., U.K. and other jurisdictions loss before income taxes and share of losses from equity method investments:

(in \$ millions)	Year ended December 31,		
	2022	2021	2020
U.S.....	\$ (122)	\$ (32)	\$ (74)
U.K.....	(63)	(441)	(529)
Other.....	(63)	(180)	(156)
Loss before income taxes and share of losses from equity method investments.....	<u>\$ (248)</u>	<u>\$ (653)</u>	<u>\$ (759)</u>

The components of benefit from income taxes consist of the following:

(in \$ millions)	Year ended December 31,		
	2022	2021	2020
Current taxes:			
U.S.	\$ —	\$ 4	\$ 20
U.K.	(1)	1	12
Other.....	(3)	3	3
Current income tax (expense) benefit.....	<u>(4)</u>	<u>8</u>	<u>35</u>
Deferred taxes:			
U.S.	39	22	4
U.K.	20	132	90
Other.....	2	24	16
Deferred tax benefit.....	<u>61</u>	<u>178</u>	<u>110</u>
Benefit from income taxes.....	<u>\$ 57</u>	<u>\$ 186</u>	<u>\$ 145</u>

The table below sets forth a reconciliation of the U.K. statutory tax rate of 19% to the Company's effective income tax rate for the respective years.

(in \$ millions, except percentages)	Year ended December 31,		
	2022	2021	2020
Statutory tax rate.....	19.00%	19.00%	19.00%
Tax benefit at statutory tax rate.....	\$ 47	\$ 124	\$ 144
Changes in taxes resulting from:			
Permanent differences.....	(11)	(14)	(1)
Local and state taxes.....	6	2	2
Change in valuation allowance.....	(11)	(17)	(17)
Change in enacted tax rates.....	—	35	—
Rate differential in the United Kingdom.....	5	24	—
Foreign tax rate differential.....	6	14	13

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in \$ millions, except percentages)	Year ended December 31,		
	2022	2021	2020
Return to provision adjustment	13	11	(5)
Tax settlement and uncertain tax positions	3	6	(5)
Other	(1)	1	14
Benefit from income taxes	\$ 57	\$ 186	\$ 145
Effective tax rate	22.90%	28.39%	19.13%

The Company's effective tax rate for the years ended December 31, 2022 was higher than the respective statutory tax rate primarily due to country rate differentials.

The effective tax rate during the year ended December 31, 2021 increased 9% primarily due to the change in U.K.'s enacted tax rates from 19% to 25%, in the second quarter of 2021, and which becomes effective from April 2023. This change in enacted tax rates resulted in \$59 million of deferred tax benefit during the year ended December 31, 2021, including \$35 million due to remeasurement of the Company's opening deferred tax assets and liabilities.

The Company's effective tax rate for the year ended December 2020 was broadly in line with respective statutory tax rate.

The significant components of the Company's deferred tax assets and liabilities are as follows:

(in \$ millions)	As of December 31,	
	2022	2021
Deferred tax assets:		
Net operating loss carryforwards	\$ 397	391
Pension liability	38	74
Interest expense deduction restriction	32	23
Operating lease liabilities	20	20
Stock compensation	15	—
Property and equipment	12	—
Accrued liabilities	12	7
Goodwill	117	1
Other	8	2
Valuation allowance	(124)	(116)
Deferred tax assets	527	402
Netted against deferred tax liabilities	(202)	(120)
Deferred tax assets as presented in the consolidated balance sheets	\$ 325	\$ 282
Deferred tax liabilities:		
Other intangible assets	\$ (175)	(214)
Operating lease ROU assets	(15)	(14)
Property and equipment	(10)	(4)
Goodwill	(4)	(2)
Other	(4)	(5)
Deferred tax liabilities	(208)	(239)
Netted against deferred tax assets	202	120
Deferred tax liabilities as presented in the consolidated balance sheets	\$ (6)	\$ (119)

During the year, the Company completed its assessment of deferred taxes in relation to the Egencia acquisition and recognized a deferred tax assets of \$124 million, primarily related to Egencia goodwill (see note 10 – Business Acquisitions – Acquisition of Egencia).

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company recognizes deferred taxes on the undistributed earnings of foreign subsidiaries, as these earnings are not deemed to be indefinitely reinvested. Foreign deferred taxes liabilities of approximately \$3 million and \$3 million as of December 31, 2022 and 2021, respectively, have been provided on these earnings.

The Company has gross net operating loss ("NOL") carryforwards related to global operations of approximately \$1,762 million, of which \$1,690 million have an indefinite life. The remaining NOL carryforwards will begin to expire as follows:

(in \$millions)	Amount
2023-2027.....	\$ 31
2028-2032.....	28
2033-2042.....	13

The Company regularly assesses the realizability of all its deferred tax assets. An adjustment to the conclusion as to whether it is more likely than not that the Company will realize the benefit of the deferred tax assets would impact the income tax expense in the period for which it is determined this analysis has changed. 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 the Company's ability to carry back NOLs to prior periods, the reversal of deferred tax liabilities, tax planning strategies and projected future taxable income.

As of December 31, 2022 and 2021, the Company had valuation allowance on its deferred tax assets of \$124 million and \$116 million, respectively, that is related primarily to unrealized NOLs. As of December 31, 2022, a valuation allowance has been created against deferred tax assets relating to approximately \$480 million of the total gross losses, where the Company believes it is less likely that it will be able to utilize these assets in the future. For the deferred tax assets related to remaining NOLs against which there is no valuation allowance, the Company believes it is more likely than not that the results of future operations will generate sufficient taxable income to realize these deferred tax assets.

Current developments of tax legislation globally potentially indicates that while the Company has significant NOLs, its ability to monetize these NOLs is likely to be restricted. Many tax authorities now restrict the rate of utilization to a percentage of current year taxable income (typically in the range of 50%-80%), which means that NOLs take longer to monetize and can result in cash tax outflows in years of profit even where significant NOLs exist. In addition, many jurisdictions are introducing or have recently introduced tax legislation that aims to restrict the tax deduction of expenditure in certain circumstances and to impose minimum taxation in an attempt to raise taxes (e.g. OECD's Base Erosion and Profit Shifting (BEPS) measures and the recently enacted U.S. Inflation Reduction Act (IRA)). The Company believes the impact of IRA is likely to be minimal for the foreseeable future, however, as being an international company with significant NOLs, the Company is affected by the BEPS measures and is currently assessing their impact on its future tax profile.

The Company previously agreed to pay affiliates of Amex Coop for the value of any NOL carryforward benefits realized that relate to the period prior to the joint venture formation in 2014. The amount of this liability to affiliates of Amex Coop is \$2 million as of both December 31, 2022 and 2021 and is recorded within due to affiliates.

Significant judgment is required in determining the Company's worldwide provision for income taxes and recording the related assets and liabilities. In the ordinary course of business, there are many transactions and tax positions where the ultimate tax determination is uncertain. Although the Company believes there is appropriate support for the positions taken on its tax returns, the Company has recorded liabilities (or reduction of tax assets) representing the estimated economic loss upon ultimate settlement for certain positions. The Company believes its tax provisions are adequate for all open years, based on the assessment of many factors, including past experience and interpretations of tax law applied to the facts of each matter. Although the Company believes the recorded assets and liabilities are reasonable, tax regulations are subject to interpretation and tax litigation is inherently uncertain; therefore, the Company's assessments can involve both a series of complex judgments about future events and reliance on significant estimates and assumptions. While the Company believes the estimates and assumptions supporting the

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

assessments are reasonable, the final determination of tax audits and any other related litigation could be materially different from that which is reflected in historical income tax provisions and recorded assets and liabilities.

As of December 31, 2022 and 2021, the Company has accrued for a tax liability of \$4 million and \$7 million, respectively, associated with uncertain tax positions, including interest and penalties thereon, arising from differences between amounts recorded in the consolidated financial statements and amounts expected to be included in tax returns. The majority of uncertain tax positions are under discussions with tax authorities and the Company does not believe that the outcome of current and future examinations will have a material impact on its consolidated financial statements. The movement of uncertain tax position liability is as follows:

(in \$millions)	As of December 31,		
	2022	2021	2020
Balance, beginning of the year	\$ 7	\$ 9	\$ 11
Increases to tax positions related to acquisitions	—	4	—
Increases to tax positions related to the current year	1	—	—
Decrease in tax positions related to prior years	—	(6)	(2)
Release due to expiry of statute of limitations	(4)	—	—
Balance, end of the year	\$ 4	\$ 7	\$ 9

There were no settlements of uncertain tax position liability during any of the years presented.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits as part of the provision for income taxes. There were no material amounts of interest or penalty charged (credited) to the Company's consolidated statements of operations for any of the years ended December 31, 2022, 2021 and 2020, and there was no material interest and/or penalties accrued as of December 31, 2022 and 2021. The Company does not currently expect the unrecognized tax benefits to significantly increase or decrease in the next twelve months.

The Company is subject to taxation in various countries in which the Company operates. As of December 31, 2022, tax years for 2015 through 2022 are open to examination by the tax authorities in the major tax jurisdictions, mainly in the U.S. and U.K. primarily due to loss carryback claims.

(5) Other Income, Net

Other income, net, in consolidated statements of operations consist of:

(in \$millions)	Year ended December 31,		
	2022	2021	2020
Foreign exchange (loss) gains, net	\$ (7)	\$ —	\$ 12
Loss on disposal of businesses	—	(1)	—
Non-service components of net periodic pension benefit	8	9	2
Other income, net	\$ 1	\$ 8	\$ 14

(6) Allowances for Expected Credit Losses

The Company adopted the guidance on allowance for credit losses in ASC 326 – *Financial Instruments - Credit Losses*, ("ASC 326") for the measurement of credit losses for its financial assets, mainly the accounts receivable, on January 1, 2022. Under this standard, the previous "incurred loss" approach is replaced with an "expected loss" model for financial instruments measured at amortized cost. The adoption of this standard resulted in a \$4 million increase in the allowance for credit losses, partially offset by a \$1 million decrease in deferred tax liabilities with a corresponding increase of \$3 million in the Company's opening accumulated deficit as of January 1, 2022. The movement in Company's allowance for credit losses applying ASC 326 for the year ended December 31, 2022, is set out below:

(in \$millions)	Amount
Balance as of December 31, 2021	\$ 4
Cumulative effect of adjustment upon adoption of ASC 326	4

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Current year provision for expected credit losses.....	19
Write-offs	(4)
Balance as of December 31, 2022.....	<u>23</u>

The impact of the COVID-19 pandemic on the global economy and other general increases in aging balances has impacted the Company's estimate of expected credit losses. Uncertain macroeconomic factors, including the potential recession or economic downturn, and reducing government funding following the peak of Covid-19 in 2020, can have a significant effect on additions to the allowance as the continuing impact of pandemic could potentially result in the restructuring or bankruptcy of customers. Given the uncertainties surrounding the duration and effects of COVID-19, the Company cannot provide assurance that the assumptions used in its estimates will be accurate and actual write-offs may vary from such estimates of credit losses.

(7) Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of:

(in \$ millions)	As of December 31,	
	2022	2021
Prepaid travel expenses.....	\$ 52	\$ 42
Income tax receivable	26	32
Value added and similar taxes receivables.....	11	11
Deferred offering costs	—	21
Other prepayments and receivables.....	41	31
Prepaid expenses and other current assets.....	<u>\$ 130</u>	<u>\$ 137</u>

(8) Property and Equipment, Other

Property and equipment, net consist of:

(in \$ millions)	As of December 31,	
	2022	2021
Capitalized software for internal use.....	\$ 365	\$ 304
Computer equipment	71	65
Leasehold improvements	49	52
Furniture, fixtures and other equipment	5	6
Capital projects in progress	5	9
	495	436
Less: accumulated depreciation and amortization	(277)	(220)
Property and equipment, net.....	<u>\$ 218</u>	<u>\$ 216</u>

As of December 31, 2022 and 2021, the Company had capital lease assets of \$6 million and \$5 million, respectively, with accumulated depreciation of \$3 million and \$2 million, respectively, included within computer equipment.

Depreciation and amortization expense for the years ended December 31, 2022, 2021 and 2020 was \$89 million, \$86 million and \$86 million, respectively. Depreciation and amortization include \$62 million, \$52 million and \$52 million of amortization related to capitalized software for internal use for the years ended December 31, 2022, 2021 and 2020, respectively.

Upon retirement or other disposal of property and equipment, the costs and related amounts of accumulated depreciation or amortization are eliminated from the asset and accumulated depreciation accounts, respectively. The difference, if any, between the net asset value and the proceeds received, if any, is recorded in consolidated statements of operations as gain (loss) on disposal of asset within general and administrative expense.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(9) Reverse Recapitalization

Pursuant to the Business Combination Agreement, (i) GBT became jointly-owned by GBTG and Continuing JerseyCo Owners and (iii) GBT serves as the operating partnership as part of an Up-C structure.

The Business Combination was treated as a reverse recapitalization transaction, whereby GBT was considered the accounting acquirer in the transaction and the predecessor entity of GBTG and recognized the carrying value of the net assets of GBTG as an equity contribution with no incremental goodwill or intangible assets recognized.

In connection with the consummation of the Business Combination/immediately upon the Business Combination, the following occurred:

- GBTG holds all of the A ordinary shares of GBT – which carry both voting and economic interest rights. The Continuing JerseyCo Owners hold all of the B ordinary shares of GBT – which carry no voting rights, but only economic rights.
- The Continuing JerseyCo Owners hold Class B common stock in GBTG, in equal number as their shares in GBT, which carry nominal economic rights (limited to the right to receive up to the par value in the event of a liquidation, dissolution or winding up of GBTG) and full voting rights.
- GBTG's issued and outstanding Class A common stock, which is equal in number to the number of GBT's A ordinary shares, is held by public and private investors ("PIPE Investors").
- GBT JerseyCo MIP Options were converted into GBTG MIP Options and equity compensation plans, generally with no change in any terms and conditions of grant/vesting/exercise. In a separate transaction in January 2023, certain GBTG MIP Options were cancelled and/or exercised and new RSUs granted to the participants under an exchange offer (see note 26 – *Subsequent Events*).
- The Continuing JerseyCo Owners and holders of GBT JerseyCo's MIP Options were granted C ordinary shares of GBT that have no voting or economic interest and will be converted either to (i) GBTG's Class B common stock and GBT's B ordinary shares (for Continuing JerseyCo Owners) or (ii) GBTG's Class A common stock (for GBT JerseyCo's MIP Option holders) upon GBTG's Class A common stock meeting certain price thresholds over a certain period of time. Further, certain of GBTG's Class A common stock are subject to forfeitures and surrender/cancellations for no consideration if GBTG's Class A common stock does not meet certain price thresholds over a certain period of time. All such shares are referred to as ("Earnout Shares").
- All of the Business Combination transaction costs were paid out from the proceeds of the PIPE Investments or cash invested by GBTG in GBT or by GBT.
- GBT repaid all of its outstanding amounts of preferred shares including dividends accrued thereon from the proceeds of the Business Combination.
- GBTG, GBT and the Continuing JerseyCo Owners entered into an Exchange Agreement (the "Exchange Agreement") which provides a right to the Continuing JerseyCo Owners to exchange their B ordinary shares in GBT for Class A common stock of GBTG on a one-for-one basis, with surrender and cancellation of Class B common stock held by them in GBTG. Alternatively, if approved by the "Exchange Committee" (comprising of disinterested and independent board of directors of GBTG), such B ordinary shares can be settled in cash. If the Exchange Committee elects to settle B ordinary shares in cash, the cash must be funded only through issuance of GBTG's Class A common stock.

At the time of the closing of the Business Combination Agreement, there were 56,945,033 shares of Class A common stock and 394,448,481 shares of Class B common stock of GBTG that were outstanding. The number of shares of Class B common stock outstanding corresponded to the number of B ordinary shares held by Continuing JerseyCo Owners in GBT, which represented the non-controlling ownership interests in the Company.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Concurrently with the Closing, the Company entered into certain other related agreements which are discussed further in note 22 – *Stockholders' Equity* and note 25 – *Related Party Transactions*.

(10) Business Acquisitions

There was no material business acquisition during the year ended December 31, 2022.

Acquisition of Ovation

On January 21, 2021, the Company, through its wholly-owned subsidiary, GBT US LLC, acquired all of the outstanding shares of Ovation Travel, LLC, (along with its subsidiaries, "Ovation") for a total cash purchase consideration of \$57 million (including approximately \$4 million of deferred consideration), net of cash acquired. Ovation Group is a U.S.-based travel management company providing business travel services and meeting and special events planning across several sectors, particularly legal, financial, professional services, entertainment and media. The acquisition enhances the Company's business client base, further improving the global scale and reach of its corporate travel business. The results of Ovation's operations have been included in the consolidated financial statements of the Company since the date of its acquisition. During the year ended December 31, 2022, the Company paid the deferred consideration of \$4 million as the conditions for deferred consideration were satisfied during the period.

The terms of the acquisition further included contingent consideration of approximately \$4 million that was subject to the continued employment of certain Ovation employees for a specified duration of employment as set out under the business purchase agreement. The Company accrued for this expense as compensation expense, which was paid during the year ended December 31, 2022.

The fair value of the acquisition was allocated primarily to goodwill of \$36 million, amortizing intangible assets of \$29 million (business client relationships of \$25 million and Tradenames of \$4 million) and net liabilities assumed of \$8 million. Goodwill generated from the acquisition is attributable to acquired workforce and expected synergies from centralized management and future growth. The acquired business client relationships and tradenames are being amortized over their estimated useful lives of 10 years and 5 years, respectively. The Company incurred \$3 million in acquisition related costs which was expensed as incurred.

The amount of revenue and net loss of Ovation since the acquisition date included in the consolidated statements of operations for the year ended December 31 2021 was \$23 million and \$16 million, respectively. Assuming an acquisition date of January 1, 2020 (i) the unaudited consolidated pro forma revenue and net loss of the Company for the year ended December 31, 2020 would have been \$829 million and \$637 million, respectively, and (ii) the unaudited pro forma revenue and net loss of the Company for the year ended December 31, 2021 would not have been materially different to the amount of revenue and net loss presented in the consolidated statements of operations. The pro forma financial information adjusts for the effects of material business combination items primarily related to amortization of acquired intangible assets and the corresponding income tax effects.

Acquisition of Egencia

On November 1, 2021, the Company completed its acquisition of Egencia, a business-to-business digital travel management company serving business clients, from an affiliate of Expedia, Inc., EG Corporate Travel Holdings LLC ("Expedia"). As purchase consideration for this acquisition, the Company initially issued 8,413,972 non-voting ordinary shares, fair value of which was determined to be \$816 million. As a result, Expedia became an indirect holder of non-voting ordinary shares of GBT, which then represented approximately 19% of GBT's equity interests, excluding GBT's preferred shares, Profit Shares, MIP Options and MIP Shares (as defined in GBT's organizational documents). This value was determined on the basis of the estimated total enterprise value of GBT (post acquisition of Egencia) and calculated based on a multiple of Adjusted EBITDA. The acquisition of Egencia will complement the Company's existing business and is expected to further accelerate its growth strategy in the small-to-medium-sized enterprise sector.

During the second quarter of 2022, the Company finalized the net debt and working capital adjustments related to the Egencia acquisition, which resulted in an adjustment of \$6 million payable by GBT and in relation to which it issued additional 59,111 non-voting ordinary shares to Expedia. Further, the Company obtained additional

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

information and completed its purchase price allocation during the third quarter of 2022. As a result, the Company recognized an additional \$124 million of deferred tax assets (primarily related to goodwill that was determined to be tax deductible) and adjusted its preliminary goodwill balance. Further, during 2022, the Company recognized a \$19 million charge in its statement of operations associated with a loss contingency as it became probable that the Company will pay the amount for a contingent event that existed as of the Egencia acquisition date. The following table reflects the Company's fair values of the assets acquired and liabilities assumed of Egencia as of the date of the acquisition after considering all measurement period adjustments.:

(in \$millions)	Amount
Cash and cash equivalents.....	\$ 73
Accounts receivable.....	154
Prepaid expenses and other current assets	32
Property and equipment	58
Goodwill	189
Other intangible assets	440
Operating lease right-of-use assets.....	9
Deferred tax assets.....	11
Other non-current assets.....	30
Total assets.....	<u>996</u>
Accounts payable	56
Due to affiliates.....	26
Accrued expenses and other current liabilities	80
Operating lease liabilities	10
Deferred tax liabilities	—
Other non-current liabilities	2
Total liabilities	<u>174</u>
Purchase consideration / Net assets acquired.....	<u>\$ 822</u>

Goodwill generated from the acquisition is attributable to acquired workforce and expected synergies from combining operations, centralized management and future growth. A substantial portion of goodwill is expected to be deductible for income tax purposes. The fair value and amortization periods of identifiable intangible assets acquired is as follows:

	Fair value of acquired intangibles (in \$millions)	Amortization period (in years)
Business client relationships.....	\$ 390	15
Tradenames.....	50	10
Acquired technology.....	50	5

The fair value of business client relationships was determined utilizing the excess earnings method of valuation, and the fair values of tradenames and acquired technology was determined utilizing the relief from royalty method. The process for estimating the fair values of identifiable intangible assets requires the use of significant estimates and assumptions, including revenue growth rates, operating margin, income tax rates, obsolescence curves, royalty rates and discount rates. Intangible assets are being amortized over their average useful lives primarily based upon the pattern in which anticipated economic benefits from such assets are expected to be realized.

Pursuant to the reverse recapitalization discussed in note 9 above, all non-voting ordinary shares issued to Expedia, were redeemed and cancelled by GBT and Expedia received B ordinary shares from GBT, and an equal number of Class B common stock from GBTG as calculated using the exchange ratio as was used to convert the then existing GBT shares to new class of shares under the Business Combination.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company incurred \$15 million in acquisition related costs which were expensed in the period as incurred and included in general and administrative expenses in the Company's consolidated statements of operations, with \$13 million and \$2 million recognized during the years ended December 31, 2021, and 2020, respectively.

The financial results of Egencia have been included in the Company's consolidated financial statements since the date of its acquisition. The amount of revenue and net loss of the Egencia business since the acquisition date included in the consolidated statements of operations for the period ended December 31, 2021 was \$33 million and \$26 million, respectively. Assuming an acquisition date of January 1, 2020 (i) the unaudited pro forma revenue and net loss of the Company for the year ended December 31, 2021 would have been \$889 million and \$701 million, respectively, and (ii) the unaudited consolidated pro forma revenue and net loss of the Company for the year ended December 31, 2020 would have been \$960 million and \$1,032 million, respectively. The pro forma financial information adjusts for the effects of material business combination items, including amortization of acquired intangible assets and the reversal of Expedia's share of hotel commission revenue recorded by Egencia in connection with a long-term hotel supply contract between the Company and Expedia, and the corresponding income tax effects.

(11) Goodwill and Other Intangible Assets, Net

The following table sets forth changes in goodwill during the years ended December 31, 2022 and 2021:

(in \$ millions)	Amount
Balance as of December 31, 2020.....	\$ 1,028
Additions ⁽¹⁾	343
Currency translation adjustments.....	(13)
Balance as of December 31, 2021.....	1,358
Egencia acquisition adjustments ⁽²⁾	(118)
Currency translation adjustments.....	(52)
Balance as of December 31, 2022.....	<u>1,188</u>

(1) Relates to acquisition of Ovation (\$36 million) and Egencia (\$307 million) which was based on preliminary purchase price allocation (see note 10 – *Business Acquisitions*).

(2) Relates to measurement period adjustments for Egencia acquisition (see note 10 – *Business Acquisitions – Acquisition of Egencia*).

There were no goodwill impairment losses recorded for the years ended December 31, 2022, 2021 and 2020 and there are no accumulated goodwill impairment losses as of December 31, 2022.

The following table sets forth the Company's other intangible assets with definite lives as of December 31, 2022 and 2021:

(in \$ millions)	December 31, 2022			December 31, 2021		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Trademarks/tradenames.....	\$ 116	\$ (69)	\$ 47	\$ 115	\$ (62)	\$ 53
Business client relationships.....	788	(240)	548	815	(189)	626
Supplier relationship.....	253	(213)	40	254	(188)	66
Travel partner network.....	4	(3)	1	4	(3)	1
Other intangible assets, net.....	<u>\$ 1,161</u>	<u>\$ (525)</u>	<u>\$ 636</u>	<u>\$ 1,188</u>	<u>\$ (442)</u>	<u>\$ 746</u>

Amortization expense relating to definite-lived intangible assets was \$93 million, \$67 million and \$62 million for the years ended December 31, 2022, 2021 and 2020, respectively. As of December 31, 2022, the estimated amortization expense relating to definite-live intangible assets, assuming no subsequent impairment of the underlying assets, for each of the five succeeding years and periods thereafter is as follows:

(in \$ millions)	Amount
2023.....	\$ 91
2024.....	70

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in \$ millions)	Amount
2025	49
2026	48
2027	48
Thereafter	330
Total	<u>\$ 636</u>

(12) Leases

The Company has operating leases in various countries primarily for office facilities and finance leases in the United States primarily for information technology equipment.

As of December 31, 2022, the Company's leases generally do not contain any material residual value guarantees or material restrictive covenants. The depreciable life of lease ROU assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The operating lease cost, including short term leases, recognized in the consolidated statement of operations for the years ended December 31, 2022, 2021 and 2020 was \$26 million, \$28 million and \$32 million, respectively. Short term lease cost is immaterial to the Company's consolidated statements of operations. The operating lease costs relate primarily to leases of office facilities.

The finance lease amounts recognized in the consolidated statements of operations relating to amortization of ROU assets and interest on finance lease obligations was \$1 million, \$2 million and less than \$1 million for the years ended December 31, 2022, 2021, and 2020, respectively.

The following table sets out supplemental cash flow information related to leases for the year ended December 31, 2022, 2021 and 2020:

(in \$ millions)	Year ended December 31,		
	2022	2021	2020
Cash paid for amounts included in the measurement of lease liabilities:			
Cash used in operating activities related to operating leases	\$ 30	\$ 30	\$ 31
Cash used in financing activities related to finance leases	\$ 2	\$ 2	\$ —
ROU assets obtained in exchange for lease obligations:			
Operating lease	\$ 21	\$ 9	\$ 21
Finance lease	\$ 1	\$ —	\$ 5
Additions to ROU assets on account of business acquisitions			
Operating lease	\$ —	\$ 20	\$ —

The following table sets out supplemental other information related to leases:

	2022	2021	2020
Weighted average remaining lease term:			
Operating leases	6.19 years	5.36 years	4.3 years
Finance leases	1.2 years	1.7 years	2.7 years
Weighted average discount rate:			
Operating lease	8.42%	7.15%	5.02%
Finance lease	5.08%	3.56%	3.56%

Further, in order to reduce its operating costs to mitigate the negative impact resulting from the COVID-19 pandemic (see note 1 – *Business Description and Basis of Presentation*), the Company terminated and/or abandoned a number of office facilities in various locations worldwide. As a result, the Company recognized an impairment of \$1 million and \$20 million of operating lease ROU assets in its consolidated statements of operations for the year

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ended December 31, 2021 and 2020, respectively. There was no impairment of operating lease ROU asset recognized for the year ended December 31, 2022.

The following table sets out the undiscounted future payments for operating and finance lease liabilities as of December 31, 2022:

(in \$ millions)	Finance lease liabilities	Operating lease liabilities
2023	\$ 2	\$ 22
2024	—	20
2025	—	16
2026	—	11
2027	—	7
Thereafter	—	27
Total undiscounted future payments	2	103
Less: Interest cost included	—	(25)
Total lease liabilities	2	78
Less: Current portion of lease liabilities	(2)	(17)
Long-term portion of lease liabilities	<u>\$ —</u>	<u>\$ 61</u>

(13) Other Non-Current Assets

Other non-current assets consist of:

(in \$ millions)	As of December 31,	
	2022	2021
Restricted cash	\$ 13	\$ 9
Derivative asset	10	—
Other assets	24	32
Other non-current assets	<u>\$ 47</u>	<u>\$ 41</u>

(14) Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of:

(in \$ millions)	As of December 31,	
	2022	2021
Accrued payroll and related costs	\$ 187	\$ 198
Accrued operating expenses	147	147
Client deposits	56	59
Deferred revenue	19	18
Accrued restructuring costs (see note 15)	11	69
Income tax payable	4	7
Value added and similar taxes payable	9	6
Other payables	10	15
Accrued expenses and other current liabilities	<u>\$ 443</u>	<u>\$ 519</u>

(15) Restructuring Charges

In order to mitigate the adverse impact on the Company's business resulting from the COVID-19 pandemic and in order to simplify the Company's business process and improve its operational efficiencies, in 2020, the Company initiated cost savings measures which included voluntary and involuntary terminations of employee services and facility closures. Such measures are expected to provide efficiencies and realign resources within the Company. Except for in certain jurisdictions, these restructuring activities are substantially complete and the Company does not expect additional restructuring charges associated with these activities to be significant. However, the Company continues to actively evaluate additional cost reduction efforts and should the Company make decisions in future

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

periods to take further actions, it may incur additional restructuring charges. In this respect, in January 2023, the Company announced changes to its internal operating model which would result in future cash expenditures for the payment of severance and related benefits costs resulting from reduction in workforce (see note 26 - *Subsequent Events*).

The Company incurred \$(3) million, \$14 million and \$206 million in restructuring charges, which included restructuring costs related to voluntary and involuntary employee terminations, facility closures, and other exit activities during the years ended December 31, 2022, 2021 and 2020, respectively.

The table below sets forth accrued restructuring cost, included in accrued expenses and other current liabilities, for the years ended December 31, 2022, 2021 and 2020:

(in \$ millions)	Employee related	Facility	Total
Balance as of December 31, 2019	10	—	10
Charges	178	28	206
Cash settled	(94)	(5)	(99)
Other non-cash ⁽¹⁾	—	(20)	(20)
Balance as of December 31, 2020	94	3	97
Charges, net	13	1	14
Acquired on acquisition	30	—	30
Reclassification	(4)	4	—
Other non-cash ⁽¹⁾	—	(1)	(1)
Cash settled	(69)	(2)	(71)
Balance as of December 31, 2021	64	5	69
Reversal of accruals	(1)	(2)	(3)
Cash settled	(55)	—	(55)
Balance as of December 31, 2022	<u>\$ 8</u>	<u>\$ 3</u>	<u>\$ 11</u>

(1) Includes impairment of operating lease ROU assets of \$1 million and \$20 million for the years ended December 31, 2021 and 2020, respectively. There was no impairment of operating lease ROU asset for the year ended December 31, 2022.

(16) Long-term Debt

The outstanding amount of the Company's long-term debt consists of:

(in \$ millions)	As of December 31,	
	2022	2021
<i>Senior Secured Credit Agreement</i>		
Principal amount of senior secured initial term loans (Maturity – August 2025) ⁽¹⁾	\$ 239	\$ 242
Principal amount of senior secured tranche B-3 term loans (Maturity – December 2026) ⁽²⁾	1,000	800
Principal amount of senior secured revolving credit facility (Maturity – August 2023) ⁽³⁾	—	—
	1,239	1,042
Less: Unamortized debt discount and debt issuance costs	(17)	(19)
Total debt, net of unamortized debt discount and debt issuance costs	1,222	1,023
Less: Current portion of long-term debt	3	3
Long-term debt, non-current, net of unamortized debt discount and debt issuance costs	<u>\$ 1,219</u>	<u>\$ 1,020</u>

(1) Stated interest rate of LIBOR + 2.50% as of December 31, 2022 and 2021.

(2) Stated interest rate of LIBOR + 6.50% (with a LIBOR floor of 1.00%) as of December 31, 2022 and 2021. See below for amendment to the senior secured credit agreement subsequent to December 31, 2022.

(3) Stated interest rate of LIBOR + 2.25% as of December 31, 2022 and 2021. See below for amendment to the senior secured credit agreement subsequent to December 31, 2022.

On August 13, 2018, certain of the Company's subsidiaries entered into a senior secured credit agreement, dated as of August 13, 2018 (as amended from time to time, the "senior secured credit agreement"), by and among

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

GBT Group Services B.V., a wholly owned subsidiary of GBT (the “Borrower”), GBT III B.V., as the original parent guarantor, Morgan Stanley Senior Funding, Inc., as administrative agent and as collateral agent, and the lenders and letter of credit issuers from time to time party thereto, which initially provided for: (i) a principal amount of \$250 million senior secured initial term loan facility for general corporate purposes, fully drawn on the closing date, maturing on August 13, 2025, issued at a discount of 0.25% and which requires quarterly installments payable of 0.25% of the principal amount and (ii) a \$50 million senior secured revolving credit facility for general corporate purposes maturing on August 13, 2023. The interest rate per annum applicable to (a) the senior secured initial term loans is based on, at the election of the Borrower, LIBOR (as selected by the Borrower for designated interest periods) plus 2.50% or the base rate (as defined in the senior secured credit agreement) plus 1.50% and (b) the borrowings under the senior secured revolving credit facility was based on, at the election of the Borrower, LIBOR (as selected by the Borrower for designated interest periods) plus 2.25% or the base rate plus 1.25%. The Company elected to pay interest on outstanding loans under such facilities based on LIBOR. In December 2019, the senior secured credit agreement was modified to, among other things, permit certain internal reorganization transactions and add GBT UK TopCo Limited, a wholly-owned direct subsidiary of GBT, as the parent guarantor.

On September 4, 2020, a new \$400 million principal amount of senior secured tranche B-1 incremental term loan facility was obtained for general corporate purposes under the senior secured credit agreement, which was drawn in full on that date. The senior secured tranche B-1 term loans (i) were to mature on August 13, 2025, (ii) were issued at a discount of 3.00% and (iii) required quarterly installments payable of 0.25% of the principal amount. The senior secured tranche B-1 term loans carried interest at a per annum rate equal to the applicable margin, plus, at the election of the Borrower, either (1) adjusted LIBOR (as selected by the Borrower for designated interest periods, subject to a 1.00% LIBOR “floor”) or (2) the base rate (as defined in the credit agreement). The interest rate margin was modified in January 2021 to be based on a pricing grid that varied with the total net leverage ratio (calculated in a manner set forth in the senior secured credit agreement), ranging from 6.25% to 7.00% per annum for LIBOR loans and 5.25% to 6.00% per annum for base rate loans. The Company paid interest on such loans based on LIBOR. On January 20, 2021, the senior secured credit agreement was further amended to, among other things, establish a new \$200 million principal amount of senior secured tranche B-2 delayed-draw incremental term loan facility, with \$50 million of loans thereunder permitted to be borrowed in each quarter in 2021, subject to certain conditions, including a requirement that, with each such borrowing, equity investments in an amount equal to the amount of such borrowing shall have been funded in the Company under the Shareholders Equity Commitments (see note 22 – *Shareholders' Equity*). During the year ended December 31, 2021, \$50 million of principal amount of loans were borrowed under the senior secured prior tranche B-2 term loan facility in each of the first three quarters of 2021 (aggregate of \$150 million during such year), and, in connection therewith, a total of \$50 million of equity commitments were funded under the Shareholders Equity Commitments in each of the first three quarters of 2021 (aggregate of \$150 million during such year). Outstanding loans under the senior secured tranche B-2 term loan facility carried interest at a per annum rate equal to the applicable margin, plus, at the election of the Borrower, either (1) adjusted LIBOR (as selected by the Borrower for designated interest periods, subject to a 1.00% LIBOR “floor”) or (2) the base rate (as defined in the credit agreement). The applicable margin for such loans was based on the same pricing grid referred to above that applied to the senior secured tranche B-1 term loans. The Company paid interest on such loans based on LIBOR. The Company paid 3% of the senior secured tranche B-2 term loan facility, or \$6 million, upfront as commitment fees to the lenders. The Borrower was also required to pay a fee of 0.75% per annum on the unused commitments under the senior secured tranche B-2 term loan facility, payable quarterly in arrears.

On December 2, 2021, the Borrower obtained commitments for \$1,000 million principal amount of senior secured tranche B-3 term loan facilities. Effective as of December 16, 2021, the Company amended its senior secured credit agreement to, among other things, (i) establish the senior secured tranche B-3 term loan facilities under the senior secured credit agreement and (ii) amend certain covenants and certain other terms of the senior secured credit agreement. Initial borrowings in a principal amount of \$800 million were funded on such date under the senior secured tranche B-3 term loan facilities. The Company borrowed the remaining \$200 million of principal amount of senior secured tranche B-3 term loans in the second quarter of 2022. The senior secured tranche B-3 term loan facilities (i) mature on December 16, 2026 and (ii) do not have any scheduled amortization payments prior to maturity (however, certain mandatory prepayment provisions in the senior secured credit agreement apply to such facilities, as described below). Loans outstanding under the senior secured tranche B-3 term loan facilities accrued interest at a variable interest rate based on either LIBOR or the “base rate” (as defined in the senior secured credit agreement), plus an applicable margin (subject to a 1.00% LIBOR floor). For any period for which accrued interest is paid in cash, the applicable margin for loans under the senior secured tranche B-3 term loan facilities was initially 6.50% per annum

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for LIBOR loans and 5.50% per annum for base rate loans and, commencing with the test period ended December 31, 2022, varied with the total leverage ratio (calculated in a manner set forth in the senior secured credit agreement), ranging from 5.00% to 6.50% per annum for LIBOR loans and 4.00% to 5.50% per annum for base rate loans. Until December 16, 2023, after giving effect to the January 2023 amendment described below, the Borrower will have the option to pay accrued interest on loans under the senior secured tranche B-3 term loan facilities at a rate equal to (i) the adjusted Secured Overnight Financing Rate ("SOFR") (with a 1.00% SOFR floor) plus 4.00% per annum with respect to the portion required to be paid in cash plus (ii) 4.00% per annum with respect to the portion paid in kind by adding such interest to the principal amount of the loans.

In 2021, the Borrower paid \$15 million of upfront fees for the commitments of the lenders under the senior secured tranche B-3 term loan facilities. The Borrower also paid a fee of 3.00% per annum on the actual daily unused commitments until the date such commitments were not drawn down. Voluntary prepayments and debt incurrence-related mandatory prepayments of the senior secured tranche B-3 term loans are subject to the prepayment premiums as set forth in the senior secured credit agreement. On December 16, 2021, a portion of the proceeds from the initial borrowings under the senior secured tranche B-3 term loan facilities was applied to refinance and repay in full the outstanding principal amount of senior secured tranche B-1 and tranche B-2 term loans, together with applicable prepayment premiums and accrued and outstanding interest thereon as of the date of repayment, resulting in loss on early extinguishment of debt of \$49 million. Following such repayments, the senior secured tranche B-1 and tranche B-2 facility were terminated. The balance of the proceeds from senior secured tranche B-3 term loan facility were used for transaction fees and costs and other general corporate purposes.

At the option of Group Services B.V., a wholly owned subsidiary of GBT (the "Borrower"), upon prior written notice, amounts borrowed under one or more of the senior secured credit facilities (as selected by the Borrower) may be voluntarily prepaid, and/or unused commitments thereunder may be voluntarily reduced or terminated, in each case, in whole or in part, at any time without premium or penalty (other than (i) any applicable prepayment premium required to be paid pursuant to the senior secured credit agreement, and (ii) customary breakage costs in connection with certain prepayments of loans bearing interest at a rate based on LIBOR). Subject to certain exceptions set forth in the senior secured credit agreement, the Borrower is required to prepay the senior secured term loans with (i) 50% (subject to leverage-based step-downs) of annual excess cash flow (as defined in the senior secured credit agreement) in excess of a threshold amount, (ii) 100% (subject to leverage-based step-downs) of the net cash proceeds from certain asset sales and casualty events, subject to customary reinvestment rights, (iii) 100% of the net cash proceeds from the incurrence of certain indebtedness and (iv) other than in connection with the consummation of the business combination pursuant to the Business Combination Agreement, 50% of the net cash proceeds from the consummation of any initial public offering (or similar transaction) of the common stock of GBT UK TopCo Limited (or a parent entity thereof).

The senior secured revolving credit facility has (i) a \$30 million sublimit for extensions of credit denominated in certain currencies other than U.S. dollars, (ii) a \$10 million sublimit for letters of credit, and (iii) a \$10 million sublimit for swingline borrowings. Extensions of credit under the senior secured revolving credit facility are subject to customary borrowing conditions and to additional conditions during the covenant suspension period provided by the January 2023 amendment described below. The Borrower is required to pay a fee of 0.375% per annum on the average daily unused commitments under the senior secured revolving credit facility, payable quarterly in arrears. As of both December 31, 2022 and 2021, no borrowings or letters of credit were outstanding under the senior secured revolving credit facility.

Interest on the senior secured credit facilities is payable quarterly in arrears (or, if earlier in the case of LIBOR and SOFR loans, at the end of the applicable interest period). The effective interest rate on the senior secured term loans for the year ended December 31, 2022 was approximately 8.2%.

On January 25, 2023, the senior secured credit agreement was further amended to, among other things, (i) establish the \$135 million senior secured tranche B-4 term loan facility and (ii) modify certain terms applicable to the senior secured tranche B-3 term loan facilities and the senior secured revolving credit facility (including the maturity date of such facility) under the senior secured credit agreement. The various amendments referred to above also modified certain covenants and certain other terms of the senior secured credit agreement. See note 26 – *Subsequent Events* for further information.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Security; Guarantees

GBT UK TopCo Limited, a wholly-owned direct subsidiary of GBT, and certain of its direct and indirect subsidiaries, as guarantors (such guarantors, collectively with the Borrower, the "Loan Parties"), provide an unconditional guarantee, on a joint and several basis, of all obligations under the senior secured credit facilities and under cash management agreements and swap contracts with the lenders or their affiliates (with certain limited exceptions). Subject to certain cure rights, as of the end of each fiscal quarter, at least 70% of the consolidated total assets of the Loan Parties and their subsidiaries must be attributable, in the aggregate, to the Loan Parties; provided that such coverage test shall instead be calculated based on 70% of Consolidated EBITDA (as defined in the senior secured credit agreement) of the Loan Parties and their subsidiaries for the four prior fiscal quarters, commencing with the first quarterly test date after January 2021 on which Consolidated EBITDA of the Loan Parties and their subsidiaries exceeds \$100 million. Further, the lenders have a first priority security interest in substantially all of the assets of the Loan Parties.

Covenants

The senior secured credit agreement contains various affirmative and negative covenants, including certain financial covenants (see below) and limitations (subject to exceptions) on the ability of the Loan Parties and their subsidiaries to: (i) incur indebtedness or issue preferred stock; (ii) incur liens on their assets; (iii) consummate certain fundamental changes (such as acquisitions, mergers, liquidations or changes in the nature of the business); (iv) dispose of all or any part of their assets; (v) pay dividends or other distributions with respect to, or repurchase, any equity interests of any Loan Party or any equity interests of any direct or indirect parent company or subsidiary of any Loan Party; (vi) make investments, loans or advances; (vii) enter into transactions with affiliates and certain other permitted holders; (viii) modify the terms of, or prepay, any of their subordinated or junior lien indebtedness; (ix) make certain changes to a Loan Party's entity classification for U.S. federal income tax purposes or certain intercompany transfers of a Loan Party's assets if, as a result thereof, an entity would cease to be a Loan Party due to adverse tax consequences; (x) enter into swap contracts; and (xi) enter into certain burdensome agreements.

Certain restricted payments and debt incurrences that would otherwise be permitted under the senior secured credit agreement cannot be made during the suspension period implemented pursuant to the January 2023 amendment described above. Any such prohibited payment or incurrence would trigger an automatic reduction to zero of the commitments under the senior secured revolving credit facility for the duration of the suspension period, which would give rise to prepayment and/or cash collateral requirements in respect of then-current utilization of the senior secured revolving credit facility. Additionally, any such payment or incurrence would constitute a violation of the senior secured credit agreement if any revolving loans would be outstanding immediately thereafter.

The senior secured credit agreement also requires that an aggregate amount of Liquidity (as defined in the senior secured credit agreement) equal to at least \$200 million be maintained as of the end of each calendar month. Liquidity is calculated as the aggregate amount of unrestricted cash and cash equivalents of the Loan Parties and their subsidiaries plus, under certain circumstances, the unused amount available to be drawn under the senior secured revolving credit facility.

The senior secured credit agreement also contains an additional financial covenant applicable solely to the senior secured revolving credit facility. After giving effect to the January 2023 amendment described above, such financial covenant requires the first lien net leverage ratio (calculated in a manner set forth under the senior secured credit agreement) to be less than or equal to 3.50 to 1.00 as of the last day of any fiscal quarter on which (a) the suspension period is not in effect and (b) the aggregate principal amount of outstanding loans and letters of credit under the aggregate principal amount of outstanding loans and letters of credit under the senior secured revolving credit facility exceeds 35% of the aggregate principal amount of the senior secured revolving credit facility. The senior secured credit agreement provides that such financial covenant is suspended for a limited period of time if an event that constitutes a "Travel MAC" (as defined in the senior secured credit agreement) has occurred and the Loan Parties are unable to comply with such covenant as a result of such event. Such financial covenant did not apply for the year ended December 31, 2022.

After giving effect to the Senior Secured Credit Agreement Amendment (see note 26 – *Subsequent Events*), as of December 31, 2022, the Company was in compliance with all applicable covenants under the senior secured credit agreement.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Events of Default

The senior secured credit agreement contains default events (subject to certain materiality thresholds and grace periods), which could require early prepayment, termination of the senior secured credit agreement or other enforcement actions customary for facilities of this type. After giving effect to the Senior Secured Credit Agreement Amendment (see note 26 – *Subsequent Events*), as of December 31, 2022, no event of default existed under the senior secured credit agreement.

Amortization of Debt Discount and Debt Issuance Costs

The Company had total unamortized debt discount and debt issuance costs of \$17 million and \$19 million as of December 31, 2022 and 2021, in relation to the senior secured term loans, which are presented as a deduction from the outstanding principal amount of senior secured term loans. The debt discount and debt issuance costs are amortized over the term of the related debt into earnings as part of the interest expense in the consolidated statements of operations. The changes in total unamortized debt discount and debt issuance costs are summarized below:

(in \$ millions)	As of December 31,		
	2022	2021	2020
Beginning balance	\$ 19	\$ 19	\$ 10
Capitalized during the year	3	18	12
Amortized/written-off during the year	(5)	(18)	(3)
Closing balance	<u>\$ 17</u>	<u>\$ 19</u>	<u>\$ 19</u>

During the years ended December 31, 2022, 2021 and 2020, the Company amortized \$5 million, \$5 million and \$3 million, respectively, of debt discount and debt issuance costs. Further, during the year ended December 31, 2021, \$13 million of unamortized debt discount and debt issuance costs were written off as loss on extinguishment of debt upon the early repayment of outstanding principal amounts of senior secured tranche B-1 and tranche B-2 term loans as discussed above.

Debt Maturities

Aggregate maturities of debt as of December 31, 2022 are as follows:

(in \$ millions)	Amount
Year ending December 31,	
2023	\$ 3
2024	3
2025	233
2026	<u>1,000</u>
	1,239
Less: Unamortized debt discount and debt issuance costs	<u>(17)</u>
Long-term debt, net of unamortized debt discount and debt issuance costs	<u>\$ 1,222</u>

(17) Employee Benefit Plans

Defined Contribution Plan

The Company sponsors several country-specific defined contribution savings plans, which are tax qualified defined contribution plans that allow tax deferred savings by eligible employees to provide funds for their retirement. The Company matches the contributions of participating employees on the basis specified by the plans. The Company's contributions for these plans were \$31 million for the year ended December 31, 2022 and \$20 million for each of the years ended December 31, 2021 and 2020. The increase in defined contribution costs is primarily due to the increased number of employees due to the Egencia acquisition.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Defined Benefit Plans

The Company sponsors both contributory and non-contributory defined benefit pension plans in certain non-U.S. subsidiaries. Under the plans, benefits are based on employees' years of credited service and a percentage of final average compensation, or as otherwise described by the plan. The Company's most material defined benefit plan in the U.K. is frozen, meaning that no new employees can participate in the plan and the active/former employees do not accrue additional benefits. As of December 31, 2022 and 2021, the aggregate projected benefit obligations of these plans were \$570 million and \$1,001 million, respectively, and the aggregate accumulated benefit obligation of these plans were \$556 million and \$975 million, respectively.

The Company uses a December 31 measurement date each year to determine its defined benefit pension obligations. For such plans, the following tables provide a statement of funded status as of December 31, 2022 and 2021 and summaries of the changes in the defined benefit obligation and fair value of plan assets for the years then ended:

(in \$ millions)	As of December 31,	
	2022	2021
Changes in benefit obligation:		
Benefit obligation, beginning of year	\$ 1,001	\$ 1,046
Service cost	5	6
Interest cost	16	13
Plan participants' contribution	1	1
Actuarial (gain) loss, net	(339)	(18)
Benefit paid	(18)	(22)
Plan amendments	—	(1)
Curtailments and settlements	(3)	(3)
Expenses paid from assets	(1)	(1)
Currency translation adjustment	(92)	(20)
Benefit obligation, end of year	<u>570</u>	<u>1,001</u>
Change in fair value of plan assets		
Fair value of plan assets, beginning of year	670	634
Employer contributions	32	25
Plan participants' contributions	1	1
Benefits paid	(18)	(22)
Actual return on plan assets	(194)	47
Expenses paid from assets	(1)	(1)
Plan settlements	(3)	(3)
Currency translation adjustments	(62)	(11)
Fair value of plan assets, end of year	<u>\$ 425</u>	<u>\$ 670</u>
Unfunded status	<u>\$ 145</u>	<u>\$ 331</u>

The actuarial gain, net, of \$339 million and \$18 million for the years ended December 31, 2022 and 2021, respectively, are primarily attributable to increases in the discount rate in the respective years.

The amount included in accumulated other comprehensive loss that has not been recognized as a component of net periodic pension benefit (cost) is as follows:

(in \$ millions)	As of December 31,	
	2022	2021
Unrecognized net actuarial loss	\$ 20	\$ 150
Prior service cost	2	3
Total	22	153
Deferred taxes	5	(25)
Amounts recognized in accumulated other comprehensive loss	<u>\$ 27</u>	<u>\$ 128</u>

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table provides the components of net periodic pension benefit (cost) for the years ended December 31, 2022, 2021 and 2020:

(in \$ millions)	As of December 31,		
	2022	2021	2020
Service cost	\$ 5	\$ 6	\$ 7
Interest cost	16	13	15
Expected return on plan assets	(26)	(25)	(24)
Amortization of actuarial loss	2	4	2
Curtailments and settlements	—	(1)	4
Net periodic pension (benefit) cost	<u>\$ (3)</u>	<u>\$ (3)</u>	<u>\$ 4</u>

The weighted average assumptions used to determine the net periodic pension benefit (cost) and projected benefit obligation were as follows:

	Year ended December 31,		
	2022	2021	2020
Net periodic pension (benefit) cost:			
Interest cost discount rate	1.7%	1.2%	1.8%
Expected long-term return on plan assets	4.5%	4.4%	4.4%
Rate of compensation increase	3.1%	2.6%	2.6%
Projected benefit obligation:			
Discount rate	4.5%	1.7%	1.2%

The discount rate assumption is developed by determining a constant effective yield that produces the same result as discounting projected plan cash flows using high quality (AA) bond yields of corresponding maturities as of the measurement date. The expected long-term rate of return for plan assets has been determined using historical returns for the different asset classes held by the Company's trusts and its asset allocation, as well as inputs from internal and external sources regarding expected capital market return, inflation and other variables.

Investment objectives, policies and strategies are generally set by the independent custodians of the pension plans. The overall investment strategy for plan assets is to provide and maintain sufficient assets to meet 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. The assets of the plans are managed in the long-term interests of the participants and beneficiaries of the plans. Investment objectives have been established based on a comprehensive review of the capital markets and each underlying plan's current and projected financial requirements. The assets and their investments and allocation strategy, is determined by the independent custodians of the pension plan assets with the assistance of independent diversified professional investment management organization. Diversification is provided by using an asset allocation primarily between matching assets / liability-driven investments (combination of bonds and derivatives aimed at hedging against interest and inflation risks associated with pension liabilities) and return-seeking investments consisting of equity, debt, real estate and other funds in proportions expected to provide opportunities for reasonable long-term returns with acceptable levels of investment risk.

The Company's U.K. defined benefit pension plan has target allocations of 38% for matching assets / liability-driven investments and 62% for return-seeking investments and cash. Certain of the other defined pension plans in Europe invest fully in insurance contracts or collective pension foundation and do not have target assets allocation.

The table below sets out the fair value of pension plan assets as of December 31, 2022:

(in \$ millions)	As of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Matching assets				

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in \$ millions)	As of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Liability-driven investments.....	\$ —	\$ 129	\$ —	\$ 129
Return-seeking assets				
Equity funds.....	—	18	54	72
Debt funds.....	—	27	8	35
Real estate funds.....	—	44	19	63
Other.....	—	8	40	48
Cash and cash equivalents.....	33	—	—	33
	<u>\$ 33</u>	<u>\$ 226</u>	<u>\$ 121</u>	<u>380</u>
Other investments measured at NAV.....				45
Total fair value of plan assets.....				<u>\$ 425</u>

The table below sets out the fair value of pension plan assets as of December 31, 2021:

(in \$ millions)	As of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Matching assets				
Liability-driven investments.....	\$ —	\$ 209	\$ —	\$ 209
Return-seeking assets				
Equity funds.....	—	73	28	101
Debt funds.....	—	119	11	130
Real estate funds.....	—	72	19	91
Other.....	—	41	33	74
Cash and cash equivalents.....	7	—	—	7
	<u>\$ 7</u>	<u>\$ 514</u>	<u>\$ 91</u>	<u>612</u>
Other investments measured at NAV.....				58
Total fair value of plan assets.....				<u>\$ 670</u>

Equity and debt securities are primarily held in pooled investment funds that are valued based on the fair value provided by the fund administrator. Other investments primarily consist of investments in diversified funds. The Company has taken practical expedient for investments that are measured at fair value using the Net Asset Value ("NAV") and has not classified them in the fair value hierarchy. The fair value amounts presented in the "Other investments measured at NAV" are intended to permit reconciliation of the pension plan assets presented within the fair value hierarchy to the closing balance of total fair value of plan assets.

The Company contributed \$32 million, \$25 million and \$25 million to fund its defined benefit pension plans during the years ended December 31, 2022, 2021 and 2020, respectively. Annual contributions to the Company's defined benefit pension plans are based on several factors that may vary from year to year. The Company's policy is to contribute amounts sufficient to meet minimum funding requirements as set forth in employee benefit plan and tax laws, plus such additional amounts as the Company determines to be appropriate. Past contributions are not always indicative of future contributions. Based on current assumptions, the Company expects to make \$27 million in contributions to its defined benefit pension plans in 2023.

The Company expects the defined benefit pension plans to make the following estimated future benefit payments:

(in \$ millions)	Amount
2023.....	\$ 20
2024.....	20
2025.....	21
2026.....	22
2027.....	24
2028-2032.....	135

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(18) Other non-current liabilities

Other non-current liabilities primarily include liabilities for client incentives payables and asset retirement obligations. Client incentive liabilities represent contractual upfront or commission payables to business clients and were \$19 million and \$3 million as of December 31, 2022 and 2021, respectively. Asset retirement obligations are mainly associated with closure, reclamation and removal costs for leasehold premises. The Company's asset retirement obligations were approximately \$18 million and \$13 million as of December 31, 2022 and 2021, respectively. Estimated asset retirement obligation costs and settlement dates, which affect the carrying value of the liability and the related capitalized asset, are reviewed periodically to ensure that any material changes are incorporated into the latest estimate of the obligation.

(19) Commitments and Contingencies

Purchase Commitment

In the ordinary course of business, the Company makes various commitments to purchase goods and services from specific suppliers, including those related to capital expenditures. As of December 31, 2022, the Company had approximately \$224 million of outstanding non-cancellable purchase commitments, primarily relating to service, hosting and licensing contracts for information technology, of which \$89 million relates to the year ending December 31, 2023. These purchase commitments extend through 2031.

Guarantees

The Company has obtained bank guarantees in respect of certain travel suppliers and real estate lease agreements amounting to \$20 million as of December 31, 2022. Certain of these bank guarantees require the Company to maintain cash collateral which has been presented as restricted cash within other non-current assets in the Company's consolidated balance sheet.

Legal Contingencies

The Company recognizes legal fees as expense when the legal services are provided.

Based on its current knowledge, and taking into consideration its litigation-related liabilities, the Company believes it is not a party to any pending legal proceeding or governmental examination that would have a material adverse effect on the Company's consolidated financial condition or liquidity.

(20) Earnout Shares

As part of the reverse recapitalization transaction, certain stockholders and employees are entitled to additional consideration in the form of "Earnout Shares" of GBTG's Class A common stock (and Class B common stock, with equal number of B ordinary shares of GBT, where the Earnout Shares have been given to certain stockholders) to be issued when GBTG's Class A common stock's price achieves certain market share price milestones within specified periods following the reverse recapitalization transaction on May 27, 2022. These shares will be issued in tranches based on the following conditions:

(1) If the volume-weighted average share price ("VWAP") of the Company's Class A common stock equals or exceeds \$12.50 per share for any 20 trading days within any consecutive 30-trading day period prior to the five-year anniversary from May 27, 2022, then the Company is required to issue Class A common stock to the holders with the contingent right to receive approximately 50% of the Earnout Shares. These Earnout Shares may instead be issued in the event of a change of control (as defined in the Business Combination Agreement) prior to the five-year anniversary of the closing date if the per share consideration in such transaction is at least \$12.50.

(2) If the VWAP of the Company's Class A common stock equals or exceeds \$15.00 per share for any 20 trading days within any consecutive 30-trading day period prior to the five-year anniversary from May 27, 2022, then the Company is required to issue Class A common stock to the holders with the contingent right to receive the remainder of the Earnout Shares. These Earnout Shares may instead be issued in the event of a change of control (as defined in the Business Combination Agreement) prior to the five-year anniversary of the closing date if the per share consideration in such transaction is at least \$15.00.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

If the stock price thresholds of GBTG are not achieved during the five-year period from the reverse recapitalization date (assuming there is no change in control event), the Earnout Shares are forfeited for no additional consideration.

The Earnout Shares to employees are linked to the conditions of the GBTG MIP Options. As a result, the Company has accounted for such Earnout Shares as stock-based compensation under ASC 718, *Compensation - Stock Compensation* ("ASC 718"), and recognized an expense of \$2 million during the year ended December 31, 2022 in its consolidated statement of operations.

The Earnout Shares to stockholders are accounted under ASC 815. Such guidance provides that because the Earnout Shares do not meet the criteria for equity treatment thereunder, Earnout Shares must be recorded as a liability. This liability is subject to re-measurement at each balance sheet date. With each such re-measurement, the Earnout Shares liability will be adjusted to fair value, with the change in fair value recognized in the Company's consolidated statements of operations.

The fair value of the Earnout Shares was estimated using the Monte Carlo simulation of the stock prices based on historical and implied market volatility of a peer group of public companies.

As of December 31, 2022 the fair value of the Earnout Shares liability was estimated to be \$58 million. The Company recognized a gain on the fair value change in Earnout Shares liability of \$6 million in its consolidated statement of operations for the year ended December 31, 2022.

(21) Equity-Based Compensation

GBTG has certain equity awards and programs, in which the costs relate to the employees of GBT. As such, the below equity award costs are pushed down from GBTG to GBT:

Management Incentive Plan

In May 2022, GBTG adopted the Global Business Travel Group, Inc. Management Incentive Plan (the "GBTG MIP") which superseded the GBT Management Incentive Plan, as amended and restated from time to time with the last amendment being on December 2, 2021 (the "Legacy GBT MIP"). Further, all options granted under the Legacy GBT MIP ("GBT JerseyCo MIP Options") that were outstanding at the closing of the Business Combination, whether vested or unvested, were converted into options to purchase shares of GBTG's Class A common stock ("GBTG MIP Options") under the terms and conditions of the GBTG MIP. The outstanding GBT MIP Options were converted using the same exchange ratio as was used to convert the then-existing GBT shares to new classes of shares under the Business Combination. The exercise price of the GBT MIP Options was accordingly adjusted. Generally, the vesting and forfeiture terms of the GBTG MIP Options held by executive officers of GBT continue to be the same as provided under the Legacy GBT MIP under which they were granted. Under the GBTG MIP, all unexercised GBTG MIP Options, whether vested or unvested, expire on the tenth anniversary of their grant date, unless earlier cancelled, such as in connection with a termination of employment. GBTG MIP Options generally vest ratably in annual increments over a three or five year vesting period (i.e. one-third annually for a three year vesting period or 20% annually over a five year vesting period). There are no performance conditions associated with the vesting of the GBTG MIP Options. The exercise price of GBTG MIP Options granted under the GBTG MIP is 100% of the fair market value of the shares subject to the award, determined as of the date of grant.

The table below presents the activity of the GBTG MIP Options granted under the GBTG MIP for the year ended December 31, 2022:

	Number of options	Weighted average exercise price per option	Weighted average remaining contractual term	Aggregate intrinsic value (in \$ millions)
Balance of options as of December 31, 2021	4,173,448	\$ 67.22		
Exchange ratio conversion	8,7659			
Recalculated options beginning balance	36,584,013	7.67		
Forfeited	(138,124)	\$ 10.03		

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Number of options	Weighted average exercise price per option	Weighted average remaining contractual term	Aggregate intrinsic value (in \$ millions)
Exercised	(48,212)	\$ 6.55		
Balance as of December 31, 2022 ⁽¹⁾	36,397,677	\$ 7.66		
Exercisable as of December 31, 2022	27,766,065	\$ 7.10	4.1	13
Expected to vest as of December 31, 2022	8,631,632	\$ 10.31	8.5	—

(1) In January 2023, a portion of GBTG MIP Options was cancelled/exercised and exchanged for new RSUs. (See note 26 – *Subsequent Events*)

The fair value of GBTG MIP Options is determined utilizing Black Scholes model. There were no options granted in 2022 or 2020. The weighted average grant-date fair value of the GBTG MIP Options granted in 2021 was \$3.02 per option. The key assumptions used in the valuation of these options are presented in the table below.

Assumption	2021
Annual risk-free interest rate	1.15%
Equity volatility	29%
Expected average life of options	6 years
Dividend yield	0%

The annual risk-free interest rate is determined by considering the U.S. treasury yield risk-free interest rate that corresponds with the expected term of the award. The expected volatility was determined by taking the average historical volatility of a group of comparable publicly traded companies over a period equal to the expected term of the awards. The expected term was based on the average period the stock-based awards are expected to remain outstanding. Dividend yield of zero was determined as GBTG currently does not pay any dividend.

In January 2023, pursuant to the closing of an exchange offer, GBTG cancelled and/or mandatorily exercised certain of the GBTG MIP Options and issued new RSUs to certain participants (see note 26 – *Subsequent Events*).

2022 Equity Incentive Plan

In May 2022, GBTG stockholders approved the Global Business Travel Group, Inc. 2022 Equity Incentive Plan (the “2022 Plan”) under which, a maximum of 47,870,291 shares of Class A common stock are available for issuance which is also the maximum number of shares that may be issued in respect of incentive stock options (“Share Reserve”). Under the 2022 Plan, GBTG may issue options, stock appreciation rights, restricted and performance stock, restricted stock units or performance stock units, or other awards that are payable in, or valued in, in whole or part by reference to GBTG shares. The 2022 Share Reserve will also be increased by the number of shares underlying the portion of an award granted under the GBTG MIP that is cancelled, terminated or forfeited or lapses after the effective date of the 2022 Plan. Shares issued by GBTG in connection with the assumption or substitution of outstanding grants or under certain stockholder approved plans from an acquired company will not reduce the number of shares available for awards under the 2022 Plan. Shares underlying the portion of an award that is forfeited or otherwise terminated for any reason whatsoever, in any case, without the issuance of shares, will be added back to the number of shares available for grant under the 2022 Plan. Shares issued under the 2022 Plan may, at the election of the board of directors of GBTG (the “GBTG Board”), be (i) authorized but previously unissued or (ii) previously issued and outstanding and reacquired by GBTG.

During the year ended December 31, 2022, GBTG granted restricted share units (“RSUs”) under the 2022 Plan to certain of its key employees. The RSUs generally vest one-third annually or on such dates as determined under the award agreement and have a vesting period of 12 months to 36 months from the grant date. The vesting is conditional upon continued employment of the grantee through the applicable vesting period. RSUs included RSUs granted to the Company’s non-employee directors who are deemed as employees solely for purposes of stock compensation accounting. The RSUs do not accrue dividends or dividend equivalent right associated with the underlying stock. The fair value of RSUs is determined to be the market price of GBTG’s Class A common stock at the date of grant.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The table below presents the activity of GBTG's RSUs granted under the 2022 Plan for the year ended December 31, 2022:

(in \$ millions)	Number of RSUs	Weighted average grant date fair value
Granted during the year	11,430,966	\$ 7.56
Forfeited / cancelled during the year	(142,221)	\$ 6.19
Balance as of December 31, 2022.....	11,288,745	\$ 7.56

Earnout Shares

During 2022, in connection with the Business Combination, GBTG granted certain Earnout Shares to its employees (see note 20 – *Earnout Shares*). The Earnout Shares granted to employees are linked to the original vesting conditions of GBTG MIP Options granted prior to December 2021. As a result, the Company has accounted for such Earnout Shares as stock-based compensation expense. See note 24 – *Fair Value Measurements* for discussion on the fair value of Earnout Shares granted to employees.

Employee Stock Purchase Plan

In May 2022, GBTG stockholders approved the Global Business Travel Group, Inc. Employee Stock Purchase Plan (the “ESPP”) under which a maximum of 11,068,989 shares of Class A common stock (the “Initial ESPP Reserve”) are initially available for purchase under the ESPP. There are two offering periods each year, to be determined by the compensation committee. An employee can start contributing toward the ESPP at the beginning of each offering period. On January 1 of each year during which the ESPP is in effect, commencing on January 1, 2023, the number of shares of Class A common stock available for purchase under the ESPP will be automatically increased by the lesser of (x) the Initial ESPP Reserve, (y) 1% of the number of shares of all classes of GBTG common stock outstanding as of the immediately preceding December 31 (calculated on a fully diluted basis) and (z) such lesser number of shares as the GBTG board may determine.

In 2022, GBTG did not commence any offering periods under the ESPP and no shares were purchased under the ESPP.

Total equity-based compensation expense recognized in the Company's consolidated statements of operations for the years ended December 31, 2022, 2021 and 2020 amount to \$39 million, \$3 million and \$3 million, respectively, (\$31 million, \$3 million and \$3 million after considering the tax impact) and were included as follows:

(in \$ millions)	Amount
Cost of revenue (excluding depreciation and amortization).....	\$ 2
Sales and marketing	14
Technology and content	8
General and administrative	15
Total	39

As of December 31, 2022, the Company expects compensation expense, related (i) to unvested GBTG MIP Options of approximately \$28 million to be recognized over the remaining weighted average period of 1.7 years and (ii) unvested RSUs of approximately \$60 million to be recognized over the remaining weighted average period of 1.8 years.

(22) Shareholders' Equity

The authorized share capital of GBT is Euro €60,300,000.1 divided into 3,000,000,000 redeemable A ordinary shares of Euro €0.00001 each (“A Ordinary Shares”), 3,000,000,000 redeemable B ordinary shares of Euro €0.00001 each (“B Ordinary Shares”), 30,000,000 redeemable C ordinary shares of Euro €0.00001 each (“C Ordinary Shares”) and 10 non-redeemable Z ordinary shares of Euro €0.00001 (“Z Ordinary Shares”).

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A Ordinary Shares

Voting: Holders of A Ordinary Shares are entitled to one vote for each share on all matters submitted to the members for their vote or approval.

Dividends: Holders of A Ordinary Shares are entitled to receive dividends and other distributions when, as, and if declared by the directors of GBT. Pursuant to the New Shareholders Agreement (see note 25 – *Related Party Transactions*), GBT has agreed to make pro rata cash distributions, or tax distributions, to the owners of A Ordinary Shares and B Ordinary Shares, in amounts intended to be sufficient to enable GBTG to satisfy its liabilities for taxes, as reasonably determined by the board of directors of GBTG, subject to various limitations and restrictions, including, but not limited, to restrictions in GBTG's debt documents, the availability of sufficient cash and appropriate reserves for working capital, and the applicable provisions of Jersey law.

Redemption: A Ordinary Shares are redeemable by GBT in accordance with the Companies (Jersey) Law 1991 (the "Law") and the terms of the articles of association of GBT (the "Articles") and solely in connection with the transactions contemplated by the Business Combination Agreement (see note 1 – *Business Description and Basis of Presentation*) and the Exchange Agreement (see note 9 – *Reverse Recapitalization*).

Winding Up: On any return of capital of GBT, whether on a winding up of the Company or otherwise, all A Ordinary Shares carry the right to receive any such return in accordance with the terms of the Articles (See *Dividends* above).

Other: As of December 31, 2022, GBTG was the only holder of the A Ordinary Shares.

B Ordinary Shares

Voting: Holders of B Ordinary Shares do not have any voting rights unless (i) otherwise required by Law or (ii) the matter to be voted on (a) relates specifically and solely to rights, priorities or privileges of the B Ordinary Shares or (b) has a disproportionate adverse effect on the B Ordinary Shares as compared to any other class or series of shares of GBT. The New Shareholders Agreement provides the Continuing JerseyCo Owners with consent rights for any amendments to GBT's organizational documents that relate specifically and solely to rights, priorities and privileges of the B Ordinary Shares. Further, pursuant to the New Shareholders Agreement, the Continuing JerseyCo Owners irrevocably appointed GBTG, and any officer or agent of GBTG, with full power of substitution, as its proxy to vote on behalf of such Continuing JerseyCo Owner at any meeting of GBT and to execute any written resolutions of members of GBT, in each case, with respect to any matter for which a vote or written resolution the holders of B Ordinary Shares is required (other than a matter that (x) relates specifically and solely to rights, priorities or privileges of the B Ordinary Shares or (y) has a disproportionate adverse effect on the B Ordinary Shares as compared to any other class or series of shares of GBT).

Dividends: Holders of B Ordinary Shares are entitled to receive dividends and other distributions when, as, and if declared by the directors of GBT. Pursuant to the New Shareholders Agreement, GBT has agreed to make pro rata cash distributions, or tax distributions, to the owners of A Ordinary Shares and B Ordinary Shares, in amounts intended to be sufficient to enable GBTG to satisfy its liabilities for taxes, as reasonably determined by the board of directors of GBTG, subject to various limitations and restrictions, including, but not limited, to restrictions in GBTG's debt documents, the availability of sufficient cash and appropriate reserves for working capital, and the applicable provisions of Jersey law.

Redemption: B Ordinary Shares are redeemable by GBT in accordance with the Law and the terms of the Articles.

Winding Up: On any return of capital of GBT, whether on a winding up of the Company or otherwise, all B Ordinary Shares carry the right to receive any such return in accordance with the terms of the Articles (See *Dividends* above).

Exchange Agreement: The Continuing JerseyCo Owners (or certain permitted transferees thereof) have the right, on the terms and subject to the conditions of the Exchange Agreement, to exchange their B Ordinary Shares (with automatic surrender for cancellation of an equal number of shares of GBTG Class B Common Stock) for shares

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

of GBTG Class A Common Stock on a one-for-one basis, subject to customary adjustments for stock splits, dividends, reclassifications and other similar transactions or, in certain limited circumstances, at the option of the Exchange Committee, for cash.

C Ordinary Shares

Voting: Holders of C Ordinary Shares do not have any voting rights unless (i) otherwise required by Law or (ii) the matter to be voted on (a) relates specifically and solely to rights, priorities or privileges of the C Ordinary Shares or (b) has a disproportionate adverse effect on the C Ordinary Shares as compared to any other class or series of shares of GBT. The New Shareholders Agreement provides the Continuing JerseyCo Owners with consent rights for any amendments to GBT's organizational documents that relate specifically and solely to rights, priorities and privileges of the C Ordinary Shares. Further, pursuant to the New Shareholders Agreement, the Continuing JerseyCo Owners irrevocably appointed GBTG, and any officer or agent of GBTG, with full power of substitution, as its proxy to vote on behalf of such Continuing JerseyCo Owner at any meeting of GBT and to execute any written resolutions of members of GBT, in each case, with respect to any matter for which a vote or written resolution the holders of C Ordinary Shares is required (other than a matter that (x) relates specifically and solely to rights, priorities or privileges of the C Ordinary Shares or (y) has a disproportionate adverse effect on the C Ordinary Shares as compared to any other class or series of shares of GBT).

Dividends: Subject at all times to the Law, if at any time the directors of GBT declare a dividend or other distribution on the outstanding A Ordinary Shares and B Ordinary Shares, and any C Ordinary Shares remain issued and outstanding, the directors of GBT shall declare a conditional dividend on the outstanding C Ordinary Shares in the form of the right to receive an amount per share equal to the per share amount of the dividend declared in respect of the A Ordinary Shares and B Ordinary Shares. With respect to any C Ordinary Shares that remain outstanding on the payment date of such declared dividend, in lieu of paying the dividend amount to the holders of C Ordinary Shares, the Company shall set aside or reserve for payment an amount equal to such dividend amount in respect of each such outstanding C Ordinary Share, with such amount being paid to such holders, if at all, only upon the occurrence of a triggering event. If a triggering event does not occur between the payment date and the earnout termination date, any amounts set aside and reserved for payment with respect to such C Ordinary Shares shall automatically be released to GBT, and the right to receive such dividend in respect of any C Ordinary Share that remains outstanding as of the earnout termination date shall be deemed to have expired.

Redemption: C Ordinary Shares are redeemable by GBT in accordance with the Law and the terms of the Articles.

Winding Up: On any return of capital of GBT, whether on a winding up of the Company or otherwise, all C Ordinary Shares carry the right to receive any such return in accordance with the terms of the Articles (see *Dividends* above). If, as of the date of determining the holders of shares of GBT entitled to participate in a distribution of the remaining assets of GBT in connection with a liquidation, dissolution or winding up of GBT, any C Ordinary Shares remain issued and outstanding, then the holders of such C Ordinary Shares shall only be entitled to receive the par value of such C Ordinary Shares, unless the amount of the distribution in connection with or following such liquidation, dissolution or winding up that would be payable in respect of the applicable shares of GBT would cause a triggering event for such C Ordinary Share. To the extent that any remaining assets of GBT are to be distributed to the holders of C Ordinary Shares, then such amounts shall be distributed ratably amongst all A Ordinary Shares, B Ordinary Shares and C Ordinary Shares then in issue, subject to the conditions set forth in the Articles.

Earnout: If the volume-weighted average share price ("VWAP") of GBTG's Class A Common Stock equals or exceeds \$12.50 per share for any 20 trading days within any consecutive 30-trading day period prior to May 27, 2027, then (a) one-half of the number of C Ordinary Shares held by a Continuing JerseyCo Owner will automatically be converted and re-designated into an equal number of B Ordinary Shares and GBTG will issue to such Continuing JerseyCo Owner a number of shares of GBTG Class B Common Stock equal to one-half of the number of C Ordinary Shares held by such Continuing JerseyCo Owner and (b) one-half of the number of C Ordinary Shares held by a holder who was granted such C Ordinary Shares on account of being an executive of GBTG or its subsidiaries will automatically be redeemed and cancelled for no consideration therefor and GBTG will issue to such holder a number of shares of GBTG Class A Common Stock equal to one-half of the number of C Ordinary Shares held by such Continuing JerseyCo Owner. If the VWAP of the GBTG Class A Common Stock is greater than or equal to \$15.00 for any 20 trading days within a consecutive 30-trading day period prior to May 27, 2027, (a) the remaining C Ordinary

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Shares held by a Continuing JerseyCo Owner will automatically be converted and re-designated into an equal number of B Ordinary Shares and GBTG will issue to such Continuing JerseyCo Owner a number of shares of GBTG Class B Common Stock equal to one-half of the number of C Ordinary Shares held by such Continuing JerseyCo Owner and (b) the remaining C Ordinary Shares held by a holder who was granted such C Ordinary Shares on account of being an executive of GBTG or its subsidiaries will automatically be redeemed and cancelled for no consideration therefor and GBTG will issue to such holder a number of shares of GBTG Class A Common Stock equal to one-half of the number of C Ordinary Shares held by such Continuing JerseyCo Owner. These conversions, cancellations and issuances may instead occur in the event of a change of control prior to May 27, 2027 if the per share consideration in such transaction is at least \$12.50 or \$15.00, as applicable.

Z Ordinary Shares

Voting: Holders of Z Ordinary Shares do not have any voting rights unless (i) otherwise required by Law or (ii) the matter to be voted on (a) relates specifically and solely to rights, priorities or privileges of the Z Ordinary Shares or (b) has a disproportionate adverse effect on the Z Ordinary Shares as compared to any other class or series of shares of GBT.

Dividend: Holders of Z Ordinary Shares are not entitled right to receive a dividend or otherwise participate in the profits of GBT.

Redemption: Z Ordinary Shares are not redeemable by GBT.

Winding Up: On any return of capital of GBT, whether on a winding up of the Company or otherwise, the Z Ordinary Shares do not carry the right to receive any such return.

Other: As of December 31, 2022, GBTG was the only holder of the issued Z Ordinary Shares.

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) represents certain components of revenues, expenses, gains and losses that are included in comprehensive income (loss) but are excluded from net income (loss). Other comprehensive income (loss) amounts are recorded directly as an adjustment to total equity, net of tax. The changes in the accumulated other comprehensive loss, net of tax, were as follows:

(in \$ millions)	Currency translation adjustments	Defined benefit plan related	Unrealized gain on cash flow hedge and hedge of investments in foreign subsidiary	Total accumulated other comprehensi ve loss
Balance as of December 31, 2019	(21)	(81)	4	(98)
Net changes during the year, net of tax benefit ⁽¹⁾	(2)	(79)	—	(81)
Balance as of December 31, 2020	(23)	(160)	4	(179)
Net changes during the year, net of tax expense ⁽¹⁾	(15)	32	—	17
Balance as of December 31, 2021	(38)	(128)	4	(162)
Net changes during the year, net of tax benefit ⁽¹⁾	(51)	101	32	82
Reclassified to P&L	—	—	(4)	(4)
Balance as of December 31, 2022	(89)	(27)	32	(84)

(1) The tax (expense) benefit relates to defined benefit pension plans and amount to \$(30) million, \$10 million and \$(15) million for the years ended December 31, 2022, 2021 and 2020, respectively.

Amounts in accumulated other comprehensive loss are presented net of the related tax impact. Reclassifications out of accumulated other comprehensive losses related to actuarial losses and prior service costs is included as component of net periodic pension benefit (cost) included within other income (expense), net, in the Company's consolidated statements of operations.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(23) Derivatives and Hedging

Except as mentioned below, the Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks. The Company does not hold or issue financial instruments for speculative or trading purposes. The Company does not offset derivative assets and liabilities within the consolidated balance sheets.

Interest Rate Swap

The Company is subject to market risk exposure arising from changes in interest rates on debt, which bears interest at variable rates. The Company has interest rate risk primarily related to its senior secured term loans under the senior secured credit agreement, which bear interest at a variable rate that is currently based on three-months LIBOR or SOFR (subject to certain benchmark replacement provisions and certain interest rate floors, as applicable). In order to protect against potential higher interest costs resulting from anticipated increases in the benchmark rate for the senior secured tranche B-3 term loans, in February, 2022, Group Services B.V., a wholly owned subsidiary of GBTG and the borrower under the senior secured credit agreement, entered into an interest rate swap contract that fixed the benchmark interest rate with respect to a portion of the senior secured tranche B-3 term loans. The terms of such swap were initially linked to LIBOR as the benchmark rate, with a secured overnight financing rate (SOFR)-based rate replacing LIBOR as the benchmark rate for such swap, commencing in June 2023. The Company's objective in using an interest rate swap derivative is to mitigate its exposure to increase / variability in LIBOR / SOFR interest rates. The interest rate swap was for a notional amount of debt of \$600 million, for a period from March 2022 to March 2025 with fixed interest rate of 2.0725%. The interest rate swap was designated as a cash flow hedge that is highly effective at offsetting the increases in cash outflows when three-month LIBOR exceeds 2.0725%. In June 2022, the Company terminated this interest rate swap realizing \$23 million in cash and simultaneously entered into another interest rate swap agreement, on substantially the same terms and conditions as the previous one, except the new fixed interest rate was contracted to be 3.6858%. Under ASC 815, *Derivatives and Hedging*, the Company has determined that the total amount of \$23 million credited to the accumulated other comprehensive income in connection with the termination of the February 2022 interest rate swap contract will be included in the consolidated statement of operations proportionately until March 2025 as an offset to interest expense as the interest payments are made over this period. As a result, during the year ended December 31, 2022, the Company has reclassified \$4 million from accumulated other comprehensive loss and recognized it as a credit to interest expense. Further, the Company has determined that the new interest rate swap contract will be designated as a cash flow hedge that is highly effective at offsetting the increases in cash outflows when three-month LIBOR exceeds 3.6858%. Changes in the fair value of the interest rate swap, net of tax, are recognized in other comprehensive income and are reclassified out of accumulated other comprehensive income (loss) and into interest expense when the hedged interest obligations affect earnings.

In February 2023, the Company further entered into another interest rate swap agreement for a notional principal amount of debt of \$300 million. See note 26 - *Subsequent Events*.

Earnout Shares

As a result of the Business Combination, GBT has issued and outstanding Earnout Shares (see note 20 - *Earnout Shares*). The non-employee Earnout Shares are considered as derivative liabilities under ASC 815 and classified as non-current liabilities as their liquidation is not reasonably expected to require the use of current assets or require the creation of current liabilities.

As of December 31, 2022, approximately 15 million of non-employee Earnout Shares are issued and outstanding. The following table presents the balance sheet location and fair value of the Company's derivative instruments, on a gross basis, under ASC 815:

(in \$millions)	Balance sheet location	As of December 31, 2022	As of December 31, 2021
Derivatives designated as hedging instruments			
Interest rate swaps.....	Other non-current assets	\$ 10	—
Derivatives not designated as hedging instruments			
Earnout Shares.....	Earnout derivative liabilities	\$ 58	—
		<u>\$ 68</u>	<u>—</u>

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The table below presents the impact of changes in fair values of derivatives on other comprehensive loss and on net loss:

	Amount of gain/(loss) recognized in other comprehensive loss			Statements of operations	Amount of gain/(loss) recognized in statements of operations		
	Year ended December 31				Year ended December 31		
	2022	2021	2020		2022	2021	2020
Derivatives designated as hedging instruments							
Interest rate swap	\$ 32	—	—	NA	—	—	—
Interest rate swap reclassified to statement of operations	(4)	—	—	Interest expense	\$ 4	—	—
Derivatives not designated as hedging instruments							
Earnout Shares	NA	—	—	Fair value movement on earnouts derivative liabilities	6	—	—
					\$ 10	—	—

During the year ended December 31, 2022, the Company has reclassified \$4 million from accumulated other comprehensive loss and recognized it as a credit to interest expense. The total net gain of \$8 million on the interest rate swap contract is expected to be reclassified to net earnings as a credit to interest expense within the next 12 months.

(24) Fair Value Measurements

Financial instruments which are measured at fair value, or for which a fair value is disclosed, are classified in the fair value hierarchy, as outlined below, on the basis of the observability of the inputs used in the fair value measurement:

Level 1 — Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 — Valuations based on quoted prices in active markets for similar assets or liabilities, quoted prices in non-active markets or for which all significant inputs, other than quoted prices, are observable either directly or indirectly, or for which unobservable inputs are corroborated by market data.

Level 3 — Valuations based on inputs that are unobservable and significant to overall fair value measurement.

As of December 31, 2022, the Company's financial assets and liabilities recorded at fair value on a recurring basis consist of its derivative instruments— interest rate swap and non-employee Earnout Shares. The fair value of the Company's interest rate swap has been calculated using a discounted cash flow analysis by taking the present value of the fixed and floating rate cash flows utilizing the appropriate forward LIBOR and/or SOFR curves and the counterparty's credit risk, which was determined to be not material. The fair value of non-employee Earnout Shares is determined using Monte Carlo valuation method.

Presented below is a summary of the gross carrying value and fair value of the Company's assets and liabilities measured at a fair value on a recurring basis:

(in \$ millions)	Fair Value Hierarchy	As of December 31,	
		2022	2021
Interest rate swaps.....	Level 2	\$ 10	\$ —
Non-employee Earnout Shares.....	Level 3	\$ 58	\$ —

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The fair value of each Earnout Share (both employee and non-employee) was estimated using the Monte Carlo Option Pricing Method. Inherent in the Monte Carlo Option Pricing Method are assumptions related to expected stock-price volatility, expected life, risk-free interest rate and dividend yield. The Company estimated the volatility of the Earnout Shares based on implied volatility from historical volatility of select peer companies' common stock that matches the expected remaining life of the Earnout Shares. The risk-free interest rate was based on the U.S. Treasury zero-coupon yield curve for a maturity similar to the expected remaining life of the Earnout Shares. The expected life of the Earnout Shares was assumed to be equivalent to their remaining contractual term. The Company anticipated the dividend rate will remain at zero.

The following table presents the assumptions used for the initial measurement of the Earnout Shares on May 27, 2022 and to remeasure the fair value of outstanding non-employee earnout shares liabilities as of December 31, 2022:

	As of	
	December 31, 2022	May 27, 2022
Stock price (\$)	\$ 6.75	\$ 7.39
Risk-free interest rate	4.06%	2.81%
Volatility	42.5%	37.5%
Expected term (years)	4.4	5.0
Expected dividends	0.0%	0.0%
Fair value (\$ (per Earnout Share – Tranche 1)	\$ 4.30	\$ 4.82
Fair value (\$ (per Earnout Share – Tranche 2)	\$ 3.58	\$ 3.98

The following table presents changes in Level 3 financial liabilities measured at fair value for the period from the date of closing of the Business Combination, May 27, 2022, to December 31, 2022:

	Non-employee Earnout Shares
As of date of Business Combination - May 27, 2022	\$ 64
Change in fair value	(6)
Transferred to level 2	—
Balance as of December 31, 2022	<u>\$ 58</u>

The Company does not measure its debt at fair value in its consolidated balance sheets. Where the fair value of the Company's long-term debt is determined based on quoted prices for identical or similar debt instruments when traded as assets, it is categorized within Level 2 of the fair value hierarchy. Where quoted prices are not available, fair value is estimated using discounted cash flows and market-based expectation of interest rates, credit risks and contractual term of the debt instruments and is categorized within Level 3 of the fair value hierarchy.

The fair values of the Company's outstanding senior secured term loans are as follows:

(in \$ millions)	Fair Value Hierarchy	As of December 31,			
		2022		2021	
		Carrying amount ⁽¹⁾	Fair Value	Carrying amount ⁽¹⁾	Fair Value
Senior secured initial term loans	Level 2	\$ 235	\$ 220	\$ 236	\$ 233
Senior secured tranche B-3 term loans	Level 3	\$ 987	\$ 1,017	\$ 787	\$ 800

(1) Outstanding principal amount of the relevant class of senior secured term loans less unamortized debt discount and debt issuance costs with respect to such loans.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The carrying amounts of cash and cash equivalents, accounts receivable, other current assets, accounts payable, and accrued expenses and other current liabilities approximate fair value due to the short-term maturities of these assets and liabilities.

Certain assets and liabilities, including long-lived assets, goodwill and other intangible assets, are measured at fair value on a non-recurring basis.

(25) Related Party Transactions

The following summaries relate to certain related party transactions entered into by the Company with certain of its shareholders, its shareholders affiliates and the Company's affiliates.

Advisory Services Agreement

Certares Management Corp. ("Certares"), an indirect equity owner of the Company, provides certain advisory services to the Company for which fees of approximately \$1 million, \$2.5 million and \$2.5 million were incurred for each of the years ended December 31, 2022, 2021 and 2020, respectively. As of December 31, 2022 and 2021, the Company had \$5 million and \$4 million as amounts payable to Certares under this agreement. This agreement terminated upon the closing of the Business Combination.

Commercial Agreements

The Company has various commercial agreements with the affiliates of Amex Coop. In respect of such agreement, included in the operating costs are costs of approximately \$24 million, \$10 million and \$12 million for the year ended December 31, 2022, 2021 and 2020, respectively. Revenues also include revenue from affiliates of Amex Coop of approximately \$21 million, \$19 million and \$21 million for the years ended December 31, 2022, 2021 and 2020, respectively. Amounts payable to affiliates of Amex Coop under these agreements as of December 31, 2022 and December 31, 2021, were \$24 million and \$16 million, respectively. Amounts receivable from affiliates of Amex Coop under these agreements was \$15 million as of both December 31, 2022 and December 31, 2021, respectively. Effective upon, the closing of the Business Combination, the parties amended the terms of certain of these commercial arrangements.

Apart from above, there are certain tax indemnity (see note 4 – *Income Taxes*) between the Company and affiliates of Amex Coop. Amounts payable to affiliates of Amex Coop in respect of such agreements was \$2 million as of both December 31, 2022 and 2021.

License of American Express Marks

GBT US LLC, a wholly owned subsidiary of GBT, entered into a trademark license agreement with an affiliate of Amex Coop pursuant to which GBT US LLC was granted a license to use, and the right to sublicense to certain subsidiaries of GBT the right to use, the American Express trademarks used in the American Express Global Business Travel and American Express Meetings & Events brands for business travel, business consulting and meetings and events businesses on a royalty-free, exclusive, non-assignable, non-sublicensable (other than as set out in the trademark license agreement), and worldwide basis.

Effective upon closing of the Business Combination, GBT Travel Services UK Limited ("GBT UK"), an indirect wholly owned subsidiary of GBT, and an affiliate of Amex Coop, entered into a long-term, 11-year amended and restated trademark license agreement (unless earlier terminated or extended) pursuant to which GBT UK was granted an exclusive, non-assignable, worldwide, royalty-free license to use, and the right to sublicense to all wholly owned operating subsidiaries of GBT and other permitted sublicensees the right to use, the American Express trademarks used in the American Express Global Business Travel brand, and the American Express GBT Meetings & Events brands for business travel, meetings and events, business consulting and other services related to business travel ("Business Travel Services"). The amended and restated trademark license agreement also provides GBT the flexibility to operate non-Business Travel Services businesses under brands that do not use any trademarks owned by American Express, subject to certain permissibility and other requirements.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Exchange Agreement

See note 9 - *Reverse Recapitalization* for further discussion of the Exchange Agreement.

New Shareholders Agreement

At the closing of the Business Combination, GBTG, GBT and the Continuing JerseyCo Owners entered into a Shareholders Agreement (the "New Shareholders Agreement"). The New Shareholders Agreement sets forth various restrictions, limitations and other terms concerning the transfer of equity securities of GBTG and GBT by the parties thereto (other than, in most circumstances, the A ordinary shares of GBT). Among other matters, and subject to certain terms, conditions and exceptions, the Shareholders Agreement prohibits each Continuing JerseyCo Owner, severally and not jointly, from effecting transfers of such equity securities to certain specified restricted persons, as well as transfers that would violate applicable securities laws or cause GBT to be treated other than as a pass-through entity for U.S. federal income tax purposes.

The New Shareholders Agreement specifies the initial composition of the GBTG Board, effective immediately upon the closing and sets out the composition and appointment of the GBTG Board. The New Shareholders Agreement will also require (subject to certain specified conditions and exceptions including those described below) the approval of each Continuing JerseyCo Owner for GBTG or its subsidiaries to take certain actions, including: (i) the redemption, cancellation or repayment of any equity securities of GBTG or GBT, other than on a pro rata basis from all shareholders; (ii) dividends or distributions, other than on a pro rata basis; (iii) any share exchanges, splits, combinations and similar actions with respect to one or more, but not all, classes or series of GBTG or GBT shares; (iv) amendments to GBT's organizational documents that relate specifically and solely to rights, priorities and privileges of the B ordinary shares or the C ordinary shares of GBT, as applicable; or (v) any agreement or commitment to do any of the foregoing. Further, the New Shareholders Agreement also provides for various provisions for shareholder rights, termination of such rights, cash distributions to satisfy tax liabilities of the GBT's shareholders, etc. subject to certain terms and conditions as set out in the agreement.

Commercial and Operating Agreements with Expedia

In connection with the acquisition of Egencia, on November 1, 2021, an affiliate of GBT and an affiliate of Expedia entered into a ten-year term marketing partner agreement to provide the GBT's business clients with access to Expedia group hotel content (the "EPS Agreement"). The EPS Agreement requires an affiliate of Expedia to meet certain competitiveness thresholds with respect to the Expedia group hotel content offered to the Company and requires the Company to satisfy certain share of wallet commitments to the affiliate of Expedia (including the making of cash shortfall payments in the event of share of wallet failure, subject to offset based on outperformance by the Company in subsequent periods). The Company's share of wallet obligations are subject to adjustment for future acquisitions and dispositions and the failure of the affiliate of Expedia to meet agreed competitiveness thresholds. As a result of the above agreement, the Company recognized revenue of \$130 million and \$8 million for the period ended December 31, 2022 and 2021, respectively. As of December 31, 2022 and 2021, the Company had a \$18 million and \$4 million receivable from the affiliate of Expedia, respectively.

As part of the Egencia acquisition, on November 1, 2021, GBT UK entered into a Transition Services Agreement with Expedia, Inc. (the "Egencia TSA"), pursuant to which Expedia, Inc. (an affiliate of Expedia) and its affiliates provide certain transition services to GBT UK and its affiliates to facilitate an orderly transfer of Egencia from Expedia to GBT. The initial term of the Egencia TSA is 18 months. The initial term of each service is set forth in the Egencia TSA, and the term of certain services is subject to extension under certain circumstances. GBT UK has the right to terminate services for convenience upon prior written notice to Expedia, Inc. For services provided by Expedia to Egencia prior to the Egencia acquisition, pricing under the Egencia TSA is determined in the same manner as pricing for such services was historically determined by Expedia, Inc. For services that were not provided by Expedia, Inc. to Egencia prior to the Egencia acquisition, in general pricing is equal to the cost of providing such services. For the period ended December 31, 2022 and 2021, the total cost charged to the Company was approximately \$34 million and \$8 million that was included in the Company's consolidated statements of operations. As of both December 31, 2022 and 2021, the Company had a payable to Expedia Inc. of \$8 million. Further, as of December 31, 2022 and 2021, Egencia had a net receivable of \$4 million and a net payable of \$16 million to Expedia, respectively, on account of net cash settled on behalf of or on Egencia's behalf by Expedia during the respective years.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

During the year ended December 31, 2022, the Company recognized a charge of \$19 million in its statement of operations for a loss contingency as it became probable that the Company will pay the amount to Expedia for a contingent event that existed as of the Egencia acquisition date. As of December 31, 2022, the Company has a payable of \$15 million to Expedia.

During the year ended December 31, 2022, the Company paid for certain costs on behalf of GBTG, which include legal fees, audit fees, central charges, and directors' and officers' costs. As of December 31, 2022, the Company has a receivable of \$9 million from GBTG, which is shown as due from affiliates on the balance sheet.

(26) Subsequent Events

Amendment of Senior Secured Credit Agreement

On January 25, 2023, the senior secured credit agreement (see note 16 – *Long-term Debt*) was amended to provide for additional term loans in an aggregate principal amount equal to \$135 million (the "New Loans"). The Company intends to use the proceeds from the New Loans for general corporate purposes. The New Loans have substantially the same terms as the existing loans under the senior secured credit agreement's tranche B-3 term facility. The amendment also extended the maturity of the senior secured revolving credit facility from August 2023 to September 2026, subject to a springing maturity provision. The senior secured revolving credit facility will automatically terminate on May 14, 2025 if the senior secured initial term loans have not been refinanced, replaced or extended (with a resulting maturity date that is December 16, 2026 or later) or repaid in full prior to May 14, 2025. Additionally, the amendment suspended the financial covenant restriction on the draw-down of the revolving credit facility until July 1, 2024, and replaced it with certain other borrowing conditions. Subject to meeting such borrowing conditions, the Company can draw-down the entire \$50 million of revolving credit facility.

The amendment replaced LIBOR with SOFR as the benchmark rate applicable to each of the senior secured tranche B-3 term loan facility and the senior secured revolving credit facility and increased the applicable interest rate margins under such facilities. The New Loans and the existing loans under the senior secured tranche B-3 term loan facility will accrue interest at a variable interest rate based on SOFR plus a leverage-based margin ranging from 5.25% to 6.75% per annum, and loans under the senior secured revolving credit facility will accrue interest at a variable interest rate based on SOFR plus a leverage-based margin ranging from 4.75% to 6.25% per annum. A SOFR floor of 1.00% applies to the New Loans and each of the senior secured tranche B-3 term loan facility and the senior secured revolving credit facility.

Restructuring

On January 24, 2023, the Company announced changes to its internal operating model and expects to incur total pre-tax restructuring and related charges of approximately \$20 million to \$25 million during the year ending December 31, 2023 in connection with the costs associated with implementing these changes, substantially all of which represent future cash expenditures for the payment of severance and related benefits costs resulting from reduction in workforce. This strategic realignment and related actions are expected to be substantially complete by the end of the second quarter of 2023.

MIP Exchange Offer

In December 2022, GBTG initiated an exchange offer which provided eligible participants with the opportunity to tender their underwater GBTG MIP Options for new RSUs calculated in a manner as set out in the exchange offer.

The exchange offer expired on January 26, 2023. Pursuant to the terms of exchange offer, 10,088,754 GBTG MIP Options were cancelled and GBTG granted 4,817,144 new RSUs in respect of the cancelled GBTG MIP Options. In addition, 2,699,885 GBTG MIP Options were automatically exercised as required by the terms of the exchange offer. The new RSUs were granted under the 2022 Plan and vest one-third on each of the first three anniversaries of the grant date, generally subject to continued employment by the participant through the applicable vesting date and other such terms and conditions as set forth in the applicable restricted stock unit award agreement.

GBT JERSEYCO LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Interest Rate Swap Contract

In February 2023, in order to mitigate the financial impact of expected increases in interest rates, the Company entered into an interest rate swap for a notional amount of \$300 million of debt for a period covering from March 2023 to March 2027. The terms of the agreement require the Company to receive a variable rate of 3 months U.S. SOFR, with a floor of 0.9%, and pay fixed rate of 4.295%.

Loss Contingency

In April 2023, pursuant to an agreement with Expedia, the Company issued 413,668 A Ordinary Shares to GBTG to settle, in part, \$3 million of accrual for loss contingency accrued in 2022.