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

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

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

For the fiscal year ended December 31, 2023

OR

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

OR

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

Commission file number 001-38209

Despegar.com, Corp.

(Exact Name of Registrant as Specified in its charter)

N/A

(Translation of Registrant's name into English)

British Virgin Islands

(Jurisdiction of Incorporation or Organization)

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Ordinary Shares, no par value	DESP	The New York Stock Exchange

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

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report:

66,648,804 ordinary shares

At December 31, 2023

(excluding ordinary shares held in treasury and warrants)

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

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Note- Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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

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

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

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

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act.

[†] The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive- based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to

follow. Item 17 Item 18

If this is an Annual Report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

TABLE OF CONTENTS

	Page
PART I.	
ITEM 1	1
ITEM 2	3
ITEM 3	3
ITEM 4	32
ITEM 4A.	51
ITEM 5	51
ITEM 6	78
ITEM 7	87
ITEM 8	91
ITEM 9	93
ITEM 10	93
ITEM 11	103
ITEM 12	104
PART II	104
ITEM 13	104
ITEM 14	104
ITEM 15	105
ITEM 16	106
ITEM 16A.	106
ITEM 16B.	106
ITEM 16C.	106
ITEM 16D.	107
ITEM 16E.	107
ITEM 16F.	107
ITEM 16G.	107
ITEM 16H.	108
ITEM 16I.	109
ITEM 16K	109
PART III	110
ITEM 17	110
ITEM 18	110
ITEM 19	110

PART I.
INTRODUCTION

Unless the context suggests otherwise, references in this Annual Report to “Despegar,” the “Company,” “we” “us” and “our” are to Despegar.com, Corp., a business company incorporated in the British Virgin Islands (“BVI”), and its consolidated subsidiaries. Unless the context suggests otherwise, references to “Latin America” are to South America, Mexico, Central America and the Caribbean.

Financial Statements

Our consolidated financial information contained in this Annual Report is derived from our audited consolidated financial statements as of December 31, 2023 and 2022 and for the fiscal years ended December 31, 2023, 2022 and 2021 included in this Annual Report. Our consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) and presented in U.S. dollars.

Segment Information

We determine our operating segments based on how our chief operating decision makers (“CODM”) manage our business, make operating decisions and evaluate operating performance. Effective for our fiscal year 2022, our CODM changed their internal reporting to refine the way they view our financial services business and its interaction with our travel business. Additionally, we started allocating certain expenses to our segments which were previously considered part of our corporate structure and were unallocated. These changes resulted in revisions to the financial information provided to the CODM on a recurring basis in their evaluation of our financial performance and the decision-making process. Accordingly, we changed our segment reporting under ASC 280 “Segment Reporting” to report three reportable segments: “Air”, “Packages, Hotels and Other Travel Products” and “Financial Services”. We have recast previously reported segment financial information for our 2021 fiscal year in our audited consolidated financial statements as of December 31, 2023 and 2022 and for the fiscal years ended December 31, 2023, 2022 and 2021 included in this Annual Report to reflect our new reportable segments’ structure.

For our fiscal year 2022, we revised the presentation of credit loss expense in our consolidated statements of operations. Previously, we classified credit loss expense within general and administrative expenses. In line with the increasing significance of our financial services business and the impact of its credit loss expense to our consolidated operations, we determined that the credit loss expense would be more appropriately reflected in the financial statement line item cost of revenue. We reclassified our entire credit loss expense in the previous financial statements included in this Annual Report to be comparable with our current presentation.

Adjusted Segment EBITDA

For all our segments, our primary operating performance measure is Adjusted Segment EBITDA. We use Adjusted Segment EBITDA for purposes of making decisions about allocating resources to our segments and to internally evaluate their financial performance because we believe Adjusted Segment EBITDA reflects current core operating performance of each segment and provides an indicator of each segment’s ability to generate cash.

We calculate Adjusted Segment EBITDA, with respect to each segment, as our net income/loss for the year adjusted for (1) provision for income taxes expense/benefit; (2) financial results, net; (3) stock-based compensation expense; (4) acquisition transaction costs; (5) depreciation and amortization; (6) impairment charges; and (7) restructuring, reorganization and other exit activities charges. See Note 22 to our consolidated financial statements for our Adjusted Segment EBITDA and segment information.

Non-GAAP Financial Information

This Annual Report includes certain references to Consolidated Adjusted EBITDA, a non-GAAP financial measure. We calculate Consolidated Adjusted EBITDA as net income for the year adjusted for (1) provision for income tax expense/benefit; (2) financial results, net; (3) stock-based compensation expense; (4) acquisition transaction costs; (5) depreciation and amortization; (6) impairment charges; and (7) restructuring, reorganization and other exit activities charges. See “Item 5. Operating and Financial Review and Prospects—A. Operating Results — Operating and Financial Metrics” for a reconciliation of Consolidated Adjusted EBITDA to net income. Consolidated Adjusted EBITDA is not prepared in accordance with U.S. GAAP. Accordingly, you are cautioned not to place undue reliance on this information and should note that Consolidated Adjusted EBITDA, as calculated by us, may differ materially from similarly titled measures reported by other companies, including our competitors.

Market Data

This Annual Report includes industry, market and competitive position data that we have derived from independent consultant reports, publicly available information, industry publications, official government information and other third-party sources, as well as our internal data and estimates. Independent consultant reports, industry publications and other published sources generally indicate that the information contained therein was obtained from sources believed to be reliable. Although we believe that this information is reliable, the information has not been independently verified by us.

Certain Operating Measures

This Annual Report includes certain references to the number of travel customers, the number of transactions and gross bookings and total payment volume, which are operating measures. We calculate our number of travel customers to reflect, during a given period, the number of customers who purchased and finalized payment for one or more of our travel products. We define the number of transactions as the total number of travel customer orders completed on our platform or financing merchant customers (excluding Decolar) of the "Buy Now, Pay Later" solution during a given period. We define gross bookings as the aggregate purchase price of all travel products booked by our travel customers through our platform during a given period related to our travel business. We define gross bookings net as the operating measure that represents our gross bookings net of withholding taxes on international trips in Argentina. We define total payment volume as the US dollar loan volume processed by our "Buy Now, Pay Later" financing solution during a specific period of time. For more information, see "Item 5. Operating and Financial Review and Prospects—A. Operating Results — Operating and Financial Metrics."

Currency Presentation

In this Annual Report, references to "dollars" and "\$" are to the currency of the United States, references to "Brazilian Real," "Brazilian Reais" and "R\$" are to the currency of Brazil, references to "Mexican Peso" and "MX\$" are to the currency of Mexico and references to "Argentine Peso" and "AR\$" are to the currency of Argentina.

Rounding

Certain figures included in this Annual Report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be exact arithmetic aggregations or percentages of the figures that precede them.

Trademarks

Our key trademarks are "Despegar", "Despegar.com", "Decolar", "Decolar.com", "Best Day", "BD Experience", "HotelDo", "Viajanet", "Stays" and "Koin". Other trademarks or service marks appearing in this Annual Report are the property of their respective holders. Solely for the convenience of the reader, we refer to our brands in this Annual Report without the ® symbol, but these references are not intended to indicate in any way that we will not assert our rights to these brands to the fullest extent permitted by law.

Forward-Looking Statements

This Annual Report includes forward-looking statements, principally under the captions "Item 3. Key Information," "Item 4. Information on the Company—Business Overview" and "Item 5. Operating and Financial Review and Prospects." We have based these forward-looking statements largely on our current beliefs, expectations and projections about future events and financial trends affecting our business and our market. Many important factors, in addition to those discussed elsewhere in this Annual Report, could cause our actual results to differ substantially from those anticipated in our forward-looking statements.

We operate in a competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Annual Report. The words "believe," "may," "should," "aim," "estimate," "continue," "anticipate," "intend," "will," "expect" and similar words are intended to identify forward-looking statements. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, capital expenditures, financing plans, competitive position, industry environment, potential growth opportunities, the effects of future regulation and the effects of competition. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly or to revise any forward-looking statements after we distribute this Annual Report because of new information, future events or other factors. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange

[Table of Contents](#)

Act of 1934. Forward-looking statements are not guarantees of future performance and the future events and circumstances discussed in this Annual Report may not occur or come into existence. Considering these limitations, you should not make any investment decision in reliance on forward-looking statements contained in this Annual Report. In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks listed below and those discussed under the caption “Item 3. Key Information—D. Risk Factors” in this Annual Report.

These cautionary statements should not be construed by you to be exhaustive and are made only as of the date hereof. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Additional Information

Our principal website addresses are www.despegar.com and www.decolar.com. The information on our websites should not be deemed to be part of this Annual Report. SEC also maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with SEC using its EDGAR system.

ITEM 1 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2 OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3 KEY INFORMATION

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Summary of Risk Factors

The following summarizes some, but not all, of the principal risks provided below. Please carefully consider all of the information discussed in this Item 3.D “Risk Factors” in this Annual Report for a detailed description of these and other risks.

- We are subject to the risks generally associated with doing business in Latin America.
- General declines or disruptions in the travel industry may adversely affect our business and results of operations.
- Our business and results of operations could be adversely affected by macroeconomic and political conditions.
- If we are unable to maintain or increase consumer traffic to our sites and our conversion rates, our business and results of operations may be harmed.
- We operate in a highly competitive and evolving market, and pressure from existing and new companies may adversely affect our business and results of operations.
- If we are unable to maintain existing, and establish new arrangements with travel suppliers, our business may be adversely affected.
- We rely on the value of our brands, and any failure to maintain or enhance consumer awareness of our brands could adversely affect our business and results of operations.

[Table of Contents](#)

- We rely on information technology, including artificial intelligence and machine-learning technology, to operate our business and maintain our competitiveness, and any failure to adapt to technological developments or industry trends could adversely affect our business.
- Some of our airline suppliers (including our GDS service providers) may reduce or eliminate the commission and other compensation they pay to us for the sale of airline tickets, which could adversely affect our business and results of operations.
- Our business and results of operations could be adversely affected when one or more of our major travel suppliers suffers a deterioration in its financial condition or restructures its operations.
- Any system interruption, security breaches, or lack of sufficient redundancy in our information systems may harm our businesses.
- We are subject to payments-related fraud risks.
- Our ability to attract, train and retain executives and other qualified employees, particularly highly-skilled IT professionals, is critical to our business and future growth.
- We rely on third-party systems and service providers and any disruption or adverse change in their businesses could have a material adverse effect on our business.
- Our business depends on the availability of credit cards and financing options for consumers.
- We rely on banks or payment processors to collect payments from travel customers and facilitate payments to suppliers, and changes to credit card association fees, rules or practices may adversely affect our business.
- Our business could be negatively affected by changes in search engine algorithms and dynamics or other traffic-generating arrangements.
- Our business depends on the continued growth of e-commerce and the availability and reliability of the internet in Latin America.
- Growth of e-commerce transactions in Latin America may be impeded by the lack of secure payment methods.
- Our future success depends on our ability to expand and adapt our operations in a cost-effective and timely manner.
- Acquisitions could present risks and disrupt our ongoing business.
- Our financial services business exposes us to additional risks and we may not be successful in growing the business.
- Inadequate credit analysis may adversely affect our financial services business.
- If our collection efforts on delinquent loans in our financial services business are ineffective or unsuccessful, the performance of the loans would be adversely affected.
- Changes in market interest rates could have an adverse effect on our financial services business.
- We rely on funding sources to support our financial services business.
- We depend on the accuracy and completeness of information about customers furnished to our financial services business, and any misrepresented information could adversely affect our business.
- Application of existing tax laws or regulations is subject to interpretation by taxing authorities, we are routinely audited by tax authorities and we are subject to potential tax, labor and social security contingencies and tax liabilities related to uncertain tax positions.
- Internet regulation in the countries where we operate is scarce, and several legal issues related to the internet are uncertain.
- We process, store and use personal information, card payment information and other consumer data, which subjects us to risks stemming from possible failure to comply with governmental regulation and other legal obligations.
- Amendment to existing tax laws or regulations or enactment of new unfavorable tax laws or regulations could adversely affect our business and results of operations.
- We are subject to anti-corruption and economic sanctions laws and regulations in the jurisdictions in which we operate, and failure to comply with these laws and regulations could negatively impact our business, our results of operations, and our financial condition.
- We are, and may be in the future, involved in various legal proceedings, the outcomes of which could adversely affect our business and results of operations.
- We may not be able to adequately protect and enforce our intellectual property rights; and we could potentially face claims alleging that our technologies infringe the property rights of others.
- Increased labor costs, compliance with labor laws and regulations and failure to maintain good relations with labor unions may adversely affect our results of operations.

[Table of Contents](#)

- A failure to comply with current laws, rules and regulations or changes to such laws, rules and regulations and other legal uncertainties may adversely affect our business, results of operations or business growth.
- Complaints from travel customers or negative publicity about our services can diminish consumer confidence and adversely affect our business.
- Consumer adoption and use of mobile devices creates new challenges.
- We rely on Expedia for substantially all of the hotel and other lodging products that we offer for all countries outside Latin America.
- We may experience constraints in our liquidity and may be unable to access capital when necessary or desirable, either of which could adversely affect our financial condition.
- Our business experiences seasonal fluctuations and quarter-to-quarter comparisons of our results may not be meaningful.
- The use of derivative financial instruments may adversely affect our results of operations, particularly in a volatile and uncertain market.
- Increased focus on our environmental, social and governance responsibilities have and will likely continue to result in additional costs and risks, and may adversely impact our reputation, employee retention and willingness of customers and partners to do business with us.
- Our business may be adversely affected by climate change.

You should carefully consider the risks described below, in addition to the other information contained in this Annual Report. We also may face additional risks and uncertainties that are not presently known to us, or that as of the date of this Annual Report we deem immaterial, which may impair our business, financial condition and results of operations. If any of these events occur, the trading price of our ordinary shares could decline. In general, you take more risk when you invest in the securities of issuers with operations in emerging markets such as Latin American countries than when you invest in the securities of issuers in the United States and other developed markets. The information in this Risk Factors section includes forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of numerous factors, including those described in “Forward-Looking Statements.”

Risks Related to Our Business

We are subject to the risks generally associated with doing business in Latin America.

Our business serves the Latin American travel industry and substantially all of our revenue is derived from Latin American countries. Substantially all of our operations are located in Latin America. Moreover, we have a significant number of transactions from Brazil, Mexico and Argentina as well as other Latin American countries. In 2023 Brazil accounted for 44% of our total number of transactions and Mexico accounted for 18% of our total number of transactions. For more information, see “—Risks Related to Latin America.”

General declines or disruptions in the travel industry may adversely affect our business and results of operations.

Our business is significantly affected by the trends that occur in the travel industry. As the travel industry is highly sensitive to business and personal discretionary spending levels, it tends to decline during general economic downturns. In addition, the outbreak of COVID-19 in 2020 disrupted worldwide economic activity and—in particular—the travel industry. Countries around the world, including across Latin America, adopted extraordinary measures to limit the spread of COVID-19, including imposing travel restrictions and bans, closing borders, establishing restrictions on public gatherings, instructing residents to practice social distancing, requiring closures of non-essential businesses, issuing stay at home advisories and orders, implementing quarantines, vaccination mandates and similar actions. As a result, global travel demand declined significantly and, consequently, resulted in a material adverse effect in our business, results of operations and cash flows. Trends or events that tend to reduce travel and are likely to reduce our revenue include:

- health-related risks, such as the spread of new variants of COVID-19 or the emergence of new pandemics;
- terrorist attacks or threats of terrorist attacks or wars;
- fluctuations in currency exchange rates;
- increased prices in the airline ticketing, hotel, or other travel-related sectors;
- significant changes in oil prices; travel-related strikes or labor unrest, bankruptcies or liquidations;
- travel-related accidents or the grounding of aircraft due to safety or other concerns;

[Table of Contents](#)

- political unrest and geopolitical conflicts;
- high levels of crime;
- natural disasters or severe weather conditions, including volcanic eruptions, hurricanes, flooding or earthquakes;
- changes in immigration policy; and
- travel restrictions or other security procedures implemented in connection with any major events, particularly those that affect travel by Latin Americans within their respective countries, across the region and outbound from the region to the rest of the world.

We could be severely and adversely affected by declines or disruptions in the travel industry and, in many cases, have little or no control over the occurrence of such events. Such events could result in a decrease in demand for our travel services. Any decrease in demand, depending on the scope and duration, could significantly and adversely affect our business and financial performance over the short and long term.

Our business and results of operations could be adversely affected by macroeconomic and political conditions.

Our results of operations are affected by global macroeconomic and political conditions, including inflation, interest rates, availability of capital, energy and commodity prices, trade laws and the effects of governmental initiatives to manage economic conditions. Global macroeconomic and political conditions may also materially affect travel suppliers and travelers. The ongoing conflict in Ukraine and the imposition of broad economic sanctions on Russia or the Middle East conflict, for example, could raise energy prices again, disrupt global markets and, generally, have a negative impact on the global economic and political conditions in the future.

Consumer purchases of discretionary items generally decline during periods of recession and other periods in which disposable income is adversely affected. As a substantial portion of travel expenditure, for both business and leisure, is discretionary, the travel industry tends to experience weak or reduced demand during economic downturns.

General adverse economic conditions, including the possibility of recessionary conditions in Latin America or a worldwide economic slowdown, would adversely impact our business, financial condition and results of operations. As an intermediary in the travel industry, a significant portion of our revenue is affected by prices charged by travel suppliers. During periods of poor economic conditions, airlines, hotels and other travel suppliers tend to reduce rates or offer discounted sales to stimulate demand, thereby reducing our commission-based income. A slowdown in economic conditions may also result in a decrease in transaction volumes and adversely affect our revenue, including our consumer fee-based income. It is difficult to predict the effects of the uncertainty in global economic conditions.

If economic conditions decline globally or in Latin America, our business, financial condition and results of operations could be adversely impacted.

If we are unable to maintain or increase consumer traffic to our sites and our conversion rates, our business and results of operations may be harmed.

Our ability to generate revenue depends, in part, on our ability to attract consumers to our platform. If we fail to maintain or increase consumer traffic and our conversion rates, our ability to grow our revenue could be negatively affected. We expect that our efforts to maintain or increase traffic are likely to include, among other things, significant increases to our marketing expenditures. We cannot assure you that any increases in our expenses will be successful in generating additional consumer traffic.

Additionally, some of our services and marketing activities rely on cookies, which are placed on individual browsers when users visit websites. We use these cookies to optimize our marketing campaigns, to better understand our users' preferences and to detect and prevent fraudulent activity. Users however can block or delete cookies through their browsers or "ad blocking" software or apps.

Any decrease to user retention, growth, or engagement could render our products less attractive to consumers and would seriously harm our business.

We operate in a highly competitive and evolving market, and pressure from existing and new companies may adversely affect our business and results of operations.

[Table of Contents](#)

The travel market in Latin America and worldwide is intensely competitive and rapidly evolving. Factors affecting our competitive success include, among other things, price, availability and breadth of choice of travel services and products, brand recognition, customer service, fees charged to travelers, ease of use, accessibility, consumer payment options and reliability. We currently compete with both established and emerging providers of travel services and products, including regional offline travel agency chains and tour operators, global online travel agencies (OTAs) with presence in Latin America and smaller, country-specific online and offline travel agencies and tour operators. In addition, our travel customers have the option to book travel directly with airlines, hotels and other travel suppliers who are increasingly focused on further refining their online offerings. Large, established internet search engines have also launched applications offering travel itineraries in destinations around the world, and meta-search companies who can aggregate travel search results also compete against us for travel customers. We also face competition from Airbnb and other providers acting in the alternative accommodations space. In addition, we face price competition from new entrants that offer discounted rates and other incentives from time to time, as well as social media channels that market travel products and experiences. Some of our competitors have significantly greater financial and other resources than us. From time to time we may be required to reduce service fees and revenue margins in order to compete effectively and maintain or gain travel customers, brand awareness and supplier relationships.

Further, we may also face increased competition from new entrants in our industry. We cannot assure you that we will be able to successfully compete against existing or new competitors. If we are not able to compete effectively, our business, financial condition and results of operations may be adversely affected.

Some travel suppliers are seeking to decrease their reliance on distribution intermediaries like us by promoting direct distribution channels. Many airlines, hotels, car rental companies and tour operators have call centers and have established their own travel distribution websites and mobile applications. From time to time, travel suppliers offer advantages, such as bonus loyalty awards and lower transaction fees or discounted prices, when their services and products are purchased from supplier-related channels. We also compete with competitors which may offer less content, functionality and marketing reach but at a relatively lower cost to suppliers. If our access to supplier-provided content or features were to be diminished either relative to our competitors or in absolute terms or if we are unable to compete effectively with travel supplier-related channels or other competitors, our business could be materially and adversely affected.

If we are unable to maintain existing, and establish new arrangements with travel suppliers, our business may be adversely affected.

Our business is dependent on our ability to maintain our relationships and arrangements with existing suppliers, such as airlines, global distribution system (GDS), service providers, hotels, hotel consolidators and destination services companies, car rental companies, bus operators, cruise companies and travel assistance providers, as well as our ability to establish and maintain relationships with new travel suppliers. In addition, the hotel and other lodging products that we offer through our platform for all countries outside Latin America are provided to us substantially all by affiliates of Expedia, and Expedia is the preferred provider to us of hotel and other lodging products in Latin America, pursuant to a lodging outsourcing agreement (the “Expedia Outsourcing Agreement”). For more information on our relationships with Expedia, see “Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions— Relationship with Expedia.” Adverse changes in key arrangements with our suppliers, including an inability of any key travel supplier to fulfill its payment obligation to us in a timely manner, increasing industry consolidation or our inability to enter into or renew arrangements with these parties on favorable terms, if at all, could reduce the amount, quality, pricing and breadth of the travel services and products that we are able to offer, which could adversely affect our business, financial condition and results of operations.

We cannot assure you that our agreements or arrangements with our travel suppliers or travel-related service providers will continue or that our travel suppliers or travel-related service providers will not further reduce commissions, terminate our contracts, make their products or services unavailable to us as part of exclusive arrangements with our competitors or default on or dispute their payment or other obligations towards us, any of which could reduce our revenue and margins or may require us to initiate legal or arbitral proceedings to enforce their contractual payment obligations, which may adversely affect our business, financial condition and results of operations.

We rely on the value of our brands, and any failure to maintain or enhance consumer awareness of our brands could adversely affect our business and results of operations.

We believe continued investment in our brand is critical to retain and expand our business. The travel customers’ awareness of our brand, which we foster via our online and offline marketing throughout our target markets in Latin America, has become one of the most important drivers of growth in our travel customer base, and we believe that our

[Table of Contents](#)

brands are well recognized in the Latin American travel market. We have invested in developing and promoting our brand since our inception and expect to continue to spend on maintaining the value of our brands to enable us to compete against increased spending by competitors and to allow us to expand into new services or increase our penetration in certain markets where our brands are less well known.

We cannot assure you that we will be able to successfully maintain or enhance consumer awareness of our brands. Even if we are successful in our branding efforts, such efforts may not be cost-effective. Our marketing costs may also increase as a result of inflation in media pricing. If we are unable to maintain or enhance consumer awareness of our brands and generate demand in a cost-effective manner, it would negatively impact our ability to compete in the travel industry and would have a material adverse effect on our business, financial condition and results of operations.

We rely on information technology, including artificial intelligence and machine-learning technology, to operate our business and maintain our competitiveness, and any failure to adapt to technological developments or industry trends could adversely affect our business.

We depend on the use of sophisticated information technology and systems, including artificial intelligence and machine-learning technology, for search and reservation for airline tickets, hotels, and any of the other products that we offer on our platform, as well as payments, refunds, customer relationship management, communications and administration. As our operations grow in both size and scope, we must continuously improve and upgrade our systems and infrastructure to improve services, features and functionality, while maintaining the reliability and integrity of our systems and infrastructure in a cost-effective manner. Our future success also depends on our ability to upgrade our services and infrastructure ahead of rapidly evolving consumer demands while continuing to improve the performance, features and reliability of our service in response to competitive offerings.

We may not be able to maintain or replace our existing systems or introduce new technologies and systems (including those based on generative artificial intelligence) as quickly as our competitors, in a cost-effective manner or at all. We may also be unable to devote adequate financial resources to develop or acquire new technologies and systems in the future.

We may not be able to use new technologies effectively, or we may fail to adapt our websites, mobile apps, transaction processing systems and network infrastructure to meet consumer requirements or emerging industry standards, comply with government regulation or prevent fraud or security breaches. If we face material delays in introducing new or enhanced solutions, our travel customers may forego the use of our services in favor of those of our competitors. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

In addition, the introduction of these technologies, particularly generative artificial intelligence, into new or existing offerings may result in new or expanded risks and liabilities, including due to enhanced governmental or regulatory scrutiny, litigation, compliance issues, ethical concerns, confidentiality or security risks, as well as other factors that could adversely affect our business, reputation, and financial results. Our personnel could, unbeknownst to us, improperly utilize artificial intelligence and machine learning-technology while carrying out their responsibilities. The use of artificial intelligence can lead to unintended consequences, including generating content that appears correct but is factually inaccurate, misleading or otherwise flawed, or that results in unintended biases and discriminatory outcomes, which could harm our reputation and business and expose us to risks related to inaccuracies or errors in the output of such technologies and the risk that using such technologies could result in leakage of our confidential information.

Some of our airline suppliers (including our GDS service providers) may reduce or eliminate the commission and other compensation they pay to us for the sale of airline tickets, which could adversely affect our business and results of operations.

In our air business, we generate revenue through commissions and incentive payments from airline suppliers (including our GDS service providers) and service fees charged to our travel customers. Our airline suppliers (including our GDS service providers) may reduce or eliminate the commissions, incentive payments or other compensation they pay to us. To the extent any of our airline suppliers (including our GDS service providers) reduce or eliminate the commissions, incentive payments or other compensation they pay to us, our revenue may be reduced unless we are able to adequately mitigate such reduction by increasing the service fee we charge to our travel customers or increasing our transaction volume in a sustainable manner. However, any increase in service fees may also result in a loss of potential travel customers. In addition, our arrangement with the airlines that supply airline tickets to us may limit the amount of service fee that we are able to charge our travel customers. Our business would also be negatively impacted if competition or regulation in the Latin American travel industry causes us to have to reduce or eliminate our service fees.

Our business and results of operations could be adversely affected when one or more of our major travel suppliers suffers a deterioration in its financial condition or restructures its operations.

As we are an intermediary in the travel industry, a substantial portion of our revenue is affected by the prices charged by our suppliers, including airlines, GDS service providers, hotels, destination service providers, car rental suppliers, tour operators, supply aggregators (such as other OTAs), cruise operators, bus service providers and travel assistance providers, and the volume of products offered by our suppliers. As a result, if one or more of our major suppliers suffers a deterioration in its financial condition or restructures its operations, it could adversely affect our business, financial condition and results of operations. Accordingly, our business may be negatively affected by adverse changes in the markets in which our suppliers operate.

In particular, as a substantial portion of our revenue depends on our sales of airline flights, we could be adversely affected by changes in the airline industry, including consolidation or bankruptcies and liquidations, and in many cases, we will have no control over such changes. Any consolidation in the airline industry in the future would result in fewer airlines with potentially more bargaining power with respect to the commissions and incentive payments or other fees they pay to intermediaries. Events or weaknesses specific to the airline industry that could negatively affect our business include airfare fluctuations, airport, airspace and landing fee increases, seat capacity constraints, removal of destinations or flight routes, travel-related strikes or labor unrest, imposition of taxes or surcharges by regulatory authorities and fuel price volatility.

If one of our major airline suppliers merges or consolidates with, or is acquired by, another company that either does not participate in the GDS systems we use, or that participates in such systems but at substantially lower levels, the surviving company may elect not to make supply available to us or may elect to do so at lower levels than the previous supplier. Similarly, in the event that one of our major airline suppliers voluntarily or involuntarily declares bankruptcy and is subsequently unable to successfully emerge from bankruptcy, and we are unable to replace such supplier, our business would be adversely affected. In addition, in certain of the countries in which we operate, we may be liable to claims from customers for suspension or termination of services in the event an airline files for bankruptcy. Further consolidation of one or more of the major airlines could result in further capacity reductions, a reduction in the number of airline tickets available for booking on our website and increased air fares, which may have a negative impact on demand for travel products.

The suspension or termination of services by major travel suppliers, in particular airlines, may affect the products we can offer to our travel customers. Furthermore, in certain of the countries in which we operate, we could potentially be liable for suspended or terminated bookings in the event of bankruptcy by the airline or other travel service provider.

Any system interruption, security breaches, or lack of sufficient redundancy in our information systems may harm our businesses.

We rely on information technology systems, including the internet and third-party hosted services, to support a variety of business processes including booking transactions, and activities and to store sensitive data, including our proprietary business information and that of our suppliers, personally identifiable information and other information of our travel customers and employees and data with respect to invoicing and the collection of payments, accounting and procurement activities. In addition, we rely on our information technology systems to process financial information and results of operations for internal reporting purposes and to comply with financial reporting, legal, and tax requirements. The risk of a cybersecurity-related attack, intrusion, or disruption, including spyware, viruses, phishing, denial of service and similar attacks by criminal organizations, hacktivists, foreign governments, and terrorists, is persistent. We have experienced and may in the future experience system interruptions that make some or all of these systems unavailable or prevent us from efficiently fulfilling orders or providing services to third parties. Interruptions of this nature could include security intrusions and attacks on our systems for fraud or service interruption. Significant interruptions, outages or delays in our internal systems, or systems of third parties that we rely upon—including multiple co-location providers for data centers, cloud computing providers for application hosting, and network access providers—and network access, or deterioration in the performance of such systems, would impair our ability to process transactions, decrease our quality of service that we can offer to our travel customers, damage our reputation and brands, increase our costs and/or cause losses.

Potential security breaches to our systems or the systems of our service providers, whether resulting from internal or external sources, could significantly harm our business. Our cybersecurity risk management program is based on the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF), and on recognized best practices and standards for cybersecurity and information technology and we conduct regular scans, penetration tests, and

[Table of Contents](#)

vulnerability assessments to identify potential threats or vulnerabilities in our systems, but we cannot assure you that these measures will prevent all possible security breaches or attacks that could cause significant interruptions in our operations. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches, and reductions in website availability could cause a loss of substantial business volume during the occurrence of any such incident. Because the techniques used to sabotage security change frequently, often are not recognized until launched against a target and may originate from less regulated and remote areas around the world, we may be unable to proactively address these techniques or to implement adequate preventive measures. We have obtained cyber insurance, however we cannot assure you that our insurance will be sufficient to protect against our losses or will cover all potential incidents. Moreover, security breaches could result in negative publicity and damage to our reputation, result in regulatory scrutiny and exposure to risk of loss or litigation and possible liability due to regulatory penalties and sanctions or pursuant to our contractual arrangements with payment card processors for associated expenses and penalties. Security breaches could also cause travel customers and potential users and our suppliers to lose confidence in our security, which would have a negative effect on the value of our brands. Failure to adequately protect against attacks or intrusions, whether for our own systems or those of our suppliers, could expose us to security breaches that could have an adverse impact on our financial performance.

In addition, we cannot assure you that our backup systems or contingency plans will sustain critical aspects of our operations or business processes in all circumstances, many other systems are not fully redundant and our disaster recovery or business continuity planning may not be sufficient. Fire, flood, power loss, telecommunications failure, break-ins, earthquakes, acts of war or terrorism, acts of God, computer viruses, electronic intrusion attempts from both external and internal sources and similar events or disruptions may damage or impact or interrupt computer or communications systems or business processes at any time. Although we have put measures in place to protect certain portions of our facilities and assets, any of these events could cause system interruption, delays and loss of critical data, and could prevent us from providing services to our travel customers and/or third parties for a significant period of time. Remediation may be costly and we may not have adequate insurance to cover such costs. Moreover, the costs of enhancing infrastructure to attain improved stability and redundancy may be time consuming and expensive and may require resources and expertise that are difficult to obtain.

We are subject to payments-related fraud risks.

We are held liable for accepting fraudulent bookings on our platform and other bookings for which payment is successfully disputed by the cardholder, both of which lead to the reversal of payments received by us for such bookings (referred to as a “chargeback”). Our results of operations may be negatively affected by our acceptance of fraudulent bookings made using credit cards. Our ability to detect and combat fraud, which has become increasingly common and sophisticated, may be negatively impacted by the adoption of new payment methods, the emergence and innovation of new technology platforms, including smartphones, tablets and other mobile devices, and our expansion, including into geographies with a history of elevated fraudulent activity. If we are unable to effectively combat fraud on our platform or if we otherwise experience increased levels of chargebacks, our results of operations could be materially adversely affected.

We have agreements with companies that process travel customers’ credit and debit card transactions for the facilitation of travel customer bookings of travel services from our travel suppliers. These agreements allow these processing companies, under certain conditions, to hold an amount of our cash (referred to as a “holdback”) or require us to otherwise post security equal to a portion of bookings that have been processed by such companies. These processing companies may be entitled to a holdback or suspension of processing services upon the occurrence of specified events, including material adverse changes in our financial condition. Moreover, there can be no assurance that the rates we pay for the processing of travel customer’s credit and debit card transactions will not increase, which could reduce our revenue thereby adversely affecting our business and financial performance.

In addition, when onboarding suppliers to our platform, we may fail to identify falsified or stolen supplier credentials, which may result in fraudulent bookings or unauthorized access to personal or confidential information of users of our websites and mobile applications. A fraudulent supplier scheme could also result in negative publicity and damage to our reputation and could cause users of our websites and mobile applications to lose confidence in the quality of our services. Any of these events would have a negative effect on the value of our brands, which could have an adverse impact on our financial performance.

Our ability to attract, train and retain executives and other qualified employees, particularly highly-skilled IT professionals, is critical to our business and future growth.

[Table of Contents](#)

Our business and future success is substantially dependent on the continued services and performance of our key executives, senior management and skilled personnel, particularly personnel with experience in our industry and our information technology and systems. Any of these individuals may choose to terminate their employment with us at any time and we cannot assure you that we will be able to retain these employees or find adequate replacements, if at all.

The specialized skills we require can be difficult, time-consuming, and expensive to acquire and/or develop and, as a result, these skills are often in short supply. A lengthy period of time may be required to hire and train replacement personnel when skilled personnel depart our company. Our ability to compete effectively depends on our ability to attract new employees and to retain and motivate our existing employees. We may be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting the quality of employees that our business requires. Competition for these personnel is intense, and we cannot assure you that we will be able to successfully attract, integrate, train, retain, motivate and manage sufficiently qualified personnel. In addition, prospective and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, experiences significant volatility or increases such that prospective employees or independent contractors believe there is limited or less upside to the value of our equity awards, it may adversely affect our ability to recruit and retain key employees.

In addition, we compete for talented individuals not only with other companies in our industry but also with companies in other industries, such as software services, engineering services and financial services companies, among others, and there is a limited pool of individuals who have the skills and training needed to help us grow our company. High attrition rates of qualified personnel could have an adverse effect on our ability to expand our business, as well as cause us to incur greater personnel expenses and training costs.

Moreover, while we sometimes require our senior management to sign non-compete agreements, typically for a period of one year following termination, we cannot assure you that our former employees will not compete with us in the future. In addition, these non-compete agreements may be difficult to enforce in certain Latin-American jurisdictions.

If we are unable to identify, attract, hire, train and retain sufficient employees in these areas, users may not have satisfactory experiences and may turn to our competitors, which may adversely affect our business and results of operations.

We rely on third-party systems and service providers and any disruption or adverse change in their businesses could have a material adverse effect on our business.

We currently rely on a variety of third-party systems, service providers and software companies, including the GDS and other electronic central reservation systems used by airlines, various channel managing systems and reservation systems used by other suppliers, as well as other technologies used by payment gateway providers.

Any interruption or deterioration in performance of these third-party systems and services could have a material adverse effect on our business. Further, the information provided to us by certain of these third-party systems may not always be accurate due to either technical glitches or human error, and we may incur monetary and/or reputational loss as a result.

Our success is also dependent on our ability to maintain our relationships with these third-party systems and service providers. In the event our arrangements with any of these third parties are impaired or terminated, we may not be able to find an adequate alternative source of systems support on a timely basis or on commercially reasonable terms, which could result in significant additional costs or disruptions to our business. Any security breach at one of these companies could also affect our travel customers and harm our business.

Our business depends on the availability of credit cards and financing options for consumers.

Our business is highly dependent on the availability of credit cards and financing options for consumers. The continued growth of our business is also partially dependent on the expansion of credit card penetration in Latin America, which may never reach a percentage similar to more developed countries for reasons that are beyond our control, such as low credit availability for a significant portion of the population in such countries. The provision of credit cards and other consumer financing depends on the product offerings at local and regional banks operating in the countries we serve. In the past, banking systems in Latin America have suffered disruptions and significantly limited availability and increased cost of consumer credit. Banks may also change their product offerings that they provide to consumers or may change the availability or costs of such products, due to credit, regulations or other reasons beyond our control.

[Table of Contents](#)

We rely on various banks to provide financing to our travel customers who elect to use an installment plan payment option. Under our agreements with local and regional banks, we offer consumers the possibility of financing their purchases under installment plans established, offered and administered by the credit card holders' issuing banks. Under these agreements, the banks provide the financing arrangements to the consumers and they assume the risk of any potential payment default or delinquency by consumers. Some of our competitors also offer installment plans and may offer installment plans with more attractive terms. If we are not able to offer a competitive selection of installment plan financing at competitive rates, our business and results of operations could be adversely affected. Moreover, our agreements with local banks allow us to offer installment payment plans without assuming collection risk from the travel customer and receive payment in full (provided we choose not to factor such installment payments). We cannot assure you that local banks will not change their credit practices in the future. If our arrangements with local banks are impaired or terminated, our business and results of operations could be adversely affected.

In November 2021, the Central Bank in Argentina enacted Resolution 7407 (still in force) which imposes restrictions on consumers' ability to use credit card installment plans to finance international travel products and services, including air tickets, hotels and tourism services. These restrictions currently remain in place and we cannot predict if authorities will implement any other restrictions.

We rely on banks or payment processors to collect payments from travel customers and facilitate payments to suppliers, and changes to credit card association fees, rules or practices may adversely affect our business.

We rely on banks or payment processors to process collections and payments, and we pay a fee for this service. In the countries where we operate, the number of processors is limited so there is little or no competition among processors. From time to time, credit card associations may increase the interchange fees that they charge for each transaction using one of their cards.

For certain payment methods, including credit cards, we pay transaction and other fees, which may increase over time and raise our operating costs, lowering profitability. We rely on third parties to provide payment processing services and it could disrupt our business if these companies become unwilling or unable to provide these services to us. If we fail to comply with these third-party servicers' rules or requirements, or if our data security systems are breached or compromised, we may be liable for chargebacks, credit card issuing banks' costs, fines and higher transaction fees and we may lose our ability to accept credit card payments from our travel customers, process electronic funds transfers, or facilitate other types of online payments. If any of these situations were to occur, our business and results of operations could be adversely affected.

Our business could be negatively affected by changes in search engine algorithms and dynamics or other traffic-generating arrangements.

We utilize internet search engines such as Google, principally through the purchase of travel-related keywords, to generate a significant portion of the traffic to our websites. Search engines frequently update and change the algorithms that determine the placement and display of results of a user's search. It is possible that any such update could negatively affect us or may negatively affect us relative to our competitors. We have developed search engine management tools that are designed to bid more efficiently on portfolios of travel-related keywords and we have a search engine management team dedicated to reviewing the return of investment of all biddings. We cannot assure you that these tools will be effective over the long term, as the search engine sector is dynamic and rapidly changing.

In addition, a significant amount of traffic is directed to our websites through participation in pay-per-click and display advertising campaigns on search engines, including Google, and travel metasearch engines, including TripAdvisor and Trivago. A search or metasearch engine could, for competitive or other purposes, adopt emerging technologies, such as voice, or alter its search algorithms or results, any of which could cause us to place lower in search query results, or exclude our website from the search query results. If a major search engine changes its algorithms or results in a manner that negatively affects the search engine ranking, paid or unpaid, of our websites, or if competitive dynamics impact the costs or effectiveness of search engine optimization, search engine marketing or other traffic-generating arrangements in a negative manner, this may have a material and adverse effect on our business and financial performance. In addition, certain metasearch engines have added or may add various forms of direct or assisted booking functionality to their sites. To the extent such functionality is promoted at the expense of traditional paid listings, this may reduce the amount of traffic to our websites or those of our affiliates.

Our business depends on the continued growth of e-commerce and the availability and reliability of the internet in Latin America.

The market for e-commerce is developing in Latin America. Our future revenue depends substantially on Latin American consumers' widespread acceptance and use of the internet as a way to conduct commerce. The use of and interest in the internet (particularly as a way to conduct commerce) has grown rapidly since our inception and we cannot assure you that this acceptance, interest and use will continue in the regions we target. For us to grow our user base successfully, more consumers in our markets must accept and use new ways of conducting business and exchanging information.

The price of personal computers and/or mobile devices and internet access may limit our potential growth in countries with low levels of internet penetration and/or high levels of poverty. In addition, the infrastructure for the internet may not be able to support continued growth in the number of internet users, their frequency of use or their bandwidth requirements.

The internet could lose its viability in our target markets due to delays in telecommunications technological developments, or due to increased government regulation. If telecommunications services change or are not sufficiently available to support the internet, response times would be slower, which would adversely affect use of the internet and our service in particular. Moreover, lack of investment in mobile infrastructure in Latin America may limit the expansion of our mobile offerings, which is one of our key growth strategies.

Growth of e-commerce transactions in Latin America may be impeded by the lack of secure payment methods.

As secure methods of payment for e-commerce transactions have not been widely adopted in Latin America, both consumers and merchants may have a relatively low confidence level in the integrity of e-commerce transactions. Consumer confidence can be adversely affected by incidents of fraud and security breaches, including generally in the marketplace, which is beyond our control. Moreover, although we are certified under the Payment Card Industry Data Security Standards, most of our suppliers with which we share information are not. The continued growth of e-commerce in the region will depend on consumers' confidence in the safety of online payment methods.

Our future success depends on our ability to expand and adapt our operations in a cost-effective and timely manner.

We plan to continue to expand our operations by developing and promoting new and complementary services and increasing our penetration in our markets. Moreover, we seek to expand our travel customer base as income levels and access to internet and banking services, such as credit card issuances, increase in Latin America. We may not succeed at expanding our operations in a cost-effective or timely manner, and our expansion efforts may not have the same or greater overall market acceptance as our current services. Furthermore, any new service that we launch that is not favorably received by consumers could damage our reputation and diminish the value of our brands. To expand our operations, we will also need to spend significant amounts on development, operations, and other resources, and this may place a strain on our management, financial and operational resources. Similarly, a lack of market acceptance of these services or our inability to generate satisfactory revenue from any expanded services to offset their cost could have a material adverse effect on our business, financial condition and results of operations.

We may not be successful in implementing our long-term growth strategies.

Our long term growth strategies involve expanding our service and product offerings, enhancing our service platforms and potentially pursuing acquisitions or other strategic opportunities.

Our success in implementing our growth strategies could be affected by:

- our ability to attract travel customers in a cost-effective manner, including in markets where we have lower brand awareness or operational history;
- our ability to improve the competitiveness of our product offerings including by expanding the number of suppliers and negotiating fares and rates with existing and potential suppliers;
- our ability to market and cross-sell our travel services and products to facilitate the expansion of our business;
- our ability to compete effectively with existing and new entrants to the Latin American travel industry;
- our ability to expand and promote our mobile platform;
- our ability to build required technology;
- our ability to expand our businesses through strategic acquisitions and successfully integrate such acquisitions;
- the general condition of the global economy (particularly in Latin America) and continued growth in demand for travel services, particularly online;

[Table of Contents](#)

- the growth of the internet and mobile technology as a medium for commerce in Latin America; and
- changes in the regulatory environments where we operate.

Many of these factors are beyond our control and we cannot assure you that we will succeed in implementing our strategies. Even if we are successful in executing our growth strategies, our different businesses may not grow at the same rate or with a uniform effect on our revenue and profitability.

Acquisitions could present risks and disrupt our ongoing business.

We consider and evaluate acquisitions of, or significant investments in, complementary businesses as part of our business strategy. Acquisitions involve numerous risks, and any acquisition could have a material adverse effect on our business, financial condition and results of operations.

We may seek to undertake additional strategic acquisitions in the future. We cannot assure you that we will be successful in identifying opportunities and consummating acquisitions on favorable terms or at all. Depending on the size and timing of an acquisition, we may be required to raise future financing to consummate the acquisition.

Moreover, even if we are able to consummate a transaction, acquisitions may involve significant risks and uncertainties, which risks may include: distraction of management and other employees from our day-to-day operations and the development of new business opportunities; difficulties in integrating the operations of the acquired business and technology with our existing business and technology; greater than expected costs, liabilities, expenses and working capital requirements; challenges retaining travel customers or suppliers of acquired businesses; regulatory restrictions that prevent us from achieving the expected benefits of the acquisition; we may not derive the benefits such as operational or administrative synergies we expect from acquisitions, which may result in us committing capital resources and not receiving the expected returns; difficulties in modifying accounting standards rapidly; challenges in the ability to properly access and maintain an effective internal control environment over an acquired company to comply with public reporting requirements; problems assimilating or retaining employees; and other unidentified issues or contingencies not discovered in our pre-acquisition investigations and evaluations of those strategies and acquisitions. Furthermore, acquisitions, even if successful, could result in changes to the overall business and risk profile of our operations.

Our financial services business exposes us to additional risks and we may not be successful in growing the business.

Koin is a financial services company currently focused on digital payments and credit, in addition to the fraud business, primarily in Brazil and expanding to other countries in the region. Part of our strategy is to grow Koin's business in Brazil and to continue to expand its business into other markets in Latin America. Our financial services business involves additional risks not generally associated with our risks of operations, including:

- measuring and limiting credit risk adequately, in particular given that the typical "Buy Now, Pay Later" users are individuals with limited access to traditional financial services;
- managing for and limiting payment defaults;
- collectability of the loan portfolio is susceptible to changes in economic and market conditions;
- reliance on the availability of favorable financing;
- greater exposure to fraud-related risks, including identity theft and payment fraud; and
- additional compliance with legal obligations related to data privacy, data protection and information and cybersecurity.

We may not be successful in growing our financial services business, including if we are not able to adequately manage these risks.

Inadequate credit analysis may adversely affect our financial services business.

One of the payment methods we accept is the "Buy Now, Pay Later" option which is supported by our subsidiary Koin. The credit analysis of our customers' financial condition is based on Koin's proprietary risk model that uses multiple variables as predictors of the consumer's ability to repay the credit, including external and internal indicators which are combined in a risk matrix. Koin's risk model includes a number of assumptions and projections that may prove to be incorrect, since these assumptions and projections involve the exercise of judgment. We could suffer losses due to developments that are contrary to our expectations based on incorrect assumptions used for credit calculations, including with respect to a customer's credit profile as well as with respect to macroeconomic conditions. Furthermore, the customers

[Table of Contents](#)

that we target with our "Buy Now, Pay Later" option tend to have limited credit histories and may be particularly susceptible to economic downturns. Therefore, our predictions about the repayment capacity and behavior of these customers is particularly difficult.

Although we reassess the adequacy of our credit analysis from time to time, we cannot accurately determine whether our customers will pay according to our expectations. If our customers are not able to make the committed future payments, our results of operations may be adversely affected.

If our collection efforts on delinquent loans in our financial services business are ineffective or unsuccessful, the performance of the loans would be adversely affected.

Our ability to collect on loans in our financial services business is dependent on the consumer's continuing financial stability, and consequently, collections can be adversely affected by a number of factors, including job loss, divorce, death, illness, or personal bankruptcy. Furthermore, the application of various laws, including bankruptcy and debtor relief laws, may limit the amount that can be recovered on the loans. It is possible that a higher percentage of customers will seek protection under bankruptcy or debtor relief laws as a result of the current inflationary environment, the possibility of a recession and market volatility. Federal, state, or other restrictions could impair our ability to collect amounts owed and due on the loans facilitated through our platform, reduce income received from the loans facilitated through our platform, or negatively affect our ability to comply with our current financing arrangements or obtain financing with respect to the loans facilitated through our platform. In the event that initial attempts to contact a consumer are unsuccessful, certain delinquent loans may be referred to a collection agent that will service the loans using its own servicing platform. Further, if collection action must be taken in respect of a loan, the collection agent may charge additional amounts, which may reduce the amounts of collections that we receive.

Moreover, because our servicing fees in connection with the services we provide depend on the collectability of the loans facilitated through our platform, if there is an unexpected significant increase in the number of customers who fail to repay their loans or an increase in the principal amount of the loans that are not repaid, we will be unable to collect our entire servicing fee for the loans facilitated through our platform for which we act as service, and our business, results of operations, financial condition, future prospects, and cash flows could be materially and adversely affected our financial services business. In addition, if a consumer defaults on a loan, we may be unsuccessful in our efforts to collect the amount of the loan. As such, our originating bank partners could decide to originate fewer loans through our platform. An increase in defaults precipitated by these risks and uncertainties would adversely affect our financial services.

Changes in market interest rates could have an adverse effect on our financial services business.

The fixed interest rates charged on Koin's "Buy Now, Pay Later" option on the installment payments to our customers are calculated based upon existing and forecasted interest rates at the time of the purchase by the customer. Increases in the market benchmark would result in increases in the interest rates on new purchases. Increased interest rates may adversely impact the spending levels of consumers and their ability and willingness to purchase our products. Higher interest rates often lead to higher payment obligations, which may reduce the ability of customers to remain current on their obligations and, therefore, lead to increased delinquencies, defaults and charge-offs, and decreasing recoveries, all of which would adversely affect our results of operation.

We rely on funding sources to support our financial services business.

If we are unable to enter into new funding arrangements for our financial services business on terms acceptable to us, or at all, the prospects and growth of our financial services business would be adversely affected. To support the financial services model and the growth of our business, we must maintain a variety of funding arrangements.

We cannot assure you that funding arrangements will continue to be available on favorable terms or at all, and our funding strategy may change over time and depends on the availability of such funding arrangements. Disruptions in the credit markets or other factors, such as the current inflationary environment and rising interest rates, could adversely affect the availability, diversity, cost, and terms of our funding arrangements. In addition, our funding sources may reassess their exposure to our industry and either curtail access to uncommitted financing capacity, fail to renew or extend facilities, or impose higher costs to access our funding. The availability and diversity of our funding arrangements depends on various factors and are subject to numerous risks, many of which are outside of our control.

We depend on the accuracy and completeness of information about customers furnished to our financial services business, and any misrepresented information could adversely affect our business.

In evaluating credit risk, Koin relies on the information furnished by our customers, including identification, employment, financial condition and other relevant information. Some of the information regarding customers provided to us is used in

[Table of Contents](#)

proprietary credit scoring models, which we use to determine whether a customer meets the applicable criteria for installment payments. We rely on the accuracy and completeness of that information.

Not all customer information is independently verified. As a result, we rely on the accuracy and completeness of the information provided. If any of the information that is considered in the review process is inaccurate, incorrect or stale, whether intentional or not, and such inaccuracy or error is not detected prior to payment acceptance, the installment payment may have a greater risk of default than expected. Additionally, there is a risk that, following the date of the credit analysis that we obtain and review, a customer may have defaulted on, or become delinquent in the payment of, a pre-existing debt obligation, taken on additional debt, lost his or her job or other sources of income, or experienced other adverse financial events. Where an inaccuracy constitutes fraud or otherwise causes us to incorrectly conclude that a customer meets the applicable criteria, we generally bear the risk of loss associated with the inaccuracy. Any significant increase in inaccuracies or resulting increases in losses would adversely affect our business and results of operations.

Application of existing tax laws or regulations is subject to interpretation by taxing authorities, we are routinely audited by tax authorities and we are subject to potential tax, labor and social security contingencies and tax liabilities related to uncertain tax positions.

The application of income and non-income tax laws and regulations to our products and services, including transfer pricing rules applicable to cross-border operations with related parties or parties in tax havens or subject to privileged fiscal regimes, is subject to interpretation by the applicable taxing authorities across the multiple jurisdictions in which we operate our business. This may contribute to an increase in audit activity and harsher stances by tax authorities. Audits include questioning the timing and the amount of income and deductions, and the allocation of income and deductions among various tax jurisdictions. As such, additional taxes or other assessments may be in excess of our current tax reserves or may require us to modify our business practices to reduce our exposure to additional taxes going forward, any of which could have a material adverse effect on our business, financial condition and results of operations. In addition, tax regulations may be subject to change from time to time which may impact our business.

Significant judgment and estimation is required in determining our tax liabilities. In the ordinary course of our business, there are transactions and calculations, including intercompany transactions and cross-jurisdictional transfer pricing, for which the ultimate tax determination may be uncertain or otherwise subject to interpretation. Tax authorities may disagree with our intercompany charges, including the amount of or basis for such charges, cross-jurisdictional transfer pricing or other matters, and assess additional taxes. Although we believe our tax estimates are reasonable, the final determination of tax audits could be materially different from our historical income tax provisions and accruals, in which case we may be subject to additional tax liabilities, possibly including interest and penalties, which could have a material adverse effect on our cash flows and results of operations. Moreover, we have in the past and may in the future be required in certain jurisdictions to pay any such tax assessments prior to contesting their validity, which payments may be substantial.

Moreover, we are a party to a number of tax, labor and social security, regulatory and legal matters in the ordinary course of business. We estimate the range of our liability related to contingencies when we believe the amount or range of loss can be estimated. We record our best estimate of a loss when the loss is considered probable. When a liability is probable and there is a range of estimated loss with no best estimate in the range, we record the minimum estimated liability related to the lawsuits or claims. As additional information becomes available, we assess the potential liability related to our pending litigation and claims and revise our estimates. Significant judgment is required to determine the probability that a liability has been incurred and whether such liability is reasonably estimable. We base accruals made on the best information available at the time which can be highly subjective. Due to uncertainties related to the resolution of lawsuits and claims, the ultimate outcome may differ significantly from our estimates.

We also evaluate other potential contingent matters related to tax, labor and social security, regulatory and legal matters. We periodically evaluate the likelihood of probable and reasonably possible losses, if any, related to all known contingencies on an ongoing basis. Future increases or decreases to our accrued liabilities may be necessary and will be recorded in the period when such amounts are determined to be probable and reasonably estimable.

We evaluate our tax positions and establish liabilities for uncertain tax positions that may be challenged by local authorities and may not be fully sustained, despite our belief that the underlying tax positions are fully supportable. Uncertain tax positions are reviewed on an ongoing basis and are adjusted in light of changing facts and circumstances, including progress of tax audits, developments in case law, and closing of statute of limitations. Such adjustments are reflected in the income tax provision as appropriate. Our estimate of the potential outcome for any uncertain tax issue is highly judgmental. Although we believe we have adequately reserved for our uncertain tax positions, no assurance can be given with respect to the final outcome of these matters.

Internet regulation in the countries where we operate is scarce, and several legal issues related to the internet are uncertain.

Most of the countries where we operate do not have specific laws governing the liability of e-commerce business intermediaries, such as ourselves, for fraud, intellectual property infringement or other illegal activities committed by individual users or third-party infringing content hosted on a provider's servers. This legal uncertainty allows for different judges or courts to decide very similar claims in different ways and establish contradictory case law.

In addition, we are subject to a variety of laws, decrees and regulations across the countries where we operate that affect e-commerce, electronic or mobile payments, tourism, data collection, data protection, privacy, anti-money laundering, taxation (including VAT or sales tax collection obligations), obligations to provide certain information to certain authorities about transactions which are processed through our platforms or about our users and those regulations applicable to consumer protection and businesses in general. However, it is not clear how existing laws governing issues such as general commercial activities, property ownership, copyrights and other intellectual property issues, taxation (including tax laws that require us to provide certain information about transactions consummated through our platforms or about our users) and personal privacy apply to online businesses. Many of these laws were adopted before the internet was available and, as a result, do not contemplate or address the unique issues of the internet.

Moreover, due to these areas of legal uncertainty, and the increasing popularity and use of the internet and other online services, it is possible that new laws and regulations will be adopted with respect to the internet or other online services. If laws relating to these issues are enacted, they may have a material adverse effect on our business, results of operations and financial condition.

We are subject to laws relating to the collection, use, storage and transfer of personally identifiable information about our users, especially financial information. Several jurisdictions have regulations in this area, and other jurisdictions are considering imposing additional restrictions or regulations.

Because our services are accessible worldwide, other foreign jurisdictions may claim that we are required to comply with their laws. Laws regulating internet companies outside of the Latin American jurisdictions where we operate may be more restrictive to us than those in Latin America. In order to comply with these laws, we may have to change our business practices or restrict our services. We could be subject to penalties ranging from criminal prosecution, significant fines, or outright bans on our services for failure to comply with foreign laws.

We process, store and use personal information, card payment information and other consumer data, which subjects us to risks stemming from possible failure to comply with governmental regulation and other legal obligations.

In our business, we use personal information, card payment information and other consumer data from users of our website and mobile applications. There are numerous laws regarding privacy and the storing, sharing, use, processing, transfer, disclosure and protection of personal information, card payment information and other consumer data, the scope of which are changing, subject to differing interpretations, and may be inconsistent between countries or conflict with other rules. We strive to comply with all applicable laws, policies, legal obligations and industry codes of conduct relating to privacy and data protection. It is possible, however, that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or the practices of the company. Any failure or perceived failure by us, or our service providers, to comply with the privacy policies, privacy-related obligations to users or other third parties, or privacy related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information, payment card information or other consumer data, may result in governmental enforcement actions, litigation or public statements against the Company by consumer advocacy groups or others and could cause our travel customers and members to lose trust in our Company, as well as subject us to bank fines, penalties or increased transaction costs, all of which could have an adverse effect on our business.

The regulatory framework for privacy issues is currently in flux and is likely to remain so for the foreseeable future. Practices regarding the collection, use, storage, transmission and security of personal information by companies operating over the internet have recently come under increased public scrutiny. Countries in Latin America are increasingly implementing new privacy regulations, resulting in additional compliance burdens and uncertainty as to how some of these laws will be interpreted.

Amendment to existing tax laws or regulations or enactment of new unfavorable tax laws or regulations could adversely affect our business and results of operations.

Many of the underlying laws or regulations imposing taxes and other obligations were established before the growth of the digital economy. If the tax or other laws or regulations were amended, or if new unfavorable laws or regulations were enacted, our tax payments or other obligations could increase, prospectively or retrospectively, which may subject us to interest and penalties, decrease the demand for our products and services if we pass on such costs to our travel customers, result in increased costs to update or expand our technical or administrative infrastructure or effectively limit the scope of our business activities if we decided not to conduct business in particular jurisdictions. As a result, these changes could have an adverse effect on our business or results of operations.

Governments could adopt tax laws that increase our tax rate or tax liabilities or affect the carrying value of deferred tax assets or liabilities, including the termination of tax-free incentives or termination of treaties for the avoidance of double taxation. Any changes to tax laws could impact the tax treatment of our earnings and adversely affect our profitability.

In addition, we have benefited from, and continue to benefit from, certain tax exemptions and incentive programs in various jurisdictions in which we have operations. When any of our tax exemptions or incentive programs expire or terminate, or if the applicable government withdraws or reduces the benefits of a tax exemption or incentive that we enjoy, our tax expense may materially increase and this increase may have a material impact on our results of operations.

Our tax liabilities in the future may also be adversely affected by changes to our operating structure, changes in the mix of revenue and earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax balances, or the discontinuance of beneficial tax arrangements in certain jurisdictions.

We continue to work with relevant governmental authorities to clarify our obligations under existing, new and emerging tax laws, rules and regulations. However, due to the increasing pace of legislative changes and the scale of our business activities, any substantial changes in tax policies, enforcement activities or legislative initiatives may materially and adversely affect our business, financial condition and results of operations, and the taxes we are required to pay.

We are subject to anti-corruption and economic sanctions laws and regulations in the jurisdictions in which we operate, and failure to comply with these laws and regulations could negatively impact our business, our results of operations, and our financial condition.

We are subject to a number of anti-corruption and economic sanctions laws and regulations, including the U.S. Foreign Corrupt Practices Act (“FCPA”) and regulations administered and enforced by the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”). Failure to comply with these laws and regulations could negatively impact our business, our results of operations, and our financial condition.

The FCPA and similar anti-bribery laws generally prohibit companies and their intermediaries from making improper payments or improperly providing anything of value to foreign officials, directly or indirectly, for the purpose of obtaining or keeping business and/or other benefits. The FCPA also requires maintenance of adequate record-keeping and internal accounting practices to accurately reflect transactions. Under the FCPA, companies operating in the United States may be held liable for actions taken by their strategic or local partners or representatives. Other jurisdictions in which we operate have adopted similar anti-corruption, anti-bribery and anti-kickback laws to which we are subject.

Economic sanctions and embargo laws and regulations, such as those administered and enforced by OFAC, vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time.

Civil and criminal penalties may be imposed for violations of these laws. We operate in some countries which are viewed as high risk for corruption and/or economic sanctions issues. Despite our ongoing efforts to ensure compliance with the FCPA and similar laws, and economic sanctions laws and regulations, there can be no assurance that our officers, directors, employees, agents, and third-party intermediaries will comply with those laws and our policies, and we may be ultimately held responsible for any such non-compliance. If we or our officers or directors violate such laws or other similar laws governing the conduct of our business (including local laws), we or our officers or directors may be subject to criminal and civil penalties or other remedial measures, which could harm our reputation and have a material adverse impact on our business, financial condition and results of operations. Any investigation of any actual or alleged violations of such laws could also harm our reputation or have an adverse impact on our business, financial condition and results of operations.

[Table of Contents](#)

We are, and may be in the future, involved in various legal proceedings, the outcomes of which could adversely affect our business and results of operations.

We are, and may be in the future, involved in various legal proceedings relating to allegations of our failure to comply with consumer protection, labor, tax or antitrust regulations, that could involve claims or sanctions for substantial amounts of money or for other relief or that might necessitate changes to our business or operations.

Our websites contain information about hotels, flights, popular vacation destinations and other travel-related topics. It is possible that if any information, accessible on our websites, contains errors or false or misleading information, third parties could take action against us for losses incurred in connection with the use of such information. In addition, because consumer protection laws in many of our markets provide for joint liability, travel customers may bring claims against us for a failure or deficiencies in the provision of a travel product or service by one of our suppliers that is outside of our control.

The defense of any of these actions is, and may continue to be, both time-consuming and expensive. We cannot assure you that we will prevail in these legal proceedings or in any future legal proceedings and if such disputes were to result in an unfavorable outcome, it could result in reputational damage and have a material adverse effect on our business, financial condition and results of operations. For a discussion of certain key legal proceedings relating to us, see “Item 4. Information on the Company — Business Overview — Legal Proceedings.”

We may not be able to adequately protect and enforce our intellectual property rights; and we could potentially face claims alleging that our technologies infringe the property rights of others.

We protect our brands and domain names by relying on trademark and domain name registration in accordance with laws in Latin America. We have also entered into confidentiality and invention assignment agreements with our employees and certain contractors, as well as confidentiality agreements with certain suppliers and strategic partners, in order to protect our technology and content. We own our technology platform, which consists of applications that we develop in-house using primarily open source software. We have not registered our technology, however, because we believe it would be difficult to replicate and that it is adequately protected by the agreements we have in place. Additionally, our technology is constantly evolving and any registration may run the risk of protecting outdated technology. Even with these precautions, it may be possible for another party to copy or otherwise obtain and use our intellectual property without our authorization or to develop similar intellectual property independently. Effective trademark protection may not be available in every jurisdiction in which our services are made available, and policing unauthorized use of our intellectual property is difficult and expensive. Any misappropriation or violation of our rights could have a material adverse effect on our business.

Furthermore, we may need to go to court or other tribunals to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. These proceedings might result in substantial costs and diversion of resources and management attention.

We currently license from third parties some of the technologies, trademarks and content incorporated into our websites. As we continue to introduce new services that incorporate new technologies, third party trademarks and content, we may be required to license additional technologies, third party trademarks and content. We cannot be sure that such technologies and content licenses will be available on commercially reasonable terms, if at all.

Third parties may assert that our services, products and technology, including software and processes, violate their intellectual property rights. As competition in our industry increases and the functionality of technology offerings further overlaps, such claims and counterclaims could increase. We cannot assure you that we do not or will not inadvertently infringe on the intellectual property rights of third parties. Any intellectual property claim against us, regardless of its merit, could have an adverse effect on our business, financial condition and results of operations and could be expensive and time consuming to defend. Our failure to prevail in such matters could result in loss of intellectual property rights, judgments awarding substantial damages and injunctive or other equitable relief against us, or require us to delay or cease offering services or reduce features in our services.

Increased labor costs, compliance with labor laws and regulations and failure to maintain good relations with labor unions may adversely affect our results of operations.

[Table of Contents](#)

We are required to comply with extensive labor regulations in each of the countries in which we have employees, including with respect to wages, social security benefits and termination payments. If we fail to comply with these regulations, we may face labor claims and government fines.

In the past, governments from certain countries in which we operate, including Argentina, have adopted laws, regulations and other measures requiring companies in the private sector to increase wages and provide specified benefits to employees. We cannot assure you that these governments will not do so again in the future. In addition, some of our employees in Argentina, Brazil and certain other countries are currently represented by labor unions. We may face pressure from our labor unions or otherwise to increase salaries.

Due to high levels of inflation and full employment in the tech industry, we expect to continue to raise salaries. If future salary increases in the Argentine peso or the currencies of other countries in which we have employees exceed the pace of the devaluation of those currencies, such salary increases could adversely affect our business, results of operations and financial condition.

Moreover, while we have enjoyed satisfactory relationships with labor unions that represent our employees, labor-related disputes may still arise. Labor disputes that result in strikes or other disruptions could adversely affect our business, financial condition and result of operations.

A failure to comply with current laws, rules and regulations or changes to such laws, rules and regulations and other legal uncertainties may adversely affect our business, results of operations or business growth.

We have been subject, and we will likely be subject in the future, to inquiries from time to time from regulatory bodies concerning compliance with consumer protection, tax, labor, antitrust and travel industry-specific laws and regulations.

Such inquiries have included investigations and legal proceedings relating to the travel industry and, in particular, parity provisions in contracts between hotels and travel companies, including us, as well as allegations of “geopricing” or “geoblocking practices.” See “Item 4. Information on the Company—Business Overview—Legal Proceedings” for more information. Parity provisions are significant to our business model, and their removal or modification may adversely affect our business, financial condition and results of operations. We are unable at this time to predict the timing or outcome of these various investigations and lawsuits, or similar future investigations or lawsuits, and their impact, if any, on our business and results of operations.

The failure of our businesses to comply with these laws and regulations could result in fines and/or proceedings against us by governmental agencies and/or consumers, which if material, could adversely affect our business, financial condition and results of operations. Further, if such laws and regulations are not enforced equally against other competitors in a particular market, our compliance with such laws may put us at a competitive disadvantage vis-à-vis competitors which do not comply with such requirements.

Complaints from travel customers or negative publicity about our services can diminish consumer confidence and adversely affect our business.

In the past, government and consumer protection agencies have received a substantial number of complaints about our products, which represent a small percentage of our total transactions but could increase in the future. Many of these claims are related to the behavior of our suppliers. From time to time, we are involved in disputes or regulatory inquiries that arise in the ordinary course of business. The number and significance of these disputes and inquiries have increased as our business has expanded. We have responded to inquiries from regulatory agencies; however, we are likely to receive inquiries in the future, which may lead to actions against us. If during these inquiries we were found to violate any laws or to constitute unfair business practices, we could be subject to civil damages, enforcement actions, fines or penalties. Such actions or fines could require us to restructure our business processes in ways that would harm our business and cause us to incur substantial costs.

Because volume and growth in the number of new travel customers are key drivers of our revenue and profitability, travel customers’ complaints or negative publicity about our customer service could severely diminish consumer confidence and use of our services. Measures we sometimes take to combat risks of fraud and breaches of privacy and security can damage relations with our travel customers. To maintain good customer relations, we need prompt and accurate customer service to resolve irregularities and disputes. Effective customer service requires significant personnel expense and investment in developing programs and technology infrastructure to help customer service representatives carry out their functions. These expenses, if not managed properly, could significantly impact our profitability. Failure to manage or train our customer service representatives properly, could compromise our ability to handle our travel customer’s complaints effectively. In

addition, if we do not handle travel customer complaints effectively, our reputation and brand may suffer and we may lose our travel customers' confidence.

Consumer adoption and use of mobile devices creates new challenges.

Widespread adoption of mobile devices, coupled with the web browsing functionality and development of apps available on these devices, is driving substantial online traffic and commerce to mobile platforms. We have experienced a significant shift of business to mobile platforms and our suppliers are also seeing a rapid shift of traffic to mobile platforms.

Many of our competitors and new market entrants are offering mobile apps for travel products and other functionality, including proprietary last-minute discounts for accommodation reservations. Advertising and distribution opportunities may be more limited on mobile devices given their smaller screen sizes. The average price of travel products purchased in mobile transactions may be less than a typical desktop transaction due to different consumer purchasing patterns. Further, given the device sizes and technical limitations of tablets and smartphones, mobile consumers may not be willing to download multiple apps from multiple companies providing a similar service and instead prefer to use one or a limited number of apps for their mobile travel activity. As a result, the consumer experience with mobile apps as well as brand recognition and loyalty are likely to become increasingly important. Our mobile offerings drive a material and increasing share of our business. We believe that mobile bookings present an opportunity for growth and are necessary to maintain and grow our business as consumers increasingly turn to mobile devices instead of a desktop computer. As a result, it is increasingly important for us to develop and maintain effective mobile apps and websites optimized for mobile devices to provide consumers with an appealing, easy-to-use mobile experience. If we are unable to continue to innovate rapidly and create new, user-friendly and differentiated mobile offerings and advertise and distribute on these platforms efficiently and effectively, or if our mobile offerings are not used by consumers, we could lose considerable market share to existing competitors or new entrants and our business, financial condition and results of operations could be adversely affected.

Moreover, we are dependent on the compatibility of our app with popular mobile operating systems that we do not control, such as Android and iOS, and any changes in such systems that degrade our products' functionality or give preferential treatment to competitive products could adversely affect the usage of our app on mobile devices. Additionally, in order to deliver high quality mobile products, it is important that our products work well with a range of mobile technologies, systems, networks, and standards that we do not control. We may not be successful in developing relationships with key participants in the mobile industry or in developing products that operate effectively with these technologies, systems, networks, or standards. In the event that it is more difficult for our users to access and use our app on their mobile devices, or if our users choose not to access or use our app on their mobile devices or use mobile products that do not offer access to our app, our user growth and user engagement could be harmed.

We rely on Expedia for substantially all of the hotel and other lodging products that we offer for all countries outside Latin America.

Substantially all hotel and other lodging products that we offer through our platform for all countries outside Latin America are provided to us by affiliates of Expedia pursuant to the Expedia Outsourcing Agreement. In addition, Expedia is the preferred provider to us of hotel and other lodging products in Latin America. For more information on our relationships with Expedia, see "Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions— Relationship with Expedia."

If Expedia's affiliates cease to provide us with their hotel and other lodging products, we may be unable to find another provider and offer these products to our users for some time and it might be difficult for us to replace this supply in the short term, which would negatively affect our business, financial condition and results of operations.

Pursuant to the Expedia Outsourcing Agreement, Expedia pays monthly marketing fees to us, which are calculated as a percentage of the gross booking value of the bookings that we sourced through Expedia during that month. We are required to maintain a level of bookings through Expedia such that those marketing fees equal at least \$5.0 million in a six-month period; otherwise, Expedia may require us to pay a \$125.0 million termination fee. The agreement allows us to source a limited percentage of our hotel bookings outside of Latin America without Expedia and from certain pre-agreed properties. However, if such transactions exceed the agreed percentage threshold during a six-month period, we may be required to pay compensation to Expedia; and if our non-Expedia sourced bookings outside of Latin America exceed the agreed percentage of gross bookings outside of Latin America for two consecutive quarters, or a higher agreed percentage threshold in one quarter, Expedia may elect to become our exclusive provider outside of Latin America once again. If such transactions exceed the agreed percentage of the minimum bookings determined in the agreement for any three

consecutive months or any three months within a six-month period, then Expedia may require us to pay a \$125.0 million termination fee.

The Expedia Outsourcing Agreement may also be terminated by Expedia, and we may be required to pay the termination payment, if the termination by Expedia is for our material breach of certain terms under the agreement or our Shareholder Agreements. In addition, Expedia may unilaterally terminate the Expedia Outsourcing Agreement in the event of a change of control of our Company. Moreover, if the hotel and other lodging products provided by Expedia were to suffer a deterioration in scale or quality, or if their pricing were not attractive, the products and services that we offer to our users would be adversely affected. The Expedia Outsourcing Agreement may be terminated by us unilaterally beginning from July 18, 2023 upon payment of a \$125.0 million termination payment to Expedia. Consequently, if a deterioration in the scale or quality of the products and services provided exclusively to us by affiliates of Expedia were to occur, or if their pricing were not attractive, we may continue to be limited from terminating the Expedia Outsourcing Agreement.

We may experience constraints in our liquidity and may be unable to access capital when necessary or desirable, either of which could adversely affect our financial condition.

A significant part of our cash balance is held in U.S. dollars. Foreign currency exposure is minimized by managing natural hedges, such as netting the Company's current assets and current liabilities denominated in the same foreign currencies, by managing short term loans and short term investments and engaging in forward contracts for hedging purposes.

Although we believe we have a sufficient level of cash and cash equivalents to cover our working capital needs in the ordinary course of business for at least the next twelve months, we may, from time to time, explore additional financing sources and means to improve our liquidity and lower our cost of capital, which could include equity, equity-linked and debt financing and factoring activities. In addition, from time to time, we review acquisition and investment opportunities to further implement our business strategy and may fund these investments with bank financing, the issuance of debt or equity or a combination thereof.

The availability of financing depends in significant measure on capital markets and liquidity factors over which we exert no control. In light of periodic uncertainty in the capital and credit markets, we can provide no assurance that sufficient financing will be available on desirable or even any terms to improve our liquidity, fund investments, acquisitions or extraordinary actions or that our counterparties in any such financings would honor their contractual commitments, which in turn could negatively affect our business, results of operations and financial condition. In addition, if we raise funding through the issuance of new equity or equity-linked securities, it would dilute the percentage ownership of our then existing shareholders.

A resurgence in the spread of new variants of COVID-19, or the emergence of new pandemics, or even widespread fear of contagious diseases, could impact economic activity and travel and, consequently, could adversely affect our cash flows and business in the future.

We may incur significant losses in the future for a number of reasons, including the other risks described in this Annual Report, and we may further encounter unforeseen expenses, difficulties, complications, delays, and other unknown events. If our costs and expenses increase at a more rapid rate than our revenue, we may not be able to sustain profitability and may incur losses.

Our business experiences seasonal fluctuations and quarter-to-quarter comparisons of our results may not be meaningful.

Our business experiences fluctuations, reflecting seasonal variations in demand for travel services. We generally experience seasonal fluctuations in the demand for our travel services, which affects our revenues in a quarter to quarter basis. The seasonal revenue impact is exacerbated with respect to income by the nature of variable cost of revenue and direct sales and marketing costs, which is typically realized in closer alignment to booking volumes, and the more stable nature of fixed costs.

The continued growth of international operations or a change in product mix may influence the typical trend of the seasonality in the future, and there may also be business or market driven dynamics that result in short-term impacts to revenue or profitability that differ from the typical seasonal trends.

[Table of Contents](#)

As a result, quarter-to-quarter comparisons of our results may not be meaningful. Moreover, seasonal fluctuations in our results of operations could result in declines in our share price that are not related to the overall performance and prospects of our business.

The use of derivative financial instruments may adversely affect our results of operations, particularly in a volatile and uncertain market.

From time to time, we enter into derivative transactions to manage our risks associated with currency exchange rates and interest rates. Significant changes may occur in our portfolio of derivative instruments due to increasing volatility and the fluctuation of the currencies of certain countries where we operate, including Brazil, Mexico and Argentina, against the dollar and volatility in the relevant interest rates, and we may incur net losses from our derivative financial instruments. The fair value of the derivative instruments fluctuates over time as a result of the effects of future interest rates and exchange rates. These values must be analyzed in connection with the underlying transactions and as a part of our total average exposure to interest rate and exchange rate fluctuations. It is difficult to predict the magnitude of the risk resulting from derivative instruments because the appreciation is imprecise and variable. We may be adversely affected by our derivative financial positions.

Increased focus on our environmental, social and governance responsibilities have and will likely continue to result in additional costs and risks, and may adversely impact our reputation, employee retention and willingness of customers and partners to do business with us.

Institutional, individual, and other investors, proxy advisory services, regulatory authorities, consumers and other stakeholders are increasingly focused on environmental, social, and governance (“ESG”) practices of companies. As we look to respond to evolving standards for identifying, measuring, and reporting ESG metrics, our efforts may result in a significant increase in costs and may nevertheless not meet investor or other stakeholder expectations and evolving standards or regulatory requirements, which may negatively impact our financial results, our reputation, our cost of capital, our ability to attract or retain employees, our attractiveness as a service provider, investment, or business partner, or expose us to government enforcement actions, private litigation, and actions by stockholders or stakeholders.

Our ability to achieve ESG goals and initiatives is subject to numerous risks including: (1) the availability and cost of limiting or eliminating our use of carbon-based energy sources and technologies; (2) evolving regulatory requirements affecting ESG standards or disclosures; (3) our ability to work with partners and providers that can meet our sustainability, diversity, and other standards; (4) our ability to recruit, develop, and retain diverse talent; (5) the impact of our organic growth and acquisitions or dispositions of businesses or operations on our ESG goals; and (6) customers’ actual demand for ESG-oriented product offerings, which may be more expensive and less available than other options.

The standards for tracking and reporting on ESG matters are relatively new, have not been harmonized, and continue to evolve. In March 2024, the SEC adopted final rules under SEC Release No. 33-11275, The Enhancement and Standardization of Climate-Related Disclosures for Investors, which requires registrants to provide certain climate-related information in their registration statements and annual reports. These requirements will have an effect on various fiscal years, starting on January 1, 2026. Disclosures will be required prospectively, with information for prior periods required only to the extent it was previously disclosed in an SEC filing. The Company is currently evaluating the impact of these final rules on its consolidated financial statements and disclosures. The disclosure frameworks we choose to align with may change from time to time and may result in a lack of consistent or meaningful comparative data from period to period. Ensuring there are systems and processes in place to comply with the various ESG tracking and reporting obligations will require management time and expense. In addition, our processes and controls may not always comply with evolving standards for identifying, measuring, and reporting ESG metrics, our interpretation of reporting standards may differ from those of others and such standards may change over time, any of which could result in significant revisions to our goals or reported progress in achieving such goals.

If our ESG practices do not meet evolving investor or other stakeholder expectations and standards or regulatory requirements, then our reputation, our ability to attract or retain employees, and our attractiveness as an investment, business partner, or investor could be negatively impacted. Similarly, our failure or perceived failure to pursue or fulfill our goals, targets and objectives or to satisfy various reporting standards within the timelines we announce, or at all, could also have similar negative impacts and expose us to government enforcement actions, private litigation, and actions by stockholders or stakeholders.

Our business may be adversely affected by climate change.

[Table of Contents](#)

Climate change could adversely impact our business in the short, medium and long term. Impact may be direct by disruptions to travel and to our operations due to more frequent or severe storms, hurricanes, flooding, rising sea levels, shortages of water, droughts and wildfires. Moreover, we could be indirectly impacted by a change in consumer preferences or as a result of a general perception of travel as an environmental harm.

Additionally, new climate-related laws and reporting requirements and the related costs to comply with the emerging regulations, which may be significant, may affect our business.

Risks Related to Latin America

Latin American countries are subject to political and social instability.

Political and social developments in Latin America, including the results of elections, government deadlock, instability, civil strife, terrorism, high levels of crime, expropriations and other risks of doing business in Latin America could impact our business, financial condition and results of operations.

Although political and social conditions in one country may differ significantly from another country, events in any of our key markets could adversely affect our business, financial condition or results of operations.

Latin American countries have experienced periods of adverse macroeconomic conditions.

Our business is dependent upon economic conditions prevalent in Latin America. Latin American countries have historically experienced economic instability, including uneven periods of economic growth as well as significant downturns. Since our business is dependent on discretionary consumer spending, which is influenced by general economic conditions, any prolonged economic downturn in any of our key markets could have adverse effects on our business, financial condition and results of operations.

Latin American governments have exercised and continue to exercise significant influence over their economies.

Governments in Latin America frequently intervene in the economies of their respective countries and occasionally make significant changes in policy and regulations. Governmental actions have often involved, among other measures, nationalizations and expropriations, price controls, currency devaluations, mandatory increases on wages and employee benefits, capital controls and limits on imports.

Our business, financial condition and results of operations may be adversely affected by changes in government policies or regulations, including such factors as exchange rates and exchange control policies; inflation control policies; price control policies; consumer protection policies; import duties and restrictions; liquidity of domestic capital and lending markets; electricity rationing; tax policies, including tax increases and retroactive tax claims; and other political, diplomatic, social and economic developments in or affecting the countries where we operate.

In the future, the level of intervention by Latin American governments may continue or increase. We cannot assure you that these or other measures will not have a material adverse effect on the economy of each respective country and, consequently, will not adversely affect our business, financial condition and results of operations.

Inflation, and government measures to curb inflation, may adversely affect Latin American economies.

Many of the countries in which we operate have experienced, or are currently experiencing, high rates of inflation. For example, the inflation rate in Brazil, as reflected by the Broad Consumer Price Index (*Índice Nacional de Preços ao Consumidor Amplo*, or “IPCA”), published by the IBGE, was 10.1% in 2021, 5.8% on 2022 and 0.6% in 2023. In Mexico, the inflation published by the INEGI was 7.4%, 7.8% and 4.7% in 2021, 2022 and 2023 respectively. In Argentina, according to measurements from INDEC of the national consumer price index, cumulative consumer price inflation (*Inflación Acumulada de Precios al Consumo*) for 2021 was 50.9%, for 2022 was 94.8% and for 2023 was 211.4%

Inflation in Brazil, Mexico and Argentina could increase our costs of operations and impact our financial condition and results of operations. Inflation rates may continue to increase in the future, and the government measures to control inflation, adopted presently or in the future, remain uncertain. Measures taken by the governments of these countries to control inflation have often included maintaining a tight monetary policy with high interest rates, thereby restricting the

[Table of Contents](#)

availability of credit and retarding economic growth. Inflation, measures to combat inflation and public speculation about possible additional actions have contributed materially to economic uncertainty in many of these countries.

Exchange rate fluctuations against the dollar in the countries in which we operate could negatively affect our results of operations.

Local currencies used in the conduct of our business are subject to depreciation and volatility. The currencies of many countries in Latin America have experienced significant volatility in the past, particularly against the dollar. For example at December 31, the Brazilian real depreciated 7.3% during 2021 and appreciated 5.3% and 8.0% during 2022 and 2023, respectively; the Mexican peso depreciated 3.1% during 2021 and appreciated 5.0% and 13.0% during 2022 and 2023, respectively; and the Argentine peso depreciated 22.1%, 72.4% and 356.4% during 2021, 2022 and 2023, respectively.

If the dollar weakens against foreign currencies, the translation of these foreign-currency-denominated transactions will typically result in increased revenue and operating expenses, and our revenue and operating expenses will typically decrease if the dollar strengthens. Moreover, if the dollar strengthens against the foreign currencies of countries in which we operate, the purchasing power of our travel customers from those countries could be negatively affected by potentially increased prices in local currencies, and we could experience a reduction in the demand for our travel services, particularly with respect to international travel.

Additionally, foreign exchange exposure also arises from pre-pay transactions, where we accept upfront payments for bookings in the travel customer's home currency, but payment to the hotel is not due until after the travel customer checks out and is paid by us in the hotel's home currency. We are therefore exposed to foreign exchange risk between the time of the initial reservation and the time when the hotel is paid.

We attempt to minimize our foreign currency exposures by managing natural hedges, netting our current assets and current liabilities in the same foreign currencies, and managing short term loans and investments for hedging purposes. Additionally, from time to time we enter into derivative transactions. However, depending on the size of the exposures and the relative movements of exchange rates, if we choose not to hedge or fail to effectively hedge our exposure, we could experience a material adverse effect on our financial condition and results of operations.

We are subject to foreign currency exchange controls in certain countries in which we operate.

Certain Latin American economies have experienced shortages in foreign currency reserves and their respective governments have adopted restrictions on the ability to transfer funds out of the country and convert local currencies into dollars. For example, Brazilian law provides that whenever there is a serious imbalance in Brazil's balance of payments or reason to foresee a serious imbalance, the Brazilian government may impose temporary restrictions on the remittance to foreign investors of the proceeds of their investments in Brazil. Further, exchange controls implemented by the Argentine government control and restrict the ability of companies and individuals to exchange Argentine pesos for foreign currencies and their ability to remit foreign currency out of Argentina. We cannot assure you that the Central Bank of Argentina or other government agencies will not increase those controls or restrictions, or make modifications to these regulations or establish more severe restrictions on currency exchange, which could affect our ability to make payments to foreign creditors or providers, or make dividend payments to foreign shareholders. We cannot assure you that foreign exchange controls in Brazil, Argentina or any other country where we operate, may not reemerge or worsen in the future to prevent capital flight, counter a significant depreciation of the Brazilian real, Argentine peso or other currency, or address other unforeseen circumstances. Additional controls could have a negative effect on the ability of our operating entities in the affected country to access the international credit or capital markets.

As a result of these exchange controls, markets in Argentina developed trading mechanisms in which an entity or individual buys U.S. dollar denominated securities in Argentina (e.g., shares, sovereign debt) using Argentine peso, and subsequently sells the securities for U.S. dollars, in Argentina, to access U.S. dollars locally, or outside Argentina, by transferring the securities abroad, prior to being sold (the latter commonly known as "Blue Chip Swap Rate"). The Blue Chip Swap Rate has diverged significantly from Argentina's official exchange rate (commonly known as exchange spread). In recent years, the Blue Chip Swap Rate has been higher than Argentina's official exchange rate. As of December 31, 2023, 2022 and 2021, the spread of the Blue Chip Swap Rate was 20.4%, 94.2% and 96.8%, respectively. Since the new government in Argentina, the Blue Chip Swap Rate has decreased. For a discussion of certain foreign exchange regulations applicable to us, see "Item 10. Additional Information — D. Exchange Controls."

Any shortages or restrictions on the transfer of funds from abroad may impede our ability to convert these currencies into dollars and to transfer funds, including for the payment of dividends or debt. Moreover, such restrictions limit our ability to

[Table of Contents](#)

use funds for operating purposes in other countries. Consequently, if we are prohibited from transferring funds out of the countries in which we operate, our business, financial condition and results of operations could be adversely affected.

Those kinds of exchange controls could have a material adverse impact on our operations, business, financial condition and results of operations. It is uncertain whether the Brazilian and/or Argentine governments will or will not increase such controls or restraints which could affect the ability to make payments to foreign creditors or suppliers, and dividend payments to shareholders.

Developments in other markets may affect Latin America.

The market value of companies like us may be, to varying degrees, affected by economic and market conditions in other global markets. Various Latin American economies have been adversely impacted by the political and economic events that occurred in several emerging economies in recent times.

As of the date of this Annual Report, recent global developments have occurred in the world which could impact the economies of the Latin American countries in which we operate and consequently have an adverse effect on our business, financial condition and results of operations, such as any new restrictions on travel, immigration or trade.

Developments of a similar magnitude to the international markets in the future can be expected to adversely affect the economies of Latin American countries and, therefore, us.

Risks Related to our Ordinary Shares

The strategic interests of our significant shareholders may, from time to time, differ from, and conflict with, our interests and the interests of our other shareholders.

If L. Catterton, Expedia, or other investors acquire or continue to own and control, directly or indirectly, a significant portion of our voting share capital, even if their respective interests represent less than a majority of our total voting share capital, such shareholders may be able to exert influence over decisions at both the shareholder and board level of our Company. For more information, see “Item 7. Major Shareholders and Related Party Transactions.”

The strategic interests of our significant shareholders may differ from, and conflict with, our interests and the interests of our other shareholders in material respects. In addition, our memorandum and articles of association provides that Expedia and any of our directors affiliated with Expedia do not have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate.

Expedia also competes in the global travel industry, and also acts as a supplier to us and certain of our competitors. For a further description of our relationship with Expedia, see “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions,” “Item 3. Key Information — D. Risk Factors — Risks Related to our Business—We rely on Expedia for substantially all of the hotel and other lodging products that we offer for all countries outside Latin America,” and “Item 16G. Corporate Governance—Differences in Corporate Law.”

We cannot assure you that the actions of Expedia and other significant shareholders, will not conflict with our interests or the interests of our other shareholders.

We are a foreign private issuer under U.S. securities regulations and, as a result, we are not subject to U.S. proxy rules and we are subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. issuer.

We report under the Exchange Act as a non-U.S. company and a “foreign private issuer,” as such term is defined under U.S. securities regulations. Because we qualify as a foreign private issuer, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. public companies, including (1) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act; (2) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and (3) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K upon the occurrence of specified events. In addition, we are not required to file our Annual Report on Form 20-F until 120 days after the end of each fiscal year, while U.S. domestic issuers that are

[Table of Contents](#)

accelerated filers are required to file their Annual Report on Form 10-K within 75 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation Fair Disclosure, aimed at preventing issuers from making selective disclosures of material information. As a result of the above, even though we are required to furnish reports on Form 6-K disclosing whatever information we have made or are required to make public pursuant to BVI law or distribute to our shareholders and that is material to our Company, you may not have the same protections afforded to shareholders of companies that are not foreign private issuers.

We are exempt from certain corporate governance requirements of the New York Stock Exchange.

We are exempt from certain corporate governance requirements of the New York Stock Exchange, by virtue of being a foreign private issuer. The standards applicable to us are considerably different from the standards applied to U.S. domestic issuers. For instance, we are not required to:

- have a majority of our board of directors be independent;
- have a compensation committee or a nominating or corporate governance committee;
- have regularly scheduled executive sessions with only non-management directors;
- have an executive session of solely independent directors each year; or
- adopt and disclose a code of business conduct and ethics for officers, directors and employees.

For more information, see “Item 6. Directors, Senior Management and Employees — A. Directors and Senior Management.” We have relied on and intend to continue to rely on some of these exemptions. As a result, you may not be provided with the benefits and protections of certain corporate governance requirements of the New York Stock Exchange.

The requirements of being a public company may strain our resources and distract our management.

As a public company, we are subject to the reporting requirements of the Exchange Act and requirements of the Sarbanes-Oxley Act applicable to a foreign private issuer. These requirements may place a strain on our systems and resources. The Exchange Act requires that we file annual and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and improve the effectiveness of our disclosure and internal controls and procedures, we need to commit significant resources, potentially hire additional staff and provide additional management oversight. We have implemented additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. In addition, sustaining our growth will also require us to commit additional management, operational and financial resources to identify new professionals to join our Company and to maintain appropriate operational and financial systems to adequately support expansion. These activities may divert management’s attention from other business concerns, which could have a material adverse effect on our business, financial condition and results of operations.

We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.

We are a “foreign private issuer,” as such term is defined under the Securities Act, and, therefore, we are not required to comply with all the periodic disclosure and current reporting requirements of the Exchange Act and related rules and regulations. Under the Securities Act, the determination of foreign private issuer status is made annually on the last business day of an issuer’s most recently completed second fiscal quarter and, accordingly, the next determination will be made with respect to us on June 30, 2024.

In the future, we would lose our foreign private issuer status if a majority of our shareholders, directors or management are U.S. citizens or residents and we fail to meet additional requirements necessary to avoid loss of foreign private issuer status. Although we have elected to comply with certain U.S. regulatory provisions, our loss of foreign private issuer status would make such provisions mandatory. If we are not a foreign private issuer, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive than the forms available to a foreign private issuer such as the Annual Report on Form 10-K. We will also have to mandatorily comply with U.S. federal proxy requirements, and our executive officers, directors and principal shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. We may also be required to modify certain of our policies to comply with good governance practices associated with U.S. domestic issuers. In addition, we may lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers. Such transition and modifications will involve additional costs and

[Table of Contents](#)

may divert our management's attention from other business concerns, which could have a material adverse effect on our business, financial condition and results of operations.

Any failure to maintain an effective system of internal control may result in material misstatements of our consolidated financial statements or cause us to fail to meet our reporting obligations or fail to prevent fraud; and in that case, our shareholders could lose confidence in our financial reporting, which would harm our business and could negatively impact the price of our ordinary shares.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, we are required to furnish a report by our senior management on our internal control over financial reporting. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants, adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting and continue steps to improve control processes as appropriate. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

Effective internal controls are necessary for us to provide reliable and accurate financial reports on a timely basis and prevent fraud. If we fail to maintain an effective system of internal controls, we might not be able to report our financial results accurately or on a timely basis or prevent fraud; and in that case, our shareholders could lose confidence in our financial reporting or we could be sanctioned by the SEC, which would harm our business and could negatively impact the price of our ordinary shares. While we believe that we have sufficient personnel and review procedures to allow us to maintain an effective system of internal control, we cannot provide assurance that we will not experience potential material weaknesses in our internal control. Even if we conclude that our internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U.S. GAAP, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our future reporting obligations.

Future issuances of our ordinary or other classes of shares may cause a dilution in your shareholding.

We may raise additional funding to meet our working capital, capital expenditure requirements for our planned long-term capital needs, or to fund future acquisitions. If such funding is raised through issuance of new equity or equity-linked securities, it may cause a dilution in the percentage ownership of our then existing shareholders.

From time to time we may grant equity-based compensation to our management and employees, which may dilute the value of your ordinary shares.

From time to time we may grant equity-based compensation to our management and employees, which may dilute the value of your ordinary shares. Pursuant to the Amended and Restated 2016 Stock Incentive Plan, we may grant restricted stock units ("RSUs") and stock options to our officers, directors and/or employees. We issue new shares to satisfy the exercise or release of stock-based awards.

During 2023, 2022 and 2021 we granted an aggregate of 892,367, 622,781 and 723,908 RSUs to certain of our directors, senior management and other personnel. During 2023, 2022 and 2021, we did not grant any stock options. For more information about our equity-based compensation, see "Item 6. Directors, Senior Management and Employees — B. Compensation." If our board of directors approves the issuance of new equity incentive plans (or the issuance of additional shares under the existing equity incentive plans), the interests of other shareholders may be diluted.

If securities or industry research analysts do not publish or cease publishing research or reports about our business or if they issue unfavorable commentary or downgrade our ordinary shares, our stock price and trading volume could decline.

The trading market for our ordinary shares will rely in part on the research and reports that securities and industry research analysts publish about us, our industry and our business. We do not have any control over these analysts. Our stock price and trading volumes could decline if one or more securities or industry analysts downgrade our ordinary shares, issue

[Table of Contents](#)

unfavorable commentary about us, our industry or our business, cease to cover us or fail to regularly publish reports about us, our industry or our business.

An active or liquid trading market for our ordinary shares may not be maintained and the price of our ordinary shares may fluctuate significantly and your investment may decline in value.

An active, liquid trading market for our ordinary shares may not be maintained in the long term. Loss of liquidity could increase the price volatility of our ordinary shares. Moreover, we cannot assure you that investors will be able to sell ordinary shares should they decide to do so.

Furthermore, the stock markets in general, and the shares of emerging market and technology companies in particular, have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the companies involved. We cannot assure you that any trading price or valuation will be sustained. These factors may materially and adversely affect the market price of our ordinary shares, which may limit or prevent investors from readily selling our ordinary shares and may otherwise affect liquidity, regardless of our operating performance.

Market fluctuations, as well as general political and economic conditions in the markets in which we operate, such as recession or currency exchange rate fluctuations, may also adversely affect the market price of our ordinary shares. Following periods of volatility in the market price of a company's securities, that company may often be subject to securities class-action litigation. This kind of litigation may result in substantial costs and a diversion of management's attention and resources, which would have a material adverse effect on our business, financial condition and results of operation.

The sale or availability for sale of substantial amounts of our ordinary shares could adversely affect their market price.

Sales of substantial amounts of our ordinary shares in the public market, or the perception that such sales could occur, could adversely affect the market price of our ordinary shares, even if there is no relationship between such sales and the performance of our business.

A portion of our ordinary shares are currently held by affiliates, which means they may not be sold unless the sale is registered under the Securities Act, other than if an exemption from registration is available. Certain of our shareholders have demand and/or other piggyback registration rights which may enable them to sell some or all of their ordinary shares in a public offering in the United States registered under the Securities Act. For more information, see "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions."

Investors may have difficulty enforcing judgments against us, our directors and management.

We are incorporated under the laws of the BVI and many of our officers and directors reside outside the United States. Moreover, many of these persons do not have significant assets in the United States. As a result, it may be difficult or impossible to effect service of process within the United States upon these persons, or to recover against us or them on judgments of U.S. courts, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws.

Furthermore, our memorandum and articles of association include an exclusive jurisdiction clause pursuant to which, to the fullest extent permitted by applicable law, (i) other than claims specified in clause (ii) below and except as may otherwise be expressly agreed between the Company and a shareholder or between two or more shareholders in relation to the Company, we and all our shareholders agree that the BVI courts shall have exclusive jurisdiction to hear and determine all disputes of any kind regarding us and shareholders' respective investments in us, irrevocably submit to the jurisdiction of the BVI courts, irrevocably waive any objection to the BVI courts being nominated as the forum to hear and determine any such dispute, and undertake and agree not to claim any such court is not a convenient or appropriate forum; and (iii) the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act, in each case unless our board of directors consents in writing to the selection of an alternative forum.

An award of punitive damages under a U.S. court judgment based upon U.S. federal securities laws is likely to be construed by BVI courts to be penal in nature and therefore unenforceable in the BVI. Further, no claim may be brought in the BVI against us or our officers and directors in the first instance for violation of U.S. federal securities laws because these laws have no extraterritorial application under BVI law and do not have force of law in the BVI.

[Table of Contents](#)

However, a BVI court may impose civil liability, including the possibility of monetary damages, on us or our officers and directors if the facts alleged in a complaint constitute or give rise to a cause of action under BVI law. Moreover, it is unlikely that a court in the BVI would award damages on the same basis as a foreign court if an action were brought in the BVI or that a BVI court would enforce foreign judgments if it viewed the judgment as inconsistent with BVI practice or public policy.

The courts of the BVI would not automatically enforce judgments of U.S. courts obtained in actions against us or our officers and directors, or some of the experts named herein, predicated upon the civil liability provisions of the U.S. federal securities laws, or entertain actions brought in the BVI against us or such persons predicated solely upon U.S. federal securities laws. Further, there is no treaty in effect between the United States and the BVI providing for the enforcement of judgments of U.S. courts in civil and commercial matters, and there are grounds upon which BVI courts may decline to enforce the judgments of U.S. courts. Some remedies available under the laws of U.S. jurisdictions, including remedies available under the U.S. federal securities laws, may not be allowed in the BVI courts if contrary to public policy in the BVI. Because judgments of U.S. courts are not automatically enforceable in the BVI, it may be difficult for you to recover against us or our officers and directors based upon such judgments.

Certain types of class or derivative actions generally available under U.S. law may not be available as a result of the fact that we are incorporated in the BVI and the exclusive jurisdiction clause included in our memorandum and articles of association. As a result, the rights of shareholders may be limited.

Shareholders of BVI companies may not have standing to initiate a shareholder derivative action in a court of the United States. Furthermore, our memorandum and articles of association include an exclusive jurisdiction clause which, to the fullest extent permitted by applicable law, will act as a bar to any such action in a court of the United States. In any event, the circumstances in which any such action may be brought, if at all, and the procedures and defenses that may be available in respect to any such action, may result in the rights of shareholders of a BVI company being more limited than those of shareholders of a company organized in the United States. Accordingly, shareholders may have fewer alternatives available to them if they believe that corporate wrongdoing has occurred. The BVI courts are also unlikely to recognize or enforce against us judgments of courts in the United States based on certain liability provisions of U.S. securities law or to impose liabilities against us, in original actions brought in the BVI, based on certain liability provisions of U.S. securities laws that are penal in nature.

You may have more difficulty protecting your interests than you would as a shareholder of a U.S. corporation.

Our corporate affairs are governed by the provisions of our memorandum and articles of association, as amended and restated from time to time, and by the provisions of applicable BVI law. The rights of shareholders and the fiduciary responsibilities of our officers and directors under BVI law are not as clearly established as they would be under statutes or judicial precedents in some jurisdictions in the United States, and some states (such as Delaware) have more fully developed and judicially interpreted bodies of corporate law.

These rights and responsibilities are to a large extent governed by the BVI Business Companies Act, 2004 as amended from time to time (the “BVI Act”) and the common law of the BVI. The common law of the BVI is derived in part from judicial precedent in the BVI as well as from English common law, which has persuasive, but not binding, authority on a court in the BVI. In addition, BVI law does not make a distinction between public and private companies and some of the protections and safeguards (such as statutory pre-emption rights, save to the extent expressly provided for in the memorandum and articles of association) that investors may expect to find in relation to a public company are not provided for under BVI law.

There may be less publicly available information about us than is regularly published by or about U.S. issuers. Also, the BVI regulations governing the securities of BVI companies may not be as extensive as those in effect in the United States, and the BVI law and regulations regarding corporate governance matters may not be as protective of minority shareholders as state corporation laws in the United States. Therefore, you may have more difficulty protecting your interests in connection with actions taken by our officers and directors or our principal shareholders than you would as a shareholder of a corporation incorporated in the United States.

The laws of BVI provide limited protections for minority shareholders, so minority shareholders will not have the same options as to recourse in comparison to the United States if the shareholders are dissatisfied with the conduct of our affairs.

[Table of Contents](#)

Under the laws of the BVI there is limited statutory protection of minority shareholders other than the provisions of the BVI Act dealing with shareholder remedies. The principal protections under BVI statutory law are derivative actions, actions brought by one or more shareholders for relief from unfair prejudice, oppression and unfair discrimination and/or to enforce the BVI Act or the memorandum and articles of association. Shareholders are entitled to have the affairs of the company conducted in accordance with the BVI Act and the memorandum and articles of association and are entitled to payment of the fair value of their respective shares upon dissenting from certain enumerated corporate transactions. For more information, see “Item 10. Additional Information — B. Memorandum and Articles of Association” and “Item 16G. Corporate Governance — Differences in Corporate Law” below.

There are common law rights for the protection of shareholders that may be invoked, largely dependent on English company law, since the common law of the BVI is limited. Under the general rule pursuant to English company law known as the rule in *Foss v. Harbottle*, a court will generally refuse to interfere with the management of a company at the insistence of a minority of its shareholders who express dissatisfaction with the conduct of the company’s affairs by the majority or the board of directors. However, every shareholder is entitled to seek to have the affairs of the company conducted properly according to law and the constitutional documents of the company. As such, if those who control the company have persistently disregarded the requirements of company law or the provisions of the company’s memorandum and articles of association, then the courts may grant relief. Generally, the areas in which the courts will intervene are the following: (i) a company is acting or proposing to act illegally or beyond the scope of its authority; (ii) the act complained of, although not beyond the scope of the authority, could only be effected if duly authorized by more than the number of votes which have actually been obtained; (iii) the individual rights of the plaintiff shareholder have been infringed or are about to be infringed; or (iv) those who control the company are perpetrating a “fraud on the minority.”

These rights may be more limited than the rights afforded to minority shareholders under the laws of states in the United States.

We have no current plans to pay any cash dividends on our ordinary shares.

We currently intend to retain our future earnings, if any, to fund the development and growth of our business. As a result, capital appreciation, if any, of our ordinary shares are likely to be your sole source of gain for the foreseeable future. Consequently, in the foreseeable future, you will likely only experience a gain from your investment in our ordinary shares if the trading price of our ordinary shares increases. While pursuant to our memorandum and articles of association our Series A Preferred Shares and Series B Preferred Shares are entitled to semi-annual dividends and quarterly dividends, respectively, our memorandum and articles of association do not require us to pay any dividends on our ordinary shares.

Anti-takeover provisions in our memorandum and articles of association might discourage, delay or prevent acquisition or other change of control attempts for us that you and/or other of our shareholders might consider favorable.

Certain provisions of our memorandum and articles of association may discourage, delay or prevent a change in control of our Company or management that shareholders may consider favorable, including but not limited to the following provisions:

Pursuant to our memorandum and articles of association:

- Our board of directors may without prior notice to shareholders, or obtaining any shareholder approval, amend our memorandum and articles of association to authorize and subsequently issue an unlimited number of preferred shares in one or more classes and series and designate the issue prices, rights, preferences, privileges, restrictions and terms of such preferred shares.
- Our board of directors is currently made up of seven directors divided into three classes, with each class having a three-year term. Class I’s, Class II’s and Class III’s terms will expire at the Company’s annual meetings in 2024, 2025 and 2026, respectively. The only circumstance in which shareholders can elect new directors is at an annual meeting and in respect of those board seats whose term is expiring at the annual meeting. Elections will take place by plurality voting. Shareholders do not have the power to increase or reduce the size of the board or fill a vacancy on the board, which matters are the exclusive authority of our board of directors.
- Our shareholders may only remove directors for cause and only by resolution approved by shareholders holding not less than two-thirds of the voting rights at a meeting of shareholders called for the stated purpose of removing the director.

[Table of Contents](#)

- There are a number of restrictions, conditions and other requirements (including advance notice period requirements) that apply to our shareholders' ability to (i) request special meetings of our shareholders; (ii) nominate persons for election as directors at annual meetings of our shareholders; and (iii) propose other items of business or other matters for consideration at any annual or special meetings of our shareholders.
- All resolutions of the shareholders must be adopted at a meeting of our shareholders convened in accordance with our memorandum and articles of association. Shareholders are prohibited from adopting resolutions by written consent.
- There are restrictions on amending our memorandum and articles of association. Certain provisions of our memorandum and articles of association (including many of the provisions described above) may only be amended with the approval of both our shareholders and our board of directors. Provisions that may be amended by the shareholders without board approval require the affirmative vote of holders of two-thirds of the shares entitled to vote on the resolution.

For more information on our Shareholder Agreements, see "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions." For more information on our memorandum and articles of association, see "Item 10. Additional Information—Memorandum and Articles of Association" and "Item 16G. Corporate Governance—Differences in Corporate Law."

These provisions and other provisions under BVI law could discourage, delay or prevent potential takeover attempts and other transactions involving a change in control of our Company, including actions that our shareholders may deem advantageous. As such, these provisions may reduce the price that investors might be willing to pay for our ordinary shares in the future and negatively affect the trading price of our ordinary shares.

ITEM 4 INFORMATION ON THE COMPANY

A. History and Development of the Company

Despegar was founded in 1999 as Decolar.com, Inc., as a pioneering online travel technology company, with the goal to empower travelers in Latin America by offering them a seamless and comprehensive platform for planning and booking their trips. Despegar introduced a novel approach to travel, transitioning from traditional, in-person travel bookings to a comprehensive online platform that offers extensive travel options including hotels, flights, and vacation packages and built the only pan-regional leisure travel brand in Latin America.

Despegar.com, Corp. was formed as a business company incorporated in the BVI on February 10, 2017. On May 3, 2017, the stockholders of our predecessor, Decolar.com, Inc., exchanged their shares for ordinary shares of Despegar.com, Corp. to create a BVI holding company. Following the exchange, Decolar.com, Inc. became a wholly-owned subsidiary of Despegar.com, Corp. On September 19, 2017, Despegar.com, Corp. completed our initial public offering on the New York Stock Exchange.

Our development over the years reflects a commitment to innovation and customer satisfaction, continuously evolving to meet the changing needs of travelers and the dynamic nature of the travel industry. By leveraging technology, at first the internet, then mobile platforms and more recently technologies such as artificial intelligence and machine learning, we aim to be at the forefront of travel innovation, providing personalized travel solutions and accessible and affordable travel experiences to our customers.

Our principal executive office is located at Commerce House, 4th Floor, Wickhams Cay 1, Road Town, Tortola (VG1110), British Virgin Islands, telephone: +1-284 852-1195. Our agent for service of process in the United States is Cogency Global Inc., located at 10 E. 40th Street, 10th Floor, New York, New York 10016.

Our History and Development

Our business was started to address the Latin America travel market using technology. Since its launch in 1999, it has grown substantially in revenue, products and geographic scope. The following table shows the timeline of key milestones:

Table of Contents

- 1999** • Launched site in Argentina.
- 2000** • Launched sites in Brazil, Chile, Colombia, Mexico and Uruguay.
- 2001** • Launched sites in the United States and Venezuela.
- 2007** • Launched site in Peru.
- 2009** • Expanded our offerings to include hotels.
 - Launched sites in Bolivia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Nicaragua, Panama, Paraguay and Puerto Rico.
- 2010** • Launched sites in El Salvador and Honduras, reaching our 20th market.

- 2012** • Launched our mobile apps on Android and iOS.
 - Expanded offerings to include packages, rental cars and cruise products.
- 2013** • Expanded our offerings to include destination services and vacation rentals.
- 2015** • Cumulative 10 million travel customers served.
 - Reached 10 million downloads of our mobile app.
 - Deepened strategic partnership with Expedia, including its equity investment in our Company.
- 2016** • Awarded “E-commerce Leader in the Tourism Industry in LATAM” by the Latin American E-Commerce Institute.
- 2017** • Initial public offering and listing on the New York Stock Exchange.
- 2018** • Launched sales call centers in Peru, Ecuador, Mexico, Chile, Colombia, Argentina and Brazil.
- 2019** • Acquired Viajes Falabella in Chile, Argentina, Peru and Colombia.
- 2020** • Acquired Best Day, a leading travel agency in Mexico.
 - Acquired an 84% equity stake in Koin, an online payment platform in Brazil, to increase our payment options for customers
- 2021** • Published our first corporate sustainability report as part of our ESG commitment.

- 2022** • Acquired Viajanet, one of the leading online travel agencies in Brazil and the remainder 16% equity from minority shareholders of Koin.
 - Acquired a 51% ownership stake in Stays.net, Brazil’s leading vacation rental channel manager and a preferred software partner for leading international booking platforms to offer vacation rentals.
- 2023** • Reached 23 million customers in loyalty program "Pasaporte".

Capital Expenditures

See “Item 5. Operating and Financial Review and Prospects—C. Research and Development, Patents and Licenses.”

Business Overview

Overview

We are a premier travel technology company operating in the global \$2 trillion travel market with a focus on Latin America. We have presence in 18 markets and cover more than 80% of the region's population, with a leading online presence in key markets like Brazil, Mexico, Argentina, Chile and Colombia. Operating for over two decades in the large and fragmented Latin travel market has solidified our understanding of local consumers, their purchasing behaviors, and travel preferences. This deep insight empowers us to deliver personalized travel solutions, including bespoke travel packages, offering excellent value and competitive air and non-air fares.

We organize our product offering into three Business Segments: (1) Air, (2) Packages, Hotels and Other Travel Products, and (3) Financial Services; and we distribute our products through our Business to Consumer ("B2C"), Business to Business ("B2B"), and Business to Business to Consumer ("B2B2C") operations.

[Table of Contents](#)

We combine industry-leading air and lodging inventory, a powerful technology platform, operational excellence, and travel expertise, along with payment and financing solutions, to deliver travel opportunities to our customers across Latin America. This approach positions us as a leading travel brand in the region.

Our commitment to our customers extends beyond bookings. Our expert customer support teams are available to address inquiries, resolve issues, and provide expert guidance throughout the travel experience. As we comprehend the objectives and challenges faced by Latin American travelers and suppliers, we are well-positioned to facilitate business growth for travel suppliers, ultimately providing customers with a wider choice at attractive pricing.

As our market share grows, organically as well as inorganically, we are increasingly able to capture significant amounts of customer data including travel history and preferences and serve personalized recommendations to drive higher customer conversion, further establishing our brand as the premier travel brand in the region. As of December 31, 2023, our post trip net promoter score ("NPS"), which is a customer loyalty and satisfaction measurement, was 69%.

We are committed to continuous innovation, particularly in cutting edge domains, such as generative artificial intelligence ("AI") and large language models, which we began developing in October 2023. This allows us to develop tools like our AI-powered Travel Assistant "SOFIA", introduced to the market on March 4, 2024 to enhance the travel experience, boost our internal capabilities and capture efficiencies.

Travel Market Opportunity

Large Market Size. Latin America is one of the largest and most diverse regions in the world, comprising over 30 countries with a total population of over 650 million, the region encompasses multiple languages, currencies and regulatory regimes. The total addressable market is estimated to amount to \$150 billion and is equally divided between online and offline travel spend. We expect the market to materially expand in the coming years, given the long-term favorable macroeconomic trends, the expansion of the middle class and increased consumption in the region.

Rapid Travel Market Growth. We believe that the online and offline travel market is expected to expand due to factors such as rising disposable income, demographic shifts and a growing middle class with greater access to banking services and credit products, enabling a larger segment of the growing population to travel both domestically and internationally. As per Euromonitor projections the online travel market is expected to expand at approximately twice the rate of the offline market in the coming years. Specific factors driving the growth in online travel include:

Increasing adoption of mobile devices, including smartphones. The use of mobile devices in Latin America is expected to continue to grow. With the proliferation of smartphones and tablets, mobile has become a prominent tool for travelers to search, discover and purchase travel services.

Superior user experience. While a significant part of the travel is booked offline, online travel booking channels, which include websites and mobile apps, empower travelers to search products and user-generated reviews and easily compare real-time availability and pricing options from multiple travel providers simultaneously, which we believe leads to higher user engagement and customer conversion.

Growth in banked consumers and proliferation of credit products. With the continued development of the Latin American economy, a larger portion of the population has been accessing new forms of banking products including digital wallets, credit cards and other financial products. This trend promotes the financial capability of customers to make purchases online.

High Fragmentation. The Latin American travel market presents a significant degree of fragmentation, in both suppliers and competitors. Within this expansive and diverse market, numerous local competitors predominantly concentrate on specific countries, tailoring their operations and targeting local customers. Their focus tends to be more localized, and given their lack of scale, often fail to address the broader Latin American market as a cohesive entity. On the international front, our competitors exhibit a different dynamic. Many of our competitors perceive Latin America more as a destination rather than a point of origination. In addition, the Latin American travel industry is characterized by significant fragmentation in suppliers across airlines, hotels and other travel products. This fragmentation is compounded by regional complexities, including differences in language, local customs, travel preferences, currencies and regulatory regimes across the region. These factors create challenges for suppliers to reach customers directly, while competitors cater to specific countries or approach the market with a destination centric perspective.

All these factors create opportunities for us to increase and expand our market share as well as to continue growing our customers and supplier's portfolio, given that we have the capability and knowledge of how to develop the business.

Our Competitive Strengths

As the leading travel technology company in Latin America, we believe we are well positioned to succeed as the main service provider to our final customers, suppliers as well as online and offline travel agencies, as we leverage our technology platform to efficiently operate across the region.

We believe that our focus on the under penetrated Latin American travel market, our knowledge of the consumer and supplier landscape in the region, in combination with our ability to manage the business successfully through economic cycles as well as our leading technology platform and brands, will allow us to consolidate our market position and continue to expand our industry leadership. We believe that the following competitive strengths in particular distinguish us as a leading travel technology player in Latin America.

Industry Leader in Latin America

With our launch in 1999, we have benefited from an early mover advantage in Latin America, which has allowed us to achieve significant scale and brand awareness. We also have established relationships with a large network of travel suppliers in Latin America and we have become the leading online air ticketing provider in Latin America, selling airline tickets purchased through global distribution systems (“GDS”). Additionally, we believe we provide our travel customers with the largest travel portfolio among Latin American OTAs, with access to over 256 global airlines, over 734,500 hotels globally and 766,500 vacation rentals as well as more than 190 car rental agencies and approximately 650 destination services suppliers with more than 13,500 activities. Our platform is also of increasing importance to airlines based outside of Latin America, which generally have a limited local presence in the region, and which account for over 30% during 2023 of the outbound international travel booked on our platform. Such international travel is more attractive because of its price point and higher commission structure.

We benefit from network effects: our large travel customer base helps us to attract additional travel suppliers, and, in turn, a larger network of travel suppliers helps us to attract new travel customers by enhancing our product offering. Furthermore, by growing our user base and aggregating different products from our supplier base, we are able to offer attractive pricing and availability of travel products to our travel customers as well as enhance the effectiveness of our marketing strategy.

Technology Platform

Our one-stop shop travel platform provides us the flexibility to connect travel customers to a variety of products and services, and combine them to offer attractive package deals through a variety of channels and brands both ours and of our partners.

We use our technology platform to improve the travel customer experience and optimize the efficiency of our business operations. Our platform is engineered to provide a personalized and secure experience to our travel customers. We invest heavily in understanding our travel customers’ behavior and intentions through a combination of detailed behavioral data collection and machine learning algorithms. We collect, maintain and analyze behavioral data from all the devices our travel customers are using to interact with our platform. The insights derived from the analysis of this data form the basis of our enhanced conversion strategies. We use email, social media marketing and retargeting campaigns to remind travel customers of their searches.

We believe our technology infrastructure is an important asset due to its robustness, cost-effectiveness and scalability. We continuously evaluate, research and develop new services, platform infrastructure, and software to improve and solidify our technological systems further and provide a reliable, personalized, fast and secure experience to our travel customers.

Our large web and mobile audience and transaction volume generate a significant amount of data that allows us to better understand our travel customers and provide personalized travel offerings and also helps us to drive our sales, marketing and operational strategy. To offer the most effective content and products for each travel customer, we extensively analyze the data we collect to identify and highlight the most valuable products and destinations in each travel customer interaction. By gathering and analyzing data in real-time, we are quickly able to assess and react to changes in travel customer behavior, market pricing and other market dynamics. Currently, the majority of visitors to our platform see a personalized landing page based on such factors as user account information, past search and purchasing history and geolocation. We believe that this personalization of the user experience increases engagement and likelihood of purchase.

Strong Brand Recognition and Effective Marketing Capabilities

Brand Awareness

We operate a portfolio of brands specifically Despegar, Decolar, Viajes Falabella, Best Day, Viajanet, Stays, HotelDo and Koin (for payment gateway and anti-fraud services as well as online payment and consumer lending services). These brands allow us to appeal to different clients in different geographies, allowing us to tailor our offerings.

Through mobile, online and offline marketing, brand promotion and cross-marketing, we have created strong brand recognition among Latin America travelers, which we view as one of our key competitive advantages and which we actively focus on by investing in marketing and branding initiatives promoting our brand, which we believe combined with the quality of the service we have delivered over the years, has made us a trusted brand with our travel customers.

Marketing Capabilities

We have invested significant resources in our marketing team, which we believe is a meaningful driver of our business, as well as in our own creative, production and media execution teams, who are quickly able to adapt our marketing strategy, while also leveraging our extensive data and analytics capabilities for more precise audience targeting. We are able to control all aspects of our budget, marketing campaigns and market analytics, without the need for agencies or external consultants. Our marketing team's local knowledge and expertise in our key markets have allowed us to develop direct relationships with a broad range of local and regional media providers and purchase media directly, avoiding more costly intermediaries.

Leading Mobile Offering

Mobile is an increasingly important part of our business, as consumers are quickly able to access and browse our real-time travel offerings, compare prices and make purchases through their mobile devices. Our mobile apps have had millions of downloads from the iOS App Store and Google Play. In addition, our iOS App Store and Google Play apps were rated 4.7 and 4.8 stars as of December 31, 2023. During 2023, 2022 and 2021, mobile, which includes both mobile web and our mobile apps, accounted for approximately 80%, 73% and 72% of all of our user visits, and approximately 53%, 49% and 48%, respectively, of our transactions. Additionally, transactions via mobile increased by approximately 14% in 2023 compared to 2022 and increased by approximately 18% in 2022 compared to 2021. We continue to provide innovative features and functionality to consumers through our mobile apps, including push notifications, dynamic updates, inventory alerts and personalized promotions as well as in-app customer service. Our travel customers using mobile devices have historically made more repeat transactions than travel customers using desktop computers. Additionally, our mobile presence allows in-destination marketing, which facilitates cross-selling of additional travel products, such as rental cars and destination services to travel customers, after they have arrived at their destination.

Distinctive Payment Solutions

As the leading Latin American travel technology, we have developed long-standing relationships with a wide range of local banks to offer installment payment plans to their credit card holders as an alternative purchase option. We believe that local banks look to partner with us because of our scale, access to our online audience and high transaction volume. Our agreements with local banks allow us to offer installment plans without assuming collection risk from the travel customer. Furthermore, primarily in Brazil, our financial services segment provides us with an additional type of payment which allows us to extend our product offering to a broader range of customers.

Proven and Experienced Team

Our management team has been working with the Company or in the Latin American industry for a long time and has significant experience in the travel sector and across a variety of industries in Latin America and the United States. Members of our management team have worked at organizations such as LATAM Airlines, McKinsey, BCG, Uber, PwC and Thales, among others. In addition, we have successfully built an innovative technology culture that we believe is unique in Latin America and enables us to attract and retain some of the best talent in the region. By fostering a distinctive, collaborative and high-performance working culture, we attract software developers with world-class talent and offer an

[Table of Contents](#)

engaging working environment for ongoing career development. We believe we are perceived as a top talent recruiter for IT professionals in Latin America, allowing us to attract the highest quality professionals and specialists dedicated to the enhancement of our platform.

Our Travel Customers

We had approximately 4.6 million, 3.9 million and 3.3 million travel customers in the years 2023, 2022 and 2021, respectively, primarily in Latin America, generating \$694.7 million, \$533.5 million and \$322.0 million in revenue for the travel business and approximately \$5.7 billion, \$4.3 billion and \$2.5 billion in gross bookings. Most of our travel customers are traveling for leisure, although we do have some independent business travelers as well.

In addition, in our financial services segment, our total payment volume was \$78.0 million, \$75.7 million and \$30.4 million during 2023, 2022 and 2021, respectively. In revenues we generated \$11.4 million in 2023, \$4.4 million in 2022, and \$0.8 million in 2021.

Our Distribution Channels

In order to provide our product offering, we are connected to all major air Global Distribution Systems ("GDSs"), several of the large global lodging inventory suppliers and the main car rental, travel insurance and destination services providers in our main destinations, as well as directly with several of the main airlines operating to/from/within Latin America and several of the main hotels. Our travel technology allows us to dynamically offer all of these products through a variety of channels both as stand-alone products or as dynamically packaged offers.

Through *B2C* we operate a diverse brand portfolio across the region, implementing effective marketing and pricing strategies geared towards capturing a significant revenue share. In addition to operating several brands, we also implement an omnichannel approach, which allows our customers to transact with us through multiple distribution channels. Employing an app-first strategy and an AI augmented agent we provide personalized travel advice for our customers both online and offline. Our platform facilitates efficient integration of acquired B2C brands, supporting the Company's strategic goal of market consolidation. Our system's inherent scalability allows us to achieve operating leverage, driving sustained margin expansion in the coming years and solidifying our competitive position in the market.

Our B2B solution provides offline travel agencies with numerous distinct advantages. It serves as a comprehensive one-stop shop, streamlining several operational aspects for these agencies, while also providing them with a cost-efficient gateway to Despegar's extensive air and non-air inventory. Our platform enables offline travel agencies to offer their customers a diverse range of compelling and affordable travel options. The flexibility ingrained in our solution is a key feature, facilitating the efficient onboarding of new travel agencies to seamlessly connect with our inventory. This adaptability ensures that our technology platform remains a dynamic and responsive tool, empowering offline travel agencies to thrive in an ever-evolving travel landscape.

White Label enables us to seamlessly integrate and launch tailored white-label solutions in record time for any of our partners, such as banks, credit cards, airlines, hotels and retailers. The nimbleness of our flexible platform, coupled with our relatively smaller size compared to global players, positions us uniquely in the market to deliver more personalized white-label solutions. Our white-label solutions fuel our expansion beyond Latin America, empowering us to serve diverse markets with the adaptability of our technology platform.

Our Products and Services

We offer a wide range of travel and travel-related products catering mostly to the needs of Latin Americans traveling domestically, to other countries in the Latin American region and outside of Latin America. We provide these travelers with the comprehensive tools and information, in multiple languages, that they need to research, plan, book and purchase travel products efficiently.

Our comprehensive product offering is organized into three segments: (1) Air, which consists of the sale of airline tickets, (2) Packages, Hotels, Vacation Rentals and Other Travel Products, which consists of travel packages (which can include airline tickets, hotel rooms and other services bundled together), as well as stand-alone sales of hotel rooms (including vacation rentals), car rentals, travel insurance and destination services, and (3) Financial Services, which consists of fraud prevention and payment gateway services as well as point-of-sale installment loans and "Buy Now, Pay Later" solution,

which enable our customers as well as customers of third-party merchants to make online purchases and pay off interest bearing debt in installments.

Air

Our Air segment consists of sales of airline tickets, primarily targeted at leisure travelers in Latin America, including domestic travel, to other countries in the region and outside of Latin America. Our Air segment includes airline tickets purchased on a stand-alone basis but excludes airline tickets that are packaged with other non-airline products. Our travel customers booked approximately \$4.4 million, \$4.3 million and \$3.6 million transactions in our Air segment using our platform in 2023, 2022 and 2021, respectively.

We provide our travel customers with access to 256 operating carriers. We believe our platform provides comprehensive information to our travel customers in a time efficient and transparent manner. Travel customers are quickly and easily able to evaluate a broad range of fares and airline combinations, and may search for flights based on their preferred travel dates, destinations, number of passengers, number of stops and class of travel, or they may use our more advanced search tool and include additional search parameters. Travel customers can also filter and sort the results of their search easily according to their preferences.

Packages, Hotels and Other Travel Products

The total number of transactions in our Packages, Hotels and Other Travel Products segment was \$4.7 million, \$3.9 million, and \$3.2 million in 2023, 2022 and 2021, respectively.

Packages

We offer travelers the opportunity to create custom packages by combining two or more travel products, such as airline tickets and hotel, airline tickets and car rental or hotel and car rental, and booking them in a single transaction. Combining multiple products into a package with a single quoted price allows us to offer travel customers lower prices than are available for individual products and helps us to cross-sell multiple products in a single transaction.

Hotels

Travel customers may search for hotels based on their destination and preferred dates for check-in and checkout, and may filter and sort our search results easily by selecting star ratings, specific hotel chains and location.

Travel customers can also indicate amenity preferences such as business services, internet access, fitness centers, swimming pools and more. Travel customers can also view hotel pictures and read hotel reviews from other travel customers on our platform, generating user-generated reviews.

As of December 31, 2023, approximately 22,800 of our hotel suppliers in Latin America were directly connected to our booking system. Through these direct connections, our hotel suppliers allocate rooms to us either by managing their room inventory directly on an extranet supported by us, or on an extranet supported by one of our more than 45 third-party channel managers.

In 2023, 2022 and 2021, 7.5%, 7.1% and 7.5%, respectively, of our gross bookings were attributable to supply provided to us by affiliates of Expedia. Expedia, the beneficial owner of 14.52% of our ordinary shares outstanding as of December 31, 2023, holds certain rights in its capacity as a shareholder. For more information on our relationship with Expedia, see “Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Relationship with Expedia” Note 24 to our consolidated financial statements.

We typically do not assume inventory risk as we do not pre-purchase hotel room inventory from our hotel suppliers. Hotel suppliers are paid by one of two methods: “pre-pay” and “pay-at-destination.” Under the pre-pay model, our travel customer pays us at the time of booking, and we pay our hotel suppliers after the travel customer checks out. Under the pay-at-destination model, the travel customer pays the hotel directly at checkout and we either receive our commission later from the hotel suppliers or from the travel customer, at the time of booking. For the year ended December 31, 2023, 94% of the hotels booked on our platform were under the prepay model and 6% under the pay-at-destination model.

[Table of Contents](#)

Vacation Rentals

Our Vacation Rentals products are offered in all of our markets, brands, and channels. This product is focused on meeting the specific needs of our customers when it comes to property details, amenities, and check-in instructions. In 2023 we entered into an addendum to the Expedia Outsourcing Agreement under which Expedia provides us with its VRBO inventory, increasing our available inventory to a total of approximately 766,500 vacation rental units worldwide. We continue to expand our vacation rentals inventory, mainly through our Expedia Outsourcing Agreement, Stays, and our direct sourcing efforts in Latin America.

Other Travel Products

We also offer other travel products on our platform. We provide our travel customers access to approximately 190 car rental agencies, approximately 650 destination services, suppliers with more than 13,700 activities, and one travel insurance supplier. While we offer both pre-pay and pay-at-destination options for car rentals, the other travel products that we offer must be prepaid.

Destination Services: We offer a wide range of in-destination services as an opportunity for us to offer attractions, tickets, tours and activities and local concierge services in more than 200 hotels, to package with other products and as a way to encourage in-destination transactions. The wide array of options offered is intended to suit varying budgets and preferences of potential travel customers. In order to guarantee the best experience, our team provides support and advice during the full customer's journey.

Car Rentals: Currently, we offer car rentals worldwide, with a focus in Latin America and the United States.

Travel Insurance: We offer travel insurance through a third-party provider in Latin America, Universal Assistance Card, with whom we entered into an exclusivity agreement in 2021. Travel customers can choose from a range of coverage options depending on their particular needs, such as medical insurance and lost or damaged baggage. Typically, this product is requested in conjunction with a flight and hotel booking. Prior to confirming and proceeding with the reservation of and payment for a flight or hotel booking or a package booking, our travel customers are offered the opportunity to purchase travel insurance.

Financial Services

Our subsidiary, Koin, specializes in offering three distinct financial technology products tailored to enhance the customers and merchants' e-commerce experience. The portfolio includes:

Payment Gateway Services: This robust solution facilitates seamless payment processing for a diverse range of methods, optimizing the online checkout experience for consumers throughout Latin America. This solution is tailored differently based on the market it is being offered.

Fraud Prevention Services: Our advanced system safeguards online transactions throughout Latin America, mitigating fraud risks and ensuring a secure shopping environment for merchants and consumers. Trusted by leading merchants in Latin America, it streamlines payment processing for high conversion rates and prioritizes digital security in every transaction.

Point-of-Sale Installment Loans ("Buy Now, Pay Later" Solution): Exclusively offered in Brazil, this service enables customers to finance their purchases via convenient installment loans at the point of sale on a user-friendly platform. By streamlining the financing process and minimizing bureaucratic hurdles, it enhances customer purchasing power with minimal requirements. This strategic approach has significantly broadened Despegar's addressable market while also improving Koin's take rate from 16% in 2022 to 30% in 2023, demonstrating notable market penetration and customer adoption.

Expanding beyond the travel industry, Koin has reached diverse sectors such as health-tech, ed-tech, home appliances, apparel, among others. To broaden its reach, Koin has entered into agreements with major e-commerce platforms like Vtex and Magento. These partnerships aim to augment the merchant base and facilitate the seamless commercialization of Koin's products with minimal integration efforts.

While the focus during 2022 and 2023 remained primarily on serving Koin's strategic expansion into various industries and collaborations with key e-commerce platforms underscore its commitment to diversification and growth.

[Table of Contents](#)

In 2023, Koin processed over 166,000 transactions, and had over 122,000 customers, as compared to 200,000 transactions and over 145,000 customers in 2022. The average amount of each loan was approximately \$470 and \$380 in 2023 and 2022, respectively. For the year ended December 31, 2023, our total purchased volume (TPV) increased 2% year over year \$77.1 million in line with Koin's conservative approach to loan origination. Most of our loans receivable are short-term in nature with an average duration below 5 months, thus being fully repaid in a period ranging between seven and ten months, while a minor portion of loans are repaid within twenty-four months.

Koin closely monitors credit quality for all loans receivable on a recurring basis. To evaluate a consumer seeking a loan, Koin uses, among other indicators, a risk model that was developed internally, as a credit quality indicator to help predict the consumer's ability to repay the principal and interests of the credit. The risk model uses multiple variables as predictors of the consumer's ability to repay the credit, including external and internal indicators. Internal indicators consider the customer's history with Koin, credit scoring and risk profile, among others. In addition, Koin considers external information to enhance the scoring model and the decision-making process. The internal indicators and the external credit score are combined in a risk matrix, which is also used to price the loans based on the risk profile.

Our Payment Options

In addition to the payment options provided by our financial services segment, we also offer additional payment options.

Credit cards are the primary means of payment for products on our platform. We allow for the use of more than one credit card in a single transaction, permitting travel customers with lower credit limits to make larger purchases. We also offer other payment alternatives including debit cards as well as several localized payment options available in the markets in which we operate.

We generally partner with banking institutions to allow our customers the ability to purchase the product of their choice through established financing plans offered and administered by banks, which we believe differentiates us from other companies in the financial sector that do not offer installment plans or offer them from a more limited selection of financing providers or in a more limited selection of countries. Local banks look to partner with us because of our scale, access to our online audience, and high transaction volume.

Credit card customers can choose from a range of installment plan offers and terms from different financial institutions with which the travel customer holds or obtains a credit card. Many of these installment offers are interest-free for the customer. Installment plans allow customers to make larger purchases than they can otherwise make in a single payment. Approximately 49%, 43% and 46% of our prepaid transactions in 2023, 2022 and 2021 were paid in installments.

Banks bear the risk of fraud, delinquency or default by customers. When customers choose to finance their purchases, we typically receive payment under two scenarios: (i) full (complete) payment for our services within a short period of time after completion and confirmation of the purchase, regardless of the payment plan selected by the customer; or, (ii) we receive payment as installments become due, regardless of when the customer actually makes the scheduled payments.

Loyalty Program

Our Loyalty Program plays a pivotal role in fostering customer loyalty, exemplified by the success of our rewards programs, "Pasaporte Despegar" and "Pasaporte Decolar" as transactions with points redemptions grew from 2.1% in 2021, to 5.9% in 2022 and 10.4% in 2023. Customers accrue points when making purchases of travel-related products across all our sales channels. These accumulated points can be redeemed in future transactions, providing customers with valuable benefits and discounts.

Our loyalty program stands as a testament to our commitment to enhancing the customer experience. Through "Pasaporte Despegar" and "Pasaporte Decolar," we not only incentivize repeat business but also ensure that our customers feel appreciated and valued. The attractive benefits and discounts offered through our loyalty program serve as a compelling incentive for customers to choose our platform for their travel-related needs. This approach not only contributes to customer retention but also solidifies our position as a customer-centric brand dedicated to providing ongoing value to our loyal patrons.

Promotions and Sales

[Table of Contents](#)

We employ a proactive approach in our marketing strategy, placing a strong emphasis on promotions that encompass discounts, holiday campaigns, and various financing options. By leveraging our technology-driven marketing initiatives, coupled with our extensive customer data and profound understanding of our clientele, we can dynamically optimize promotions on a daily basis. This proactive approach allows us to swiftly adapt to market trends and customer preferences as we continually refine our promotions, responding to real-time data insights. This integration of technology, customer knowledge, and strategic promotional tactics positions us as a market leader consistently enhancing our conversion rates.

Security, Privacy and Anti-Fraud

We are committed to operating a secure online business. We use various security methods in an effort to protect the integrity of our networks and the confidential data collected and stored on our servers. For example, we use firewalls to protect access to our networks and to the servers and databases on which we store confidential data; we restrict access to our network by virtual private network (“VPN”) with two-factor authentication and conduct periodic audits of data access and modifications of our network; and we use password-protected encryption technology to protect our communication channels and sensitive travel customer data. In addition, we have developed and use internal policies and procedures to protect the personal information of our travel customers, and we comply with the Payment Card Industry Data Security Standard (“PCI DSS”). To enforce our security framework we have a dedicated cybersecurity team that conducts penetration testing and application security analysis, develops policies and standards, and ensures compliance with those policies and standards.

We believe that issues relating to privacy and the use of personally identifiable information are becoming increasingly important as the internet and its commercial use continue to grow. We have adopted what we believe is a detailed privacy policy that complies with local legal requirements in each of the Latin American countries in which we operate and outlines the information that we collect concerning our users and how we use it. Users must acknowledge and expressly agree to this policy when registering with our platform, signing up for our newsletters, or making a purchase.

Although we periodically send marketing communications to our users, we use our best efforts to ensure that we respect users’ communication preferences. For example, when users register with us, they can opt out of receiving marketing e-mails from us. Users can modify their communication preferences at any time in the “My Account” section of our sites.

We use information about our users for internal purposes in order to improve marketing and promotional efforts and in order to improve our content, product offerings and site layout. We may also disclose information about our users in response to legal requirements. Our information is stored on our servers located in Miami, Florida and on third party cloud services providers.

Moreover, we are committed to detecting and deterring possible instances of fraudulent transactions before they are completed. The key components of our fraud-prevention strategy include: (1) a dedicated and specialized fraud prevention team that works closely with our IT staff; (2) engagement with key actors in the online travel industry, such as banks and airlines, which strengthens our early-detection capabilities, thereby reducing the exposure period to potential fraud events; and (3) machine learning systems that analyze multiple factors, including intelligence gathered from our industry relationships, to help us adapt better to changing market conditions and detect and address fraudulent transactions. Our in-house team works with third-party vendors, allowing us to leverage best practices and scale quickly.

Acquisitions

Our approach to acquisitions is strategically aligned with three key objectives that shape our vision and drive our expansion efforts:

Expansion of geographic reach: We prioritize acquisitions in key Latin American geographies, like Brazil, Mexico, and Colombia, to solidify our presence in high-growth markets.

Enhancement of service offerings: We target companies with complementary capabilities that broaden our service portfolio and strengthen our value proposition to customers.

Unlocking synergies: We actively pursue acquisitions that generate meaningful revenue and cost synergies by leveraging our technology platform to create a unified and advanced ecosystem.

Our successful past integrations demonstrate our ability to effectively integrate acquired companies into our platform, and we plan to continue this approach in the future.

[Table of Contents](#)

In 2019, we acquired Viajes Falabella, a leading travel brand in Chile, Colombia and Peru and part of Falabella Group. With this transaction, we acquired not only a business specialized in travel packages, but also signed a strategic commercial alliance for 10 years with CMR Card and Falabella group. Our technology platform, travel content and marketing experience, allowed us during the last five years, to aggressively accelerate growth, while migrating sales to online and improving profits of this operation.

In 2020, we acquired Best Day, a leading travel agency in Mexico, with operations in other countries in Latin America. Best Day provides travelers with several product offerings, primarily travel packages, hotels and other travel-related products, through its online platforms, call centers and offline presence, and provides travel suppliers a technology platform for managing the distribution of their travel products and access to traveler customers. Best Day offers these travel products and services through its brands “Best Day” and “BD Experience”. As part of the purchase price, we will be required to make a payment of an earnout for the benefit of certain sellers ranging from \$0 to \$20 million, based solely on the performance of our share price during a measurement period of six months prior to the fourth anniversary of the closing date. The earnout, if any, will be payable in cash on October 1, 2024.

In January 2022, we completed the acquisition of Koin. Koin is specialized in the consumer lending sector through its "Buy Now, Pay Later" solution, which offers financing to merchants' customers, predominantly in the travel sector in Brazil. Koin, a pioneer in the "Buy Now, Pay Later" landscape in Latin America provides, through one single integration, a solution that allows customers to finance their transactions in installments, on a simple to use platform, with accessible interest rates and no bureaucracy, thereby allowing them to have a higher purchasing power with limited requirements. Our acquisition of Koin adds to our value proposition as we expand the alternatives for our customers to purchase travel products with a payment option that doesn't require a credit card or bank account.

In July 2022, we completed the acquisition of a 51% ownership stake in Stays.net ("Stays"), Brazil's leading vacation rental channel manager. Created in 2016, Stays currently offers a complete all-in-one solution (Channel Manager, Property Management System, ERP and integrated E-Commerce booking system) to vacation property managers and owners in Latin America, giving us the opportunity to grow our vacation rental offering within Brazil as well as other key geographies in Latin America.

In June 2022, we acquired TVLX Viagens e Turismo S.A. ("Viajanet"), one of the leading online travel agencies in Brazil. Viajanet primarily operates in Brazil and the acquisition of Viajanet constitutes another step in our regional consolidation strategy to enable us to deploy more of Despegar's higher-margin non-air inventory through a new brand and its customer base while strengthening the team in Brazil.

Intellectual Property

We regard our intellectual property as critical to our future success and rely on a combination of trademark laws and contractual restrictions to establish and protect our proprietary rights in our products. Our intellectual property includes trademarks and domain names associated with the names “Despegar”, “Despegar.com”, “Decolar”, “Decolar.com”, “Best Day”, “BD Experience”, “HotelDo”, “Viajanet”, “Stays” and “Koin”. To protect our platform and technology, we have entered into confidentiality and invention assignment agreements with our employees and certain contractors and suppliers. We own our technology platform, which consists of applications that we develop in-house using primarily open source software. We have not registered our technology, however, because we believe it would be difficult to replicate and that it is adequately protected by the agreements we have in place. Additionally, our technology is constantly evolving and any registration may run the risk of protecting outdated technology. We cannot assure you that all our intellectual property is fully protected and enforceable vis-à-vis third parties under all applicable laws in Latin America. For more information, see “Item 3. Key Information — D. Risk Factors—Risks Related to our Business—We may not be able to adequately protect and enforce our intellectual property rights; and we could potentially face claims alleging that our technologies infringe the property rights of others.”

Competition

We operate in a highly competitive and evolving market. Travelers have a range of options, both online and offline, to research, find, compare, plan and book air, packages, hotels and other travel products.

[Table of Contents](#)

Our competitors include global OTAs with presence in Latin America, as well as travel metasearch sites; search websites and apps, and e-commerce and group buying websites and apps; alternative accommodation and vacation rental businesses; local offline travel agency chains and tour operators; and smaller online travel agencies lacking a pan-regional presence.

In addition, our travel customers have the option to book travel directly with travel suppliers, including airlines, hotels and other travel suppliers via online and offline channels. See “Item 3. Key Information — D. Risk Factors—Risks Related to Our Business—We operate in a highly competitive and evolving market, and pressure from existing and new companies may adversely affect our business and results of operations” for more information.

We believe that the primary competitive factors in the travel industry, in particular as consumers increasingly research, plan and book travel online, are, among other things, brand recognition, price, availability and breadth of choice of travel services and products, customer service, ease of use, fees charged to travelers, accessibility, reliability and adoption of e-commerce by travelers in the markets in which we operate. We believe our brands, scale, operational and technological capabilities, including our local knowledge, marketing expertise and technology platform, provide us with a sustainable competitive advantage.

Seasonality

See “Item 5. Operating and Financial Review and Prospects — Operating Results.”

Human Capital Management

People, Company Culture and Total Rewards

Despegar is driven by a mission to broaden horizons and create lasting memories through unforgettable travel experiences. We achieve this by attracting and nurturing top talent across Latin America and the United States, fostering a diverse team of, as of December 31, 2023, over 4,500 professionals. Leveraging vast data and cutting-edge technology to design unparalleled travel experiences, we design unparalleled travel experiences.

We are committed to exceeding expectations. We support our team's growth through opportunities, benefits that ignite their passion for travel and well-being, and competitive salaries. We stand out in the intense competition for talent by offering a unique chance to enhance lives through travel, connecting cultures, and making exploration accessible. Our commitment to this vision fuels our dedication to attracting and retaining exceptional individuals by providing competitive salaries, comprehensive healthcare, wellness initiatives, generous parental leave, volunteer time off, a transportation program, onsite medical services, and more.

Acknowledging the shift towards more flexible work arrangements, we continually adapt to foster a dynamic, effective, and satisfying work environment. Our transition to a hybrid model has been met with enthusiasm, underpinned by popular programs like our work-from-anywhere policy, which embodies our belief in the transformative power of travel.

To attract the market's top talent, we've implemented several enduring recruiting initiatives. A prime example is our "Jovenes de Alto Vuelo" (JAV) Program, which has been successfully running for over 15 years. This initiative targets high-potential, IT-savvy candidates, offering them extensive in-house training before they join our developer team. The JAV Program's reputation for excellence is well-established, marked by its rigorous selection process. In 2023, only 35 candidates were chosen from a pool of more than 17,000 applicants, highlighting its highly competitive nature.

Diversity, Equity and Inclusion

Our organization thrives on diversity. We believe a rich tapestry of diverse individuals, each with unique perspectives, fuels innovation, excellence, and empathetic, agile decision-making. Our mission goes beyond coexistence. We actively promote creativity, inclusivity, and innovation by fostering an environment where diverse practices and behaviors flourish. We are committed to equal opportunities for all, grounded in meritocratic principles.

Diversity: We celebrate a broad spectrum of diversity, including ethnicity, sexuality, age, gender identity, religious beliefs, nationality, physical abilities, socioeconomic backgrounds, and more. These differences are our strength, fueling innovation and enriching our team.

[Table of Contents](#)

Equal Opportunities: We champion equal opportunities for growth and development for every member of our organization. Meritocracy is at our core, ensuring advancement and recognition based solely on individual achievements and contributions.

Non-Discrimination: Respect and awareness are our cornerstones. We foster a culture that appreciates diverse backgrounds and perspectives that enrich our team. Our dialogue and interactions are marked by an appreciation for this diversity, fostering a workplace where discrimination has no place.

Environmental Matters

We are dedicated to the sustainable management of our environmental footprint and engaging our users and ecosystem partners to create synergy. As a responsible corporate citizen, we recognize our role in combating the global challenge of climate change. To strategically manage the environmental impacts arising from our operations, we are committed to promoting sustainable tourism and introducing carbon mitigation measures and will continue to explore ways to further improve energy efficiency. We are always looking for opportunities to decrease our carbon footprint and our carbon reduction measures currently are focused mainly on reducing energy consumption and improving energy efficiency at our headquarters.

User Privacy and Data Security

Data security is crucial to our business operations. We have internal rules and policies to govern how we may use and share personal information, as well as protocols, technologies and systems in place to ensure that such information will not be accessed or disclosed improperly. Users must acknowledge the terms and conditions of the user agreement before accessing our products and services, under which they consent to our collection, use, and disclosure of their data in compliance with applicable laws and regulations, and we will only use the data of our users under the conditions agreed by our users.

From an internal policy perspective, we limit access to our servers that store our user and internal data on a “need-to-know” basis. Our internal control protocols cover the full lifecycle of data processing including data collection, data quality management, data encryption and transportation, data storage security, data backup and recovery, data processing and analytics, proper use of data, and data destruction and disposition. We adopt a data encryption system intended to ensure the secured storage and transmission of data, and prevent any unauthorized member of the public or third parties from accessing or using our data in any unauthorized manner. We also deploy a variety of detection mechanisms, including machine learning technology and other automated tools that help us independently identify certain misleading information on our platform to remove, suppress, or forward the content for human review. As we continue to develop these tools, content is reviewed by our trained specialists to comply with applicable laws and regulations. Furthermore, we implement comprehensive data masking of user data for the purpose of fending off potential hacking or security attacks.

Regulation

Regulations Related to the Travel Industry

We are subjected to some specific laws and regulations, which affect the travel industry and our travel suppliers in the jurisdictions in which: (i) we operate; (ii) our travel customers reside and/or their trip destinations. And, to promote and sell tickets for international airlines companies, we are also required to be accredited by the International Air Transport Association (“IATA”). Below are some of the laws and regulations that we are currently subject to.

Brazil

As an Online Travel Agency (“OTA”), we are obliged to be registered before the Ministry of Tourism (CADASTUR) and we are subjected to the: (i) Law No. 11,771/2008, which regulates the National Tourism Policy and defines the responsibilities of the federal government in planning, developing and stimulating the tourism sector; (ii) Decree No. 7,381/2010, which regulates Law No. 11,771/2008; (iii) Ordinance No. 38/2021 from the Ministry of Tourism, which establishes the CADASTUR, the CADASTUR’s consulting committee and regulates other measures; and, (iv) Law No. 12,974/2014, which regulates the activities of tourism agencies.

As an OTA, we are also subjected to the (i) Law No. 12.965/2014, which regulates and establishes principles, guarantees, rights and duties for the use of the Internet in Brazil; and (ii) Decree No. 8,771/2016, which sets forth security standards to be complied with by internet connection and application providers (online platform operators) when storing personal data.

Table of Contents

Since August 2018, when the Brazilian General Data Protection Law (Law No. 13,709/2018 – “LGPD”) was enacted, we have been subjected to the LGPDs proceedings. The LGPD is applicable to any individual or legal entity governed by public or private law processing personal data (i) in the Brazilian territory; or (ii) for the purposes of offering or supplying goods or services or treating information of data subjects located in Brazil; or (iii) if personal data has been collected in the Brazilian territory.

We are also subjected to the (i) the Brazilian Federal Constitution; (ii) Law No. 10,406/2002 (Brazilian Civil Code); and, (iii) Law 8.078/90, which provides for consumer protection and other measures. Those laws rule the commercial, civil and consumer relationships, as well as the agreements related to them.

Regarding the regulations related to taxation, we are beneficiaries of the tax benefit of the Law No. 14,537/23, which withholding income tax on remittances to cover travel expenses of Brazilian individuals abroad. The withholding income tax rate levied on the amounts paid, credited, delivered, employed or remitted to an individual or legal entity residing or domiciled abroad, destined to cover personal expenses, abroad, of individuals residing in Brazil, on tourist, business, service or training trips or on official missions, up to the limit of R\$ 20,000.00 (approximately \$3,800) per month, was reduced to: (i) 6%, from January 1, 2023 to December 31, 2024; (ii) 7%, from January 1, 2025 to December 31, 2025; (iii) 8%, from January 1, 2026 to December 31, 2026; and (iv) 9%, from January 1, 2027 to December 31, 2027. We are also beneficiaries of the tax benefit of the Law No. 14,148/2021, which established several emergency actions by the government to offset the economic effects of the COVID-19 pandemic for the tourism and events sector (“Programa Emergencial de Retomada do Setor de Eventos y Turismo” or “PERSE”). Benefits include for a 60-month period a 0% rate for corporate income taxes (Corporate Income Tax “IRPJ” and Social Contribution on Net Income “CSLL”) and a 0% rate on federal gross revenue taxes (Contribution to the Social Integration “PIS” and Contribution to Social Security Financing “COFINS”).

Mexico

We are obliged to be registered before the National Tourism Registry, as ruled by the Decree dated June 26, 2015. The local regulations are comprised of: (i) General Tourism Law and its regulations, which regulate tourism, as well as the processes derived from the activities carried out by the people during their trips and temporary stays in places other than their usual environment, with leisure purposes and other reasons; (ii) the resolutions issued by the Ministry of Tourism; and (iii) the Federal Consumer Protection Law and its regulations, which promote and protect consumer rights and culture and seek the equity, certainty and legal security between suppliers and consumers.

We are also subjected to the Federal Law on Protection of Personal Data Held by Private Parties, which was published in the Official Gazette of the Federation on July 5, 2010. This law regulates, among other things, the type of information that can be collected, and how such information can be used. In addition, the Federal Consumer Protection Law includes various rights and obligations regarding transactions carried out through electronic and other means. Although it is not mandatory, we also implemented the Mexican Standard NMX-COE-001-SCFI-2018, which provides a list of recommendations with the best electronic commerce practices, including data security and protection.

Regarding tax and labor laws and regulations, we are also subjected to: (i) a decree, enacted on April 23, 2021, which has a purpose of banning the subcontracting regime (“outsourcing services”) and in case of failure to comply with it could result in significant penalties, including the potential characterization of tax fraud; and (ii) the Income Tax Law, Value Added Tax Law and Federal Fiscal Code, which became effective as of September 1, 2021. Those laws implemented significant modifications to outsourcing services: (i) the Federal Labor Law generally prohibits outsourcing services; (ii) an exception is created to allow for the rendering of specialized services or the execution of special projects that are not within the corporate purpose stated in the incorporation documents or are not part of the primary economic activity of the service recipient (“specialized services”) so long as the service provided is duly registered; and (iii) entities that provide specialized services must comply with a new registration procedure with the Ministry of Labor and Social Welfare.

Uruguay

We operate as a free trade zone user of the Zonamerica Free Trade Zone in Montevideo, Uruguay (the “Free Trade Zone”), under Law No. 15,921 and its corresponding regulations. No domestic Uruguayan tax applies in the Free Trade Zone, except for social security contributions for any Uruguayan employees. No social security contributions are required for non-Uruguayan employees, so long as they do not exceed 25% of the personnel working in the facility located in the Free Trade Zone. In addition, the inflow of goods and services to the Free Trade Zone, as well as their outflow abroad, are tax exempt. The movement of goods and services into a Free Trade Zone from a non-Free Trade Zone Uruguayan territory is treated as an export and therefore also exempt from VAT and the Specific Internal Tax (*Impuesto Especifico Interno* or

[Table of Contents](#)

“IEI”). On the other hand, if goods are introduced into a non-Free Trade Zone Uruguayan territory from a Free Trade Zone, the corresponding import tax will apply. Exporting services from a Free Trade Zone to a non-Free Trade Zone Uruguayan territory is generally prohibited with certain exceptions for operations with related parties. By law, the Uruguayan state is liable for damages if the tax exemptions, benefits and rights of users of Free Trade Zones granted pursuant to the law are not fulfilled during the term of their contracts.

Argentina

Travel agencies in Argentina are currently undergoing a recent regulatory change due to the amendments implemented by the Administration through Decree No. 70/2023. Through the decree, the Administration repealed Law No. 18,829 which regulated the activities of travel agencies, affecting mainly the need for a license to operate and certain penalties.

Travel agencies remain subjected to the: (i) Law No. 25,997 and its applicable regulation which governs the development and promotion of tourism in Argentina; (ii) resolutions issued by the former Ministry of Tourism and Sports; and (iii) Law No. 24,240 (the “Consumer Protection Law” or “CPL”) as amended, which sets forth the provisions for the protection of consumers.

Regarding the e-commerce laws, we are subject to the: (i) Resolution No. 104/05 adopted by the former Secretary of Technical Coordination under the former ministry of Production and the Argentine Consumer Protection Agency, which establishes certain information requirements for internet providers; (ii) Law No. 25,326, which mandate the registration of databases with the Data Protection Agency and regulate, among other things, the type of information that can be collected, and how such information can be used; and, (iii) the Consumer Protection Law sets forth certain rules and principles designed to protect consumers, with the goal of mitigating the asymmetry between consumers and companies.

Regarding the regulations related to taxation, since 2013 we have been the beneficiary of a partial tax exemption, applicable until January 31, 2029, under Buenos Aires Municipal Laws No. 2,972 and 6,392, which include, among others, the turnover tax reduction. This benefit implies the reduction, from the turnover tax, of any revenue directly connected to services performed through software applied to e-commerce that are performed within the designated technology district located in *Parque Patricios* in the city of Buenos Aires.

We are also beneficiaries of the Knowledge-based Economy Promotional Regime, established by Law No. 27,506, enacted on June 10, 2019 (also known as the “Knowledge Law”), and its regulatory Decree No. 1034/2020 (as amended and supplemented). The Knowledge Law allows companies that were already benefiting from the software development law to apply for tax benefits under the law. This tax benefit will be in place from January 1, 2020 through December 31, 2029, and shall grant (i) a reduction of the income tax up to 60% (60% for micro and small enterprises, 40% for medium-sized enterprises and 20% for large enterprises) over the promoted activities for each fiscal year, applicable to both Argentine source income and foreign source income; (ii) stability of the benefits established by the Knowledge-based Economy Promotional Regime (as long as the beneficiary is registered and in good standing) and (iii) a non-transferable tax credit bond generally amounting to 70% (up to 80% in certain specific cases) of the company’s contribution to the social security regime of every employee whose job is related to the promoted activities (caps on the number of employees are applicable). The tax credit may be used within 24 months from its issuance date (this period can be extended for an additional 12 months in certain cases) to offset federal taxes, such as VAT (excludes income tax).

On January 14, 2022, the Under Secretariat of Knowledge Economy issued the Disposition 33/2022 by which our Argentine subsidiary Despegar.com.ar S.A. obtained the registration in the National Registry of Beneficiaries of the Knowledge-based Economy Promotional Regime, created by Article 3 of Law No. 27,506, as amended. Tax benefits granted pursuant to the promotional regime to Despegar.com.ar S.A. were retroactive to January 1, 2020 .

Regarding the Corporate Income Tax Reform, in June 2021, the Law 27,630 was enacted, which increased the corporate income tax rate for tax years beginning January 1, 2021, and onwards. The law replaced the 30% fixed tax rate with a progressive tax scale that applied as follows: a) for accumulated net taxable income up to \$5 million Argentine Pesos, a 25% tax rate on accumulated net taxable income; b) for accumulated net taxable income from \$5 million Argentine Pesos to \$50 million Argentine Pesos, a tax payment of \$1.25 million Argentine Pesos plus a 30% tax rate on accumulated net taxable income exceeding \$5 million Argentine Pesos; c) for accumulated net taxable income exceeding \$50 million Argentine Pesos, a tax payment of \$14.75 million Argentine Pesos plus a 35% tax rate on accumulated net taxable income exceeding \$50 million Argentine Pesos. The mentioned thresholds are subject to inflation adjustment from 2022 onwards. In addition, the Law 27,630 permanently extended the 7% withholding tax currently in force to dividend distributions.

The Argentine tax authorities enacted the Reverse Withholding Tax for an Inclusive and Solidarity Argentina (PAIS) and some General Resolutions, which tax is imposed at a rate of 30% on: (i) the purchases by Argentinean residents of foreign services through credit and debit cards; (ii) services to be provided outside Argentina, contracted through Argentine travel and tourism agencies (wholesale or retailers); and, (iii) the acquisition of international passenger transport services (by

[Table of Contents](#)

land, air, aquatic and road). Furthermore, three General Provisions were enacted (General Resolution No. 4815/2020, 5232/2022 and 5272/2022), which, last one (General Provision 5272/2022) imposed an additional reverse withholding tax applicable on same transactions by Argentine residents at a 25% tax rate. Furthermore, the General Resolution No. 4815/2020 -and its amendments- imposed an additional reverse withholding tax applicable on same transactions by Argentine residents at a 30% tax rate (the rate currently in force).

Regulations Related to Foreign Currency and Exchange Rates

There are also laws and regulations that address foreign currency and exchange rates in many of the countries in which we operate. In some of them, we need governmental authorization to pay invoices to a foreign supplier or send money abroad due to foreign exchange restrictions. See “Item 3. Key Information — D. Risk Factors—Risks Related to Latin America—We are subject to significant foreign currency exchange controls in certain countries in which we operate.” and “Item 10. Additional Information — D. Exchange Controls.”

Legal Proceedings

We are party to various lawsuits, claims and disputes mainly with customers arising out of the ordinary course of business. We estimate the range of our liability related to pending litigation when we believe the amount or range of loss can be estimated. We record our best estimate of a loss when the loss is considered probable. When a liability is probable and there is a range of estimated loss with no best estimate in the range, we record the minimum estimated liability related to the lawsuits or claims. As additional information becomes available, we assess the potential liability related to our pending litigation and claims and revise our estimates. Due to uncertainties related to the resolution of lawsuits and claims, the ultimate outcome may differ significantly from our estimates. In the opinion of management and based on liability accruals provided, our ultimate exposure with respect to these pending lawsuits and claims is not expected to have a material adverse effect on our consolidated financial position or cash flows, although they could have a material adverse effect on our results of operation for a particular reporting period.

As of December 31, 2023 and 2022, we have reserved an amount of approximately \$8.5 million and \$8.8 million to cover for probable losses, respectively.

We are not currently party to any legal, arbitration or administrative proceedings that, in the opinion of our management, is likely to have a material and adverse effect on our business, financial condition and results of operation, other than as set forth below.

Brazil

Between May and July 2016, Booking.com filed several complaints against us alleging that (i) we offered higher prices to Brazilian consumers than those offered to foreign consumers for the same accommodation during the same period of time (“geopricing”) and (ii) we made accommodations unavailable for Brazilian consumers whereas foreign consumers were allowed to book the same accommodations (“geoblocking”). Based on these allegations, Booking.com requested that the public prosecution offices order us to pay penalties and/or prohibit the alleged practices. As a consequence of the complaints, we have pending lawsuits from Booking.com disputing the allegations made by Booking.

In January 2018, the Public Prosecutor’s Office of the State of Rio de Janeiro filed a public civil action against us in the Rio de Janeiro court. This complaint also refers to the alleged geopricing and geoblocking practices in detriment to Brazilian consumers and seeks the cessation of the practice and payment of damages. We filed our defense on March 20, 2018 and provided evidence that we weren’t engaging in those alleged practices. However, the Rio de Janeiro Public Attorney Office requested to the court the suspension of the injunction granted to Decolar, not to seal (classify) Decolar’s defense, and make public available Decolar’s defense documentation. Decolar appealed and the court kept its defense sealed and private; however the court decided to start the phase of “expert examination”, which has not started yet.

In June 2018 the Consumer Defense Office of the Department of Justice issued a decision against Decolar and condemned it to pay a fine in the amount of R\$7.5 million (approximately US\$1.5 million), on the grounds of alleged geopricing and geoblocking practices and obligated Decolar to cease such practices. Although we received an unfavorable decision at the administrative level, we have filed a claim seeking to declare the fine null and void. We currently are in the discovery stage in that proceeding.

In addition, in January, 2022, the Consumer Defense Office issued another fine against Decolar in the amount of R\$1.2 million. Decolar disputed the fine in the administrative level and received an unfavorable decision. Decolar then filed a

[Table of Contents](#)

claim against that Office in order to declare the fine null and void. The first instance decision was favorable to Decolar, which has declared null and void the fine imposed. The Consumer Defense Office could appeal the first instance decision.

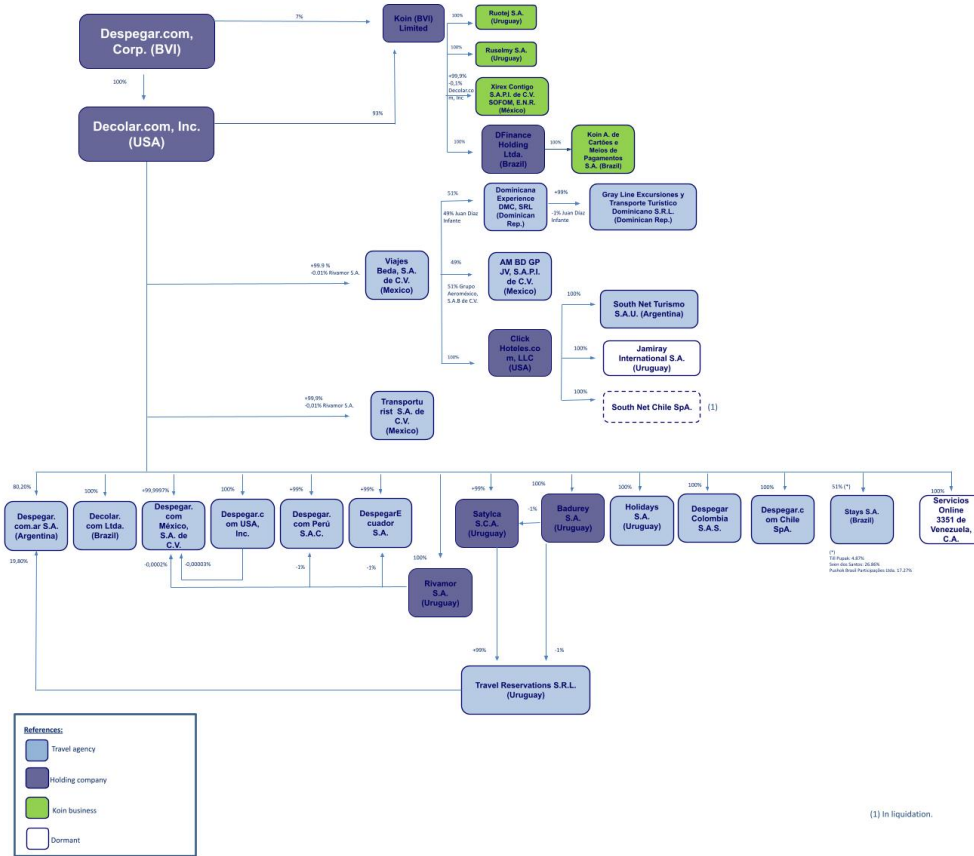
Although we believe our Brazilian subsidiary has meritorious defenses to these proceedings, we cannot assure what the ultimate outcome of this matter will be. The final resolution of these claims, which could take several years, is not likely to have a material effect on our financial position or results of operation

Chile

The Chilean National Consumer Office (SERNAC) filed a class action against Despegar and Viajes Falabella on behalf of all consumers who bought tourist services during the period between December 25, 2019 and December 10, 2021. The allegations include that customers were limited to cancel or reschedule their trips or had to pay fines in connection therewith; there was a delay in the reimbursement of amounts due to customers and that Despegar and Viajes Falabella have abusive clauses in their contracts. SERNAC is looking for the immediate suspension of the alleged conduct, and to declare null all contracts entered into within that period, the fines imposed and the compensation to be paid to all customers. The lawsuit is in the discovery phase. Currently we cannot quantify the exposure for the Company.

Organizational Structure

Despegar.com, Corp. is a holding company organized in the British Virgin Islands, which owns, directly or indirectly, all of our operating subsidiaries. The diagram below depicts the organizational structure of our key subsidiaries as of April 10, 2024:



(1) In liquidation.

[Table of Contents](#)

Property, Plant and Equipment

The following table shows the location of our significant leased offices and customer service centers, and the term of the leases agreements under which they operate.

City, Country	Facility	Address	Approximate Square Meters	Agreement Expiration Date
Tortola, British Virgin Islands	Headquarter of Despegar.com, Corp.	Commerce House, Wickhams Cay 1, Road Town	20	12/31/2024
Buenos Aires, Argentina	Argentina operation and regional functions	Av. Corrientes 800, City of Buenos Aires	1,240	04/18/2026
Santiago, Chile	Chile operation	Cerro El Plomo 6000, office 401, Las Condes	440	09/25/2027
Bogotá, Colombia	Colombia operation and customer service center	Calle 26 No. 92 – 32, Bogotá D.C.	485	01/18/2026
Montevideo, Uruguay	International Hotels, Packages and Other Travel Products operations and Shared service center	Ruta 8 Km. 17,500, local 318, edificio 300, Zonamerica	1,392	03/31/2026
Sao Paulo, Barueri, Brazil	Brazil operation	Alameda Grajaú 219	2,862	05/14/2028
Sao Paulo, Brazil	Brazil operation (Koin)	Av. Paulista 2421, 13th floor, Bela Vista	538	12/31/2028
Ciudad de Mexico, Mexico	Mexico operation	Av de los Insurgentes Sur 1457, , 17th floor, office 17-2, Insurgentes Mixcoac, Benito Juarez, Ciudad de Mexico	255	09/30/2025
Ciudad de Cancún, Mexico	Quintana Roo	Av. Bonampak Sm 10 Mz 2 Lote 7	2,333	03/31/2025
Playa del Carmen, Mexico	Mexico operation	Lote 11, Manzana 318, Zona 1, Playa del Carmen , Quintana Roo	88	03/31/2025
Lima, Peru	Peru operation	Av. Ricardo Rivera Navarrete 495, San Isidro	643	04/30/2026

We also own an approximately 2,077 square meter facility at Avenida Jujuy 2013 in the Parque Patricios technology district of Buenos Aires, Argentina, which houses part of our Argentina operations. We also own a 303 square meter facility at Sanchez de Loria 2395, 4 Floor, also in the Parque Patricios technology district of Buenos Aires, which we intend to sell.

As part of our Mexican operations, Best Day rents approximately 116 small kiosks, mainly in hotels and shopping centers, which house part of our sales operations and approximately 92 vans for providing transportation to customers who contract destination services, and we also rent spaces for transport storage. As part of our Viajes Falabella operation, we rent approximately 50 locations under our Viajes Falabella brand. As part of our Brazilian and Argentine expansion strategy, in 2023, we entered into leasing agreements for our new stores under the Despegar and Decolar brands.

Our properties are geographically distributed to meet our regional operating requirements, and none of our properties are individually material to our business operations. Many of our leases have an option to renew, and we believe that we will be able to successfully renew expiring leases agreements on terms satisfactory to us if needed. We believe that our facilities are adequate for our operations and that suitable additional space will be available when needed. We continue to review the location of our offices and from time to time may change locations to a place where we better address the needs of our

[Table of Contents](#)

employees, customers and business. In 2023 some lease agreements were terminated and/or amended to reduce the area subject to the lease (square meters).

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5 OPERATING AND FINANCIAL REVIEW AND PROSPECTS

A. Operating Results

Overview

We are the leading online travel company in Latin America, mainly known by our two brands, Despegar, our global brand, and Decolar, our Brazilian brand. In Mexico we are also known by our brands Best Day, BD Experience and HotelDo, which we acquired in October 2020. In Chile, we are also known by the brand Viajes Falabella, an offline travel agency with online presence, acquired in June 2019, for which we currently have a license. Koin is our online payment and consumer lending services platform in Brazil, which we acquired in August 2020. During 2022, as part of our regional consolidation strategy, we acquired Viajanet and a 51% ownership stake in Stays, further enhancing our B2C and B2B offerings.

We have a comprehensive product offering, including airline tickets, packages, hotels and other travel-related products, which enables consumers to find, compare, plan and purchase travel products easily through our marketplace. We provide our network of travel suppliers a technology platform for managing the distribution of their travel products and access to our travel customers.

Segment Information

We determine our operating segments based on how our chief operating decision makers (“CODM”) manage our business, make operating decisions and evaluate operating performance. Effective for our fiscal year 2022, our CODM changed their internal reporting to refine the way they view our financial services business and its interaction with our travel business. Additionally, we started allocating certain expenses to our segments which were previously considered part of our corporate structure and were unallocated. These changes resulted in revisions to the financial information provided to the CODM on a recurring basis in their evaluation of our financial performance and the decision-making process.

Accordingly, we changed our segment reporting under ASC 280 “Segment Reporting” to report three reportable segments: “Air”, “Packages, Hotels and Other Travel Products” and “Financial Services”.

Our new segment reporting is as follows:

Travel Business:

Our travel business is comprised of two reportable segments: “Air” and “Packages, Hotels and Other Travel Products”.

- Our “Air” segment primarily consists of the sale of airline tickets and excludes airline tickets that are packaged with other non-airline flight products.
- Our “Packages, Hotels and Other Travel Products” segment primarily consists of the sale of travel packages (which can include airline tickets), as well as stand-alone sales of hotel rooms, vacation rentals, car rentals, travel insurance and destination services.

Both of these segments also include the sale of advertisements and incentives earned from travel suppliers.

Financial Services Business:

Our financial services business is comprised of one reportable segment:

- Our “Financial Services” segment primarily consists of loan origination to our travel business’ customers and to customers of other merchants in various industries. Our “Financial” segment also consists of payments processing, fraud identification, credit scoring and IT services to our travel business and to third-party merchants.

[Table of Contents](#)

For the years ended December 31, 2023 and 2022, all of our loans receivable were originated to consumers in Brazil. As of December 31, 2023 and 2022, 88% and 61% of loans receivable, respectively, were originated to consumers seeking to buy travel products and services in our Brazilian travel subsidiary, Decolar, and the remaining comprised loan receivable originated to consumers seeking to buy products with other merchants. See Note 10 to our consolidated financial statements for additional information.

Generally, our segment disclosure does not include intersegment revenues related to intra-group invoicing for the use of trademarks and various management services which are eliminated from the operating results of each segment. Intersegment transactions are conducted according to our transfer pricing policy. However, our segment disclosure does include intersegment revenue consisting mainly of credit card processing services provided by Koin to our travel business' subsidiaries. These intersegment transactions are recorded by each segment at amounts that approximate fair value as if the transactions were between third parties, and therefore, impact segment performance. However, the revenue and corresponding expense are eliminated in consolidation. The elimination of such intersegment transactions is included within the "Intersegment eliminations" column.

In 2023, 36.5%, 61.9% and 1.6% of our total consolidated revenue was derived from our Air, our Packages, Hotels and Other Travel Products and our Financial Services segments, respectively. In 2022, 40.1%, 59.1% and 0.8% of our total consolidated revenue was derived from our Air, our Packages, Hotels and Other Travel Products and our Financial Services segments, respectively. In 2021, 36.7%, 63.1% and 0.2% of our total consolidated revenue was derived from our Air, our Packages, Hotels and Other Travel Products and our Financial Services segments, respectively.

For the years ended December 31, 2023, 2022 and 2021, we generated:

- consolidated net revenue of \$706.0 million, \$538.0 million, and \$322.8 million;
- consolidated operating income/(loss) of \$64.2 million, \$(1.8) million and \$(95.9) million;
- consolidated net income/(loss) attributable to Despegar.com, Corp. of \$24.5 million, \$(68.5) million and \$(104.6) million, respectively;
- consolidated Adjusted Segment positive/(negative) EBITDA attributable to our Air segment of \$13.2 million, \$18.0 million and \$(21.5) million;
- consolidated Adjusted Segment positive/(negative) EBITDA attributable to our Packages, Hotels and Other Travel Products segment of \$103.2 million, \$42.3 million and \$(4.8) million;
- consolidated Adjusted Segment (negative) EBITDA attributable to our Financial Services segment of \$(0.8) million, \$(18.3) million and \$(13.8) million; and
- total consolidated positive/(negative) Adjusted EBITDA of \$115.5 million, \$41.9 million and \$(40.1) million.

Trends

We believe that our results of operations and financial performance will be driven primarily by the following trends:

- *Growth in and Retention of our Traveler Customer Base:* A key driver of our revenue will be the number of customer transactions and the growth in our customer base. One important driver of growth in our travel customer base is consumer awareness of our brand which we foster via our online and offline marketing throughout our target markets in Latin America. We also benefit from network effects, in that a larger customer base helps us to attract additional travel suppliers and, in turn, a larger network of travel suppliers helps us to attract new travel customers as well as drive retention and repeat purchases. We focus on maintaining strong customer satisfaction to build long-term customer relationships. During the 2023, 2022 and 2021, approximately 55%, 57% and 53%, respectively, of our travel customers had completed previous purchases on our platform.
- *Cross-Selling:* Our financial results are also driven by our ability to cross-sell and increase the number of products that we are able to sell in connection with each trip, which allows us to increase our revenue from each transaction without incurring the costs of acquiring additional travel customers.
- *Changes in Product Mix and New Product Offerings:* In addition to the total volume of transactions, our operating results also vary depending on product mix. In particular, packages and hotels tend to have higher margins than air travel. In addition, we continually seek to expand our product offerings, whether by adding new product categories, such as our introduction of our local concierge and vacation rentals products, which may have higher or lower margins than our overall business, or by the expansion of our travel supplier base.

[Table of Contents](#)

- *Shift to Mobile Transactions and Technology Development:* At its inception Despegar led the travel industry in Latin America by enabling convenient, secure, and credit-based ticket purchases from the comfort of one's home, a service previously unavailable through traditional agencies or directly from the airlines. In essence, Despegar was first in Latin America to bring accessibility to the forefront and later extended this business concept to other travel verticals and geographies in the ensuing years. Later as travel websites became increasingly common and as smart phone penetration in Latin America continues to increase, Latin American consumers have begun to make greater use of mobile devices to transact online. Mobile is an increasingly important part of our business, as consumers are quickly able to access and browse our real-time travel offerings, compare prices and make purchases through their mobile devices. During 2023, 2022 and 2021, mobile accounted for approximately 76%, 73% and 72%, respectively, of all of our user visits, and approximately 54%, 50% and 48% of our transactions were completed on our mobile platform for 2023, 2022 and 2021, respectively, complementing our desktop website traffic. Our strategic focus on mobile enables us to remain connected to travel customers and provides the opportunity for travel customers to access our platform after they have arrived at their destination to purchase additional products, such as rental cars, destination services and travel insurance, or make last-minute hotel or air travel bookings. In addition, as technology keeps advancing, we continue to lead through innovation and technology, most recently leveraging Large Language Models to launch the regions first travel assistant powered generative Artificial Intelligence
- *Selling and Marketing Expenditures:* Our number of transactions and gross bookings, and consequently our revenue and results of operations, are impacted by the level of our selling and marketing expenditures. We monitor our selling and marketing expenditures and their impact on our revenue in many cases virtually in real-time, as a significant amount of our selling and marketing expenditures relate to online advertising for which we can obtain real-time click-through data. As a result, we are able to adjust our selling and marketing expenditures to respond rapidly to changing market conditions. During 2022, our selling and marketing expenditures increased \$69.9 million, or 73.3% as compared to 2021, given that during the calendar year 2021, due to the COVID-19 pandemic, we implemented our cost-savings measures to reduce our selling and marketing expenses significantly. During 2023, our selling and marketing expenditures increased \$55.2 million, or 33.4%, as compared to 2022.

Recent Acquisitions

The comparison of our results of operations for 2023, 2022 and 2021 are affected by the timing and size of our consolidated acquisitions.

We did not complete any acquisitions during our fiscal year 2023. From time to time, we may consider acquisition or disposition of assets as may be decided by management.

On January 31, 2022, we finalized the purchase of the remainder 16% of Koin and on June 1, 2022, we acquired Viajanet which we consolidated for seven months in our fiscal year 2022. On July 1, 2022, we completed the acquisition of a 51% ownership stake in Stays, which we accounted for as an equity investment.

We did not complete any acquisitions during our fiscal year 2021.

Seasonality

We generally experience seasonal fluctuations in the demand for our travel services. Our most significant markets in the Southern hemisphere are Brazil and Argentina, where summer runs from December 1 to February 28 and winter runs from June 1 to August 31. Our most significant market in the Northern hemisphere is Mexico, where summer runs from June 1 to August 31 and winter runs from December 1 to February 28. Accordingly, traditional leisure travel bookings in the Southern hemisphere are generally the highest in the third and fourth quarters of the year as travelers plan and book their winter and summer holiday travel. The number of bookings typically decreases in the first quarter of the year. In the Northern hemisphere, bookings are generally the highest in the first three quarters as travelers plan and book their spring, summer and winter holiday travel.

[Table of Contents](#)

The continued growth of our international operations or a change in product mix may influence the typical trend of the seasonality in the future, and there may also be business or market-driven dynamics that result in short-term impacts to revenue or profitability that differ from the typical seasonal trends.

Revenues, expenses, assets and liabilities can vary during each quarter of the year. Therefore, the results and trends in this Annual Report may not be the same as those for any subsequent quarter or full year.

Critical Accounting Policies and Estimates

Critical accounting policies and estimates are those that we believe are important in the preparation of our consolidated financial statements because they require that we use judgment and estimates in applying those policies. We prepare our consolidated financial statements and accompanying notes in accordance with generally accepted accounting principles in the United States (“GAAP”). Preparation of the consolidated financial statements and accompanying notes requires that we make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements as well as revenue and expenses during the periods reported. We base our estimates on historical experience, where applicable, and other assumptions that we believe are reasonable under the circumstances. Actual results may differ from our estimates under different assumptions or conditions. There are certain critical estimates that we believe require significant judgment in the preparation of our consolidated financial statements. We consider an accounting estimate to be critical if:

- it requires us to make an assumption because information was not available at the time or it included matters that were highly uncertain at the time we were making the estimate; and
- changes in the estimate or different estimates that we could have selected may have had a material impact on our financial condition or results of operations.

See Note 3 to our consolidated financial statements for additional information on each of these policies. We discuss information about the nature and rationale for our critical accounting estimates below.

Recoverability of Goodwill, Indefinite Lived Intangible Assets and Disposal group classified as held for sale

Goodwill. We assign goodwill to reporting units that are expected to benefit from the synergies of the business combination as of the acquisition date. We assess goodwill and indefinite-lived intangible assets, neither of which is amortized, for impairment annually as of December 31, or more frequently, if events and circumstances indicate impairment may have occurred. In the evaluation of goodwill for impairment, we typically perform a quantitative assessment and compare the fair value of the reporting unit to its carrying value. An impairment charge is recorded based on the excess of the reporting unit’s carrying amount over its fair value. Periodically, we may choose to perform a qualitative assessment, prior to performing the quantitative analysis, to determine whether the fair value of the goodwill is more likely than not impaired.

We compared the fair value of the reporting units to their carrying values. The fair value estimates for all reporting units were based on a weighted-probability analysis of the present value of future discounted cash flows, Level 3 inputs (income approach). The income approach estimates fair value utilizing long-term growth rates and discount rates applied to the cash flow projections. The significant assumptions used in the discounted cash flows model included our forecasted gross bookings; forecasted revenues, net of significant costs and expenses; and the discount rate. Our assumptions were based on the actual historical performance of the reporting units and considered operating result trends, and implied risk premiums based on market prices of our equity and debt as of the assessment dates. We believe the discounted cash flows is the best method for determining the fair value of our reporting units because it is one of the most common valuation methodologies used within the travel and internet industries.

Indefinite-Lived Intangible Assets. In our evaluation of our indefinite-lived intangible assets, we typically first perform a quantitative assessment, and an impairment charge is recorded for the excess of the carrying value of indefinite-lived intangible assets over their fair value, if necessary. We base our measurement of fair value of indefinite-lived intangible assets, which primarily consist of trademarks and domains, using the relief-from-royalty method. Our significant assumptions include: our forecasted revenues and the royalty rate method assumes that the trademarks and domains have value to the extent that their owner is relieved of the obligation to pay royalties for the benefits received from them. As with goodwill, periodically, we may choose to perform a qualitative assessment, prior to performing the quantitative analysis, to determine whether the fair value of the indefinite-lived intangible asset is more likely than not impaired.

Goodwill Impairment Testing

As of December 31, 2023, we had an aggregate amount of goodwill of \$150.8 million, of which \$32.4 million relates to our Air segment, \$111.9 million relates to our Packages, Hotels and Other Travel Products segment and \$6.4 million to our Financial Services segment.

We test goodwill for impairment at the reporting unit level and the tests are performed as of December 31 of each year, or more frequently if events and circumstances indicate that an impairment may have occurred. We compared the fair value of the reporting units to their carrying values. The fair value estimates of the reporting units are based on the present value of their future discounted cash flows, Level 3 inputs (income approach). The income approach estimates fair value utilizing long-term growth rates and discount rates applied to the cash flow projections. The significant assumptions used in the discounted cash flows model included our forecasted gross bookings; forecasted revenues, net of significant costs and expenses; and the discount rate. Our assumptions were based on the actual historical performance of the reporting units and considered operating result trends, and implied risk premiums based on market prices of our equity and debt as of the assessment dates.

As of December 31, 2023, we performed our annual goodwill impairment test and concluded that there was no impairment of goodwill.

Based on our analysis, we concluded that the estimated fair value for each of our reporting units, as of December 31, 2023, was reasonable. In each case, the estimated fair value exceeded the respective carrying value. We concluded that the goodwill assigned to each reporting unit, as of December 31, 2023, was not impaired and that neither reporting unit was at risk of failing the goodwill impairment test as prescribed under U.S. GAAP.

2022 and 2021 Impairment Assessments

As of December 31, 2022, we had an aggregate amount of goodwill of \$138.6 million, of which \$29.5 million relates to our Air segment, \$103.3 million relates to our Packages, Hotels and Other Travel Products segment and \$5.9 million to our Financial Services segment.

As of December 31, 2022, we performed our annual goodwill impairment test and concluded that there was no impairment of goodwill.

Based on our analysis, we concluded that the estimated fair value for each of our reporting units, as of December 31, 2022, was reasonable. In each case, the estimated fair value exceeded the respective carrying value. We concluded that the goodwill assigned to each reporting unit, as of December 31, 2022, was not impaired and that neither reporting unit was at risk of failing the goodwill impairment test as prescribed under U.S. GAAP.

During 2021, due to the severe and persistent negative effects that COVID-19 had on global economies, the travel industry, and our business, as well as the uncertainty and high variability in anticipated versus actual rates of recovery, in addition to our annual assessment in December 2021, we deemed it necessary to perform various interim assessments of goodwill throughout 2021. As a result of these assessments, we recognized goodwill impairment charges of \$4.2 million during 2021, for certain of our reporting units.

The estimation of fair value reflects numerous assumptions that are subject to various risks and uncertainties, including key assumptions regarding expected growth (gross bookings and net revenues), the shape and timing of the subsequent recovery, as well as other key assumptions with respect to matters outside of our control, such as the discount rate. It requires significant judgments and estimates, and actual results could be materially different than the judgments and estimates used to estimate fair value. Future events and changing market conditions may lead us to re-evaluate the assumptions reflected in the current forecasts, which may result in a need to recognize goodwill impairment charges that could have a material adverse effect on our results of operations.

[Table of Contents](#)

Disposal group classified as held for sale assets

We have recognized a \$4.5 million non-cash loss on disposal as of December 31, 2023 (presented within “Other operating expenses, net” in the Consolidated Statement of Operations) after comparing the carrying amount of net assets held for sale and its corresponding fair value less cost to sell at year-end. Goodwill allocated to the disposal group (totaling \$3.7 million) has been written-off. (See Note 32 to our consolidated financial statements for additional information).

Business Combinations

We assign the 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. Any excess purchase price over the fair value of the net tangible and intangible assets acquired is allocated to goodwill. When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions, in particular with respect to valuation of intangible assets acquired. Critical estimates in valuing certain intangible assets include but are not limited to future expected cash flows from customer relationships and trade names, 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.

Legal, Labor and Non-Income Tax Contingencies

Periodically, we review the status of all significant outstanding matters to assess the potential financial exposure. When (i) it is probable that an asset has been impaired or a liability has been incurred and (ii) the amount of the loss can be reasonably estimated, we record the estimated loss in our consolidated statements of operations. We provide disclosure in the notes to the consolidated financial statements for loss contingencies that do not meet both of these conditions if there is a reasonable possibility that a loss may have been incurred that would be material to the consolidated financial statements. Significant judgment is required to determine the probability that a liability has been incurred and whether such liability is reasonably estimable. We base accruals made on the best information available at the time which can be highly subjective. The final outcome of these matters could vary significantly from the amounts included in the accompanying consolidated financial statements.

Income Taxes

We account for income taxes under the asset and liability method that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in our financial statements or tax returns. Judgment is required in assessing the future tax consequences of events that have been recognized in our financial statements or tax returns. Variations in the actual outcome of these future tax consequences could materially impact our financial position, results of operations or effective tax rate.

Significant judgment is required in determining our worldwide income tax provision. In the ordinary course of a global business, there are many transactions and calculations where the ultimate tax outcome is uncertain. Some of these uncertainties arise as a consequence of revenue sharing and cost reimbursement arrangements among related entities, the process of identifying items of revenues and expenses that qualify for preferential tax treatment, and segregation of foreign and domestic earnings and expenses to avoid double taxation. Although we believe that our estimates are reasonable, the final tax outcome of these matters could be different from that which is reflected in our historical income tax provisions and accruals. Such differences could have a material effect on our income tax provision and net income in the period in which such determination is made.

In estimating future tax consequences, all expected future events are considered other than enactments of changes in tax laws or rates. Valuation allowances are established when necessary to reduce deferred tax assets to amounts which are more likely than not to be realized. We consider future growth, forecasted earnings, future taxable income, the mix of earnings in the jurisdictions in which we operate, historical earnings, the carryforward periods available for tax reporting purposes and prudent and feasible tax planning strategies in determining the need for a valuation allowance. In the event we were to determine that we would not be able to realize all or part of our net deferred tax assets in the future, an adjustment to the deferred tax assets valuation allowance would be charged to earnings in the period in which we make such a determination, or goodwill would be adjusted at our final determination of the valuation allowance related to an acquisition within the measurement period. If we later determine that it is more likely than not that the net deferred tax assets would be realized, we would reverse the applicable portion of the previously provided valuation allowance as an adjustment to earnings at such time.

[Table of Contents](#)

As of December 31, 2023, we had a valuation allowance on certain foreign net operating losses and foreign tax credits based on our assessment that it is more likely than not that the deferred tax asset will not be realized. To the extent we establish a valuation allowance or change the allowance in a period, we reflect the change with a corresponding increase or decrease in our “Income tax expense” line in our consolidated income statement.

The amount of income tax we pay is subject to ongoing audits by federal, state and foreign tax authorities, which often result in proposed assessments. Our estimate of the potential outcome for any uncertain tax issue is highly judgmental. We account for these uncertain tax issues pursuant to ASC 740, Income taxes, which contains a two- step approach to recognizing and measuring 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 audit, 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. Although we believe we have adequately reserved for our uncertain tax positions, no assurance can be given with respect to the final outcome of these matters. We adjust reserves for our uncertain tax positions due to changing facts and circumstances, such as the closing of a tax audit, judicial rulings, refinement of estimates or realization of earnings or deductions that differ from our estimates. To the extent that the final outcome of these matters is different than the amounts recorded, such differences generally will impact our provision for income taxes in the period in which such a determination is made. Our provisions for income taxes include the impact of reserve provisions and changes to reserves that are considered appropriate and also include the related interest and penalties.

We treat taxes on global intangible low-taxed income (“GILTI”) introduced by the U.S. Tax Cuts and Jobs Act (the “Tax Act”) as period costs. See Note 21 to our consolidated financial statements for further additional information related to our income taxes.

Recently Issued and Not Yet Adopted Accounting Pronouncements under U.S. GAAP

For information on recently issued accounting pronouncements under U.S. GAAP, see Note 3 to our consolidated financial statements.

Operating and Financial Metrics

Our operating results are affected by certain operating metrics, such as number of transactions and gross bookings, which we believe are necessary for understanding and evaluating our company. We also regularly review the following key financial metrics to evaluate our business, measure our performance, identify trends in our business, prepare financial projections and make strategic decisions:

Table of Contents

	Year Ended December 31,		
	2023	2022	% of Change
	In thousands		
Operational Metrics			
Number of transactions			
By country			
Brazil	4,006	2,992	33.9
Mexico	1,648	1,614	2.1
Argentina	1,433	1,157	23.9
Other	1,992	2,551	(21.9)
Total number of transactions	9,079	8,314	9.2
By segment			
Air	4,379	4,293	2.0
Packages, Hotels and Other Travel Products	4,668	3,938	18.5
Financial Services	32	83	(61.4)
Total number of transactions	9,079	8,314	9.2
Gross Bookings			
By country			
Brazil	2,142,972	1,383,550	54.9
Mexico	1,022,208	836,236	22.2
Argentina	1,268,331	845,415	50.0
Other	1,280,850	1,209,405	5.9
Total gross bookings	\$ 5,714,361	\$ 4,274,606	33.7
Gross Bookings, net			
By country			
Brazil	2,142,972	1,383,550	54.9
Mexico	1,022,011	836,236	22.2
Argentina	836,236	641,930	30.3
Other	1,280,851	1,209,405	5.9
Total gross bookings, net	\$ 5,282,070	\$ 4,071,121	29.7
Total Payment Volume			
By country			
Brazil	78,024	75,686	3.1
Total payment volume	\$ 78,024	\$ 75,686	3.1
Financial Metrics			
Consolidated revenues	\$ 706,040	\$ 537,972	31.2
Consolidated operating income/(loss)	\$ 64,239	\$ (1,753)	(3,764.5)
Consolidated net income/(loss) attributable to Despegar.com, Corp.	\$ 24,490	\$ (68,521)	(135.7)
Consolidated Adjusted EBITDA (unaudited)	\$ 115,547	\$ 41,932	175.6
Consolidated Adjusted positive/(negative) Segment EBITDA:			
Air	\$ 13,172	\$ 17,953	(26.6)
Packages, Hotels and Other Travel Products	\$ 103,172	\$ 42,257	144.2
Financial Services	\$ (797)	\$ (18,278)	(95.6)

[Table of Contents](#)

	Year Ended December 31,		
	2022	2021	% of Change
In thousands			
Operational Metrics			
Number of transactions			
By country			
Brazil	2,992	2,134	40.2
Mexico	1,614	1,849	(12.7)
Argentina	1,157	729	58.7
Other	2,551	2,097	21.6
Total number of transactions	8,314	6,809	22.1
By segment			
Air	4,293	3,570	20.3
Packages, Hotels and Other Travel Products	3,938	3,224	22.1
Financial Services	83	15.00	NM
Total number of transactions	8,314	6,809	22.1
Gross Bookings			
By country			
Brazil	1,383,550	642,081	115.5
Mexico	836,236	697,113	20.0
Argentina	845,415	391,580	115.9
Other	1,209,405	794,136	52.3
Total gross bookings	\$ 4,274,606	\$ 2,524,910	69.3
Gross Bookings, net			
By country			
Brazil	1,383,550	642,081	115.5
Mexico	836,236	697,113	20.0
Argentina	641,930	336,345	90.9
Other	1,209,405	794,136	52.3
Total gross bookings, net	\$ 4,071,121	\$ 2,469,675	64.8
Total payment volume			
By country			
Brazil	75,686	30,412	148.9
Total payment volume	\$ 75,686	\$ 30,412	148.9
Financial Metrics			
Consolidated revenues	\$ 537,972	\$ 322,843	66.6
Consolidated operating loss	\$ (1,753)	\$ (95,888)	(98.2)
Consolidated net loss attributable to Despegar.com, Corp.	\$ (68,521)	\$ (104,628)	(34.5)
Consolidated Adjusted positive/(negative) EBITDA (unaudited)	\$ 41,932	\$ (40,105)	(204.6)
Consolidated Adjusted Segment positive/(negative) EBITDA:			
Air	\$ 17,953	\$ (21,536)	(183.4)
Packages, Hotels and Other Travel Products	\$ 42,257	\$ (4,770)	(985.9)
Financial Services	\$ (18,278)	\$ (13,799)	32.5

Number of Transactions

The number of transactions for a period is an operating measure that represents the total number of travel customer orders completed on our platform or the financing merchant customers (excluding Decolar) of the "Buy Now, Pay Later" solution. We monitor the total number of transactions, as well as the number of transactions in each of our segments and the number of transactions with travel customers in each of the countries where we operate. The number of transactions is an important metric because it is an indicator of the level of engagement with our travel customers and the scale of our business from period to period but, unlike gross bookings and our financial metrics, the number of transactions is independent of the average selling price of each transaction, which can be significantly influenced by fluctuations in currency exchange rates.

Gross Bookings

Gross bookings is an operating measure that represents the aggregate purchase price of all travel products booked by our travel customers through our platform during a given period. We generate substantially all of our revenue from commissions and other incentive payments paid by our travel suppliers and service fees paid by our travel customers for transactions through our platform, and, as a result, we monitor gross bookings as an important indicator of our ability to generate revenue.

Gross Bookings, net

Gross Bookings, net is an operating measure that represents our gross bookings net of withholding taxes on international trips in Argentina.

Total Payment Volume

Total payment volume is an operating measure that represents the US dollar loan volume processed by "Buy Now, Pay Later" financing solution during a specific period of time.

Adjusted Segment EBITDA

We measure our segment's performance by our Adjusted Segment EBITDA. We use Adjusted Segment EBITDA for purposes of making decisions about allocating resources to our segments and to internally evaluate their financial performance because we believe Adjusted Segment EBITDA reflects current core operating performance of each segment and provides an indicator of each segment's ability to generate cash.

We calculate Adjusted Segment EBITDA with respect to each segment, as our net income (loss) for the year adjusted for (1) income tax expense/(benefit); (2) financial results, net; (3) stock-based compensation expense; (4) acquisition transaction costs; (5) depreciation and amortization; (6) impairment charges; and (7) restructuring, reorganization and other exit activities charges. See note 22 to our audited consolidated financial statements for our Adjusted Segment EBITDA information and segment information.

Non-GAAP Financial Measures

We report Consolidated Adjusted EBITDA as a non-GAAP financial measure. Consolidated Adjusted EBITDA is among the primary metrics by which management evaluates the performance of the business and on which internal budgets are based. Management believes that investors should have access to the same set of tools that management uses to analyze our results. This non-GAAP measure should be considered in addition to results prepared in accordance with U.S. GAAP but should not be considered a substitute for other measures of our financial performance prepared in accordance with U.S. GAAP. Our Consolidated Adjusted EBITDA has certain limitations as an analytical tool, including that it does not consider the impact of certain expenses to our consolidated statements of income.

We endeavor to compensate for the limitation of the non-GAAP measure presented by also providing a reconciliation to the most directly comparable U.S. GAAP measure and a description of the reconciling items and adjustments to derive the non-GAAP measure. Our Consolidated Adjusted EBITDA also excludes certain items related to transactional tax matters, which may ultimately be settled in cash, and we urge investors to review the detailed disclosure regarding these matters included elsewhere in this Annual Report, as well as in the notes to our audited consolidated financial statements. Our Consolidated Adjusted EBITDA may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies.

We calculate Consolidated Adjusted EBITDA as net income/(loss) for the year adjusted for (1) income tax expense/(benefit); (2) financial results, net; (3) stock-based compensation expense; (4) acquisition transaction costs; (5) depreciation and amortization; (6) impairment charges; and (7) restructuring, reorganization and other exit activities charges.

The above items are excluded from our Consolidated Adjusted EBITDA measure because these items are noncash in nature, or because the amount and timing of these items is unpredictable, or not driven by core operating results and renders comparisons with prior periods and competitors less meaningful. We believe our Consolidated Adjusted EBITDA is a useful measure for analysts and investors to evaluate our future ongoing performance as this measure allows a more meaningful comparison of our performance and projected cash earnings with our historical results from prior periods and to the results of our competitors. Moreover, our management uses this measure internally to evaluate the performance of our

[Table of Contents](#)

business as a whole and our individual business segments. In addition, we believe that by excluding certain items, such as stock-based compensation and acquisition-related impacts, Consolidated Adjusted EBITDA corresponds more closely to the cash operating income generated from our business and allows investors to gain an understanding of the factors and trends affecting the ongoing cash earnings capabilities of our business.

The table below provides a reconciliation of our consolidated net loss to Consolidated Adjusted EBITDA.

	Year Ended December 31,		
	2023	2022	2021
	(in thousands)		
Consolidated net income/(loss)	\$ 24,490	\$ (68,521)	\$ (105,865)
Add (deduct):			
Financial results, net	36,633	45,459	10,207
Income tax expense/(benefit)	3,116	21,309	(230)
Depreciation and amortization expense	36,510	36,003	34,205
Impairment charges	—	—	5,106
Stock-based compensation expense	3,454	7,292	12,338
Restructuring, reorganization and other exit activities charges	11,344	—	4,041
Acquisition-related expenses	—	390	93
Consolidated Adjusted positive/(negative) EBITDA (unaudited)	\$ 115,547	\$ 41,932	\$ (40,105)

Components of Results of Operations

Revenue

We generate revenue from our travel and financial services businesses. The majority of our revenues relates to our travel business for all years presented. We offer traditional travel services on a stand-alone and package basis generally either through the pre-pay/merchant or the pay-at-destination/agency business models. We primarily generate revenue as a result of facilitation services, either directly or through the use of affiliated travel agencies. We consider both the traveler and the travel supplier as our customers.

Under the pre-pay/merchant model, we provide travelers access to book hotel rooms, airline seats, car rentals and destination services through our network of travel suppliers. Our travelers pay us for merchant transactions generally when they book the reservation. We pay our travel suppliers later, generally when the travelers use the travel service. Under these transactions, we generally earn a commission from travel suppliers and service fees from travelers. Travel suppliers generally bill us for travel products sold within a 12-month period from the check-out date. We recognize breakage incremental revenue from unbilled amounts when the period expires. Our revenues under the prepay/merchant model represented 87.8%, 85.0% and 83.9% of our total consolidated revenues for the years ended December 31, 2023, 2022 and 2021, respectively.

Under the pay-at-destination/agency model, travelers pay the travel supplier directly at the destination and travel suppliers pay us our earned commissions at a later date, generally after checkout. Our revenues under the pay-at-destination model represented approximately 1.8%, 2.1% and 1.7% of our total consolidated revenues for the years ended December 31, 2023, 2022 and 2021, respectively.

We seek to develop and maintain long-term relationships with travel suppliers, GDSs and other intermediaries. Our travel supplier management personnel work directly with travel suppliers to optimize access to their travel products for visitors to our platform, including through promotional activity, and maximize our revenue. In most cases, we enter into non-exclusive contracts with our travel suppliers, although in the case of some travel suppliers we may have informal arrangements without written contracts. Typically, supplier payment terms are negotiated on a regular basis. We have a contract with Expedia and its affiliates to offer through our platform hotel and other lodging products. The contract establishes agreed payment terms. In each of the years 2023, 2022 and 2021, 7.6%, 7.1% and 7.5% of our gross bookings, respectively, were attributable to supply provided by affiliates of Expedia. For more information about our relationship with Expedia, see “Item 7. Major Shareholders and Related Party Transactions —B. Related Party Transactions— Relationship with Expedia” and Note 24 of our audited consolidated financial statements. Given the fragmentation in travel suppliers in our markets, the frequency of negotiations of payment terms and competitive conditions, we have experienced what we consider to be limited volatility related to our arrangements with travel suppliers; however, we cannot assure you that we will not experience more volatility in the future.

[Table of Contents](#)

We also earn revenues as a result of offering financing to our travel customers and certain non-travel customers, primarily in Brazil. Revenues from interest earned on loans granted to consumers are recognized over the period of the loan and are based on effective interest rate. Our revenues represented approximately 1.3%, 0.8% and 0.2% of our total consolidated revenues for the years ended December 31, 2023, 2022 and 2021, respectively.

Major Sources of Revenue

Commissions and Service Fees

We facilitate the sale of travel products and services from our travel suppliers to travelers and travel agencies. We generally receive commissions in consideration for these facilitation services. Generally, we charge a service fee to travelers, although this may vary depending on marketing strategies. We do not provide significant post-booking services to travelers. We consider any post-booking services beyond minor inquiries or minor administrative changes to the reservation (i.e., modifications to the original terms of the reservations) as new bookings. Accordingly, we may charge a new booking fee and administrative fees for these services. Also, if the requested change results in an incremental price of the reservation to the traveler set by the travel supplier, we receive an incremental commission from the travel supplier.

We recognize revenue upon the transfer of control of the promised facilitation services to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for those facilitation services. Generally, we recognize revenue when the booking is completed, paid and confirmed, less a reserve for cancellations based on historical experience.

Given that the travel supplier is primarily responsible for providing the underlying travel services, we do not control the service or travel product provided by the travel supplier to the traveler and we do not bear inventory risk, we present revenue on a net basis for these transactions.

We partner with banks to allow our travelers the possibility of purchasing the product of their choice through financing plans established, offered and administered by such banks. Participating banks bear full risk of fraud, delinquency or default by travelers. When travelers elect to finance their purchases, we typically receive full payment for our services within a short period of time after booking is completed and confirmed, regardless of the payment plan selected by the traveler. However, in certain countries, we receive payment from the bank as installments become due regardless of when traveler actually makes the scheduled payments. In most cases, we receive payment before travel occurs or during travel and the period between completion of booking and reception of scheduled payments is typically one year or less. We have made use of the practical expedient in ASC 606-10-32-18 and we do not adjust the amount of consideration for the effects of a significant financing component. In Brazil, through our financial services company solution, we offer financing to certain travel customers, generally on terms not exceeding 12 months.

Our revenue from commissions and service fees represented 86.0%, 84.7% and 83.1% of our total consolidated revenues for 2023, 2022 and 2021, respectively.

Incentive fees

We may receive incentive fees from our travel suppliers or Global Distribution Services providers when we meet certain performance conditions, for example contractually agreed volume thresholds. We recognize revenue on an accrual basis in accordance with the achievement of contractual thresholds on a case-by-case basis.

Incentive fee revenues represented 6.1%, 7.4% and 8.9% of our total consolidated revenues for 2023, 2022 and 2021, respectively.

Advertising

We record advertising revenue ratably over the advertising period or upon delivery of advertising material, depending on the terms of the advertising agreement.

Advertising revenues represented approximately 2.9%, 3.0% and 3.2% of our total consolidated revenues for 2023, 2022 and 2021, respectively.

[Table of Contents](#)

Destination Services

We offer tours, activities and transportation services to travelers through a fleet of dedicated vans. We recognize revenue as services are provided. We present revenue on a net basis for most of destination services transactions.

Our destination services represented approximately 3.6%, 2.6% and 2.5% of our total consolidated revenues for 2023, 2022 and 2021, respectively.

Interest Revenue

We earn revenues as a result of offering financing to our travel customers and certain non-travel customers, through our financial intermediation processing service and fraud prevention service. Revenues from interest earned on loans granted to consumers are recognized over the period of the loan and are based on effective interest rates. In addition, during 2023 we have expanded our fraud prevention services.

Interest revenue represented less than 1.3%, 0.8% and 0.2% of our total consolidated revenues for 2023, 2022 and 2021, respectively.

Others

Others includes breakage and loyalty revenues. Our other revenues sources are not material.

We operate a loyalty program through which we award loyalty points to travelers who complete purchases on our websites or use the services of other program participants, such as bank co-branded credit cards. Loyalty points can be redeemed for free or discounted travel products.

For loyalty points earned through travel product purchases, we apply a relative selling price approach whereby the total amount collected from each travel product sale is allocated between the travel product and the loyalty points earned. The portion of each travel product sale attributable to loyalty points is initially deferred and then recognized in loyalty revenue when the points are redeemed. In 2023, we started to apply an estimated future breakage rate of rewards points generated to calculate the relative standalone selling price for loyalty points based on our historical data of twelve months feedback.

For loyalty points earned through co-branded credit card partners, consideration received from the sale of loyalty points is variable and payment terms typically are within thirty days after the month of sale of loyalty points. Sales of loyalty points to business partners are comprised of two components: loyalty points and marketing (i.e., the use of intellectual property, including our brand and access to customer lists and databases, which is the predominant element in the agreements, as well as advertising, collectively, the marketing component). We allocate the consideration received from these sales of loyalty points based on the relative selling price of each product or service delivered. Accordingly, we recognize the marketing component in other revenue in the period of the loyalty points sale following the sales-based royalty method. The loyalty points component is initially deferred and then recognized in revenue when points are redeemed.

Cost of Revenue

Cost of revenue consists of: (1) credit card processing fees; (2) fees that we pay to banks relating to the travel customer financing installment plans that we offer; (3) costs of operating our fulfillment center, customer service and risk management; (4) costs borne by us as a result of credit card chargebacks, including those related to fraud; (5) specific costs related to funding our financial services business; (6) claims against us under consumer protection laws; (7) certain transaction-based taxes, other than income taxes (which are included under income tax expense) and sales taxes (which are deducted from our revenue); (8) a portion of overhead expenses distributed based on the percentage of our employees attributable to cost of revenue; (9) depreciation of property and equipment related to our operation; (10) credit loss expense; and (11) other various costs.

Selling and Marketing

Selling and marketing expense is comprised of direct costs, including online marketing such as search engine and social media marketing, and offline marketing, such as television and print advertising. It also includes expenses of our selling and marketing personnel and related overhead usually distributed based on the percentage of our employees attributable to selling and marketing (for example, rent, facilities, depreciation, etc.). Selling and marketing expense also includes offline channel agent commissions, as well as commissions paid to certain third-party affiliates for sales that they generate through our systems. In addition, selling and marketing expense includes stock-based compensation expense related to senior

[Table of Contents](#)

manager level of selling and marketing personnel. Reductions on a per transaction basis are expected to continue as the economy scales. However, the impact on operating contribution will vary with the level of activity and average selling prices.

General and Administrative

General and administrative expense consists primarily of personnel expenses for management, including both senior management and local managers, and employees involved in general corporate functions, including finance, accounting, tax, legal, human resources and commercial analysts, our stock-based compensation expenses for grants to members of our management team and professional and consulting fees. General and administrative expense also includes a portion of the overhead distributed based on the percentage of our employees attributable to general and administrative (for example, rent, facilities and depreciation). In addition, general and administrative expense includes transaction costs related to our acquisitions, change in fair value of contingent earnout payments, if any, and changes to indemnity assets, if any.

Technology and Product Development

Technology and product development expense includes the costs of developing our platform, as well as information technology costs to support our infrastructure, back-office operations and overall monitoring and security of our networks. This expense is principally comprised of personnel, and depreciation and amortization of technology assets, including hardware, and purchased and internally developed software. Technology and product development expense also includes a portion of the overhead expense for our facilities, based on the percentage of our employees attributable to technology and product development.

Furthermore, Technology and product development expense includes stock-based compensation expense related to senior manager level of technology and product development personnel.

We classify our supplier relationships as a component of the products that we offer to our travel customers and, accordingly, our costs of acquiring and maintaining supplier relationships, including the costs of our personnel engaged in supplier relationships, are included as a component of technology and product development expense.

Other operating expense, net

Other operating expense, net for the year ended December 31, 2023 is related to the recognition of a non-cash loss on disposal after comparing the carrying amount of net assets held for sale and its corresponding fair value less cost to sell at year-end.

Gain (Loss) from Equity Investments

We use the equity method to account for investments in companies if our investment provides us with the ability to exercise significant influence, but not control, the operating and financial policies of the investee.

Financial Results, Net

Our functional currency and the functional currency of certain of our subsidiaries, including our U.S., Uruguay, Ecuador and Argentina subsidiaries, is the U.S. dollar. The functional currency of our other subsidiaries is their respective local currency. Gains and losses resulting from transactions by each subsidiary in non-functional currency are included in financial income/(expense). Financial income/(expense) also includes gains and losses on certain derivative financial instruments that we use from time to time to manage our exposure to foreign exchange volatility.

In addition, our assets and liabilities are translated from local currencies into dollars at the end of each period. However, any gains and losses resulting from such translations are reflected in our consolidated statement of comprehensive income/(loss) and are not reflected in our consolidated statements of operations. See also “Item 11. Quantitative and Qualitative Disclosures about Market Risk—Foreign Exchange Risk.”

Our financial income and expense also include interest expense on our financial liabilities, interest income on our investments and gains and losses on derivative financial instruments.

[Table of Contents](#)

Income Tax (Expense) Benefit

We are organized as a British Virgin Islands corporation. However, under the “anti-inversion” rules of Section 7874 of the U.S. Internal Revenue Code, we are treated as a U.S. corporation for tax purposes. Accordingly, we are subject to federal and state income tax in the United States, as well as foreign taxes in the multiple jurisdictions where we operate. We are subject to foreign income taxes in the jurisdictions where we operate in accordance with the respective local tax laws.

Comparison of Results of Operations 2023 to 2022

	Year Ended December 31,				
	2023		2022		
	(in thousands)				
		% of Revenue		% of Revenue	% of change
Total revenue	\$ 706,040	100.0	\$ 537,972	100.0	31.2
Cost of revenue	(228,938)	(32.4)	(182,898)	(34.0)	25.2
Gross profit	\$ 477,102	67.6	\$ 355,074	66.0	34.4
Operating expenses					
Selling and marketing	\$ (220,361)	(31.2)	\$ (165,150)	(30.7)	33.4
General and administrative	(77,766)	(11.0)	(101,521)	(18.9)	(23.4)
Technology and product development	(109,130)	(15.5)	(89,992)	(16.7)	21.3
Impairment of long-lived assets and goodwill	—	—	—	—	—
Other operating expense, net	(4,546)	(0.6)	—	—	NM
Total operating expenses	\$ (411,803)	(58.3)	\$ (356,663)	(66.3)	15.5
Loss from equity investments	(1,060)	(0.2)	(164)	0.0	546.3
Operating income (loss)	64,239	9.1	(1,753)	(0.3)	(3,764.5)
Financial results, net	(36,633)	(5.2)	(45,459)	(8.5)	(19.4)
Income (loss) before income taxes	\$ 27,606	3.9	\$ (47,212)	(8.8)	(158.5)
Income tax (expenses)/benefit	(3,116)	(0.4)	(21,309)	(4.0)	(85.4)
Net income (loss) for the year	\$ 24,490	3.5	\$ (68,521)	(12.7)	(135.7)
Net income attributable to redeemable non-controlling interest	—	—	—	—	—
Net income (loss) attributable to Despegar.com, Corp.	\$ 24,490	3.5	\$ (68,521)	(12.7)	(135.7)

Note: “NM” denotes not meaningful.

Consolidated Revenues

The following table presents our consolidated revenues by business segment:

	Year Ended December 31,				
	2023		2022		
	(in thousands)				
		% of Revenue		% of Revenue	% of change
Revenue					
Air	\$ 257,649	36.5	\$ 215,782	40.1	19.4
Packages, Hotels and Other Travel Products	437,010	61.9	317,748	59.1	37.5
Financial Services	40,912	5.8	12,247	2.3	234.1
Intersegment eliminations	(29,531)	(4.2)	(7,805)	(1.5)	278.4
Total revenue	\$ 706,040	100.0	\$ 537,972	100.0	31.2

[Table of Contents](#)

The following table presents our consolidated revenues by type of revenue:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Commissions and service fees	\$ 607,251	\$ 455,790
Incentives	42,998	39,859
Advertising	20,594	16,166
Destination services	25,116	14,071
Interest revenue	9,272	4,114
Financial services (1)	2,109	328
Others (2)	(1,300)	7,644
Total revenue	\$ 706,040	\$ 537,972

(1) Financial services include financial intermediation processing fees for merchant transactions, fraud prevention services and others.

(2) Others includes breakage and loyalty revenue.

Our total number of transactions, gross bookings and gross bookings, net increased 9.2%, 33.7% and 29.7%, respectively, in 2023 as compared to 2022. This increase in transactions and gross bookings resulted in higher travel revenues of \$694.7 million in 2023, a 31.2% increase as compared to \$533.5 million in 2022. In addition, in 2023 we generated consolidated financial services revenues of \$11.4 million compared to \$4.4 million in 2022.

Revenue from our Air segment increased \$41.9 million, or 19.4%, in 2023 compared to 2022. Revenue from our Packages, Hotels and Other Travel Products segment increased \$119.3 million, or 37.5%, in 2023 compared to 2022. Revenue from our Financial Services segment, including inter-segment operations, increased \$28.7 million, or 234.1%, in 2023 compared to 2022.

Our commissions and service fee revenue increased \$151.5 million, or 33.2%, in 2023, comprising an increase of 27%, or \$49.7 million, in our Air segment and an increase of 37.9%, or \$101.71 million, in our Packages, Hotels and Other Travel Products segment, primarily as a result of the overall increase in travel demand.

As compared to 2022, incentive revenue increased \$3.1 million, or 7.9%, in 2023, comprising a decrease of (8.5)%, or \$(2.1) million, in our Air segment, and an increase of 35.0%, or \$5.3 million, in our Packages, Hotels and Other Travel Products segment, primarily as a result of higher threshold incentives received from hotels and other travel suppliers, partially offset by a decrease in airline incentive due to lower GDS issuances.

Advertising revenue increased \$4.4 million, or 27.4%, in 2023, comprising a decrease of 18.3%, or \$0.8 million, in our Air segment, and an increase of 44.2%, or \$5.3 million, in our Packages, Hotels and Other Travel Products segment. Advertising revenue increased due to better negotiations and performance of alliances.

Destination services increased \$11.0 million, or 78.5%, in 2023 as a result of the increase in travel demand.

Interest revenue increased \$5.2 million, or 125.4% in 2023, while financial services revenue increased \$1.8 million, or 543.0%, in the same period, primarily due to the expansion in Koin's operations, mainly due to an increase in intermediation processing fees and fraud prevention services.

Other revenues decreased \$8.9 million, or (117.0)%, in 2023, mainly driven by higher sales volume that generated an increase in the issuance of loyalty points in comparison with loyalty points redeemed.

[Table of Contents](#)

Our consolidated revenue by business model is as follows:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Pre-pay model	\$ 619,658	\$ 457,335
Pay-at-destination model	12,709	11,364
Interest revenue	9,272	4,114
Others ⁽¹⁾	64,401	65,159
Total revenue	\$ 706,040	\$ 537,972

(1) Others includes incentive fees, advertising, breakage and loyalty.

Cost of revenue

Our cost of revenue increased \$46.0 million during 2023 mainly due to a \$20.7 million increase in credit card processing fees as a result of higher transaction volumes due to a strong demand environment in combination with the execution of commercial strategies. Further, our cost of installments increased \$21.5 million due to the increase in overall sales levels. In line with sales growth, other transactional taxes increased \$9.1 million due to taxes related to sales collections in Argentina and higher service import taxes in Brazil. These increases were partially offset by a recovery of (\$11.7) million in fulfillment center fees mainly driven by efficiencies in call center operations due to increases in productivity as well as renegotiation of BPO ('Business Process Outsourcing') contracts in Brazil.

Gross Profit

As a result of the factors described above, our gross profit was \$477.1 million in 2023 as compared to \$355.1 million in 2022. As a percentage of revenue, gross profit represented 67.6% and 66.0% in 2023 and 2022, respectively.

Selling and Marketing

Selling and marketing expense increased 33.4% to \$220.4 million in 2023, as compared to \$165.2 million in 2022. In 2023, our brand and performance marketing expenses increased \$ 28.9 million year over year given the overall demand growth across the region. In addition, expenses related to sales commissions increased \$10.7 million year over year as we continued to invest in our offline sales channel. Further, we invested \$14.5 million throughout the year in line with new store openings under our Despegar / Decolar brand in Argentina and Brazil, as well as Viajes Falabella stores in Chile, Colombia and Peru.

General and Administrative

General and administrative expenses decreased (23.4)% to \$77.8 million in 2023, as compared to \$101.5 million in 2022, mainly explained by a favorable settlement with the Mexican fiscal authority (SAT) on tax contingencies related to tax audits for the years 2014 to 2017. This impact was partially offset by restructuring charges as we implemented headcount reductions in line with operating efficiencies (See Note 20 to our consolidated financial statements for additional information).

Technology and Product Development

Technology and product development expense increased 21.3% to \$109.1 million in 2023, as compared to \$90.0 million in 2022. The increase was primarily due to \$11.0 million increase in headcount related expenses. In addition, an increase in restructuring charges for \$4.1 million as we implemented headcount reductions in line with operating efficiencies (See Note 20 to our consolidated financial statements for additional information). These two impacts generated an increase in service import taxes in Brazil.

Other operating expenses

Other operating expenses increased to \$4.5 million in 2023, as compared to none in 2022. The increase was primarily due to the recognition of a non-cash loss on disposal after comparing the carrying amount of net assets held for sale and its corresponding fair value less cost to sell at year-end.

Gain (Loss) from Equity Investments

Impairment Charges

During 2023 and 2022, we did not recognize any impairment charge related to our goodwill, indefinite-lived and finite-lived intangible assets or other long-lived assets.

Loss from Equity Investments

During 2023, we recorded a loss in our equity investments of \$1.1 million as compared to a loss of \$0.2 million in 2022. Our results from equity investments are not significant.

Operating income (loss)

In 2023, we had an operating income of \$64.2 million compared to an operating (loss) of \$(1.8) million in 2022, primarily caused by a significant increase in travel activity compared to 2022.

Financial Results, Net

In 2023, we had a net financial expense of \$36.6 million as compared to a net financial expense of \$45.5 million in 2022. Stronger financial performance was driven by a net foreign exchange gain of \$23.9 million. This gain was primarily the outcome of an enhanced hedging strategy, coupled with the year-over-year appreciation of the Brazilian real and the Mexican peso. Additionally, this impact was partially offset by an increase in travel activity, particularly within the Brazilian market, resulted in a \$13.8 million increase in factoring expenses.

Income Tax Expense

Our effective tax rate is defined as income tax expense as a percentage of net income before income tax expense.

The following table summarizes the changes in our effective tax rate for the years ended December 31, 2023 and 2022:

	Year ended December 31,	
	2023	2022
	(in percentages)	
Effective Tax Rate	11.3 %	45.1 %

Income taxes are determined by each subsidiary on a stand-alone basis according to income tax law of each jurisdiction.

Our effective tax rate for the year ended December 31, 2023 was 11.3%, which was lower than the effective tax rate of 45.1% for the year ended December 31, 2022 mainly due to the impact of the tax settlement and closing of tax audits in Mexico and tax inflation adjustment related to accumulated net operating losses in Argentina. The variation is also driven by the effect of incremental withholding taxes applicable to intercompany transactions. See Note 21 to our consolidated financial statements for additional information.

Net Income (Loss)

In 2023, we had a net income of \$24.5 million as compared to a net loss of \$68.5 million in 2022 as a result of the factors described above.

Net income (Loss) Attributable to Despegar.com Corp.

In 2023, we had a net income of \$24.5 million compared to a net loss of \$68.5 million in 2022 as a result of the factors described above.

[Table of Contents](#)

Adjusted Segment EBITDA

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Air	\$ 13,172	\$ 17,953
Packages, Hotels and Other Travel Products	\$ 103,172	\$ 42,257
Financial Services	\$ (797)	\$ (18,278)

Adjusted Segment EBITDA is our primary segment operating metric. See Note 22 — Segment Information in the notes to the consolidated financial statements for additional information.

Our Air segment Adjusted EBITDA decreased during 2023, to \$13.2 million compared to Adjusted EBITDA of \$18.0 million in 2022, resulting from an increase in headcount related expenses due to the overall increase in travel demand.

Our Packages, Hotels and Other Travel Products segment Adjusted EBITDA increased to \$103.2 million during 2023, compared to Adjusted EBITDA of \$42.3 million in 2022, resulting from significantly higher revenues due to the overall increase in travel demand.

Our Financial services segment Adjusted EBITDA increased to a negative \$0.8 million during 2023, compared to negative Adjusted EBITDA of \$18.3 million in 2022, primarily resulting from the investments related to our plans to develop the financial services and the anti-fraud and payments businesses both in Brazil and in Latin America.

Comparison of Results of Operations 2022 to 2021

	Year Ended December 31,				
	2022		2021		
	(in thousands)				
		% of Revenue		% of Revenue	% of change
Total revenue	\$ 537,972	100.0	\$ 322,843	100.0	66.6
Cost of revenue	(182,898)	(34.0)	(160,240)	(49.6)	14.1
Gross profit	355,074	66.0	162,603	50.4	118.4
Operating expenses					
Selling and marketing	(165,150)	(30.7)	(95,290)	(29.5)	73.3
General and administrative	(101,521)	(18.9)	(83,694)	(25.9)	21.3
Technology and product development	(89,992)	(16.7)	(74,743)	(23.2)	20.4
Impairment of long-lived assets and goodwill	—	—	(5,106)	(1.6)	(100.0)
Total operating expenses	(356,663)	(66.3)	(258,833)	(80.2)	37.8
Gain (loss) from equity investments	(164)	—	342	0.1	(148.0)
Operating loss	(1,753)	(0.3)	(95,888)	(29.7)	(98.2)
Financial results, net	(45,459)	(8.5)	(10,207)	(3.2)	345.4
Loss before income taxes	(47,212)	(8.8)	(106,095)	(32.9)	(55.5)
Income tax benefit	(21,309)	(4.0)	230	0.1	NM
Net loss for the year	\$ (68,521)	(12.7)	\$ (105,865)	(32.8)	(35.3)
Net loss attributable to redeemable non-controlling interest	—	—	1,237	0.4	(100.0)
Net loss attributable to Despegar.com, Corp.	\$ (68,521)	(12.7)	\$ (104,628)	(32.4)	(34.5)

Note: "NM" denotes not meaningful.

Consolidated Revenues

The following table presents our consolidated revenues by business segment:

Revenue	Year Ended December 31,				
	2022		2021		
	(in thousands)				
		% of Revenue		% of Revenue	% of change
Air	\$ 215,782	40.1	\$ 118,456	36.7	82.2
Packages, Hotels and Other Travel Products	317,748	59.1	203,587	63.0	56.1
Financial services	12,247	2.3	1,507	0.5	712.7
Intersegment eliminations	(7,805)	(1.5)	(707)	(0.2)	1004.0
Total revenue	\$ 537,972	100.0	\$ 322,843	100.0	66.6

The following table presents our consolidated revenues by type of revenue:

	Year Ended December 31,	
	2022	2021
	(in thousands)	
Commissions and service fees	\$ 455,790	\$ 268,442
Incentive fees	39,859	28,658
Advertising	16,166	10,227
Destination services	14,071	7,959
Interest revenue	4,114	788
Financial services ⁽¹⁾	328	13
Others ⁽²⁾	7,644	6,756
Total Revenue	\$ 537,972	\$ 322,843

(1) Financial services include financial intermediation processing fees for merchant transactions, fraud prevention services and others.

(2) Others includes breakage and loyalty revenue.

Our total number of transactions, gross bookings and gross bookings, net increased 22.1%, 69.3%, and 64.8% respectively, in 2022 as compared to 2021. This increase in transactions and gross bookings resulted in higher travel revenues of \$533.5 million in 2022, a 65.6% increase as compared to \$322.0 million in 2021. In addition, in 2022 we generated consolidated financial services revenues of \$4.4 million compared to \$0.8 million in 2021.

Revenue from our Air segment increased \$97.3 million, or 82.2%, in 2022 compared to 2021. Revenue from our Packages, Hotels and Other Travel Products segment increased \$114.2 million, or 56.1%, in 2022 compared to 2021. Revenue from our Financial Services segment, including inter-segment operations, increased \$10.7 million, or 712.7%, in 2022 compared to 2021.

Our commissions and service fee revenue increased \$187.3 million, or 69.8%, in 2022, an increase of 96%, or \$91.9 million, in our Air segment and an increase of 55.3%, or \$95.5 million, in our Packages, Hotels and Other Travel Products segment, primarily as a result of the overall increase in travel demand due to the receding effects of the COVID-19 pandemic, and the impact of cancellations.

As compared to 2021, incentive revenue increased \$11.2 million, or 39.1%, in 2022, an increase of 23.6%, or \$4.7 million, in our Air segment, an increase 75.0%, or \$6.5 million, in our Packages, Hotels and Other Travel Products segment, primarily as a result of higher threshold incentives received from airlines, hotels and other travel suppliers reflecting the recovery in travel activity.

[Table of Contents](#)

Advertising revenue increased \$5.9 million, or 58.1%, in 2022, an increase of 37.6%, or \$1.2 million, in our Air segment, an increase 66.9%, or \$4.8 million, in our Packages, Hotels and Other Travel Products segment. Advertising revenue increased due to higher demand for travel advertising given the receding effects of the COVID-19 pandemic.

Destination services increased \$6.1 million, or 76.8%, in 2022 as a result of the increase in travel demand.

Interest revenue increased \$3.3 million, or 422.1% in 2022, while financial services increased \$0.3 million, or 2,423.1%, in the same period, primarily due to the expansion in Koin's operations.

Other revenues increased \$0.9 million, or 13.1%, in 2022, primarily as a result of the increase in travel demand.

Our consolidated revenue by business model is as follows:

	Year Ended December 31,	
	2022	2021
	(in thousands)	
Pre-pay model	\$ 457,335	\$ 270,891
Pay-at-destination model	11,364	5,342
Interest revenue	4,114	788
Others ⁽¹⁾	65,159	45,822
Total revenue	\$ 537,972	\$ 322,843

(1) Others includes incentive fees, advertising, breakage and loyalty.

Cost of revenue

Our cost of revenue increased \$22.7 million during 2022 mainly due to a \$18.3 million increase in credit card processing fees resulting from higher transaction volumes due to industry recovery and lower operational costs explained by lower COVID-19 impact compared to 2021. In addition, our bad debt expense related to our financial services segment increased \$11.6 million due to an increase in risk of doubtful accounts in line with our growth in operations during 2022 as well as increased macroeconomic volatility specifically in Brazil. Increases in credit card processing and bad debt expenses were partially offset by a decrease in customer legal claims when compared to 2021.

Gross Profit

As a result of the factors described above, our gross profit was \$355.1 million in 2022 as compared to \$162.6 million in 2021. As a percentage of revenue, gross profit represented 66.0% and 50.4% in 2022 and 2021, respectively.

Selling and Marketing

Selling and marketing expense increased 73.3% to \$165.2 million in 2022, as compared to \$95.3 million in 2021. In 2022, as the travel industry continued to recover, we increased our brand and performance marketing spending by \$ 50.5 million when compared to 2021. Further in line with the recovery trend, expenses related to sales representatives increased \$8.7 million year on year as we continued to invest in our offline sales channel. In 2021, we incurred \$1.3 million employee severance and benefit expenses due to restructuring costs associated with our cost savings plan, while in 2022, we did not incur in such costs.

General and Administrative

General and administrative expense increased 21.3% to \$101.5 million in 2022, as compared to \$83.7 million in 2021. Specifically, General and administrative expenses increased in 2022 by \$4.8 million due to a payroll increase. Also contributing to the increase in General and administrative expenses was a \$3.3 million one-time expense related to the consolidation of Viajanet. In 2021 our General and administrative expenses were impacted by \$1.5 million in employee severance expenses and other reorganization costs as part of the cost savings plan in response to COVID-19, which we did not incur in 2022.

Technology and Product Development

Technology and product development expense increased 20.4% to \$90.0 million in 2022, as compared to \$74.7 million in 2021. The increase was primarily due to a \$13.0 million increase in payroll. Our technology and product development expenses were impacted in 2021 by \$1.1 million in employee severance expenses and other reorganization costs as part of the cost savings plan in response to COVID-19. Additionally, in 2022 we incurred \$1.4 million in severance expenses as part of our normal course of business in 2022.

Impairment Charges

During 2022, we did not recognize any impairment charge related to our goodwill, indefinite-lived and finite-lived intangible assets or other long-lived assets.

During 2021, we deemed it necessary to perform various interim assessments of goodwill throughout 2021. As a result of these assessments, we recognized goodwill impairment charges of \$4.2 million during 2021, for certain of our reporting units. Also, during 2021, we recognized impairment charges of \$0.9 million related to certain customer relationship assets related to Best Day in Mexico and Viajes Falabella in Peru.

(Loss) / Gain from Equity Investments

During 2022, we recorded a loss in our equity investments of \$0.2 million as compared to a gain of \$0.3 million in 2021. Our results from equity investments are not significant.

Operating Loss

In 2022, we had an operating loss of \$1.8 million compared to an operating loss of \$95.9 million in 2021, primarily caused by a significant increase in travel activity as the effects of COVID-19 receded.

Financial Results, Net

In 2022, we had a net financial expense of \$45.5 million as compared to a net financial expense of \$10.2 million in 2021. The change in financial result was primarily driven by a net foreign exchange loss of \$35.1 million, mainly due to non cash capitalized IT adjustments related to changes in foreign exchange rates in Argentina, as compared to net foreign exchange loss of \$4.8 million in 2021. Results were further impacted by a net gain on derivative financial instrument of \$2.9 million compared to a loss of \$1.1 million in 2021 and factoring fees reaching \$18.5 million derived from a substantial increase in travel activity, compared to \$5.4 million in factoring fees in 2021.

Income Tax Expense

Our effective tax rate is defined as income tax expense as a percentage of net income before income tax expense.

The following table summarizes the changes in our effective tax rate for the years ended December 31, 2022 and 2021:

	Year ended December 31,	
	2022	2021
	(in percentages)	
Effective Tax Rate	45.1 %	0.2 %

Income taxes are determined by each subsidiary on a stand-alone basis according to income tax law of each jurisdiction.

Our effective tax rate for the year ended December 31, 2022 was 45.1%, which was higher than the effective tax rate of 0.2% for the year ended December 31, 2021 mainly due to changes in valuation allowance of deferred tax assets primarily in Brazil, the United States and Mexico based on a recoverability analysis for the upcoming years; increase in foreign non-creditable withholding tax; decrease in impact of uncertain tax positions; effects of non-deductible expenses; and the impact of the new promotional regime 'Programa Emergencial de Retomada do Setor de Eventos y Turismo' in Brazil. For more information about this regime see Note 21 to our consolidated financial statements.

[Table of Contents](#)

Net Loss

In 2022, we had a net loss of \$68.5 million as compared to a net loss of \$105.9 million in 2021 as a result of the factors described above.

Net Loss Attributable to Redeemable Non-Controlling Interest

We redeemed non-controlling interest in our subsidiary Koin in January 2022. The net loss attributable to the redeemable non-controlling interest was \$1.2 million in 2021.

Net Loss Attributable to Despegar.com Corp.

In 2022, we had a net loss of \$68.5 million compared to a net loss of \$104.6 million in 2021 as a result of the factors described above.

Adjusted Segment EBITDA

	Year Ended December 31,	
	2022	2021
	(in thousands)	
Air	\$ 17,953	\$ (21,536)
Packages, Hotels and Other Travel Products	\$ 42,257	\$ (4,770)
Financial Services	\$ (18,278)	\$ (13,799)

Adjusted Segment EBITDA is our primary segment operating metric. See Note 22 — Segment Information in the notes to the consolidated financial statements for additional information.

Our Air segment Adjusted EBITDA increased during 2022, to \$18.0 million compared to (negative) Adjusted EBITDA of (\$21.5) million in 2021, resulting from significantly higher revenues due to the receding effects of the COVID-19 pandemic compared to 2021, which drove meaningful gross bookings and revenue increases.

Our Packages, Hotels and Other Travel Products segment Adjusted EBITDA increased to \$42.3 million during 2022 compared to (negative) Adjusted EBITDA of \$(4.8) million in 2021, resulting from significantly higher revenues due to the receding effects of the COVID-19 pandemic when compared with 2021.

Our Financial Services segment Adjusted EBITDA decrease during 2022, resulting in (negative) Adjusted EBITDA of \$18.3 million compared to negative Adjusted EBITDA of \$13.8 million in 2021, primarily resulting from the investments related to the company's plans to expand the financial services business in Brazil, as well as the negative impact given the volatile macroeconomic environment in Brazil, which in addition to increasing interest rates led to rising delinquency rates.

B. Financial Position, Liquidity and Capital Resources

Our principal sources of liquidity were typically cash flows generated from operations, cash available under credit facilities and loan agreements as well as our cash and cash equivalents and short-term investment balances.

In our travel business, our typical cash cycle provides us with a positive source of working capital for our operations. Our pre-pay model allows us to collect cash amounts from transactions with our travel customers well before we are required to make payments to our travel suppliers, which allows us to use the cash for other business purposes in the interim and reduces our need to use external sources of financing. Under our pre-pay model, we receive cash payments through credit card companies used by travel customers at or near the time of booking, and we are required to make payments related to the booking to the relevant travel suppliers generally two to three months afterwards, typically, after the travel customer uses the reservation and the travel supplier invoices us.

We place collateralized amounts related to operations with our travel suppliers and service providers and the International Air Transport Association ("IATA"). We are required to be accredited by IATA to sell international airlines tickets of IATA-affiliated airlines. We, therefore, as part of our operations, maintain restricted cash in the form of time deposits or

[Table of Contents](#)

bank or insurance guarantees. Restricted cash amounted to \$25,947 and \$25,879 as of December 31, 2023 and 2022, respectively. In addition, restricted cash non-current amounted to \$932 as of December 31, 2023.

Regarding our financial services business, our model normally works with positive working capital. Our loan customers typically pay the first installment of their loans within two days and we make the first payment to merchants in 30 days, providing us with 28 days of positive cash flow, which can be considered as another very short term funding source. We offer a factoring service through our securitization program to discount future loans receivables in order to be able to anticipate the future cash flow to the merchant, as needed. For the medium and long term funding, we have traditional credit lines with banks that provide us funding with maturities going from three up to five years. We have all our external funding at variable local interest rates.

As of December 31, 2023, our payables (including travel accounts payable plus related party payable plus accounts payable and accrued expenses) minus our receivables (including trade accounts receivable net of credit expected losses plus loans receivable net of credit expected losses plus related party receivables) amounted to a net payable of \$272.4 million as compared to a net payable of \$208.3 million as of December 31, 2022.

As of December 31, 2022, our payables (including travel accounts payable plus related party payable plus accounts payable and accrued expenses) minus our receivables (including trade accounts receivable net of credit expected losses plus related party receivables) amounted to a net payable of \$208.3 million as compared to a net payable of \$192.8 million as of December 31, 2021.

As of December 31, 2023, within our travel accounts payable balance of \$355.4 million, we recognized a liability of \$44.5 million related to refund vouchers issued to travelers due to canceled reservations, as compared to a liability of \$44.7 million as of December 31, 2022.

As of December 31, 2022, within our travel accounts payable balance of \$287.4 million, we recognized a liability of \$44.7 million related to refund vouchers issued to travelers due to canceled reservations, as compared to a liability of \$66.5 million as of December 31, 2021.

Our (negative) working capital (calculated as current assets minus current liabilities, except short-term debt and contingent liabilities) was \$99.2 million as of December 31, 2023, as compared to \$61.4 million as of December 31, 2022.

Our (negative)/positive working capital (calculated as current assets minus current liabilities, except short-term debt and contingent liabilities) was \$(61.4) million as of December 31, 2022, as compared to \$37.7 million as of December 31, 2021.

In August 2020, we entered into an investment agreement with LCLA Daylight LP, an affiliate of L Catterton Latin America III, L.P. ("L Catterton") and an investment agreement with Waha LATAM Investments Limited, an affiliate of Waha Capital PJSC ("Waha Capital"), to raise \$200 million in gross proceeds in a private placement of shares of newly created series of preferred stock and warrants to purchase our common stock. The transaction with L. Catterton closed on September 18, 2020 and the transaction with Waha Capital closed on September 21, 2020. These transactions increased our cash position by \$187.9 million in 2020. During 2023, we paid an aggregate amount of \$17.8 million in preferred dividends, \$15.8 million related to Series A Preferred Shares of L Catterton and \$2.0 million related to Series B Preferred Shares of Waha Capital. During 2022 and 2021, we paid an aggregate amount of \$17.4 million and \$10.0 million, respectively, in preferred dividends to L Catterton and Waha Capital. For more information about dividends payments to Series A Preferred Shares and Series B Preferred Shares, see "Item 10. Additional Information — B. Memorandum and Articles of Association" and Note 6 to our consolidated financial statements.

On March 27, 2024, Waha Capital exercised its conversion rights and converted its 50,000 Series B into ordinary shares at a conversion price of \$9.251 per share, as determined in the terms of the Series B Preferred Shares, and a conversion rate of 108.1081 ordinary shares per Series B Preferred shares, obtaining 5,405,405 ordinary shares on an as-converted basis. On April 1, 2024 Waha Capital sold its entire participation in the Company.

On March 21, 2023, we paid \$7.9 million of accumulated dividends. On September 26, 2023, we paid \$7.9 million of accumulated dividends. For the period from April 1, 2023 until December 31, 2023, we accrued \$11.5 million for unpaid dividends recorded as a charge to additional paid-in-capital.

On March 25, 2022, we paid \$15.4 million of accumulated dividends for the period ended March 31, 2022. On September 30, 2022, dividends were not paid in cash but instead accrued and accumulated. For the period from April 1, 2022 until December 31, 2022, we accrued \$11.5 million for unpaid dividends recorded as a charge to additional paid-in-capital.

[Table of Contents](#)

In 2022, we purchased the non-controlling interest of Koin for a total consideration of \$3.2 million over eight installments of \$0.4 million, we made the payment of the first installment for the Viajanet acquisition in the amount of \$9.4 million, and we made one payment of \$3.2 million related to the Stays acquisition. In 2021, we completed payment of the last installment of our acquisition of Viajes Falabella in the amount of \$5.8 million.

Cash flows for the year ended December 31, 2023 compared to 2022

Our cash flows for the years ended December 31, 2023 and 2022 are as follows:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Net cash flows provided by operating activities	\$ 102,730	\$ 36,702
Net cash flows used in investing activities	(52,558)	(51,142)
Net cash flows used in financing activities	(38,224)	(25,301)
Effect of exchange rate changes on cash and cash equivalents	(6,205)	5,564
Net increase (decrease) in cash and cash equivalents	\$ 5,743	\$ (34,177)

In 2023 we generated positive cash flows from operations of \$102.7 million compared to \$36.7 million in 2022, in line with a strong increase of sales related to the demand recovery across the region.

In 2023, our net cash flows used in investing activities were \$52.6 million compared to \$51.1 million in 2022 primarily due to higher current year capital expenditures of \$41.0 million, including higher spend on internal-developed software. Cash used in investing activities in 2023 primarily included a \$31.1 million investment in intangible assets, including internal software and website development costs and \$9.8 million in acquired property and equipment; and also included \$21.0 million origination of loans receivables due to sales increase of Koin. In 2022, our net cash flows used in investing activities were \$51.1 million; primarily due to capital expenditures of \$30.7 million, including higher spend on internal-developed software. Cash used in investing activities in 2022 primarily included a \$26.4 million investment in intangible assets, including software and website development costs and \$4.3 million in acquired property and equipment.

In 2023, our net cash flows used in financing activities were \$38.2 million primarily due to a \$17.8 million payment of dividends to preferred shareholders and \$16.6 million payment of the promissory notes related to Best Day acquisition. In 2022, our net cash flows used in financing activities were \$25.3 million primarily due to a \$17.4 million payment of dividends to preferred shareholders and the repurchase of our stock of in the amount of \$10.0 million. On January 31, 2022, we purchased the non-controlling interest of Koin for a total consideration of \$3.2 million over eight installments of \$0.4 million. On June 14, 2022, we launched a share repurchase program which expired on August 12, 2022, of which we repurchased stock in the amount of approximately \$10.0 million.

Foreign exchange rate changes resulted in a decrease of our cash balances denominated in foreign currency in 2023 of \$6.2 million, reflecting a net devaluation in foreign currencies (mainly in Argentina) related to the U.S. dollar during the year. In 2022, foreign exchange rate changes resulted in an increase of our cash balances denominated in foreign currency in 2022 of \$5.6 million, reflecting a net appreciation in foreign currencies related to the U.S. dollar during the year.

Cash flows for the year ended December 31, 2022 compared to 2021

Our cash flows for the years ended December 31, 2022 and 2021 are as follows:

	Year Ended December 31,	
	2022	2021
	(in thousands)	
Net cash flows provided by/(used in) operating activities	\$ 36,702	\$ (36,472)
Net cash flows used in investing activities	(51,142)	(28,677)
Net cash flows used in financing activities	(25,301)	(1,170)
Effect of exchange rate changes on cash and cash equivalents	5,564	(4,943)
Net decrease in cash and cash equivalents	\$ (34,177)	\$ (71,262)

[Table of Contents](#)

Due to the effect of COVID-19, we experienced unfavorable working capital trends and material negative cash flows from operations of \$36.5 million in 2021, although the level of negative cash flow moderated as booking trends improved and cancellations stabilized in the fourth quarter of 2021. In 2022 we generated a positive cash flows from operations of \$36.7 million in line with increasing sales related to the demand recovery across the region.

In 2022, our net cash flows used in investing activities were \$51.1 million compared to \$28.7 million in 2021 primarily due to higher current year capital expenditures of \$30.7 million, including higher spend on internal-developed software. Cash used in investing activities in 2022 primarily included a \$26.4 million investment in intangible assets, including software and website development costs and \$4.3 million in acquired property and equipment. In 2021, our net cash flows used in investing activities were \$28.7 million; primarily due to capital expenditures of \$21.2 million, including lower spend on internal-developed software. Cash used in investing activities in 2021 primarily included a \$18.8 million investment in intangible assets, including software and website development costs and \$2.4 million in acquired property and equipment.

In 2022, our net cash flows used in financing activities were \$25.3 million primarily due to a \$17.4 million payment of dividends to preferred shareholders, and the purchase of treasury stock of \$10.0 million. On January 31, 2022, we purchased the non-controlling interest of Koin for a total consideration of \$3.2 million over eight installments of \$0.4 million. On June 14, 2022, we launched a share repurchase program which expired on August 12, 2022, of which we repurchased approximately \$10.0 million. We did not repurchase any shares under our share repurchase program in 2021. We did not repurchase any shares under our share repurchase program in 2021.

Foreign exchange rate changes resulted an increase of our cash balances denominated in foreign currency in 2022 of \$5.6 million, reflecting a net appreciation in foreign currencies related to the U.S. dollar during the year. In 2021, foreign exchange rate changes resulted in a decrease of our cash balances denominated in foreign currency of \$4.9 million, reflecting a net depreciation in foreign currencies related to the U.S. dollar during the year.

Indebtedness

Due to our positive cash cycle, we have historically maintained a low level of debt. Our debt was historically comprised of bank debt. As of December 31, 2023, we have outstanding short and long-term debt of \$30.8 million as compared to \$35.1 million as of December 31, 2022. As of December 31, 2023 and 2022, short-term debt is comprised of seven loans with two financial institutions and five loans with one financial institutions, respectively. Our long-term bank debt amounting to \$2.3 million as of December 31, 2023 is primarily denominated in currencies other than the U.S. dollar and matures between 2024 and 2026. As of December 31, 2023, we were in compliance with all covenants. See Note 7 to our consolidated financial statements for additional information.

We also recognized a liability for the earnout provision of the Best Day agreement amounting to \$2.4 million as of December 31, 2023. We will pay the earn-out consideration, if any, in cash on October 1, 2024.

As of December 31, 2023, we have a securitization program with respect to our loans receivable related to our financial services business. In a securitization transaction, assets from our balance sheet are transferred to a special purpose vehicle or “SPV” we establish, which typically meets the definition of a variable interest entity or “VIE”. The SPV then issues various forms of interests in those assets to investors. We typically receive cash proceeds and/or other interests in the securitization SPV for the assets we transfer. As of December 31, 2023 we had one SPV with collateralized debt in an aggregate amount of \$7.5 million. As of December 31, 2022, we had one SPV with collateralized debt in an aggregate amount of \$4.5 million.

C. Research and Development, Patents and Licenses

Our technology and product development activities are primarily focused on the development of software, which we view as an important element of the investments we make in our technology and our business. Our primary software development activities have been focused on providing an effective and engaging platform for our travel customers and on collecting and using data to better customize the user experience, pricing and marketing efforts for our travel customers. In 2023, 2022 and 2021, we spent \$109.1 million, \$90.0 million and \$74.7 million, respectively, on software development and other technology and product development activities.

D. Trend Information

In addition to the information set forth in this section, additional information about the trends affecting our business can be found in “—A. Key Trends and Factors Affecting Our Business.” You should also read our discussion of the risks and uncertainties that affect our business in “Item 3. Key Information— D. Risk Factors.”

Macroeconomic and Political Conditions in the Countries in which we Operate

Our travel customers are primarily located in Latin America, particularly in Brazil, Mexico and Argentina, and to a lesser extent, in other countries in the region. Our results of operations and financial condition are significantly influenced by political and economic developments in the countries in which our travel customers reside and, to a lesser extent, in the countries to which our travel customers may travel, and the effect that these factors may have on the availability of credit, employment rates, disposable income, average wages and demand for travel in those countries. In the mid- to long-term, we believe that macroeconomic changes in the region will generally benefit us due to an expanding middle class, increasing disposable income, reduced unemployment and lower interest rates, among other factors.

Currency Exchange Rates

We report our financial results in dollars, but most of our revenue and expenses are denominated in local currencies. Any changes in the exchange rates of any such currencies against the dollar will affect our reported financial results as translated into dollars. Furthermore, many of our travel customers travel internationally and any changes in the exchange rate between their home currency and the currency of their destination may influence their travel purchases.

Extensive exchange controls implemented by the Argentine government control and restrict the ability of companies and individuals to exchange Argentine Pesos for foreign currencies and their ability to remit foreign currency out of Argentina. An entity's authorization request to the Central Bank of Argentina to access the official exchange market to make foreign currency payments may be denied depending on the circumstances. As a result of these exchange controls, markets in Argentina developed trading mechanisms in which an entity or individual buys U.S. dollar denominated securities in Argentina (e.g. shares, sovereign debt) using Argentine peso, and subsequently sells the securities for U.S. dollars, in Argentina, to access U.S. dollars locally, or outside Argentina, by transferring the securities abroad, prior to being sold (the latter commonly known as Blue Chip Swap Rate). The Blue Chip Swap Rate has diverged significantly from Argentina's official exchange rate (commonly known as exchange spread). In recent years, the Blue Chip Swap Rate has been higher than Argentina's official exchange rate. As of December 31, 2023, 2022 and 2021, the spread of the Blue Chip Swap was 20.4%, 94.2%, and 96.8%, respectively. See Note 2 to our consolidated financial statements for additional information.

Inflation

Historically, certain countries in Latin America, such as Argentina, have experienced high rates of inflation. Changes in inflation rates can affect our pricing as well as our expenses, including employee salaries, and the inflation rates in the countries where we generate revenue in any period may be higher or lower than the inflation rates in the countries where we incur expenses. In addition, higher inflation may lead our travel customers to make more purchases using installments or other financing options, which may result in an increase in the costs associated with offering such financing options to our travel customers. Below is a summary of certain macroeconomic data for Brazil, Mexico and Argentina, our three largest markets, for 2023, 2022 and 2021:

	Brazil		
	2023	2022	2021
Real GDP growth ⁽¹⁾	3.1 %	2.9 %	12.3 %
Population (in millions) ⁽²⁾	203.1	207.8	213.3
Inflation ⁽³⁾	0.6 %	5.8 %	10.1 %
Exchange rate ⁽⁴⁾	4.85	5.29	5.58

(1) Source: Instituto Brasileiro de Geografia e Estatística (IBGE), measured in local currency measured as of September 30, 2023 (preliminary).

(2) Source: Instituto Brasileiro de Geografia e Estatística (IBGE), 2022 census upload as of December 22, 2023.

(3) Source: Instituto Brasileiro de Geografia e Estatística (IBGE), measured in local currency.

(4) Source: Banco Central do Brasil. Data as of December 31 of each year.

[Table of Contents](#)

	Mexico		
	2023	2022	2021
Real GDP growth ⁽¹⁾	3.2 %	3.1 %	5.0 %
Population (in millions) ⁽²⁾	129.0	126.0	129.0
Inflation ⁽³⁾	4.7 %	7.8 %	7.4 %
Exchange rate ⁽⁴⁾	16.97	19.50	20.51

(1) Source: Instituto Nacional de Estadística y Geografía (INEGI), measured in local currency.

(2) Source: Instituto Nacional de Estadística y Geografía (INEGI). Census information is updated every five years. Latest census was conducted in 2020.

(3) Source: Instituto Nacional de Estadística y Geografía (INEGI), measured in local currency.

(4) Source: Banco de México. Data as of December 31 of each year.

	Argentina		
	2023	2022	2021
Real GDP growth ⁽¹⁾	(0.8)%	5.2 %	10.3 %
Population (in millions) ⁽²⁾	46.7	46.0	45.4
Inflation ⁽³⁾	211.4 %	94.8 %	50.9 %
Exchange rate ⁽⁴⁾	808.48	177.13	107.59

(1) Source: Instituto Nacional de Estadística y Censos (INDEC), measured in local currency. Preliminary information as of September 30, 2023.

(2) Source: Instituto Nacional de Estadística y Censos (INDEC), measured in local currency. Census 2022 preliminary results.

(3) Source: Instituto Nacional de Estadística y Censos (INDEC), measured in local currency.

(4) Source: Banco de la Nación Argentina. Data as of December 31 of each year.

E. [Not Applicable]

F. [Not Applicable]

G. Safe Harbor

See “Part I. Introduction – Forward-Looking Statements.”

ITEM 6 DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

Board of Directors

Our business and affairs are managed by, or under the direction or supervision of, our board of directors. Our board of directors has all the powers necessary for managing, and for directing and supervising, our business and affairs and may exercise all our company powers and do all such lawful acts and things as are not by applicable law or our memorandum and articles of association required to be exercised or done by our shareholders. Accordingly, our board of directors has significant discretion (and, regarding the vast majority of management and governance matters, exclusive discretion) in the management and control of our business and affairs.

Our memorandum and articles of association authorize us to have up to eight directors or such other number of directors as is from time to time fixed by resolution of the board. Our board of directors currently consists of seven members.

Our board of directors is divided into three classes designated as the “Class I Directors,” “Class II Directors” and “Class III Directors” plus a director appointed by the L Catterton Purchaser (the “L Catterton Director”) and director appointed by the Series B Preferred Shareholders (the “Series B Director”). Pursuant to our memorandum and articles of association, each of our directors (other than the L Catterton Director and Series B Director) is appointed at an annual meeting of shareholders for a period of three years, with each director serving until the third annual meeting of shareholders following his or her election (except that the terms of the current Class I Directors, Class II Directors and Class III Directors will expire at our annual meetings in 2024, 2025 and 2026, respectively). Upon the expiration of the term of a class of directors, candidates will be elected (or re-elected, as the case may be) as directors of that particular class for three-year terms at the annual

[Table of Contents](#)

meeting of shareholders in the year of such expiration. Our Class I, II and III Directors are divided among the three classes as follows:

- the Class I Directors are Alfonso Paredes and Michael James Doyle, and their terms will expire at the annual meeting of stockholders to be held in 2024;
- the Class II Directors are Martín Rastellino and Mario Eduardo Vázquez, and their terms will expire at the annual meeting of stockholders to be held in 2025; and
- the Class III Directors are Nilesh Lakhani and Damián Scokin, and their terms will expire at the annual meeting of stockholders to be held in 2026.

Elections for Class I, II and III Directors will take place by a plurality of the votes of the shares present in person or represented by proxy at the annual meeting and entitled to vote on the election of directors. No Class I, II or III Director may be elected or re-elected at any special meeting of our shareholders.

The L Catterton Purchaser has the right to appoint the L Catterton Director so long as the L Catterton Purchaser and its permitted transferees continue to beneficially own (a) (i) at least 75,000 Series A Preferred Shares and (ii) Warrants and/or ordinary shares that were issued upon exercise of the Warrants representing at least 5,500,000 ordinary shares or (b) if the Company shall have redeemed the Series A Preferred Shares in full, Warrants and/or ordinary shares that were issued upon exercise of Warrants representing at least 5,500,000 ordinary shares. The L Catterton Director is Ramiro Lauzan. The Series B Preferred Shareholders have not appointed a Director since June 2021.

The following table presents the names and ages of the members of our board of directors:

Name	Age	Position
Nilesh Lakhani	64	Chairman of the Board and Director
Damian Scokin	57	Chief Executive Officer and Director
Alfonso Paredes	48	Director
Martín Rastellino	52	Director
Mario Eduardo Vázquez	88	Director
Michael James Doyle II	53	Director
Ramiro Lauzan	51	Director

Our board of directors has the exclusive power to fill any vacancy arising on the board from time to time and to increase the size of the board of directors from time to time and appoint additional directors in connection therewith. Our shareholders may not vote to fill any vacancy or to change the size of our board.

A director of the Company may only be removed: (i) with cause, by a resolution approved by shareholders holding not less than two-thirds of the voting rights at a meeting of shareholders called for the stated purpose of removing the director or for stated purposes including the removal of the director, or (ii) with cause, by a resolution approved by directors holding not less than two-thirds of the voting rights of all of those directors entitled to vote on the resolution at a meeting of directors or by way of unanimous written consent of those directors entitled to vote on the removal. See “Item 16G. Corporate Governance—Differences in Corporate Law” for further information.

The following is a brief summary of the business experience of our directors. The current business addresses for our directors is Commerce House, 4th Floor, Wickhams Cay 1, Road Town, Tortola (VG1110), British Virgin Islands.

Nilesh Lakhani has over 25 years of operating experience and has served on the boards of a number of emerging market consumer internet companies. He has served as a member of our board of directors since 2012 and as Chairman of our board of directors since 2019. Mr. Lakhani is also a director and a member of the audit committee of Ozon (Nasdaq: OZON) since 2021. Mr. Lakhani served on the board of directors of Netshoes (NYSE: NETS). He also served as an independent director on the board of directors of QIWI (Nasdaq: QIWI). Mr. Lakhani was an Operating Partner at Lumia Capital, a technology venture fund focused on emerging markets. He has also held key executive positions with growth companies in the technology, media and financial services industries. He was the Chief Financial Officer of oDesk Corporation (now Upwork, Nasdaq: UPWK). Prior to that, he was the Chief Financial Officer of Yandex (Nasdaq: YNDX). He also served as Chief Financial Officer of CTC Media (Nasdaq: CTCM). Prior to that, Mr. Lakhani was Vice President of Global Operations at Electronic Arts. Mr. Lakhani also served as Senior Vice President with Transamerica

[Table of Contents](#)

Corporation, and worked with the merchant banking arm of GE Capital. Mr. Lakhani holds a bachelor's degree in Economics from the University of Manchester, and an MBA from the University of San Francisco.

Damián Scokin joined Despegar in December 2016 and has served as our CEO since February 2017 and as a member of our board of directors since April 2017. Prior to becoming our CEO, Mr. Scokin was the CEO of Ultrapetrol (Bahamas) Limited, where he continues to be a member of the company's board of directors. Mr. Scokin held several positions within the LATAM Airlines Group. Mr. Scokin served as CEO for LATAM's International Business Unit. Mr. Scokin started his career as an associate of McKinsey & Company in Boston, where he eventually became partner. Mr. Scokin holds a bachelor's degree in Economics, a bachelor's degree in Industrial Engineering from the University of Buenos Aires and a Master of Business Administration from Harvard Business School.

Alfonso Paredes is the president of Expedia Group's Private Label Solutions, responsible for powering the industry with Expedia Group's technology and supply. Mr. Paredes has been working in the Expedia Group for over 14 years. Mr. Paredes leads the global commercial operation, establishing partnerships in a broad range of sectors from financial institutions to travel companies, powering their sites through Rapid API and template solutions. He also leads the Expedia Travel Agency Affiliate Program (TAAP), Expedia Group's global travel advisor business. Mr. Paredes previously served as the Senior Vice President of Private Label Solutions and Commercial Partnerships driving significant growth in B2B. Throughout his tenure, he has led numerous global teams and more recently, secured the expansion of Expedia Group's industry-leading technology with major partners across multiple sectors and regions. Prior to joining the Expedia Group, Mr. Paredes held management roles at Fexco, IATA, Bookassist and Accor. Mr. Paredes graduated from Ecole Hôtelière de Lausanne and holds an Executive MBA from the *Instituto de Empresa*.

Martín Rastellino has served as a member of our board of directors since June 2017. Mr. Rastellino is a co-founder of the Company and was extensively involved in the management of the Company since its inception in 1999, until June 2017. He actively participated in crafting the Company's business and strategy in its early stage, led the regional expansion of operations across Latin America and Spain and then led its local teams. Mr. Rastellino has also served as our Chief Operating Officer, where he was responsible for implementing the overall strategy of the Company, and engineered the structure and processes which enabled a rapid and sustainable growth throughout the years. He has led several turnaround, merger and restructuring processes of the Company. Among other key managerial roles, Mr. Rastellino was also in charge of business processing, customer service, and fraud prevention. Mr. Rastellino has also served as head of our hotels business for several years. Mr. Rastellino continues to apply his entrepreneurial skills and expertise as an e-commerce pioneer in Latin America. He is an active mentor, advisor and investor in several technology startups across the region. He is currently supporting several startups, including a fintech company in South America and a retail business. Mr. Rastellino also serves as a member of the Latin America Advisory Board of the Duke University's Fuqua School of Business, and as an advisor to the Board of Directors at different retail and B2B companies. Prior to joining the Company, Mr. Rastellino worked as Business Development Manager at an internet and telecommunications startup of Bell Canada in the United States (Teleglobe). Mr. Rastellino also worked as an auditor for Arthur Andersen in Argentina. Mr. Rastellino holds a bachelor's degree in Public Accounting from the University of Buenos Aires and an M.B.A. from Duke University.

Mr. Rastellino brings significant knowledge of the Company being a co-founder and having served in several key roles in areas such as business development, operations, and commercial head. He also brings unique industry expertise, being one of the e-commerce pioneers in Latin America with more than 20 years of experience in online travel. In addition, Mr. Rastellino's background combines a proven accounting, financial and risk management expertise, with in-depth understanding of local regulations.

Mario Eduardo Vázquez has served as a member of our board of directors since August 2014. He served as the Chief Executive Officer of Grupo Telefónica in Argentina. Prior to that, Mr. Vázquez worked in auditing for Arthur Andersen for 33 years, including as a partner and general director covering Latin American markets, including Argentina, Chile, Uruguay, and Paraguay. Mr. Vázquez previously taught as a professor of Auditing at the Economics School of the Universidad de Buenos Aires. Mr. Vázquez also serves on the board of directors and is president of the Audit Committee of YPF S.A. (NYSE: YPF) and MercadoLibre, Inc. (NYSE: MELI). He has also served as a member of the board of directors of Globant S.A., Telefónica Argentina S.A., Telefónica Holding Argentina S.A., Telefónica S.A. (Spain), Banco Santander Río S.A., Banco Supervielle Societe General S.A., and CMF Banco S.A., and as alternate member of the board of directors of Telefónica de Chile S.A. Mr. Vázquez also previously served as a member of the board of directors and as the president of the Audit Committee of YPF, S.A. Mr. Vázquez holds a bachelor's degree in Public Accounting from the Universidad de Buenos Aires.

Michael James Doyle has served as a member of our board of directors since September 2018. Mr. Doyle was the Chief Financial Officer of Nextdoor Holdings, a neighborhood social network based in San Francisco, California from 2018 through 2023. Prior to Nextdoor, he was Chief Financial Officer of Despegar from 2013 to 2018. Mr. Doyle served as the

[Table of Contents](#)

Chief Financial Officer of eLong, Inc, a formerly Nasdaq-listed, online travel company in China. Prior to eLong, Mr. Doyle was the Chief Financial Officer of Expedia Asia Pacific, a division of Expedia, based in Hong Kong and Seattle. He also worked as Chief Financial Officer of Teledesic, a Seattle-based broadband communications company. Mr. Doyle started his career in the investment banking division of Morgan Stanley & Company in New York and Singapore and he worked in the private equity direct investment group of GIC, Singapore's sovereign wealth fund. Mr. Doyle holds a bachelor's degree in Finance from Southern Methodist University and an MBA from Harvard Business School.

Ramiro Lauzan has served as a member of our board of directors since June 24, 2022. Mr. Lauzan is a Partner at L Catterton, focused on Latin America, and he is a member of the Board of Directors of several of L Catterton's portfolio companies. Prior to joining L Catterton, he was a Managing Partner at Humus Capital Partners, an independent middle-market private equity firm he co-founded in South America, with investments in consumer goods, biotechnology and renewable energy. Previously, Mr. Lauzan spent over 8 years at McKinsey & Company, where he served clients across multiple sectors in Latin America, Asia and Australia. Prior to that, he also worked as an investment banker at Lehman Brothers, and in venture capital at L.I.D. Group. Mr. Lauzan is also a member of the Board of Directors of Biosidus Group. Mr. Lauzan holds a Business Economics degree with honors from Universidad Torcuato Di Tella in Argentina, and an MBA from Columbia Business School (Yosaji Morita scholar).

Executive Officers

The following table lists the current executive officers of our group:

Name	Age	Position
Damián Scokin	57	Chief Executive Officer
Monica Alexandra Soares da Silva	50	General Counsel
Amit Singh	46	Chief Financial Officer
Gonzalo García Estebarena	44	Chief Technology Officer
Sebastián Mackinnon	52	Chief Travel Partners & Corporate Affairs
Maximiliano Gonzalez Costa	43	Chief Corporate Development and HR Officer
Marcelo Amadeo Grether	48	Chief Commercial Officer

The following is a brief summary of the business experience of our executive officers who are not also directors. Unless otherwise indicated, the current business addresses for our executive officers is Commerce House, 4th Floor, Wickhams Cay 1, Road Town, Tortola (VG1110), British Virgin Islands.

Monica Alexandra Soares da Silva has served as our General Counsel since January 16, 2023. From May 2021 through December 2022, Ms. Silva served as Legal Director at Uber do Brasil Tecnologia Ltda. From May 2015 through May 2021, she was the Legal Managing Director at FedEx Brasil Logística e Transporte Ltda. Prior to that, she worked at Panalpina Inc. from March 2012 to May 2015 and at Tokio Marine Group from October 2009 to July 2011. Prior to that, Ms. Silva worked at Shearman & Sterling. Ms. Silva holds a JD degree from the University of São Paulo and an LLM degree from the University of Michigan.

Amit Singh has served as our Chief Financial Officer since August 21, 2023. He is responsible for overseeing Despegar's Accounting, Planning & Control, Tax, Treasury, SOX and Internal Audit, and Investor Relations. From May 2022 through August 2023, Mr. Singh served as the CFO of Nasdaq-listed AgileThought, a global provider of digital transformation services and custom software development. Previously, from 2019 through 2022, Mr. Singh was Head of Finance, U.S. & Global Head of Investor Relations at NYSE-listed Globant S.A., a leading global technology service provider. From 2017 through 2019, Mr. Singh was an equity research analyst at Bank of America Merrill Lynch, and from 2011 through 2017 an equity research analyst at Jefferies. Prior to that, from 2009 through 2011, he worked at Rochdale Investment Management, and from 2008 until 2009 at J.P. Morgan Investment Bank. He has also worked as an engineer at Enscó from 2003 through 2006. Mr. Singh holds a Master of Business Administration from the Kellogg School of Management at Northwestern University, and a Master of Science in aerospace engineering from the University of Maryland. He also completed an executive education program for chief financial officers at Harvard Business School.

Gonzalo García Estebarena has served as our Chief Technology Officer since August 2022 and is responsible for establishing our information, technology and data strategies as well as leading our IT team. Before that, he served as our Chief Commercial Officer, overseeing marketing, digital product design, revenue management and our B2C brands, since

[Table of Contents](#)

he joined Despegar in September 2017. Prior to joining us, he held several positions at LATAM Airlines Group from 2011 to 2017, including Vice President of International Revenue Management and Global Head of Sales. Prior to that, Mr. García Estebarena was a management consultant with McKinsey & Company from 2003 to 2011. Mr. García Estebarena holds a bachelor's degree in Electronic Engineering from the Instituto Tecnológico de Buenos Aires (ITBA) and an MBA with Distinction from Harvard Business School.

Sebastián Mackinnon has served as our Chief Travel Partners & Corporate Affairs since March 2020. From October 2018 to March 2020 he served as Executive VP Travel Partners & Corporate Affairs, from March until October 2018, he served as interim Country Manager for Brazil Operations, and from December 2015 until March 2018, he served as our Head of Air, with a regional scope. From October 2001 to December 2015, Mr. Mackinnon served in various positions at Diageo plc, an international alcoholic beverages company, mostly recently as General Manager covering Peru, Bolivia and Ecuador. Prior to that, Mr. Mackinnon held various positions at Mondeléz International and Kimberly-Clark Corporation. Mr. Mackinnon holds a bachelor's degree in Business Administration from the Pontificia Universidad Católica Argentina and an MBA from the CEMA University in Buenos Aires.

Maximiliano Gonzalez Costa has served as our Chief Corporate Development & HR Officer since August 2023. Prior to this, he was the VP Marketing & Loyalty since November 2022. His extensive experience in e-commerce and travel tech includes significant roles within Despegar, such as VP Product Management, Head of Non-Air Travel Partners and General Manager for the Packages Business. Internationally, he served as Director of Category Management at Wayfair in Germany. His background also features a tenure as Revenue Management Director at LATAM Airlines and as a Project Leader at The Boston Consulting Group across Latin America and the United States. Earlier in his career, Mr. Gonzalez Costa held Brand Management positions in both Nestlé and Johnson & Johnson. Mr. Gonzalez Costa holds an MBA from Harvard Business School and a Bachelor's degree in Business Administration from Pontificia Universidad Católica Argentina.

Marcelo Amadeo Grether has served as our Chief Commercial Officer since July 2022, leading our Marketing, Product, Revenue and Sales team globally. Prior to this role, from 2017 to 2022, he served as Chief M&A and Business Development, leading the acquisition, integration and operations of Viajes Falabella, Best Day, Koin, Stays and Viajanet. Marcelo has more than 25 years of experience in multinational, pan-regional and local companies in Argentina and Latin America. Prior to Despegar he served as CCO in Avantrip.com from 2014 to 2017; from 2001 to 2014 served in various positions in Latam Airlines, and Commercial VP in Latin America as his latest role. Mr. Grether holds a bachelor's degree in Business Administration from the Pontificia Universidad Católica Argentina.

Family Relationships

There are no family relationships among any of our executive officers or directors.

B. Compensation

Compensation of Executive Officers and Directors

For the years ended December 31, 2023, 2022 and 2021, the aggregate compensation provided to the officers and members of our board of directors amounted to \$9,521,344, \$6,874,824, and \$8,239,255, respectively. Our officers receive comparable benefits generally provided to our employees, such as pension, retirement and health insurance coverage, with some variations with regard to levels of health insurance coverage. For information regarding share options and RSUs granted to our current officers and directors, see "Item 6. Directors, Senior Management And Employees— B. Compensation —Equity Incentive Plans."

Equity Incentive Plans

Our board of directors has adopted two stock incentive plans, namely, the 2015 Stock Option Plan (the "2015 Plan") and the Amended and Restated 2016 Stock Incentive Plan (the "2016 Plan" and, together with the 2015 Plan, the "Plans"). The terms of the 2015 Plan and the 2016 Plan are substantially similar, although no further awards are being granted under the 2015 Plan. The purpose of these plans is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees, outside directors and consultants, and to promote the success of our business. Our board of directors believes that our Company's long-term success is dependent upon our ability to attract and retain superior individuals who, by virtue of their ability and qualifications, make important contributions to our business.

[Table of Contents](#)

Pursuant to the 2016 Plan, we may grant RSUs and stock options to our officers, directors and/or employees up to a total of 6,411,777 shares of common stock, out of which, on December 31, 2023, 1,513,605 shares of common stock were available for new stock-based awards. We issue new shares to satisfy the exercise or release of stock-based awards.

During 2023, we continued issuing RSUs as our primary form of stock-based compensation. In connection with the years 2023, 2022 and 2021 we granted an aggregate of 892,367, 622,781 and 723,908 RSUs to certain of our directors, senior management and other personnel. During 2023, 2022 and 2021, we did not grant any stock options. All granted stock options are fully vested. For more information about our equity-based compensation, see “Item 6. Directors, Senior Management and Employees — B. Compensation.”

Administration. The Plans are administered by our board of directors or a committee designated by our board of directors constituted to comply with applicable laws. In each case, our board of directors or the committee it designates will determine the provisions, terms and conditions of each award.

Eligibility. Only employees, outside directors and consultants are eligible for the grant of non-incentive stock options (“NSOs”), and the direct award or sale of shares or RSUs or other share-based awards, in the case of the 2016 Plan. Only employees are eligible for the grant of incentive stock options (“ISOs”). The term “option” as used in this section refers to both NSOs and ISOs.

Moreover, a person who owns more than 10% of the total combined voting power of all classes of our outstanding share capital is not eligible for ISO grants unless (i) the exercise price is at least 110% of the fair market value of a share on the date of the grant and (ii) such ISO by its terms is not exercisable after the expiration of five years from the date of the grant.

Vesting Schedule. Options, other share-based awards and RSUs may be subject to vesting requirements, as set forth in the applicable award agreement. In 2020, we started issuing RSUs as our primary form of stock-based compensation. RSUs vest in thirds on the first, second and third anniversary of issuance. Beginning in 2024, new RSU grants will vest in four installments, on the first, second, third and fourth anniversary of issuance.

Award Agreement. Awards granted under the Plans are evidenced by an award agreement providing for the number of ordinary shares subject to the award, and the terms and conditions of the award.

Transfer Restrictions. Options, other share-based awards and RSUs may not be transferred other than by will or the laws of succession or by gift or domestic relations order to an immediate family member of the optionee or, in the case of options under the 2016 Plan, a trust established by the optionee for the benefit of the optionee and/or one or more of the optionee’s immediate family, and are exercisable during the lifetime of the optionee only by the optionee or by the optionee’s guardian or legal representative.

Exercise of Awards. The term of options may not exceed ten years from the date of grant. The consideration to be paid for our ordinary shares upon exercise of an option will be determined by the stock option plan administrator and may include cash or cash equivalents, a promissory note, ordinary shares, delivery of an irrevocable direction to a securities broker appointed by us to sell the shares and deliver all or part of the proceeds to us, consideration received by us under a cashless exercise program implemented by us, or any other form of payment permitted by applicable law. No cash consideration is required of the recipient in connection with the grant of the RSUs.

Termination of Awards. Where the option agreement permits the exercise of the options granted for a certain period of time following the recipient’s termination of service with us, or the recipient’s disability or death, the options will terminate to the extent not exercised on the last day of the specified period or the last day of the original term of the options, whichever occurs first. Unvested RSUs are forfeited to us upon the recipient’s termination of service with us. Treatment of other share-based awards upon a termination of service are as set forth in the award agreement.

Third-Party Acquisition. If a third-party acquires us through the purchase of all or substantially all of our assets, a merger or other business combination, all outstanding awards will be treated in the manner described in the definitive transaction agreement (or, in the event the transaction does not entail a definitive agreement to which we are party, in the manner determined by our board of directors in its capacity as administrator of the Plans, with such determination having final and binding effect on all parties), which agreement or determination need not treat all awards (or all portions of an award) in an identical manner.

[Table of Contents](#)

Acceleration: If a third-party acquires us through the purchase of all or substantially all of our assets, a merger or other business combination, and an employee is subject to an involuntary termination without cause within twelve months following the acquisition, all of such employee's then outstanding RSUs become fully vested.

Amendment, Suspension or Termination. Our board of directors has the authority to amend, suspend or terminate the Plans at any time and for any reason, without shareholder approval, except to the extent required by applicable law.

Unless terminated earlier, the Plans will terminate automatically ten years from the later of (i) the date when the Plan was adopted or (ii) the date when our board of directors approved the most recent increase in the number of shares reserved for issuance; provided that the ability to grant ISOs under the 2016 Plan will terminate on the tenth anniversary of the date when the maximum number of shares reserved for ISOs was approved by our shareholders. As noted above, no further awards will be granted under our 2015 Plan.

C. Board Practices

For information about the date of expiration of the current term of office and the period during which each director and executive officer has served in such office, see "Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management." For information about contracts for benefits upon termination of employment, see "Item 6. Directors, Senior Management and Employees—B. Compensation."

Board Committees

Our board of directors may establish committees from time to time with responsibilities determined by our board. Members will serve on these committees until their resignation or until otherwise determined by our board. Our board of directors has established the committees, as described below.

Audit Committee

Our audit committee consists of Mr. Mario Eduardo Vázquez, Mr. Michael Doyle and Mr. Martín Rastellino, with Mr. Vázquez serving as chair. Messrs. Vázquez, Doyle and Rastellino each satisfy the independence requirements of Rule 10A-3 under the Exchange Act. Our board of directors also has determined that Messrs. Vázquez, Doyle and Rastellino qualify as audit committee financial experts within the meaning of the SEC rules. Our audit committee oversees our accounting and financial reporting processes and the audits of our consolidated financial statements. Our audit committee is responsible for, among other things:

- selecting our independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by our independent auditors;
- regularly reviewing the independence of our independent auditors;
- reviewing all related party transactions on an ongoing basis;
- discussing the annual and quarterly audited consolidated financial statements with management and our independent auditors;
- periodically reviewing and reassessing the adequacy of our audit committee charter;
- meeting separately and periodically with management and our internal and independent auditors;
- reporting regularly to our full board of directors; and
- such other matters that are specifically delegated to our audit committee by our board of directors from time to time.

Nomination and Compensation Committee

Our nomination and compensation committee is composed of three members, Mr. Ramiro Lauzan, Mr. Nilesh Lakhani and Mr. Martín Rastellino, with Mr. Nilesh Lakhani serving as chair. The nomination and compensation committee is responsible for, among other things:

- carrying out the Board's responsibilities in relation to compensation of the Company's CEO and his direct reports (including plans, policies and programs), overseeing the implementation of the Company's

[Table of Contents](#)

compensation policy, and providing guidance with respect to compensation matters as the committee deems appropriate;

- (i) identifying individuals to become Directors of the Company, (ii) nominating qualified individuals for election to the Board at the annual meeting of shareholders, (iii) recommending to the Board the individual directors to serve on the committees of the Board, and (iv) recommending the Board a set of corporate governance principles applicable to the Company; and
- any such other duties as may be from time to time assigned to it by the Board or required by the rules and regulations of the SEC or the New York Stock Exchange.

Strategy Committee

Our strategy committee is composed of four members, Mr. Nilesh Lakhani, Mr. Martín Rastellino, Mr. Michael Doyle and Mr. Ramiro Lauzan, with Mr. Rastellino serving as chair. The strategy committee is responsible for, among other things:

- assist and consult with the Board of Directors on the objectives for the Company's strategic plans, and review management's recommendations with respect to the strategic direction of the Company, oversee management's implementation of the Company's strategy and regularly report to the Board of Directors with respect thereto;
- identify significant opportunities and challenges facing the Company, including potential transactions, the impact of external developments and factors on the Company's corporate strategy and its execution, such as the changes in economic and market conditions, competition in the industry, regulations, among others; and
- review and make recommendations to the Board of Directors, with respect to any mergers, acquisitions, joint ventures, minority investments, and other strategic investments, as well as financing for those strategic investments in case they require approval of the Board of Directors.

D. Employees

As of December 31, 2023, we had 4,593 employees. We also contracted with certain third-party providers to support our call center employees. The following tables show a breakdown of our employees as of December 31, 2023, 2022 and 2021 by category of activity.

Division/Function	Number of Employees as of December 31,		
	2023	2022	2021
Operations and customer service	1,002	1,061	1,390
Sales and marketing	2,084	1,644	1,305
Technology and content	1,018	1,203	707
General and administrative ⁽¹⁾	489	635	422
Total	4,593	4,543	3,824

(1) Includes business development, administration, finance and accounting, legal and human resources.

As of December 31, 2023, all of our employees in Brazil and 364 of our employees in Argentina were represented by labor unions. We believe that our relations with our employees are good and we implement a variety of human resources practices, programs and policies that are designed to hire, retain, develop and compensate our employees.

We have attracted and retained outstanding individuals over the years and we strive to bring more talent by hiring individuals with internet-related experience. We believe our future success will depend on our ability to attract and retain capable professionals.

E. Share Ownership

The following table sets forth information regarding the beneficial ownership of our ordinary shares as of April 10, 2024 by (1) each of our executive officers and directors and (2) all of our executive officers and directors as a group.

[Table of Contents](#)

In computing the number of ordinary shares beneficially owned by a person or entity and the percentage ownership of that person or entity, we deemed to be outstanding all ordinary shares subject to options and RSUs held by that person or entity that are currently exercisable or that will become exercisable or vested, as applicable, within 60 days of April 10, 2024. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person or entity. Unless otherwise indicated, the address of each beneficial owner listed in the table below is Commerce House, 4th Floor, Wickhams Cay 1, Road Town, Tortola (VG1110), British Virgin Islands.

Name of Beneficial Owner	Outstanding Ordinary Shares as of April 10, 2024	
	Number	%
Executive Officers and Directors:		
Nilesh Lakhani	70,744	*
Damián Scokin ⁽¹⁾	307,220	*
Jon Gieselman ⁽²⁾	—	—
Martín Rastellino ⁽³⁾	486,877	*
Mario Eduardo Vázquez	24,612	*
Michael Doyle II	79,707	*
Ramiro Lauzan	—	—
Monica A S Silva ⁽⁴⁾	3,646	*
Gonzalo García Estebarena ⁽⁵⁾	193,575	*
Amit Singh ⁽⁶⁾	—	—
Sebastián Mackinnon ⁽⁷⁾	224,710	*
Maximiliano Gonzalez Costa ⁽⁸⁾	30,700	*
Marcelo Amadeo Grether ⁽⁹⁾	141,292	*
Maria Bettina Zubin ⁽¹⁰⁾	13,577	*
Executive Officers and Directors as a Group (13 persons)	1,563,083	2.17

* Represents beneficial ownership of less than 1%.

- (1) Mr. Scokin, our Chief Executive Officer and a member of our board of directors, also holds 226,108 RSUs which will vest on December 1, 2024, December 1, 2025, June 1, 2026, December 1, 2026 and December 1, 2027, provided that Mr. Scokin remains in continuous service as an employee, director or consultant of the Company through each applicable date. See “Item 6. Directors, Senior Management and Employees—B. Compensation.”
- (2) Mr. Gieselman tendered his resignation effective April 22, 2024 and is no longer a director at the Company. Mr. Paredes joined the Company on April 22, 2024. Mr. Paredes does not hold any ordinary shares or RSUs of the Company as of the date of this Annual Report.
- (3) Consists of 17,462 shares held directly by Mr. Rastellino, a member of our board of directors, and 469,415 ordinary shares held by Birbey S.A. Mr. Rastellino has sole voting and dispositive control over such shares and directly or indirectly owns 100% of the share capital of Birbey S.A.
- (4) Ms. Silva, our General Counsel, also holds 21,947 RSUs which will vest on December 1, 2024, December 1, 2025, June 1, 2026, December 1, 2026 and December 1, 2027 provided that Ms. Silva remains in continuous service as an employee, director or consultant of the Company. See “Item 6. Directors, Senior Management and Employees—B. Compensation.”
- (5) Mr. Garcia Estebarena, our Chief Technology Officer, also holds 124,046 RSUs which will vest on June 1, 2024, December 1, 2024, December 1, 2025, December 1, 2026, December 1, 2027 and March 1, 2028 provided that Mr. Garcia Estebarena remains in continuous service as an employee, director or consultant of the Company through each applicable date. See “Item 6. Directors, Senior Management and Employees—B. Compensation.”
- (6) Mr. Singh, our Chief Financial Officer, also holds 110,000 RSUs which will vest on December 1, 2024, December 1, 2025, December 1, 2026 and December 1, 2027, provided that Mr. Singh remains in continuous service as an employee, director or consultant of the Company. See “Item 6. Directors, Senior Management and Employees—B. Compensation.”
- (7) Mr. Mackinnon, our Chief Travel Partners & Corporate Affairs, also holds 164,365 RSUs which will vest on June 1, 2024, December 1, 2024, December 1, 2025, June 1, 2026, December 1, 2026 and December 1, 2027, provided that Mr. Mackinnon remains in continuous service as an employee, director or consultant of the Company through each applicable date. See “Item 6. Directors, Senior Management and Employees—B. Compensation.”
- (8) Mr. Gonzalez Costa, our Chief Corporate Development & HR Officer, also holds 39,222 RSUs which will vest on December 1, 2024, December 1, 2025, December 1, 2026 and December 1, 2027, provided that Mr. Gonzalez Costa

[Table of Contents](#)

remains in continuous service as an employee, director or consultant of the Company through each applicable date. See “Item 6. Directors, Senior Management and Employees—B. Compensation.”

- (9) Mr. Grether, our Chief Commercial Officer, also holds 79,492 RSUs which will vest on June 1, 2024, December 1, 2024, December 1, 2025, June 1, 2026, December 1, 2026 and December 1, 2027, provided that Mr. Grether remains in continuous service as an employee, director or consultant of the Company through each applicable date. See “Item 6. Directors, Senior Management and Employees—B. Compensation.”
- (10) Ms. Zubin, acted as our interim Chief Financial Officer from March 17, 2023 to August 20, 2023, also holds 6,319 RSUs which will vest on December 1, 2024, December 1, 2025, December 1, 2026 and December 1, 2027, provided that Ms. Zubin remains in continuous service as an employee, director or consultant of the Company. See “Item 6. Directors, Senior Management and Employees—B. Compensation.” Not included in Executive Officers and Directors as a Group.

For information regarding share options and RSUs held by the persons listed above, see “Item 6. Directors, Senior Management and Employees—B. Compensation—Equity Incentive Plans.”

ITEM 7 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information regarding the beneficial ownership of our ordinary shares as of April 10, 2024 by each person known to us to beneficially own more than 5% of any class of our outstanding voting securities.

In computing the number of ordinary shares beneficially owned by a person or entity and the percentage ownership of that person or entity, we deemed to be outstanding all ordinary shares subject to conversion, warrants, options or RSUs held by that person or entity that are currently convertible or exercisable or that will become convertible or exercisable or vested, as applicable, within 60 days of April 10, 2024. For the purpose of computing the percentage ownership of any other person or entity, however, we used the total outstanding shares (72,054,209 shares), which exclude treasury shares and/or ordinary shares subject to conversion, warrants, options or RSUs held by that person or entity that are currently convertible or exercisable or that will become convertible or exercisable or vested.

Name of Beneficial Owner	Outstanding Ordinary Shares as of April 10, 2024	
	Number	%
% Shareholders:		
LCLA Daylight LP ⁽¹⁾	11,000,000	15.27
Expedia, Inc ⁽²⁾	9,590,623	13.31
Neuberger Berman Group LLC ⁽³⁾	4,412,526	6.12
Moerus Capital Management, LLC ⁽⁴⁾	3,748,523	5.20

- (1) Based on Schedule 13D filed with the SEC on September 23, 2020. Consists of ordinary shares issuable upon exercise by LCLA Daylight LP of warrants to purchase up to 11,000,000 ordinary shares. CALA2 Managers, Ltd. is the sole general partner of LCLA Daylight LP. Scott A. Dahnke and Dirk Donath are members of the managing board of CALA2 Managers Ltd. Accordingly, such shares may be deemed to be beneficially owned by CALA2 Managers Ltd., Mr. Dahnke and Mr. Donath. Mr. Dahnke and Mr. Donath disclaim beneficial ownership of such ordinary shares. The principal business address of LCLA Daylight LP, CALA2 Managers, Ltd. and Mr. Donath is c/o Catterton Latin America Management Co., 30 Rockefeller Plaza, Suite 5405, New York, NY 10112. The principal business address of Mr. Dahnke is 599 West Putnam Avenue, Greenwich, CT 06830.
- (2) Consists of ordinary shares held by Expedia, Inc., a Washington corporation, a direct wholly owned subsidiary of Expedia Group, Inc., a Delaware corporation. The principal business address for Expedia Inc. is 333 108th Avenue NE, Bellevue, WA 98004.
- (3) Based on the Schedule 13G filed with the SEC on February 12, 2024. Neuberger Berman Group LLC is the holder of record of 4,412,526 ordinary shares. Such shares may be deemed to be beneficially owned by Neuberger Berman Investment Advisers LLC. The principal business address for Neuberger Berman Group LLC and Neuberger Berman Investment Advisers LLC is 1290 Avenue of the Americas New York, NY 10104.
- (4) Based on the Schedule 13G filed with the SEC on February 14, 2024. Moerus Capital Management, LLC is the holder of record of 3,748,523 ordinary shares. Such shares may be deemed to be beneficially owned by Moerus Capital Management, LLC. The principal business address for Moerus Capital Management, LLC is 307 West 38th Street, Suite 2003, New York, NY 10018.

Significant Changes in Percentage Ownership

Except as disclosed below, to our knowledge, there has been no significant changes in the percentages of ownership held by the major shareholders listed above.

On August 20, 2020, Despegar entered into the Waha Investment Agreement with the Waha Purchaser, pursuant to which the Company agreed to issue and sell to the Waha Purchaser 50,000 shares of the Company's Series B Preferred Shares, without par value (the "Series B Preferred Shares"). On March 27, 2024, Waha Purchaser decided to convert the Series B Preferred Shares into ordinary shares at a conversion price of \$9.251 per share, as determined in the terms of the Series B Preferred Shares and a conversion rate of 108.1081 ordinary shares per Series B preferred share representing 5,405,405 ordinary shares on an as-converted basis. For this conversion, the Company utilized treasury stock held in portfolio. On April 1, 2024, Waha Purchaser sold its entire participation on the Company.

On June 13, 2022, the Company's board of directors approved a new share repurchase (the "2022 Share Repurchase Program") that enabled the Company to repurchase up to \$40 million of its ordinary shares. The 2022 Share Repurchase Program became effective on June 14, 2022, and expired on August 12, 2022. During 2022, the Company repurchased 1,251,659 ordinary shares with a weighted average cost per share of \$7.97.

B. Related Party Transactions

Relationship with Expedia

Expedia Outsourcing Agreement

We entered into the Expedia Outsourcing Agreement with affiliates of Expedia on March 6, 2015. The agreement has been amended and restated on November 14, 2019. Expedia is the beneficial owner of 13.31% of our ordinary shares outstanding as of April 10, 2024 (the "Expedia Shares").

Substantially all of the hotel and other lodging reservations that we offer through our platform for all countries outside Latin America are provided to us by Expedia pursuant to the Expedia Outsourcing Agreement. Under the agreement, Expedia is also the preferred provider to us of hotel and other lodging reservations inside Latin America.

Pursuant to the Expedia Outsourcing Agreement, Expedia pays monthly marketing fees to us, which are calculated as a percentage of the gross booking value of the bookings that we sourced through Expedia during that month. We are required to maintain a level of bookings through Expedia such that those marketing fees equal at least \$5.0 million in a six-month period; otherwise, Expedia may require us to pay a \$125.0 million termination fee. From time to time, under the Expedia Outsourcing Agreement, our fees have been supplemented by one-time incentives paid to us for reaching certain booking targets during a specified time period.

The agreement was amended and restated on November 14, 2019 in order to, among other things, allow us to source hotel bookings without Expedia on certain pre-agreed properties outside of Latin America, which transactions are limited to an agreed percentage of the transactions we source outside of Latin America. If such transactions exceed the agreed percentage threshold during a six-month period, we may be required to pay Expedia a compensation; and if our non-Expedia sourced bookings outside of Latin America exceed the agreed percentage of gross bookings outside of Latin America for two consecutive quarters, or an agreed higher percentage threshold in one quarter, Expedia may elect to become our exclusive provider outside of Latin America once again. If such transactions exceed an agreed percentage of the minimum booking percentage set forth therein for any three consecutive months or any three months within a six-month period, then Expedia may require us to pay a \$125.0 million termination fee.

We have entered into agreements that have changed the terms of the Expedia Outsourcing Agreement from time to time, as described in this Annual Report, and may continue to negotiate commercial conditions with Expedia which may result in modifications to the Expedia Outsourcing Agreement. The latest addendum included Expedia's VRBO inventory addition to our inventory and our participation in the accommodation sponsored listing advertising program known as TravelAds, which adds revenue to the marketing fee.

The term of the Expedia Outsourcing Agreement automatically renews annually unless terminated in accordance with its terms, including (1) by mutual consent or by a party in the case of a material breach by the other party (with a \$125.0 million termination payment if terminated by Expedia due to our breach or our failure to meet certain minimum performance requirements), (2) unilaterally by us without cause upon payment to Expedia of a \$125.0 million termination payment, and (3) unilaterally by Expedia in the event of a change of control of our Company. A change of control under

[Table of Contents](#)

the agreement is defined as the sale, lease or transfer of all or substantially all of our assets to or acquisition of more than 50% of voting or economic power in our Company or any parent of our Company by an entity in the consumer or corporate travel industry or an internet-enabled provider of travel search or information services. Unilateral termination of the Expedia Outsourcing Agreement by us as described in (2) above, in addition to triggering the termination payment, also gives Expedia the right to sell the 2015 Expedia Shares back to us for fair market value under the Shareholder Agreements described below.

We may also terminate the agreement if Expedia ceases to hold all of the 2015 Expedia Shares unless the disposition of those shares was (1) approved by a majority of members of our Board of Directors that were not designated by Expedia, (2) involuntary or (3) the result of an action taken by us or any of our affiliates.

The foregoing description of the Expedia Outsourcing Agreement, as amended and restated by means of document executed on November 14, 2019, is qualified in its entirety by reference to the full text of Expedia Outsourcing Agreement filed as Exhibit 10.1 to this Annual Report.

Despegar Outsourcing Agreement

We entered into the Despegar Outsourcing Agreement with certain affiliates of Expedia on August 17, 2016. Under the Despegar Outsourcing Agreement, we are required to make our hotel reservations available to certain affiliates of Expedia. The relevant Expedia Affiliate receives compensation equal to a percentage of the revenue earned by us from the property owner.

The agreement has a three-year term that automatically renews for one-year periods, unless either party elects not to renew. We are required to indemnify Expedia and/or its affiliates for losses derived from end user claims. However, if during any contract year Expedia and/or its affiliates suffer losses derived from end user claims exceeding 1% of the annual aggregate room price of the bookings made by the Company during such year, we may terminate the agreement.

The foregoing description of the Despegar Outsourcing Agreement is qualified in its entirety by reference to the full text of the Despegar Outsourcing Agreement, which is filed as Exhibit 10.2 to this Annual Report.

Under the Expedia Outsourcing Agreement and the Despegar Outsourcing Agreement, combined, we maintained (i) a receivable position of \$16.4 million and \$10.7 million recognized under “Related party receivable” in our consolidated balance sheets as of December 31, 2023 and 2022, respectively, and (ii) a payable position of \$87.7 million and \$37.5 million recognized under “Related party payable” in our consolidated balance sheets as of December 31, 2023 and 2022, respectively. We generated revenue of \$40.3 million and \$24.2 million and \$19.2 million for the years ended December 31, 2023, 2022 and 2021, respectively, representing 6%, 5% and 6% of our total consolidated revenues for the years ended December 31, 2023, 2022 and 2021, respectively.

Shareholder Agreements

We are party to the following agreements with certain of our shareholders: (i) the Sixth Amended and Restated Investors’ Rights Agreement, dated as of August 29, 2017, by and among the Company, Birbey S.A., Expedia and the other parties thereto (the “Sixth Amended and Restated Investors’ Rights Agreement”) and (ii) the Fourth Amended and Restated Voting Agreement dated as of August 29, 2017, by and among the Company, Expedia and the other parties thereto. For purposes of this Annual Report, we refer to the Sixth Amended and Restated Investors’ Rights Agreement and the Fourth Amended and Restated Voting Agreement as the “Shareholder Agreements”. The Shareholder Agreements provide Expedia with the rights and obligations described below.

Expedia Preemptive Rights

As long as Expedia beneficially owns at least 5% of our share capital (calculated on a fully-diluted basis), it has preemptive rights to purchase newly issued shares to maintain its percentage ownership in all future offerings by us of our shares or of securities convertible into, or exchangeable or exercisable for, any of our shares, subject to certain limited exceptions.

Expedia Put Right

We are required to buy back from Expedia, or in certain circumstances facilitate the sale of, the 2015 Expedia shares for fair market value, if we exercise our right to terminate the Expedia Outsourcing Agreement and make the required

[Table of Contents](#)

termination payment of \$125.0 million to Expedia in connection therewith. If we remain a public company with securities traded on a recognized securities exchange at the time we receive notice that Expedia is exercising its put right, then we are required to (1) use our best efforts to prepare and file with the SEC a registration statement covering the 2015 Expedia Shares, (2) request, in conjunction with Expedia, quotes from five internationally-recognized underwriting banks for a firm and fully underwritten sale of the 2015 Expedia Shares and (3) assist Expedia in its sale of the 2015 Expedia Shares on a recognized securities exchange or market or otherwise. If the 2015 Expedia Shares cannot be sold in this manner, we are required to purchase the 2015 Expedia Shares at the highest quoted price then available from the aforementioned underwriting banks. If we are no longer a public company with securities traded on a recognized securities exchange, fair market value will be a price agreed upon by the Company and Expedia or, if the parties cannot agree, a price determined through the assistance of third-party valuation experts.

Expedia Non-Solicitation Restriction

Expedia is also prohibited from soliciting certain of our employees, and vice versa, until one year after Expedia beneficially owns less than 10% of our share capital. A similar non-solicitation covenant applies during the term of the Expedia Outsourcing Agreement.

Expedia Director Business Opportunities

Subject to applicable confidentiality obligations, directors who have or currently serve as officers, directors, employees or agents of Expedia (the “Expedia Directors”) are not precluded from referring potential business opportunities in which we could have an interest to Expedia. If the Expedia Directors do so, we would be considered to have renounced our interest in such opportunity, unless the opportunity in question was presented to the director solely in his or her capacity as our director or for our benefit, in which case it can only be referred to Expedia if a majority of our board of directors (excluding the Expedia Directors) has formally declined the opportunity pursuant to a resolution.

Expedia Director Potential Conflicts of Interest

The Expedia Directors may be excluded from the relevant portion of any board or committee meeting or relevant resolutions of directors relating to any transaction, agreement or arrangement with respect to which (1) Expedia or any of its affiliates is a counterparty or has a material economic interest in the counterparty or (2) in the reasonable opinion of a majority of the members of the board that are not designated or nominated by, or employed by, Expedia or any of its affiliates, there would exist a conflict of interest between the interests of Expedia or its affiliates, on the one hand, and our interests, on the other (conflict of interest is defined for such purpose as a specific material economic or competitive interest of Expedia or any of its affiliates in a potential transaction, agreement or arrangement of the Company would be reasonably likely to materially impair the independence or objectivity of the Expedia Directors in the discharge of their responsibilities and duties to the Company, in light of their affiliation to Expedia).

Registration Rights

Expedia is entitled to two demand registrations as long as it owns 5% or more of our outstanding ordinary shares (calculated on a fully-diluted basis). Moreover, any other party to our Shareholder Agreements that owns 10% or more our outstanding ordinary shares (calculated on a fully-diluted basis) is also entitled to two demand registrations. We are also required to effect up to two registrations on Form F-3 in any twelve-month period, upon the request of any such shareholders that own 10% or more of our outstanding ordinary shares (calculated on a fully-diluted basis). The Shareholder Agreements also provide the shareholders party thereto with customary piggyback registration rights. Moreover, we are required to pay certain expenses relating to such registrations and indemnify such shareholders against certain liabilities that may arise under the Securities Act. In addition, as previously described, we may also be required to facilitate the sale by Expedia of the 2015 Expedia Shares. In connection with the Amendment to the Expedia Outsourcing Agreement, on August 20, 2020 the Company and Expedia entered into a letter agreement with Expedia (the “Letter Agreement”), extending Expedia’s registration rights under the for a period of two years beyond the expiration date of September 22, 2022.

The foregoing description of the Sixth Amended and Restated Investors’ Rights Agreement is qualified in its entirety by reference to the full text of the Sixth Amended and Restated Investors’ Rights Agreement, which is filed as Exhibit 4.1 to this Annual Report. The foregoing description of the Fourth Amended and Restated Voting Agreement is qualified in its entirety by reference to the full text of the Fourth Amended and Restated Voting Agreement, which is filed as Exhibit 4.3

[Table of Contents](#)

to this Annual Report. The foregoing description of the Letter Agreement is qualified in its entirety by reference to the full text of the Letter Agreement, which is filed as Exhibit 4.2 to this Annual Report.

Expedia Nominating Agreement

In connection with the Outsourcing Agreement Amendment and waivers granted by Expedia of certain rights set forth in the Sixth Amended and Restated Investors' Rights Agreement, on October 21, 2020 we entered into a Nominating Agreement with Expedia (the "Nominating Agreement") that grants Expedia the right to designate one individual to be a nominee for election to the board of directors of the Company.

As of the date of this Annual Report, one of the members of the board of directors of the Company, Mr. Alfonso Paredes, whose term expires at the annual meeting of the Company's stockholders to be held in 2024, was nominated by Expedia. Therefore, Expedia is not entitled to nominate a director under the Nominating Agreement until Mr. Alfonso Paredes no longer serves on our Board of Directors.

The foregoing description of the Nominating Agreement is not complete and is qualified in its entirety by reference to the full text of the Nominating Agreement, which is filed as Exhibit 4.4 to this Annual Report.

Catterton Registration Rights Agreement

Pursuant to the Catterton Investment Agreement, the Company and the L Catterton Purchaser entered into a Registration Rights Agreement (the "Registration Rights Agreement"), pursuant to which the L Catterton Purchaser is entitled to customary registration rights with respect to the ordinary shares for which the Warrants may be exercised.

The foregoing description of the Registration Rights Agreement is not complete and is qualified in its entirety by reference to the full text of the Shelf Registration Rights Agreement, which is filed as Exhibit 4.5 to this Annual Report.

Statement of Policy Regarding Transactions with Related Persons

Our board of directors has adopted a written statement of policy regarding transactions with related persons, which we refer to as our "related person policy." Our related person policy requires that a "related person" (as defined as in paragraph (a) of Item 404 of Regulation S-K) must promptly disclose to our general counsel any "related person transaction" (defined as any transaction that is anticipated would be reportable by us under Item 404(a) of Regulation S-K in which we were or are to be a participant and the amount involved exceeds \$120,000 and in which any related person had or will have a direct or indirect material interest) and all material facts with respect thereto. Our general counsel will then promptly communicate that information to our board of directors. No related person transaction will be executed without the approval or ratification of our board of directors. It is our policy that directors interested in a related person transaction will recuse themselves from any vote of a related person transaction in which they have an interest. Our policy does not specify the standards to be applied by directors in determining whether or not to approve or ratify a related person transaction and we accordingly anticipate that these determinations will be made in accordance with principles of the laws of the BVI generally applicable to directors of a BVI company.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

We have appended our audited consolidated financial statements filed pursuant to "Item 18. Financial Statements" as part of this annual report.

Legal Proceedings

See "Item 4. Information on the Company — Business Overview — Legal Proceedings."

Dividend Policy

In 2023, 2022 and 2021, no dividends were declared or paid on our ordinary shares or on the common stock of our predecessor, Decolar.com, Inc. We currently intend to retain our available funds and future earnings, if any, to finance the development and growth of our business and operations as well as expand our business and do not currently anticipate paying dividends on our ordinary shares in the near future.

The declaration, amount and payment of any future dividends will be at the sole discretion of our board of directors, subject to compliance with applicable BVI laws regarding solvency. Our board of directors will take into account general economic and business conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and other implications on the payment of dividends by us to our shareholders or by our subsidiaries to us, and such other factors as our board of directors may deem relevant.

As we are a holding company, we rely on dividends paid to us by our subsidiaries for our cash requirements, including funds to pay any dividends and other cash distributions to our shareholders, service any debt we may incur and pay our operating expenses. Our ability to pay dividends to our shareholders will depend on, among other things, the availability of dividends from our subsidiaries.

Under BVI law, our board of directors may authorize payment of a dividend to shareholders at such time and of such an amount as they determine if they are satisfied on reasonable grounds that immediately following the dividend the value of our assets will exceed our liabilities and we will be able to pay our debts as they become due. There is no further BVI statutory restriction on the amount of funds which may be distributed by us by dividend.

Pursuant to our memorandum and articles of association:

- Subject to the Company satisfying the solvency test described above, our board of directors may authorize payment of a dividend or other distribution at such time and of such an amount and pursuant to such method or methods of payment or other distribution as it thinks fit. A dividend or other distribution may be paid wholly or partly by the distribution of specific assets (which may consist of our shares or securities of any other entity) and our board of directors may settle all questions concerning such distribution. Without limitation, our board of directors may fix the value of such specific assets, may determine that cash payments shall be made to some shareholders in lieu of specific assets and may vest any such specific assets in a liquidating or other trust on such terms as our board of directors thinks fit.
- Our board of directors may deduct from any dividend or other distribution payable to any shareholder any or all monies then due from such shareholder to us.
- All dividends and other distributions unclaimed for three years after having been declared may be forfeited by a resolution of directors for the benefit of the Company. All unclaimed dividends and other distributions may be invested or otherwise made use of by our board of directors for the benefit of the Company pending claim or forfeiture as aforesaid. No dividend or other distribution shall bear interest against the Company.
- A dividend or other distribution made to a shareholder at a time when, immediately after the dividend or other distribution, the value of the Company's assets did not exceed its liabilities and the Company was not able to pay its debts as they fell due, is subject to recovery in accordance with the provisions of the BVI Act.

Each Series A Preferred Share confers on the holder the right to dividends on each Series A Preferred Share, accruing at a rate of 10.0% per annum and payable semi-annually in arrears. Each Series B Preferred Share confers on the holder the right to dividends on each Series B Preferred Share, accruing at a rate of 4.0% per annum and payable quarterly in arrears. For more information about dividends payments to Series A Preferred Shares and Series B Preferred Shares, see "Item 5. Operating and Financial Review and Prospects — B. Financial Position, Liquidity and Capital Resources."

B. Significant Changes

There has been no significant subsequent event following the close of the last financial year up to the date of this Annual Report that is known to us and requires disclosure in this Annual Report for which disclosure was not made in this Annual Report.

ITEM 9 THE OFFER AND LISTING

A. Offer and Listing Details

Our ordinary shares trade on the New York Stock Exchange since September 19, 2017 under the symbol “DESP”.

B. Plan of Distribution

Not applicable.

C. Markets

Our ordinary shares trade on the New York Stock Exchange under the symbol “DESP”.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10 ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

We are a BVI business company incorporated with limited liability and our affairs are governed by the provisions of our memorandum and articles of association, as amended and restated from time to time, and by the provisions of applicable BVI law, including the BVI Act.

Our company number in the BVI is 1936519. As provided in regulation 4 of our memorandum of association, subject to BVI law, we have full capacity to carry on or undertake any business or activity, do any act or enter into any transaction and, for such purposes, full rights, powers and privileges. Our registered office is at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands and our registered agent is Conyers Trust Company (BVI) Limited of Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands.

The transfer agent and registrar for our ordinary shares is Computershare Trust Company, N.A., which maintains the register of members of the Company at 480 Washington Boulevard, Jersey City, NJ 07310, USA. The shares of the Company are held in uncertificated (book-entry) form and no shareholder has the right to require issuance or provision to it at any time of any share certificate.

The following is a summary of the material provisions of our share capital and our memorandum and articles of association. This discussion does not purport to be complete and is qualified in its entirety by reference to our memorandum and articles of association filed as Exhibit 3.1 hereto.

Ordinary Shares

The following summarizes the rights of holders of our ordinary shares. Each ordinary share confers on the holder:

- a) the right to one vote at a meeting per share on all matters to be voted on by shareholders generally, including the election of directors at an annual meeting of the shareholders;

[Table of Contents](#)

- b) the right to an equal share in any dividend paid by the Company and payable in respect of our ordinary shares and as may be declared from time to time by our board of directors out of funds legally available for that purpose, if any; and
- c) upon our liquidation, dissolution or winding up, the right to an equal share in the distribution of the surplus assets of the Company available to the ordinary shareholders, but subject in each case to the rights attaching to any additional class or classes of shares (including any preferred shares) that may be authorized and issued after the closing date of our initial public offering. Our ordinary shares do not confer cumulative voting rights.

Series A Preferred Shares

The following summarizes the rights of holders of our Series A Preferred Shares. Each Series A Preferred Share confers on the holder:

- a) the right to dividends on each Series A Preferred Share, accruing at a rate of 10.0% per annum and payable semi-annually in arrears;
- b) the right to one vote per share on any matter on which holders of Series A Preferred Shares are entitled to vote separately as a class, whether at a meeting or by written consent; and
- c) upon our liquidation, dissolution or winding up, a preferential right to the distribution of the surplus assets of the Company.

The prior written approval of the holders of a majority of the Series A Preferred Shares outstanding at such time, acting together as a separate class, is required in order for the Company to (i) amend the memorandum and articles of association in a manner that adversely affects the holders of Series A Preferred Shares, (ii) create or issue any shares ranking senior or *pari passu* to the Series A Preferred Shares, or any securities convertible or exchangeable into, or exercisable for shares, ranking senior or *pari passu* to the Series A Preferred Shares or issue any additional Series A Preferred Shares or increase the authorized number of Series A Preferred Shares, other than as permitted in the memorandum and articles of association, (iii) declare or pay any dividend or distribution, or repurchase or redeem any shares, subject to certain exceptions, including with respect to the Series A Preferred Shares, (iv) make any fundamental change in the nature of the business in which the Company is primarily engaged, (v) initiate, engage in or permit to occur (to the extent within the control of the Company), any liquidation, dissolution or winding up of the Company, (vi) continue or re-domicile the Company in any jurisdiction other than the British Virgin Islands, or (vii) take or permit certain of the foregoing with respect to the significant subsidiaries of the Company.

So long as the L Catterton Purchaser holds any Series A Preferred Shares, the prior written consent of the L Catterton Purchaser is required in order for the Company to (i) incur any indebtedness for borrowed money in excess of the greater of (x) \$60 million, and (y) an amount equal to 1.0x the Company's consolidated Adjusted EBITDA for the twelve-month period ending at the end of the last quarter for which the Company has publicly reported financial results, subject to certain exceptions, (ii) sell, dispose of or enter into any exclusive license for any material asset (or group of related assets) of the Company or with a fair market value equal or greater to 10% of the Company's consolidated total assets and (iii) enter into certain affiliate transactions, in each case subject to certain exceptions.

At any time on or after September 18, 2025, each holder of Series A Preferred Shares may, at its election, cause the Company to redeem all or part of such holder's then outstanding Series A Preferred Shares in cash at a price equal to the liquidation preference, plus, without duplication, accrued and unpaid distributions to, but excluding, the redemption date. In addition, if the Company undergoes a qualifying change of control, each holder of Series A Preferred Shares may, at its election, cause the Company to redeem all of such holder's then outstanding Series A Preferred Shares in cash at a price equal to 110.0% of the liquidation preference, plus, without duplication, accrued and unpaid distributions to, but excluding, the redemption date.

Additional Shares

Our board of directors may determine the rights, privileges, restrictions and conditions attaching to each such class of preferred shares (which may be more favorable than those attaching to the ordinary shares), as the board of directors may determine in its sole and absolute discretion (subject always to obtaining any approval required in respect of the consent,

[Table of Contents](#)

veto or approval rights assigned to the holders of Series A Preferred Shares and/or the Series B Preferred Shares in the memorandum and articles of association), including without limitation:

- the number of shares constituting the additional class of preferred shares;
- the dividend and other distribution rights of the class of preferred shares (which may be payable in preference to, or in relation to, the dividends payable on our ordinary shares or any other class or classes of shares);
- whether the class of preferred shares shall have voting rights and, if so, whether they shall vote separately or together as a single class with the ordinary shares and/or any other class of shares;
- whether the class of preferred shares shall have conversion and/or exchange rights and privileges and, if so, the terms and conditions of such conversion and/or exchange;
- whether the class of preferred shares shall impose conditions and restrictions upon the business and affairs of the Company and/or any of its subsidiaries or the right to approve and/or veto certain matters and/or to appoint and/or remove one or more directors of the Company; and
- the rights of the preferred shares in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, including, without limitation, any liquidation preference and whether such rights shall be in preference to, or in relation to, the comparable rights of the ordinary shares or any other class or classes of shares.

Limitation on Liability and Indemnification Matters

Under BVI law, each of our directors, in exercising his powers or performing his duties, is required to act honestly and in good faith and in what the director believes to be in our best interests, is required to exercise his powers as a director for a proper purpose, may not act, or agree to us acting, in a manner that contravenes the BVI Act or our memorandum or articles of association, and is required to exercise the care, diligence and skill that a reasonable director would exercise in the same circumstances (taking into account, but without limitation, the nature of the company; the nature of the decision; and the position of the director and the nature of the responsibilities undertaken by him).

Our memorandum and articles of association provide that, to the fullest extent permitted by law, the Company is authorized to provide indemnification of (and advancement of expenses to) officers, directors and agents of the Company (and any other persons to which the Company is permitted to provide indemnification under applicable law) through provisions in the memorandum and articles of association, agreements with such officers, directors, agents or other persons, vote of disinterested directors or otherwise, subject only to limits created by the BVI Act.

Our memorandum and articles of association provide that the Company shall indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who: (a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director, an officer or a liquidator of the Company; or (b) is or was, at the request of the Company, serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise; provided that such indemnification shall not apply unless the person claiming such indemnification acted honestly and in good faith and in what he believed to be the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that his conduct was unlawful.

We may pay any expenses, including legal fees, incurred by any such person in defending any legal, administrative or investigative proceedings in advance of the final disposition of the proceedings. If a person to be indemnified has been successful in defense of any proceedings referred to above, the person is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the person in connection with the proceedings.

We may purchase and maintain insurance in relation to any person who is or was a director, an officer or a liquidator of the Company, or who at the request of the Company is or was serving as a director, an officer or a liquidator of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not we have or would have had the power to indemnify the person against the liability as provided in memorandum and articles of association.

Shareholders' Meetings and Consents

The following summarizes certain relevant provisions of BVI laws and our memorandum and articles of association in relation to our shareholders' meetings:

- Our memorandum and articles of association contemplate two types of shareholders' meetings, namely:
 - an annual meeting of shareholders (each an "annual meeting"); and
 - any meeting of shareholders which is not an annual meeting (each a "special meeting").
- Only the board of directors may convene an annual meeting. All annual meetings shall be held at such date, time and place, either within or outside the BVI, as shall be determined from time to time by the board of directors. The business of an annual meeting shall be the election and re-election of directors for those board seats whose terms expire at such meeting and any other items of business proposed by the board of directors and/or otherwise duly proposed by eligible shareholders in accordance with the memorandum and articles of association.
- Special meetings may only be called: (i) by the board of directors at its own initiative; or (ii) by the board of directors upon receiving a compliant written request from a shareholder or shareholders entitled to exercise at least 30% of the voting rights in respect of the matter for which the meeting is requested. Upon receipt of a compliant requisition notice, the board of directors shall convene the requested special meeting for a date not later than 90 days after the date of receipt of the requisition notice, provided the various restrictions, conditions and provision of information and other procedural requirements set out in the memorandum and articles of association have been met by the requisitionists. A special meeting may be held at such date, time and place, within or outside the BVI, as shall be stated in the notice of the meeting.
- Director elections and re-elections by shareholders may occur only at annual meetings (not special meetings) and then only in respect of those board seats whose terms expire at such meeting. Nominations of persons for election or re-election as directors of the Company at an annual meeting may only be made by (i) the board of directors; or (ii) any shareholder (or shareholders collectively) other than any holder of Series A Preferred Shares (for so long as such holder has the right to appoint the L Catterton Director) or Series B Preferred Shares (for so long as such holder has the right to appoint the Series B Director), holding not less than 3% of the voting rights that may be exercised at the annual meeting entitled to attend and vote at such meeting, provided the various restrictions, conditions and provision of information and other procedural requirements set out in the memorandum and articles of association have been met by the nominating shareholders. The board of directors also retains discretion to veto inappropriate candidates nominated by shareholders for election as a director in certain enumerated circumstances, including (a) where the candidate is not qualified, does not have the necessary experience, has a conflict of interest or is otherwise unsuitable or unfit for office; and (b) where an appointment may adversely affect the Company's (and/or its subsidiaries' respective) reputation or business; or would result in the Company not having the required number of independent directors for its audit committee; or would result in the Company losing its "foreign private issuer" status.
- Written notice of any shareholder meeting shall be given to each shareholder entitled to vote at such meeting and each director not fewer than 10 nor more than 120 days before the date of the meeting. The inadvertent failure or accidental omission to give notice of a meeting to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice shall not invalidate the shareholder meeting or the proceedings at that meeting. A meeting of shareholders held in contravention of such notice requirements is valid if shareholders holding at least 90% of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a shareholder at the meeting shall be deemed to constitute waiver on his part.
- A shareholder may be represented at a meeting of shareholders by a proxy who may speak and vote on behalf of the shareholder.
- A meeting of shareholders is duly constituted and quorate if, at the commencement of the meeting, there are present in person or by proxy holders of not less than a simple majority of the votes of the shares entitled to vote on the resolutions to be considered at the meeting. If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of shareholders, shall be dissolved; in any other case it shall stand adjourned to such other date, time and place as the chairman may determine and announce at the meeting (without the need for any further notice to shareholders). At any such adjourned meeting, a quorum shall be present if there are present in person or by proxy not less than one-third of the votes of the shares entitled to vote on the resolutions to be considered at the meeting and any business

may be transacted that might have been transacted at the meeting as originally notified. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

- A resolution of shareholders is valid only if approved at a duly constituted and quorate meeting of shareholders by the affirmative vote of a simple majority (or such greater majority as may be specified in respect of a particular matter in the memorandum and articles of association) of the votes of those shareholders present at the meeting and entitled to vote and voting on the resolution. Shareholders are prohibited from adopting resolutions by written consent and all resolutions of the shareholders need to be adopted at a meeting of our shareholders convened in accordance with our memorandum and articles of association.
- In addition, in order to nominate candidates for election as a director at an annual meeting or propose topics for consideration at an annual meeting or special meeting of shareholders, shareholders must notify the Company in writing prior to the meeting at which directors are to be elected or the proposals are to be acted upon, and such notice must contain the documentation and information specified in our memorandum and articles of association. To be timely, notice with respect to an annual meeting of shareholders must be received by not later than the close of business on the 90th day, nor earlier than the close of business on the 120th day, prior to the first anniversary of the preceding year's annual meeting (provided that if the Company did not have an annual meeting the preceding year not later than the close of business on June 30 of the calendar year in which the annual meeting is to be held or such other date notified to shareholders by the board of directors). In the case of any business or other matter to be considered at a special meeting of shareholders, notice of such business or other matter must be included with the original requisition notice. Various other restrictions, conditions and provision of information and other procedural requirements set out in the memorandum and articles of association shall also apply. Such advance notice requirements and other provisions may preclude or limit the ability of shareholders to nominate candidates for election as a director or propose topics for consideration at a meeting of shareholders. Furthermore, our board of directors may in certain circumstances veto candidates proposed by shareholders (as described in the fourth bullet point in this section).

C. Material Contracts

For information regarding material contracts, see “Item 7. Major Shareholders and Related Party Transactions —B. Related Party Transactions.”

D. Exchange Controls

The following paragraphs summarize the exchange controls. See “Item 3. Key Information — D. Risk Factors—Risks Related to Latin America—Exchange rate fluctuations against the dollar in the countries in which we operate could negatively affect our results of operations” and “We are subject to foreign currency exchange controls in certain countries in which we operate” for more information.

Argentina

On September 1, 2019, due to various factors that impacted the evolution of the Argentine economy and the uncertainty caused in the financial markets by the presidential election that took place in 2019, by Emergency Decree No. 609/2019 (as amended by Decree No. 91/2019) federal government re-implemented the foreign exchange controls setting forth certain controls and restrictions on the acquisition, sale, and transfer of foreign currency, applicable to both individual persons and legal entities in Argentina. This decree also enabled the Argentine Central Bank to establish, through regulations, the necessary measures to avoid “practices and operations aimed at avoiding, through public titles or other instruments” the restrictions set forth by the decree. In furtherance of such decree, since its date of implementation the Argentine Central Bank has adopted a series of measures that regulate the official foreign exchange market (the “FX Market”), which are all included in the Amended and Restated Text on Foreign Exchange rules (the “FX Regulatory Framework”).

Among other provisions, recitals and exceptions set forth in such legislation, the FX Regulatory Framework provide certain restrictions applicable to the following transactions: (i) exports and imports of goods and services; (ii) payments of profits and dividends; (iii) sale of non-produced non-financial assets; (iv) external financial loans disbursed as of September 1, 2019 (including those that involves offshore related counterparties); (v) repayment of local notes offerings in dollars; (vi) payments in foreign currency among residents; (vii) payments of External Financial Indebtedness by Collateral Trustees;

[Table of Contents](#)

(viii) purchase of foreign currency by individuals, entities, and non-residents; (ix) funding of debt services reserve accounts on external indebtedness, among others.

In summary, among other matters, the FX Regulatory Framework established the following provisions:

Inflow of funds: the FX Regulatory Framework establishes the obligation to enter into Argentina through the FX Market, convert into local currency at the official foreign exchange rate, and to deposit into local bank accounts -within some specific terms- the funds obtained from (i) export of goods operations; (ii) export of services operations; (iii) selling of non-financial non-produced assets to foreign parties.

Funds obtained from offshore financial indebtedness should be converted into Pesos through the FX Market if the local resident needs to repay principal and interest services of the financing through the FX Market. The lack of such conversion constitutes no violation to the FX Regulatory Framework, although it will preclude local resident from paying, at maturity, the offshore financial indebtedness at the official foreign exchange rate through the FX Market.

Outflow of funds: the FX Regulatory Framework establishes certain limitations and regulations to access to the FX Market at the official foreign exchange rate in relation to the import of goods, payment of offshore services, payment of dividends and earnings, repayment of loans, etc. The necessary requirements will depend on each particular transaction. Argentine Central Bank's prior authorization will be required when the necessary applicable requirements are not met. The ability to access the FX Market for cross-border payments will depend on the terms and conditions established by the Argentine Central Bank at the time of the execution of each specific transaction. At the time of the filing of this Annual Report, both general requirements as well as specific requirements that depend on the nature of the transaction to be executed need to be complied with.

As a general rule, in order to grant access to the FX Market for the acquisition of foreign currency or its remittance abroad financial institutions must require their clients certain affidavits indicating compliance with the FX Regulatory Framework. In this regard, local clients must submit certain affidavits which sets forth the following:

- i. Local client must state that, on the day it requests access to the FX Market (i.e. on the day a given payment is to be executed), it has all its foreign currency holdings in the country deposited in accounts in financial institutions, and that it does not have "available liquid foreign assets" (including Argentine certificates of deposit representing foreign shares known as "CEDEARs") for an amount in excess of \$100,000. In the event that local client has available liquid foreign assets for an amount in excess of the threshold, it will have to file before the bank (through which a given payment is being executed) a sworn statement stating that such amount in excess is subject to any of the exceptions established under the FX Regulatory Framework.
- ii. Local client must undertake to convert into Pesos through the FX Market, within 5 business days of its availability, any funds received abroad arising from collections of (a) loans; (b) term deposits; or (c) sales of any type of assets (e.g. shares, securities, goods, etc.); in case such loans, deposits or assets were granted, constituted, or acquired after May 28, 2020.
- iii. Local client must state that, on the day on which it requests access to the FX Market, and in the previous 90 calendar days (in the case of transactions using securities issued under Argentine law) or 180 calendar days (in the case of transactions using securities issued under foreign law), it has not: (a) arranged sales in the country for securities with settlement in foreign currency; (b) carried out swaps of securities issued by residents for foreign assets; (c) carried out transfers of securities to foreign depositories; (d) acquired in the country securities issued by non-residents using pesos; (e) acquired CEDEARs; (f) acquired securities representing private debt issued in foreign jurisdiction; (g) delivered funds in local currency or other local assets (except funds in foreign currency deposited in local financial institutions) to any human or legal person, resident or non-resident, related or not, to receive as prior or subsequent consideration, directly or indirectly, by itself or through a related, controlled or controlling entity, foreign assets, crypto-assets or securities deposited abroad. In addition, the declaring party must also undertake not to carry out these operations on that day and for the following 90 days calendar days (in the case of transactions using securities issued under Argentine law) or 180 calendar days (in the case of transactions using securities issued under foreign law).

Likewise, local client must include a list of the persons who exercise a direct control relationship over it, and legal entities that are part of the same economic group, in accordance with Sections 1.2.1.1 and 1.2.2.1 of the "Large Exposures to Credit Risk" standards of the Argentine Central Bank rules.

Additionally, local client must state that, on that day and in the previous 180 calendar days, it has not delivered funds in local currency or other liquid local assets to them (except funds in foreign currency deposited in local financial institutions), except those directly associated with regular transactions between residents for the acquisition of goods and/or services. This obligation may be deemed fulfilled if local client, and in specific scenarios, individuals informed by local client, submit certain additional affidavits.

[Table of Contents](#)

Specific requirements vary and are contingent on the particulars of each transaction. According to current regulations, local clients must seek prior approval from the Argentine Central Bank for the acquisition and/or transfer of foreign currency abroad, including but not limited to: (i) import of goods and services transactions completed before December 13, 2023; (ii) repayment of offshore financial indebtedness to offshore related counterparts, to the extent that the transaction does not fulfill certain requirements; (iii) payment of dividends and earnings, to the extent that the transaction does not fulfill certain requirements; (iv) the acquisition of foreign currency by human persons in excess of US\$200 each month; (v) acquisition of foreign currency by legal persons, local governments, investment funds, trusts, and other entities within the country, as well as non-Argentine residents (with exceptions such as multilateral agencies, embassies, etc.), for any amount, among others.

E. Taxation

British Virgin Islands Tax Considerations

We are not liable to pay any form of taxation in the BVI. There are currently no taxation, withholding taxes or exchange control regulations in the BVI applicable to us or our shareholders. The BVI is not party to any double tax treaties that are applicable to any payments made to or by us.

All kind of payments by us to persons who are not residents in the BVI are exempt from all forms of taxation in the BVI and any capital gains realized with respect to any shares, debt obligations, or other securities of ours by persons who are not residents in the BVI are exempt from all forms of taxation in the BVI.

No charge is payable by persons who are not residents in the BVI with respect to any shares, debt obligation or other securities of ours.

U.S. Federal Income Taxation

The following is a summary of certain material U.S. federal income tax consequences of the purchase, ownership and disposition of our ordinary shares. This summary deals only with our ordinary shares that are held as capital assets within the meaning of Section 1221 of the Code (as defined below) (generally, for investment purposes) by a beneficial owner.

As used herein, a “U.S. holder” means a beneficial owner of our ordinary shares that is, for U.S. federal income tax purposes, any of the following:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

As used herein, the term “non-U.S. holder” means a beneficial owner of our ordinary shares (other than a partnership or other pass-through entity for U.S. federal income tax purposes) that is not a U.S. holder.

This summary is based upon provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below.

This discussion does not represent a detailed description of the U.S. federal income tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws, including if you are:

- a dealer or broker in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;

[Table of Contents](#)

- an insurance company;
- a tax-exempt organization;
- a person holding our ordinary shares as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a partnership or other pass-through entity for U.S. federal income tax purposes;
- a person required to accelerate the recognition of any item of gross income with respect to our ordinary shares as a result of such income being recognized on an applicable financial statement;
- a U.S. holder whose “functional currency” is not the dollar;
- a foreign pension fund;
- a “controlled foreign corporation”;
- a “passive foreign investment company”; or
- a U.S. expatriate.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our ordinary shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our ordinary shares, you should consult your tax advisors.

Notwithstanding our corporate reincorporation in the BVI, under Section 7874 of the Code, the Company is treated for U.S. federal tax purposes as a U.S. corporation and, among other consequences, is subject to U.S. federal income tax on its worldwide income. This discussion assumes that Section 7874 of the Code continues to apply to treat us as a U.S. corporation for all purposes under the Code. If, for some reason (e.g., future repeal of Section 7874 of the Code), we were no longer treated as a U.S. corporation under the Code, the U.S. federal income tax consequences described herein could be materially and adversely affected.

This discussion does not contain a detailed description of all the U.S. federal income tax consequences to you in light of your particular circumstances and does not address the Medicare tax on net investment income, U.S. federal estate and gift taxes or the effects of any state, local or non-U.S. tax laws. If you are considering the purchase of our ordinary shares, you should consult your own tax advisors concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of our ordinary shares, as well as the consequences to you arising under other U.S. federal tax laws and the laws of any other taxing jurisdiction.

Consequences to U.S. Holders

Dividends

In the event that we make a distribution of cash or other property (other than certain pro rata distributions of our stock) in respect of our ordinary shares, the distribution generally will be treated as a dividend for U.S. federal income tax purposes to the extent it is paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Subject to the discussion below, any such dividend will generally be taxable as U.S. source ordinary income. Any portion of a distribution that exceeds our current and accumulated earnings and profits generally will be treated first as a tax-free return of capital, causing a reduction in the adjusted tax basis of a U.S. holder’s ordinary shares, and to the extent the amount of the distribution exceeds a U.S. holder’s adjusted tax basis in our ordinary shares, the excess will be treated as gain from the disposition of our ordinary shares (the tax treatment of which is discussed below under “— Gain on Disposition of Ordinary Shares”). Subject to certain holding period and other requirements, (a) any dividends received by a U.S. holder that is a corporation will be eligible for the dividends received deduction and (b) any dividends received by a non-corporate U.S. holder (including an individual) will be eligible for the reduced tax rates that apply to “qualified dividend income.”

The amount of any dividend paid in foreign currency will equal the dollar value of the foreign currency received calculated by reference to the exchange rate in effect on the date the dividend is actually or constructively received by a U.S. holder,

[Table of Contents](#)

regardless of whether the foreign currency is converted into dollars. Any gain or loss realized on a subsequent conversion or other disposition of the foreign currency will be treated as U.S. source ordinary income or loss.

Gain on Disposition of Ordinary Shares

U.S. holders of our ordinary shares will recognize capital gain or loss on any sale, exchange, or other taxable disposition of our ordinary shares in an amount equal to the difference between the amount realized for the ordinary shares and the U.S. holder's tax basis in the ordinary shares. Such gain or loss generally will be long-term capital gain or loss if the ordinary shares have been held for more than one year. Long-term capital gains of non-corporate U.S. holders (including individuals) are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

In general, information reporting will apply to dividends in respect of our ordinary shares and the proceeds from the sale, exchange or other disposition of our ordinary shares that are paid to a U.S. holder within the United States (and in certain cases, outside the United States), unless the U.S. holder establishes that it is an exempt recipient. A backup withholding tax may apply to such payments if the U.S. holder fails to provide a taxpayer identification number and a certification that it is not subject to backup withholding or if the U.S. holder fails to report in full dividend and interest income.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the Internal Revenue Service ("IRS").

Consequences to Non-U.S. Holders

Dividends

The rules applicable to non-U.S. holders for determining the extent to which distributions on our ordinary shares, if any, constitute dividends for U.S. federal income tax purposes are the same as for U.S. holders. See "Consequences to U.S. Holders—Dividends."

Dividends paid to a non-U.S. holder generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business by the non-U.S. holder within the United States (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment) are not subject to the withholding tax, provided certain certification and disclosure requirements are satisfied. Instead, such dividends are subject to U.S. federal income tax on a net income basis generally in the same manner as if the non-U.S. holder were a United States person as defined under the Code. Any such effectively connected dividends received by a foreign corporation may be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

A non-U.S. holder who wishes to claim the benefit of an applicable treaty rate and avoid backup withholding, as discussed below, for dividends will be required (a) to provide the applicable withholding agent with a properly executed IRS Form W-8BEN or Form W-8BEN-E (or other applicable form) certifying under penalty of perjury that such holder is not a United States person as defined under the Code and is eligible for treaty benefits or (b) if our ordinary shares are held through certain foreign intermediaries, to satisfy the relevant certification requirements of applicable U.S. Treasury regulations. Special certification and other requirements apply to certain non-U.S. holders that are pass-through entities rather than corporations or individuals.

A non-U.S. holder eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Gain on Disposition of Ordinary Shares

Subject to the discussion of backup withholding below, any gain realized by a non-U.S. holder on the sale or other disposition of our ordinary shares generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with a trade or business of the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the non-U.S. holder);

[Table of Contents](#)

- the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or
- we are or have been a “United States real property holding corporation” for U.S. federal income tax purposes and certain other conditions are met.

A non-U.S. holder described in the first bullet point immediately above will be subject to tax on the gain derived from the sale or other disposition in the same manner as if the non-U.S. holder were a United States person as defined under the Code. In addition, if any non-U.S. holder described in the first bullet point immediately above is a foreign corporation, the gain realized by such non-U.S. holder may be subject to an additional “branch profits tax” at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. An individual non-U.S. holder described in the second bullet point immediately above will be subject to a 30% (or such lower rate as may be specified by an applicable income tax treaty) tax on the gain derived from the sale or other disposition, which gain may be offset by U.S. source capital losses even though the individual is not considered a resident of the United States.

Generally, a U.S. corporation is a “United States real property holding corporation” if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (all as determined for U.S. federal income tax purposes). We believe we are not and do not anticipate becoming a “United States real property holding corporation” for U.S. federal income tax purposes.

Information Reporting and Backup Withholding

Distributions paid to a non-U.S. holder and the amount of any tax withheld with respect to such distributions generally will be reported to the IRS. Copies of the information returns reporting such distributions and any withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of an applicable income tax treaty.

A non-U.S. holder will not be subject to backup withholding on distributions received if such holder certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that such holder is a United States person as defined under the Code), or such holder otherwise establishes an exemption.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other disposition of our ordinary shares made within the United States or conducted through certain U.S.- related financial intermediaries, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person as defined under the Code), or such owner otherwise establishes an exemption.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a non-U.S. holder’s U.S. federal income tax liability, if any, provided the required information is timely furnished to the IRS.

Additional Withholding Requirements

Under Sections 1471 through 1474 of the Code (such Sections commonly referred to as “FATCA”), a 30% U.S. federal withholding tax may apply to any dividends paid on our ordinary shares to (i) a “foreign financial institution” (as specifically defined in the Code and whether such foreign financial institution is the beneficial owner or an intermediary) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner which avoids withholding, or (ii) a “non-financial foreign entity” (as specifically defined in the Code and whether such non-financial foreign entity is the beneficial owner or an intermediary) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial U.S. beneficial owners of such entity (if any). If a dividend payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under “—Consequences to Non-U.S. Holders—Dividends,” an applicable withholding agent may credit the withholding under FATCA against, and therefore reduce, such other withholding tax. While withholding under FATCA would also have applied to payments of gross proceeds from the sale or other disposition of our ordinary shares, proposed U.S. Treasury regulations (upon which taxpayers may rely until final regulations are issued)

[Table of Contents](#)

eliminate FATCA withholding on payments of gross proceeds entirely. You should consult your own tax advisors regarding these requirements and whether they may be relevant to your ownership and disposition of our ordinary shares.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

The SEC maintains a website at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding registrants that make electronic filings through its Electronic Data Gathering, Analysis, and Retrieval, or EDGAR, system. All our Exchange Act reports and other SEC filings are available through the EDGAR system.

I. Subsidiary Information

Not applicable.

ITEM 11 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our business activities are exposed to a variety of market risks, including foreign currency risk and inflation and interest rate risk.

Foreign Exchange Risk

We report our financial results in dollars, but most of our revenue and expenses are denominated in other currencies, particularly the Argentine peso, the Brazilian real and the Mexican peso. Any changes in the exchange rates of any such currencies against the dollar will affect our reported financial results as translated into dollars. Furthermore, many of our travel customers travel internationally and any changes in the exchange rate between their home currency and the currency of their intended destination may influence their travel purchases. We also use derivative financial instruments in some cases to manage our foreign exchange risk.

Our supplier arrangements often result in significant balances of both accounts payable and accounts receivable denominated in various currencies. To the extent that the timing of such payments is within our control, we often attempt to accelerate or delay such payments to minimize the disparity between our accounts payable and accounts receivable denominated in each currency, which reduces the effect of exchange rate fluctuations on our reported financial results. For example, we may increase or reduce our factoring of Brazilian installment receivables to increase the total amount of our receivables denominated in Brazilian reais to partially offset our larger balance of accounts payable to suppliers in Brazil that are denominated in Brazilian reais. In addition, we can be exposed to foreign exchange risk with respect to international travel if we accept upfront payment at the time of booking in a travel customer's home currency and are later required to pay the supplier in the supplier's home currency.

Inflation and Interest Rate Risk

Brazil, Mexico, Argentina and many other countries in Latin America have historically experienced high rates of inflation. Inflationary pressures persist, and actions taken in an effort to curb inflation, coupled with public speculation about possible future governmental actions, have in the past contributed to economic uncertainty in Brazil, Mexico, Argentina and other Latin America countries and heightened volatility in the Latin America financial markets. Changes in inflation rates can affect our pricing as well as our expenses, and the inflation rates in the countries where we generate revenue in any period may be higher or lower than the inflation rates in the countries where we incur expenses. In addition, higher inflation may lead our travel customers to make more purchases using installment or other financing options and may make such financing options more expensive for us.

[Table of Contents](#)

The inflation rate in Brazil, as reflected by the IPCA was 10.1% in 2021, 5.8% in 2022 and 0.6% for 2023. In Mexico the inflation rate in was 7.4% in 2021, 7.8% in 2022 and 4.7% in 2023. The inflation rate in Argentina was 50.9% in 2021, 94.8% in 2022 and 211.4% in 2023.

Interest rates are highly sensitive to many factors, including fiscal and monetary policies to combat inflation and economic, political and other factors beyond our control. From time to time, we factor our receivables to receive cash more quickly. The costs of factoring are driven primarily by interest rates which, in turn, are influenced significantly by inflation and expectations for future inflation. In addition, we maintain revolving credit facilities in certain countries, and the interest rates payable with respect to those facilities also vary based on local market interest rates.

ITEM 12 DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Pursuant to the Catterton Investment Agreement, we have issued to the L Catterton Purchaser warrants to purchase 11 million common shares at an exercise price of \$0.01 per share, subject to certain customary anti-dilution adjustments provided under the Warrants, including for stock splits, reclassifications, combinations and dividends or distributions made by the Company on the ordinary shares. The Warrants expire on September 18, 2030. The foregoing description of the Warrants is qualified in its entirety by reference to the full text of the Ordinary Shares Purchase Warrant (Penny Warrant), dated September 18, 2020 issued by Despegar.com, Corp. in favor of LCLA Daylight LP, which is filed as Exhibit 4.7 to this Annual Report.

C. Other Securities

Not applicable.

D. American Depositary Shares

Not applicable.

PART II.

ITEM 13 DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14 MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

A. Material Modifications to the Rights of Security Holders

None.

B. Material Modifications to the Rights of any Class of Registered Securities

None.

C. Withdrawal or Substitution of a Material Amount of the Assets Securing any Class of Registered Securities

None.

D. Changes in the Trustee or Paying Agents for any Registered Securities

None.

E. Use of Proceeds

Initial public offering in September 2017

On September 19, 2017, we completed our initial public offering on the New York Stock Exchange. The registration statement on Form F-1 (File No. 333-219973) filed by us in connection with the initial public offering was declared effective on September 19, 2017.

The net proceeds to us from the offering, after deducting underwriting discounts and commissions and offering expenses, amounted to \$253.5 million. We have not allocated our net proceeds from our initial public offering to any particular purpose. Rather, our management has considerable discretion in the application of the net proceeds that we received.

As of the date hereof, a substantial portion of the net proceeds from our initial public offering have been allocated to acquisitions, investments and general corporate purposes, including share repurchases, working capital and restructuring efforts related to the COVID-19 pandemic, and certain growth initiatives. No amount of the net proceeds has been paid to officers, directors, general partners or their associates nor to persons owning 10% or more of any class of our equity securities nor to any of our other affiliates.

ITEM 15 CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as of December 31, 2023.

We have established disclosure controls and procedures to ensure that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Such information is accumulated and made known to the officers who certify our financial reports and to other members of senior management and the Disclosure Committee as appropriate to allow timely decisions regarding required disclosure.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, we, with the participation of our Chief Executive Officer and our Chief Financial Officer, concluded that as of December 31, 2023, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms, and that it is communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

B. Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. Our internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that our receipts and expenditures are being made only in accordance with authorizations of management of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

[Table of Contents](#)

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

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2023. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework (2013). Based on our assessment and those criteria, management concluded that the Company maintained effective internal control over financial reporting as of December 31, 2023.

C. Attestation Report of the Registered Public Accounting Firm

The effectiveness of the Company's internal control over financial reporting as of December 31, 2023 has been audited by Price Waterhouse & Co. S.R.L., an independent registered public accounting firm, as stated in their report which is included herein.

D. Changes in Internal Control Over Financial Reporting

Management has evaluated, with the participation of our Chief Executive Officer and our Chief Financial Officer, whether any changes in our internal control over financial reporting that occurred during our last fiscal year have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on the evaluation we conducted, management concluded that no such changes have occurred.

ITEM 16 [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our audit committee consists of Mr. Mario Eduardo Vázquez, Mr. Michael James Doyle II and Mr. Martín Rastellino, with Mr. Vázquez serving as chair. Messrs. Vázquez, Doyle and Rastellino satisfy the independence requirements of Rule 10A-3 under the Exchange Act. Our board of directors also has determined that Messrs. Vázquez, Doyle and Rastellino qualify as audit committee financial experts within the meaning of the SEC rules.

ITEM 16B. CODE OF ETHICS

We have adopted a written code of business conduct and ethics that provides that our officers and directors are expected to avoid any action, position or interest that conflicts with the interests of our company or gives the appearance of a conflict. Officers and directors have an obligation under our code of business conduct and ethics to advance our company's interests when the opportunity to do so arises. The full text of our code of business conduct and ethics is available on our website, <https://investor.despegar.com/governance/governance-documents/default.aspx>

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our consolidated financial statements prepared in accordance with U.S. GAAP are audited by Price Waterhouse & Co. S.R.L., a firm registered with the Public Company Accounting Oversight Board in the United States.

[Table of Contents](#)

The following table shows the aggregate fees for services rendered by Price Waterhouse & Co. S.R.L. to us, including our subsidiaries, in fiscal years 2023 and 2022.

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Audit fees (audit of financial statements) ⁽¹⁾	\$ 2,395	\$ 2,545
Audit-Related Fees ⁽²⁾	160	—
Tax fees (other certifications and tax advisory services) ⁽³⁾	411	464
All other fees (advisory services) ⁽⁴⁾	354	—
Total	\$ 3,321	\$ 3,009

- (1) Includes fees related to the audit of the consolidated financial statements as of December 31, 2023 and 2022 and for the years then ended.
- (2) Includes fees for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the registrant's financial statements and other permitted services over other financial information and non-financial information. These fees are not reported under the audit fees item above.
- (3) Includes fees for permitted tax compliance and tax advisory services.
- (4) Includes fees for permitted due diligence transactions.

Audit Committee Pre-approval Process

Our audit committee reviews and pre-approves the scope and the cost of audit services related to us and permissible non-audit services performed by the independent auditors, other than those for *de minimis* services which are approved by the audit committee prior to the completion of the audit.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

None.

ITEM 16G. CORPORATE GOVERNANCE

As a foreign private issuer, we are permitted under NYSE rules to follow home country corporate governance practices instead of the NYSE requirements, except that we must maintain an audit committee of the board of directors that meets the requirements of Exchange Act Rule 10A-3 and disclose in our annual reports on Form 20-F any significant ways in which our corporate governance practices differ from those followed by U.S. domestic listed companies under NYSE listing standards.

As a foreign private issuer, we follow the corporate governance practices of our home country, the British Virgin Islands ("BVI") instead of nearly all of the NYSE's corporate governance requirements, as described in more detail below. See also "ITEM 6. Directors, Senior Management and Employees—C. Board Practices."

Differences in Corporate Law

[Table of Contents](#)

Requirement	NYSE Requirement FOR US Listed Companies	BVI Law	Despegar Practice
Executive Sessions of Independent Directors	Independent directors of a NYSE-listed company must have meetings at which only the independent directors are present.	BVI law does not require us to hold executive sessions of the board of directors.	We do not hold independent directors' meetings.
Audit Committee	Must have an audit committee with the specific responsibilities and authority necessary to comply with SEC rules. Members must meet all of the independence requirements of the NYSE, as well as the SEC Rule 10A-3 independence requirements (subject to any available exemptions).	BVI law does not require an independent audit committee.	Our board of directors has established an audit committee that complies with SEC Rule 10A-3 independence requirements only, and not other general NYSE independence standards.
Internal Audit Function	Must have an internal audit function. This function may be performed by a third party.	BVI law does not require an internal audit function.	We do not have an internal audit function.
Compensation of Executive Officers	Must have a compensation committee consisting solely of independent directors. Must satisfy the additional independence requirements specific to compensation committee membership.	BVI law does not require an independent compensation committee.	The board of directors has established a nomination and compensation committee. However, its members are not all independent in accordance with NYSE listing standards.
Nomination of Directors	Must have a nominating/corporate governance committee consisting solely of independent directors.	BVI law does not require an independent nominating committee.	The board of directors has established a nomination and compensation committee. However, its members are not all independent in accordance with NYSE listing standards.
Corporate Governance Guidelines	Company must adopt and disclose corporate governance guidelines	BVI law does not require corporate governance guidelines.	We do not have corporate governance guidelines.
Shareholder Approval of Equity Compensation Plans and Certain Other Share Issuances	Shareholders must approve all equity-compensation plans and material revisions thereto, with limited exemptions. Shareholder approval also required for certain other dilutive and related party equity issuances.	BVI law does not require shareholder approval of equity compensation plans or such other share issuances.	We have not and do not intend to submit for shareholder approval any equity-compensation plans or the other dilutive and related party equity issuances covered by NYSE rules.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16K. CYBERSECURITY

We have a cybersecurity strategy designed to identify and manage material risks from cybersecurity threats. Our cybersecurity risk management program and strategy is aligned to our governance and oversight and prioritizes both the corporate information technology environment and customer-facing products.

Risk management and strategy

Our cybersecurity risk management program is based on the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF), and on recognized best practices and standards for cybersecurity and information technology. We believe that our processes provide us with a comprehensive assessment of potential cyber threats and we are working towards achieving a level of maturity in all relevant dimensions. We conduct regular scans, penetration tests, and vulnerability assessments to identify potential threats or vulnerabilities in our systems.

The Company's cybersecurity risk management program is composed of the following key elements:

- **Governance.** As discussed in more detail under the heading "Cybersecurity Governance" below, as part of its general oversight duties, the Board is supported in its oversight of cybersecurity risks by the Audit Committee, which regularly interacts with the Company's Internal Audit function, the Company's VP of Security Engineering ("CISO") and the Company's Chief Technology Officer ("CTO").
- **Risk Assessment and Management.** The Company's cybersecurity risk management program is based on industry standard information security principles and best practices, specifically the NIST Cybersecurity Framework and the Payment Card Industry Data Security Standard ("PCI DSS"). The program uses a proactive approach to regularly identify and assess cybersecurity threats, vulnerabilities and risks, and to evaluate the effectiveness of implemented security controls through internal audits, external threat intelligence, and periodic external independent assessments. Risks identified and assessed through the cybersecurity risk management program are then communicated to our senior leadership team and used to prioritize risks based on their potential impact and likelihood as part of our dynamic risk response strategy.
- **Incident Response.** We have developed a cyber crisis response plan which provides a documented framework for handling high severity security incidents and facilitates coordination across multiple parts of the company. Our incident response team constantly monitors threat intelligence feeds, handles vulnerability management and responds to incidents.
- **Third-Party Risk Management.** Our external service provider management program requires third-party service providers who manage sensitive information to comply with our security standards, including notification procedures in the event of an incident involving Company confidential information.
- **Education and Awareness.** The Company's mandatory annual cybersecurity employee training program covers critical aspects of digital security, including phishing prevention, threat awareness and safe data handling practices. The annual training program is regularly refreshed based on the evolving security landscape and secure code development. It is also supplemented by awareness initiatives to keep Company personnel updated on cybersecurity threats and the latest security policies and instill a culture of security mindfulness across the organization.

We have experienced, and are continually subject to, cyber-attacks in the normal course of our business. While these past cyber-attacks have not materially affected or, in our belief, are reasonably likely to materially affect us, future cybersecurity incidents and threats may materially affect us, including by affecting our business strategy, results of operations, or financial condition. See "Item 3. Key Information— Risk Factors— Any system interruption, security breaches, or lack of sufficient redundancy in our information systems may harm our businesses."

Cybersecurity Governance

The Board, in coordination with the Audit Committee, oversees the Company's risk management program, which includes risks arising from cybersecurity threats. The Company's CISO and/or the Company's CTO quarterly meet with the Audit Committee to discuss information security and cybersecurity programs, progress updates on the Company's key cybersecurity initiatives and related priorities and controls. Additionally, the Audit Committee is promptly apprised of any

[Table of Contents](#)

cybersecurity incident that meets established reporting thresholds, and receives ongoing updates regarding any such incident until it has been resolved. At each regularly scheduled Board meeting, the Audit Committee Chair provides the full Board with an update on all significant matters discussed, reviewed, considered and approved by the committee since the last regularly scheduled Board meeting.

The Company's CISO, in coordination with the Chief Executive Officer ("CEO") and CTO, works collaboratively across the Company to implement and monitor a program designed to protect the Company's information systems from cybersecurity threats and to promptly respond to any cybersecurity incidents in accordance with the Company's cybersecurity incident response plan and its security policy. To facilitate the success of the Company's cybersecurity risk management program, multidisciplinary teams throughout the Company are deployed to address cybersecurity threats and to respond to cybersecurity incidents. Through ongoing communications with these teams, the CISO, the CTO and other executive leadership team members are informed about and monitor the prevention, detection, mitigation and remediation of cybersecurity threats and incidents in real time, and report risks from cybersecurity threats and cybersecurity incidents to the Audit Committee when appropriate.

The CISO has extensive information technology and program management experience, including serving in similar roles leading and overseeing cybersecurity programs at other public companies, and has cybersecurity certifications, such as the Certified Information Systems Security Professional certification. The CISO holds a Bachelor of Science in Computer Science and is a Certified Information Systems Security Professional (CISSP) and a Certified Ethical Hacker (CEH). The Company's CTO holds an undergraduate degree in electronic engineering. The Company's CEO, CFO and CLO each hold undergraduate and graduate degrees in their respective fields, and each have extensive experience managing risks at the Company and at similar companies, including risks arising from cybersecurity threats.

PART III.

ITEM 17 FINANCIAL STATEMENTS

Not applicable.

ITEM 18 FINANCIAL STATEMENTS

See our consolidated financial statements beginning at page F-1.

ITEM 19 EXHIBITS

The agreements and other documents filed as exhibits to this Annual Report on Form 20-F are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and for the benefit of the other parties to the agreements and they may not describe the actual state of affairs as of the date they were made or at any other time.

The exhibit index attached hereto is incorporated herein by reference.

EXHIBIT INDEX

Exhibit Number	Description
1.1	Memorandum of Association and Articles of Association of Despegar.com, Corp., Amended and Restated on December 11, 2023 (incorporated by reference to Exhibit 3.1 to the Current Report filed on Form 6-K, filed on December 14, 2023)
2.1	Sixth Amended and Restated Investors' Rights Agreement, dated as of August 29, 2017, by and among the Company and the shareholders named therein (incorporated by reference to Exhibit 4.1 to the Registration Statement filed on Form F-1, filed on August 31, 2017)

Table of Contents

- 2.2 [Letter Agreement, dated as of August 20, 2020, relating to the Sixth Amended and Restated Investors' Rights Agreement, dated as of August 29, 2017 by Despegar.com, Corp. and the shareholders named therein \(incorporated by reference to Exhibit 4.4 to the Current Report filed on Form 6-K, filed on August 21, 2020\)](#)
- 2.3 [Fourth Amended and Restated Voting Agreement, dated as of August 29, 2017, by and among the Company and the shareholders named therein \(incorporated by reference to Exhibit 4.3 to the Registration Statement filed on Form F-1, filed on August 31, 2017\)](#)
- 2.4 [Nominating Agreement, dated as of October 21, 2020, by and among Despegar.com, Corp. and Expedia, Inc. \(incorporated by reference to Exhibit 4.1 to the Current Report filed on Form 6-K, filed on August 21, 2020\)](#)
- 2.5 [Registration Rights Agreement, dated as of September 18, 2020 by and among Despegar.com, Corp. and LCLA Daylight LP \(incorporated by reference to Exhibit 4.5 to the Annual Report on Form 20-F filed on April 30, 2021\)](#)
- 2.6 [Ordinary Shares Purchase Warrant \(Penny Warrant\), dated September 18, 2020 issued by Despegar.com, Corp. in favor of LCLA Daylight LP \(incorporated by reference to Exhibit 4.7 to the Annual Report on Form 20-F filed on April 30, 2021\)](#)
- 2.7 [Description of Securities Registered under Section 12\(b\) of the Exchange Act \(incorporated by reference to Exhibit 2.1 to the Annual Report filed on Form 20-F, filed on April 10, 2020\)](#)
- 4.1## [Amended and Restated Expedia Outsourcing Agreement dated as of November 14, 2019, among Expedia, Inc. and Decolar.com Inc., Travel Reservations S.R.L., Despegar.com.ar S.A., Decolar.com Ltda., Despegar.com Mexico S.A. de C.V., Despegar.com Peru SAC, Despegar.com Chile SpA., Despegar Colombia S.A.S., Viajes Despegar.com O.N.L.I.N.E. S.A., Despegar Ecuador S.A., Despegar.com USA, Inc., Despegar.com Panama S.A., and Holidays S.A. \(incorporated by reference to Exhibit 4.1 to the Annual Report filed on Form 20-F, filed on April 10, 2020\)](#)
- 4.2*## [Amendments to the Amended and Restated Lodging Outsourcing Agreement, dated as of October 21, 2021, June 7, 2022, October 27, 2022, November 18, 2022, June 12, 2023 and September 29, 2023, among Expedia, Inc., Travel Reservations S.R.L., Decolar.com, Inc., and each of the subsidiaries of Decolar Inc. parties thereto](#)
- 4.3# [Amended and Restated Despegar Outsourcing Agreement dated as of July 12, 2017, among Expedia, Inc., Travelscape, LLC, Vacation Spot S.L., Hotels.com L.P., AAE Travel Pte., Ltd., Expedia Lodging Partner Services, Sarl and Hotwire, Inc. and Travel Reservations S.R.L. \(incorporated by reference to Exhibit 10.2 to the Registration Statement filed on Form F-1, filed on August 31, 2017\)](#)
- 4.4 [Investment Agreement, dated as of August 20, 2020, by and between Despegar.com, Corp. and LCLA Daylight LP \(incorporated by reference to Exhibit 4.1 to the Current Report filed on Form 6-K, filed on August 21, 2020\)](#)
- 4.5 [Investment Agreement, dated as of August 20, 2020, by and between Despegar.com, Corp. and Waha LATAM Investment Limited \(incorporated by reference to Exhibit 4.2 to the Current Report filed on Form 6-K, filed on August 21, 2020\)](#)
- 4.6 [Decolar.com, Inc. 2015 Stock Plan \(incorporated by reference to Exhibit 10.3 to the Registration Statement filed on Form F-1, filed on August 31, 2017\)](#)
- 4.7 [Despegar.com, Amended and Restated 2016 Stock Incentive Plan, as amended through April 26, 2023 \(incorporated by reference to Exhibit 4.9, to the Registration Statement filed on Form S-8, filed on May 2, 2023\)](#)
- 8.1* [List of Subsidiaries of Despegar](#)
- 12.1* [Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 12.2* [Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 13.1* [Certification by Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 13.2* [Certification by Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 23.1* [Consent of Price Waterhouse & Co. S.R.L., Independent Registered Public Accounting Firm](#)
- 97* [Incentive Compensation Clawback Policy](#)

[Table of Contents](#)

101. INS*	XBRL Instance Document
101. SCH*	XBRL Taxonomy Extension Schema Document With Embedded Linkbase Documents

* Filed herewith

Confidential treatment requested granted with respect to portions of this exhibit.

*## Portions of this exhibit have been omitted because they are both (i) not material and (ii) would likely cause competitive harm to the Company if publicly disclosed.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on Form 20-F on its behalf.

DESPEGAR.COM, CORP.

By: /s/Damián Scokin

Name: Damián Scokin

Title: Chief Executive Officer

Date: April 26, 2024

INDEX TO FINANCIAL STATEMENTS

Consolidated Financial Statements as of December 31, 2023 and 2022 and for the three years ended December 31, 2023:

Report of Independent Registered Public Accounting Firm - PCAOB - ID 1349	F-2
Consolidated Balance Sheets as of December 31, 2023 and 2022	F-7
Consolidated Statements of Operations for the years ended December 31, 2023, 2022 and 2021	F-8
Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2023, 2022 and 2021	F-9
Consolidated Statements of Changes in Shareholders' (Deficit) Equity for the years ended December 31, 2023, 2022 and 2021	F-10
Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021	F-11
Notes to the Consolidated Financial Statements	F-13



Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Despegar.com, Corp.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying Consolidated Balance Sheets of Despegar.com, Corp. and its subsidiaries (the “Company”) as of December 31, 2023 and 2022, and the related Consolidated Statements of Operations, Consolidated Statements of Comprehensive Income (Loss), Consolidated Statements of Changes in Shareholders’ (Deficit) Equity and Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2023, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Annual Report on Internal Control Over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.



Definition and Limitations of Internal Control over Financial Reporting

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

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

Critical Audit Matters

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

Goodwill and Indefinite-Lived Intangible Assets Impairment Assessment

As described in Notes 3, 14 and 15 to the consolidated financial statements, the Company's goodwill and indefinite-lived intangible asset balances were \$150.8 million and \$13.9 million as of December 31, 2023, respectively. Management conducts an impairment assessment as of December 31 of each year, or more frequently if events or circumstances indicate that the carrying values of goodwill and indefinite-lived intangible assets may be impaired. An impairment charge of goodwill is recorded based on the excess of the reporting unit's carrying amount over its fair value. An impairment charge of indefinite-lived intangible assets is recorded for the excess of their carrying values over their fair values. As of December 31, 2023, management performed the annual goodwill and indefinite-lived intangible assets impairment assessments and determined there was no impairment of goodwill or indefinite-lived intangible assets. The fair value of reporting units is estimated by management using a discounted cash flow model. The fair value of indefinite-lived intangible assets is estimated by management using an income approach under the relief-from-royalty method. The determination of the fair values of the Company's reporting units and indefinite-lived intangible assets includes significant and numerous judgments and assumptions that are subject to various risks and uncertainties. The significant assumptions used in management's models consisted of the forecasted gross bookings; forecasted revenues, net of the most significant costs and expenses; the discount rate and royalty rates.

The principal considerations for our determination that performing procedures relating to the goodwill and indefinite-lived intangible assets impairment assessments is a critical audit matter are (i) the significant judgment by management when developing the fair values of the reporting units and indefinite-lived intangible assets; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions used in the models related to the forecasted gross bookings; forecasted revenues, net of the most significant costs and expenses; the discount rate and the royalty rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls



relating to management's goodwill and indefinite-lived intangible assets impairment assessments, including controls over the valuation of the Company's reporting units and indefinite-lived intangible assets. These procedures also included, among others (i) testing management's process for developing the fair value estimates of reporting units and indefinite-lived intangible assets; (ii) evaluating the appropriateness of the models used; (iii) testing the completeness and accuracy of underlying data used in the models; and (iv) evaluating the reasonableness of the significant assumptions used by management in the models related to the forecasted gross bookings; forecasted revenues, net of the most significant costs and expenses, the discount rate and the royalty rates. Evaluating management's assumptions used in the models related to the forecasted gross bookings; and forecasted revenues, net of the most significant costs and expenses involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the reporting units and the Company's business; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow model, the income approach under the relief from royalty method and the discount rate and royalty rate assumptions.

Audit of Commissions and Service Fee Revenues

As described in Notes 3 and 22 to the consolidated financial statements, the Company's revenues derived from commissions and service fees were \$607.3 million for the year ended December 31, 2023, representing 86% of the Company's total consolidated revenues. These revenues are generated by providing online travel reservation services, which principally allow travelers to book travel reservations with travel service providers through the Company's platforms.

The principal considerations for our determination that performing procedures relating to the audit of revenues derived from commissions and service fees is a critical audit matter are (i) the significant complexity of the Company's processes for calculating and recording commissions and service fee revenue transactions, which in turn led to (ii) a significant effort in performing procedures and evaluating audit evidence related to such processes; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's processes for calculating and recording commissions and service fee revenue transactions. These procedures also included, among others (i) performing detailed commissions and service fee revenue transactions testing by agreeing the amounts recognized to source documents; and (ii) testing the mathematical accuracy of the recorded commissions and service fee revenue transactions. Professionals with specialized skill and knowledge were used to assist in the testing of the effectiveness of controls relating to management's processes for calculating and recording commissions and service fee revenue transactions.

/s/ PRICE WATERHOUSE & CO. S.R.L.

/s/ Walter Rafael Zablocky (Partner)

Walter Rafael Zablocky

Buenos Aires, Argentina
April 26, 2024

We have served as the Company's auditor since 2007.

Despegar.com, Corp.

Consolidated Balance Sheets as of December 31, 2023 and 2022
(In thousands of U.S. dollars)

	As of December 31,	As of December 31,
	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 214,575	\$ 219,167
Restricted cash	\$ 25,947	\$ 25,879
Trade accounts receivable, net of allowances of \$6,809 and \$10,529	\$ 183,393	\$ 147,398
Loans receivable, net of allowances of \$13,111 and \$11,938	\$ 21,385	\$ 15,385
Related party receivable	\$ 16,646	\$ 10,676
Other assets and prepaid expenses	\$ 52,287	\$ 46,621
Assets held for sale	\$ 23,019	\$ —
Total current assets	\$ 537,252	\$ 465,126
Non-current assets		
Restricted cash	\$ 932	\$ —
Other assets and prepaid expenses	\$ 78,886	\$ 69,784
Loans receivable, net of allowances of \$472 and \$473	\$ 1,741	\$ 1,185
Lease right-of-use assets	\$ 21,950	\$ 22,428
Property and equipment, net	\$ 16,400	\$ 15,532
Intangible assets, net	\$ 90,421	\$ 91,500
Goodwill	\$ 150,752	\$ 138,637
Total non-current assets	\$ 361,082	\$ 339,066
TOTAL ASSETS	\$ 898,334	\$ 804,192
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	\$ 51,932	\$ 58,024
Travel accounts payable	\$ 355,387	\$ 287,426
Related party payable	\$ 88,248	\$ 37,472
Short-term debt and other financial liabilities	\$ 28,530	\$ 29,931
Deferred revenue	\$ 31,804	\$ 23,348
Other liabilities	\$ 94,693	\$ 114,221
Contingent liabilities	\$ 6,080	\$ 7,982
Lease liabilities	\$ 6,035	\$ 6,081
Liabilities held for sale	\$ 8,370	\$ —
Total current liabilities	\$ 671,079	\$ 564,485
Non-current liabilities		
Other liabilities	\$ 12,631	\$ 20,845
Contingent liabilities	\$ 14,738	\$ 30,593
Long-term debt and other financial liabilities	\$ 2,262	\$ 5,119
Lease liabilities	\$ 16,970	\$ 17,151
Related party liability	\$ 125,000	\$ 125,000
Total non-current liabilities	\$ 171,601	\$ 198,708
TOTAL LIABILITIES	\$ 842,680	\$ 763,193
Series A non-convertible preferred shares, no par value, 150,000 shares authorized, issued and outstanding	\$ 134,773	\$ 121,449
Series B convertible preferred shares, no par value, 50,000 shares authorized, issued and outstanding	\$ 46,700	\$ 46,700
TOTAL MEZZANINE EQUITY	\$ 181,473	\$ 168,149
SHAREHOLDERS' DEFICIT		
Common stock (1)	\$ 292,226	\$ 287,553
Additional paid-in capital	\$ 291,440	\$ 323,706
Other reserves	\$ (728)	\$ (728)
Accumulated other comprehensive loss	\$ (11,658)	\$ (16,092)
Accumulated losses	\$ (618,832)	\$ (643,322)
Treasury Stock	\$ (78,267)	\$ (78,267)
Total Shareholders' Deficit	\$ (125,819)	\$ (127,150)
TOTAL LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' DEFICIT	\$ 898,334	\$ 804,192

(1) Represents 72,908 shares (in thousands) issued as of December 31, 2023 and 72,316 shares (in thousands) issued as of December 31, 2022. See Note 27.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.

Consolidated Statements of Operations
for the years ended December 31, 2023, 2022 and 2021
(In thousands of U.S. dollars, except per share data in U.S. dollars)

	For the year ended December 31,		
	2023	2022	2021
Revenue (1)	\$ 706,040	\$ 537,972	\$ 322,843
Cost of revenue	(228,938)	(182,898)	(160,240)
Gross profit	\$ 477,102	\$ 355,074	\$ 162,603
Operating expenses			
Selling and marketing	\$ (220,361)	\$ (165,150)	\$ (95,290)
General and administrative	(77,766)	(101,521)	(83,694)
Technology and product development	(109,130)	(89,992)	(74,743)
Impairment of long-lived assets and goodwill	—	—	(5,106)
Other operating expense, net	(4,546)	—	—
Total operating expenses	\$ (411,803)	\$ (356,663)	\$ (258,833)
(Loss) / Gain from equity investments	(1,060)	(164)	342
Operating income / (loss)	\$ 64,239	\$ (1,753)	\$ (95,888)
Financial results, net	(36,633)	(45,459)	(10,207)
Income / (Loss) before income taxes	\$ 27,606	\$ (47,212)	\$ (106,095)
Income tax (expense) benefit	(3,116)	(21,309)	230
Net income / (loss) for the year	\$ 24,490	\$ (68,521)	\$ (105,865)
Net loss attributable to redeemable non-controlling interest	—	—	1,237
Net income / (loss) attributable to Despegar.com, Corp.	\$ 24,490	\$ (68,521)	\$ (104,628)

(1) Includes \$40,288, \$24,220 and \$19,205 for related party transactions for the years 2023, 2022 and 2021, respectively. See Note 24.

Losses per share available to common shareholders (Note 26):

Basic	\$ (0.09)	\$ (1.28)	\$ (1.75)
Diluted	\$ (0.09)	\$ (1.28)	\$ (1.75)

Shares used in computing losses per share (in thousands):

Basic	77,170	76,823	76,653
Diluted	77,170	76,823	76,653

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.**Consolidated Statements of Comprehensive Income (Loss)
for the years ended December 31, 2023, 2022 and 2021**
(In thousands of U.S. dollars)

	For the year ended December 31,		
	2023	2022	2021
Net income / (loss) for the year	\$ 24,490	\$ (68,521)	\$ (105,865)
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustment	4,434	1,973	(5,485)
Comprehensive income / (loss) for the year	\$ 28,924	\$ (66,548)	\$ (111,350)
Net loss attributable to redeemable non-controlling interest	—	—	1,237
Foreign currency translation adjustment attributable to redeemable non-controlling interest	—	—	143
Comprehensive income / (loss) attributable to Despegar.com, Corp.	\$ 28,924	\$ (66,548)	\$ (109,970)

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.

**Consolidated Statements of Changes in Shareholders' (Deficit) Equity
for the years ended December 31, 2023, 2022 and 2021**
(In thousands of U.S. dollars)

	Common stock		Additional paid-in capital	Other reserves	Accumulated other comprehensive income / (loss)	Accumulated losses	Treasury Stock	Total equity / (deficit)
	Number of shares issued (in thousands)	Amount						
Balance as of January 1, 2021	70,099	\$ 265,698	\$ 379,780	\$ (728)	\$ (12,580)	\$ (470,173)	\$ (68,267)	\$ 93,730
Stock-based compensation expense	—	—	12,338	—	—	—	—	12,338
Foreign currency translation adjustment	—	—	—	—	(5,485)	—	—	(5,485)
Exercise of stock-based awards	1,147	14,234	(12,712)	—	—	—	—	1,522
Net loss for the year	—	—	—	—	—	(104,628)	—	(104,628)
Accretion of Series A non-convertible preferred shares	—	—	(10,600)	—	—	—	—	(10,600)
Accrual of cumulative dividends of Series A non-convertible preferred shares	—	—	(15,251)	—	—	—	—	(15,251)
Accrual of dividends of Series B convertible preferred shares	—	—	(2,000)	—	—	—	—	(2,000)
Accretion of redeemable non-controlling interest	—	—	(1,355)	—	—	—	—	(1,355)
Balance as of December 31, 2021	71,246	\$ 279,932	\$ 350,200	\$ (728)	\$ (18,065)	\$ (574,801)	\$ (68,267)	\$ (31,729)
Stock – based compensation expense	—	—	7,292	—	—	—	—	7,292
Foreign currency translation adjustment	—	—	—	—	1,973	—	—	1,973
Exercise of stock-based awards	1,070	7,621	(7,254)	—	—	—	—	367
Net loss for the year	—	—	—	—	—	(68,521)	—	(68,521)
Treasury Stock	—	—	—	—	—	—	(10,000)	(10,000)
Accretion of Series A non-convertible preferred shares	—	—	(11,884)	—	—	—	—	(11,884)
Accrual of cumulative dividends of Series A non-convertible preferred shares	—	—	(15,375)	—	—	—	—	(15,375)
Accretion of redeemable non-controlling interest	—	—	(473)	—	—	—	—	(473)
Accrual of dividends of Series B convertible preferred shares	—	—	(2,000)	—	—	—	—	(2,000)
Redemption of non-controlling interest	—	—	3,200	—	—	—	—	3,200
Balance as of December 31, 2022	72,316	\$ 287,553	\$ 323,706	\$ (728)	\$ (16,092)	\$ (643,322)	\$ (78,267)	\$ (127,150)
Stock – based compensation expense	—	—	3,454	—	—	—	—	3,454
Foreign currency translation adjustment	—	—	—	—	4,434	—	—	4,434
Exercise of stock-based awards	592	4,673	(4,646)	—	—	—	—	27
Net income for the year	—	—	—	—	—	24,490	—	24,490
Accretion of Series A non-convertible preferred shares	—	—	(13,324)	—	—	—	—	(13,324)
Accrual of cumulative dividends of Series A non-convertible preferred shares	—	—	(15,750)	—	—	—	—	(15,750)
Accrual of dividends of Series B convertible preferred shares	—	—	(2,000)	—	—	—	—	(2,000)
Balance as of December 31, 2023	72,908	\$ 292,226	\$ 291,440	\$ (728)	\$ (11,658)	\$ (618,832)	\$ (78,267)	\$ (125,819)

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.

Consolidated Statements of Cash Flows
for the years ended December 31, 2023, 2022 and 2021
(In thousands of U.S. dollars)

	For the year ended December 31,		
	2023	2022	2021
Cash flows from operating activities:			
Net income / (loss)	\$ 24,490	\$ (68,521)	\$ (105,865)
Adjustments to reconcile net income / (loss) to net cash flows from operating activities:			
Net loss attributable to redeemable non-controlling interest	—	—	1,237
Unrealized foreign currency loss	50,068	11,937	3,310
Changes in fair value of earnout liability	1,598	(2,113)	(841)
Changes in seller indemnification	(1,598)	2,113	841
Loss / (gain) from equity investments	1,060	164	(342)
Depreciation expense	8,535	7,018	6,917
Amortization expense	27,975	28,985	27,288
Impairment of long-lived assets and goodwill	—	—	5,106
Other operating expense, net	4,546	—	—
Stock-based compensation expense	3,454	7,292	12,338
Amortization of lease right-of-use assets	6,930	5,095	5,319
Interest and penalties	4,207	2,428	1,263
Income tax (benefit) / expense	(14,143)	11,981	(12,625)
Allowance for credit expected losses	12,044	12,747	3,238
Provision for contingencies	1,795	18,060	3,862
Changes in assets and liabilities, net of non-cash transactions:			
Increase in trade accounts receivable, net of credit expected loss	(70,196)	(16,690)	(63,003)
Increase in loans receivable, net of allowance	(7,137)	(10,179)	(6,462)
(Increase) / Decrease in related party receivable	(8,440)	9,610	(12,138)
(Increase) / Decrease in other assets and prepaid expenses	(47,719)	28,069	(14,045)
Increase in accounts payable and accrued expenses	7,250	4,398	21,631
Increase in travel accounts payable	61,945	837	44,544
Increase / (Decrease) in other liabilities	2,750	(750)	29,372
Decrease in contingent liabilities	(22,052)	(22,587)	(1,577)
Increase in related party payable	50,243	1,900	15,418
Decrease in lease liabilities	(7,647)	(4,589)	(5,792)
Increase in deferred revenue	12,772	9,497	4,534
Net cash flows provided by / (used in) operating activities	\$ 102,730	\$ 36,702	\$ (36,472)
Cash flows from investing activities:			
Origination of loans receivable	(21,048)	(17,562)	(2,169)
Collection of loans receivable	9,456	7,289	433
Payments for acquired business, net of cash acquired	—	(7,019)	(5,750)
Payment for other assets	—	(3,190)	—
Acquisition of property and equipment	(9,820)	(4,288)	(2,368)
Capital expenditures, including internal-use software and website development	(31,146)	(26,372)	(18,823)
Net cash flows used in investing activities	\$ (52,558)	\$ (51,142)	\$ (28,677)
Cash flows from financing activities:			
Net increase / (decrease) of short-term debt	4,725	(57)	(178)
Proceeds from issuance of short-term debt	29,145	31,572	17,034
Payment of short-term debt	(33,277)	(26,970)	(9,803)
Proceeds from issuance of long-term debt	—	—	3,943
Payment of long-term debt	(6,168)	(4,156)	(2,913)
Payment of promissory notes of Best Days acquisition	(16,648)	—	—
Purchase of treasury stock	—	(10,000)	—
Payments of debenture issuance by securitization program	(5,789)	—	—
Payments of expenses related to preferred shares and warrants	—	—	(170)
Payments for acquired non-controlling interest	—	(3,200)	—
Collect on debenture issuance by securitization program	7,534	4,545	—
Exercise of stock-based awards	4	340	889
Payment of dividends to stockholders Series A and Series B convertible preferred shares	(17,750)	(17,375)	(9,972)
Net cash flows used in financing activities	\$ (38,224)	\$ (25,301)	\$ (1,170)
Effect of exchange rate changes on cash and cash equivalents	(6,205)	5,564	(4,943)
Net increase / (decrease) in cash and cash equivalents	\$ 5,743	\$ (34,177)	\$ (71,262)
Cash and cash equivalents and restricted cash as of beginning of the year	245,046	279,223	350,485
Cash and cash equivalents and restricted cash as of end of the year	250,789	245,046	279,223

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.**Consolidated Statements of Cash Flows**
for the years ended December 31, 2023, 2022 and 2021 (Continued)
(In thousands of U.S. dollars)

	For the year ended December 31,		
	2023	2022	2021
Supplemental cash flow information			
Cash paid for income tax	\$ 17,347	\$ 8,550	\$ 2,455
Interest paid	\$ 43,411	\$ 8,484	\$ 5,161

Conciliation of Cash and cash equivalents:

	As of December 31, 2023	
Cash and cash equivalents as of end of the year	\$	250,789
Cash and cash equivalents related to business classified as held for sale (Note 32)	\$	9,335
Cash and cash equivalents as of end of the year, net of business held for sale	\$	241,454

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements
(In thousands of U.S. dollars, except per share data in U.S. dollars)

1. Business

Despegar.com, Corp. and its subsidiaries provide travel products and services to leisure and corporate travelers in several countries in Latin America and the United States, as well as advertising and media solutions to advertisers. We offer these travel products and services through our portfolio of key trademarks: “Despegar,” “Despegar.com”, “Decolar”, “Decolar.com”, “Best Day”, “BD Experience”, “HotelDo”, “Viajanet” and “Stays”. Through Koin, the financial services company solution, we extend loans to our travel customers and certain consumers of other merchants. We refer to Despegar.com, Corp. and its subsidiaries collectively as the “Despegar Group”, the “Company”, “us”, “we” and “our”, as the context requires, in these consolidated financial statements.

Impact of COVID-19

The COVID-19 pandemic, and measures to contain the virus, had an unprecedented impact on the global travel industry and materially and negatively impacted our business, financial results and financial condition. 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, and countries around the world reopened their borders for foreign travel.

As a result of the deterioration of our business due to the COVID-19 pandemic, we incurred significant losses during 2020 and 2021 which increased our accumulated losses to \$643.3 million as of December 31, 2022 which led to a shareholders’ deficit of \$127.2 million as of that date. From 2022 onwards, positive cash flows were generated from operations, accompanied by an increase in sales of 67% in 2022 and 119% in 2023, reducing the shareholders’ deficit to \$125.8 million as of December 31, 2023. In addition, our cash and cash equivalents balance amounted to \$214.6 million as of December 31, 2023.

We continuously monitor our business performance, revenue and costs, our current and projected liquidity and operating plans. These assessments require the use of various internal and external information to build projections, including estimates from industry associations, such as the International Air Transport Association (“IATA”), which is expecting that travel will continue to improve during the coming years. We have taken and continue to take actions to improve our liquidity, including managing our cost structure and spending where possible to mitigate any anticipated loss of revenue. The principal assumptions used in our cash flow analyses to estimate future liquidity requirements consisted of forecasting gross bookings and revenues, net of our most significant costs and expenses, forecasting working capital requirements and commitments, including but not limited to our preferred dividends, debt payments and acquisition commitments. Based on these actions and assumptions and considering our available cash and cash equivalents balance as of December 31, 2023, we anticipate that based on our current operating plan we have sufficient cash and cash equivalents to fund our operations and comply with our commitments for at least the next 12 months as from the issuance of these consolidated financial statements.

2. Basis of consolidation and presentation

Basis of presentation

We prepared these consolidated financial statements in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”).

Our consolidated financial statements include the accounts of Despegar.com, Corp., our wholly owned subsidiaries, and entities in which we have a variable interest, and we are the primary beneficiary as 'Vert' and 'K-FIDC', please see Note 11.

We record redeemable or non-redeemable non-controlling interest in our consolidated financial statements to recognize the minority ownership interest in our consolidated subsidiaries. Non-controlling interest in the earnings and losses of consolidated subsidiaries represent the share of net income or loss allocated to members or partners in our consolidated entities. As of December 31, 2023, there is no outstanding amount of redeemable non-controlling interest. We consolidate our subsidiaries from the date on which we obtain control. We deconsolidate any subsidiary from the date we lose control.

We record our investments in entities that we do not control, but over which we have the ability to exercise significant influence, using the equity method. We have eliminated intercompany transactions and accounts. We change the

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

accounting policies of subsidiaries where necessary to ensure consistency with our accounting policies. All of our subsidiaries have the same year-end.

We believe that the assumptions underlying our consolidated financial statements are reasonable. However, these consolidated financial statements do not present our future financial position, the results of our future operations and cash flows.

The following are our subsidiaries as of the end of the years presented:

Name of the subsidiary (in alphabetical order)	Type	Country of incorporation	As of December 31, 2023	As of December 31, 2022
			% Owned	
Badurey S.A.	Holding	Uruguay	100 %	100 %
BD Travelsolution, S. de R.L. de C.V. (1)	Operating	Mexico	— %	100 %
Click Hoteles.com, LLC	Holding	United States	100 %	100 %
Decolar.com Ltda.	Operating	Brazil	100 %	100 %
Decolar.com, Inc.	Holding	United States	100 %	100 %
Despegar Colombia S.A.S.	Operating	Colombia	100 %	100 %
Despegar Ecuador S.A.	Operating	Ecuador	100 %	100 %
Despegar.com Chile SpA	Operating	Chile	100 %	100 %
Despegar.com México S.A. de C.V.	Operating	Mexico	100 %	100 %
Despegar.com Peru S.A.C.	Operating	Peru	100 %	100 %
Despegar.com USA, Inc.	Operating	United States	100 %	100 %
Despegar.com.ar S.A.	Operating	Argentina	100 %	100 %
DFinance Holding Ltda.	Holding	Brazil	100 %	100 %
Holidays S.A.	Operating	Uruguay	100 %	100 %
Jamiray International S.A.	Operating	Uruguay	100 %	100 %
Koin (BVI) Limited	Holding	British Virgin Islands	100 %	100 %
Xirex Contigo Sapi De CV Sofom ENR	Operating	Mexico	100 %	100 %
Ruselmy S.A.	Operating	Uruguay	100 %	100 %
Koin Administradora de Cartões e Meios de Pagamento S.A.	Operating	Brazil	100 %	100 %
Rivamor S.A.	Holding	Uruguay	100 %	100 %
Ruotej S.A.	Operating	Uruguay	100 %	100 %
Satylea S.C.A.	Holding	Uruguay	100 %	100 %
Servicios Online 3351 de Venezuela C.A.	Operating	Venezuela	100 %	100 %
South Net Chile, SpA (2)	Operating	Chile	100 %	100 %
South-Net Turismo S.A.U.	Operating	Argentina	100 %	100 %
Transporturist, S.A. de C.V.	Operating	Mexico	100 %	100 %
Travel Reservations S.R.L.	Operating	Uruguay	100 %	100 %
TVLX - Viagens e Turismo S.A. (3)	Operating	Brazil	— %	100 %
Viajes Beda, S.A. de C.V.	Operating	Mexico	100 %	100 %
Viajes Despegar.com O.N.L.I.N.E. S.A. (4)	Operating	Costa Rica	— %	100 %

- (1) Dissolved entity on January 17, 2023.
(2) In process of dissolution.
(3) Merged with Decolar.com Ltda. on January 1, 2023.
(4) Dissolved entity on July 25, 2023.

Reclassifications

We have reclassified prior period financial statements to conform to the current period presentation.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

Accounting estimates

We use estimates and assumptions in the preparation of our consolidated financial statements in accordance with U.S. GAAP. Our estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of our consolidated financial statements. These estimates and assumptions also affect the reported amount of net income or loss during any period. Our actual financial results could differ significantly from these estimates. The significant estimates underlying our consolidated financial statements include recoverability of indefinite-lived intangible assets and goodwill and disposal group classified as held for sale; recoverability of deferred tax assets and uncertain tax positions; loss contingencies and acquisition purchase price allocations.

Foreign currency translation

We have selected the U.S. dollar as our reporting currency. For local functional currency locations, assets and liabilities are translated at end-of-period rates while revenues and expenses are translated at average rates in effect during the period. Equity is translated at historical rates and the resulting cumulative translation adjustments are included as a component of accumulated other comprehensive income / (loss).

For U.S. dollar functional currency locations, foreign currency assets and liabilities are remeasured into U.S. dollars at end-of-period exchange rates, except for non-monetary balance sheet accounts, which are remeasured at historical exchange rates. Revenue and expenses are remeasured at average exchange rates in effect during each period, except for those expenses related to the non-monetary balance sheet amounts, which are remeasured at historical exchange rates. Gains or losses from foreign currency remeasurement are included in "Financial results, net" in our consolidated statements of operations.

Argentine currency status and exchange regulations

As of July 1, 2018, we transitioned our Argentinian operations to highly inflationary status in accordance with U.S. GAAP, and changed the functional currency for Argentine subsidiaries from Argentine Pesos to U.S. dollars, which is the functional currency of their immediate parent company.

In the second half of 2019, the Argentine government instituted exchange controls restricting the ability of companies and individuals to exchange Argentine Pesos for foreign currencies and their ability to remit foreign currency out of Argentina. An entity's authorization request to the Central Bank of Argentina to access the official exchange market to make foreign currency payments may be denied depending on the circumstances. As a result of these exchange controls, markets in Argentina developed trading mechanisms, in which an entity or individual buys U.S. dollar denominated securities in Argentina (i.e., shares, sovereign debt) using Argentine Peso, and subsequently sells the securities for U.S. dollars, in Argentina, to access U.S. dollars locally, or outside Argentina, by transferring the securities abroad, prior to being sold (the latter commonly known as Blue Chip Swap Rate). The Blue Chip Swap Rate has diverged significantly from Argentina's official exchange rate (commonly known as exchange spread). In recent years, the Blue Chip Swap Rate has been higher than Argentina's official exchange rate. As of December 31, 2023, the spread of the Blue Chip Swap Rate was 20.4%.

However, the only exchange rate available for external commerce is the official exchange rate, which as of December 31, 2023 was \$808.45 Argentine Pesos per US dollar. We use Argentina's official exchange rate to record the accounts of Argentine subsidiaries.

Concentration of credit risk

Cash and cash equivalents, restricted cash and cash equivalents, accounts receivable and loans receivable are potentially subject to credit risk. However, there are not significant concentrations of credit risk arising from these financial instruments. We place our cash and cash equivalents and restricted cash and cash equivalents with several financial institutions in different countries and financial instruments that are highly liquid and highly rated. Our Brazilian and Mexican operations concentrate around 24% and 24%, respectively, of our cash and cash equivalents balance as of December 31, 2023. Cash and cash equivalents balances in other countries do not exceed 15% of the total cash and cash equivalents as of December 31, 2023.

Accounts receivable are derived from revenue earned from customers located internationally and are settled through customer credit cards, debit cards and other means of payment, with the majority of accounts receivable collected upon processing of credit card transactions. Due to the relatively small dollar amount of individual accounts receivable, we generally do not require collateral on these balances.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

We have also substantial credit risk primarily in our consumer loans held for investment. We are exposed to default risk on loans receivable. The ultimate collectability of a substantial portion of the loan portfolio is susceptible to changes in economic and market conditions. Loans receivable are concentrated in Brazil. Due to the relatively small dollar amount of individual loans receivable, we generally do not require collateral on these balances.

We maintain an allowance for doubtful accounts based on management's evaluation of various factors, including the credit risk of customers, historical trends, and other information. Furthermore, we utilize a simplified roll rate method to calculate the allowance for expected credit losses of our loans receivable. See Notes 9 and 10 for details.

In addition, our business is subject to certain risks and concentrations including our dependence on relationships with travel suppliers, primarily airlines and Expedia, Inc. ("Expedia", a subsidiary of Expedia Group, Inc., a Delaware corporation, is a shareholder of record of the Company – see Note 24), dependence on third-party technology providers, exposure to risks associated with online commerce security and payment related fraud. We also rely on global distribution systems ("GDS") providers and other third-party service providers for certain fulfillment services.

Seasonality

We generally experience seasonal fluctuations in the demand for our travel services. Our most significant markets in the Southern hemisphere are in Brazil and Argentina where summer runs from December 1 to February 28 and winter runs from June 1 to August 31. Our most significant market in the Northern hemisphere is Mexico where summer runs from June 1 to August 31 and winter runs from December 1 to February 28. Accordingly, traditional leisure travel bookings in the Southern hemisphere are generally the highest in the second and fourth quarters of the year as travelers plan and book their winter and summer holiday travel. The number of bookings typically decreases in the first quarter of the year. In the Northern hemisphere, bookings are generally the highest in the first three quarters as travelers plan and book their spring, summer, and winter holiday travel. The seasonal revenue impact is exacerbated with respect to income by the nature of variable cost of revenue and direct sales and marketing costs, which is typically realized in closer alignment to booking volumes, and the more stable nature of fixed costs. The continued growth of international operations or a change in product mix may influence the typical trend of the seasonality in the future, and there may also be business or market driven dynamics that result in short-term impacts to revenue or profitability that differ from the typical seasonal trends. Revenues, expenses, assets, and liabilities can vary during each quarter of the year. Therefore, the results and trends in these consolidated financial statements may not be the same as those for any subsequent quarter or the full year.

Impacts from COVID-19 disrupted our typical seasonal pattern for bookings, revenue, profit and cash flows during the first quarter of 2021. Despite of this impact, booking and travel trends improved throughout 2021 and 2022. This has resulted in working capital benefits and positive cash flow more akin to typical historical trends. In 2023 we didn't have any impact related to the COVID-19 pandemic.

3. Summary of significant accounting policies

Revenue recognition

We generate revenue from our travel and financial services businesses. The majority of our revenues relates to our travel business for all years presented.

Travel business:

We offer traditional travel services on a stand-alone and package basis generally either through the pre-pay/merchant business model ("Prepay Model") or the pay-at-destination/agency business model ("PAD Model"). We primarily generate revenue from facilitation services, either directly or using affiliated travel agencies. We consider both the traveler and the travel supplier as our customers.

Under the Prepay Model, we provide travelers with access to book hotel rooms, airline seats, car rentals and destination services through our contracts with our network of travel suppliers. Our travelers pay us for merchant transactions generally when they book the reservation. We pay our travel suppliers later, generally when the travelers use the travel service. Under these transactions, we generally earn a commission from travel suppliers and service fees from travelers. Travel suppliers generally bill us for travel products sold within a 12-month period from check-out date. We recognize breakage as incremental revenue from unbilled amounts when the period expires.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

Under the PAD Model, travelers pay the travel supplier directly at destination and travel suppliers pay us our earned commissions later, generally after checkout.

Revenues under the Prepay Model represented 89%, 86%, and 84% of our consolidated travel revenues for the years ended December 31, 2023, 2022, and 2021, respectively.

The primary sources of our travel business revenues are commissions and service fees, incentive fees, advertising and destination services.

- ***Commissions and service fees:***

We facilitate the sale of travel products and services from our travel suppliers to our travelers and travel agencies.

We generally receive commissions in consideration of our facilitation services. Generally, we charge a service fee to our travelers, although this may vary depending on marketing strategies. We do not provide significant post-booking services to travelers. We consider any post-booking services beyond minor inquiries or administrative changes to the reservation (i.e., modifications to the original terms of the reservations) as new bookings. We may charge a new booking fee and administrative fees for these services. Also, if the requested change results in an incremental price of the reservation to the traveler set by the travel supplier, we receive an incremental commission from the travel supplier.

We recognize revenue upon the transfer of control of the promised facilitation services to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for those facilitation services. Generally, we recognize revenue when the booking is completed, paid and confirmed, less a reserve for cancellations based on historical experience.

We present revenue on a net basis for most of our transactions because the travel supplier is primarily responsible for providing the underlying travel services, we do not control the service or travel product provided by the travel supplier to the traveler and we do not bear inventory risk.

Generally, we partner with banks to allow our travelers the possibility of purchasing the product of their choice through financing plans established, offered and administered by such banks. Participating banks bear full risk of fraud, delinquency, or default by travelers. When travelers elect to finance their purchases, we typically receive full payment for our services within a short period of time after booking is completed and confirmed, regardless of the payment plan selected by the traveler. However, in certain countries, we receive payment from the bank as installments become due regardless of when traveler actually makes the scheduled payments. In most cases, we receive payment before travel occurs or during travel and the period between completion of booking and reception of scheduled payments is typically one year or less. We have made use of the practical expedient in ASC 606-10-32-18 and we do not adjust the amount of consideration for the effects of a significant financing component. In Brazil, through our financial services company solution, we offer financing to certain travel customers, generally on terms not exceeding 12 months.

Our revenue from commissions and service fees represented 87%, 85% and 83% of our total consolidated travel revenues for the years ended December 31, 2023, 2022, and 2021, respectively.

- ***Incentive fees:***

We may receive incentive fees from our travel suppliers or Global Distribution Systems ("GDS") providers if we meet certain performance conditions, for example contractually agreed volume thresholds. We recognize revenue on an accrual basis in accordance with the achievement of contractual thresholds on a case-by-case basis.

Our revenues from incentive fees represented 6%, 7% and 9% of our total consolidated travel revenues for the years ended December 31, 2023, 2022, and 2021, respectively.

- ***Advertising:***

We record advertising revenue ratably over the advertising period or upon delivery of advertising material, depending on the terms of the advertising agreement.

Our revenues from advertising represented 3% of our total consolidated travel revenues for all the years presented.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

- **Destination services:**

We recognize revenue as services are provided. We present revenue on a net basis for most of destination services transactions.

Our destination services represented less than 4% of our total consolidated travel revenues for all years presented.

- **Other revenue:**

We also derive revenue from other sources. Also, we operate a loyalty program through which we award loyalty points to travelers who complete purchases on our websites or use the services of other program participants, such bank co-branded credit cards. Loyalty points can be redeemed for free or discounted travel products.

For loyalty points earned through travel product purchases, we apply a relative selling price approach whereby the total amount collected from each travel product sale is allocated between the travel product and the loyalty points earned. The portion of each travel product sale attributable to loyalty points is initially deferred and then recognized in loyalty revenue when the points are redeemed. In 2023, we started to apply an estimated future breakage rate of rewards points generated to calculate the relative standalone selling price for loyalty points based on our historical data of twelve months feedback.

For loyalty points earned through co-branded credit card partners, consideration received from the sale of loyalty points is variable and payment terms typically are within thirty days after the month of sale of loyalty points. Sales of loyalty points to business partners are comprised of two components: loyalty points and marketing (i.e., the use of intellectual property, including our brand and access to customer lists and databases, which is the predominant element in the agreements, as well as advertising, collectively, the marketing component). We allocate the consideration received from these sales of loyalty points based on the relative selling price of each product or service delivered. Accordingly, we recognize the marketing component in other revenue in the period of the loyalty points sale following the sales-based royalty method. The loyalty points component is initially deferred and then recognized in revenue when points are redeemed.

- **Financial services business**

In Brazil, we earn revenues as a result of offering financing to our travel customers and certain non-travel customers. Revenues from interest earned on loans granted to consumers are recognized over the period of the loan and are based on effective interest rates. We charge merchants processing fees on financing transactions which we recognize as services are provided.

Our revenues from interest income were 81%, 93% and 98% of our total consolidated financial services for the years ended December 31, 2023, 2022 and 2021, respectively.

Our revenues from financial intermediation processing fees and fraud prevention services revenues were 19%, 7% and 2% of our total consolidated financial services for the years ended December 31, 2023, 2022 and 2021, respectively.

Cash and cash equivalents and restricted cash

Cash and cash equivalents and restricted cash include cash on hand, deposits held with banks and other short-term liquid investments with original maturities of three months or less. Gains or losses are recognized in “Financial results, net” when incurred.

In addition, our restricted cash are primarily deposits related to operations with our travel suppliers and service providers and the International Air Transport Association (“IATA”). Also included within the restricted cash balance related to cash and cash equivalents balances of the securitization VIEs.

See Notes 8 and 11 for further information.

Trade accounts receivable, net

Trade accounts receivable are generally due within thirty days and are recorded net of an allowance for expected credit losses.

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Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

We applied ASC 326 for the measurement of expected credit losses, which requires us to estimate lifetime expected credit losses upon recognition of the financial assets. We consider accounts outstanding longer than the contractual payment terms as past due. We have identified the relevant risk characteristics of our customers and the related receivables, which include the following: size, type or geographic location of the customer, or a combination of these characteristics. Receivables with similar risk characteristics have been grouped into pools. For each pool, we make estimates of expected credit losses for our allowance by considering a several factors, including the length of time trade accounts receivable are past due, previous loss history continually updated for new collections data, the credit quality of our customers, current economic conditions, reasonable and supportable forecasts of future economic conditions and other factors that may affect our ability to collect from customers. This is assessed at each quarter based on our specific facts and circumstances. See Note 9 for additional information.

The provision for expected credit losses is recorded as cost of revenue in our consolidated statements of operations.

Loans receivable, net

Loans receivable represent loans granted to customers through our financial services business. Loans receivable are reported at their outstanding principal balances plus estimated collectible interest, net of allowances for uncollectible accounts. We typically place loans on non-accrual status as soon as the customer is due on its payments. Penalties and late interest fees are recognized as amounts are received. Accrual is restored when all overdue payments are settled by the customer.

Most of our loans receivable are short-term in nature, accrue fixed interest rates and repaid in a period ranging between seven and ten months, while a minor portion of loans are repaid within twenty-four months.

We closely monitor credit quality for all loans receivable on a recurring basis. To evaluate a consumer seeking a loan, we use, among other indicators, a risk model internally developed, as a credit quality indicator to help predict the consumer's ability to repay the principal balance and interest related to the credit. The risk model uses multiple variables as predictors of the consumer's ability to repay the credit, including external and internal indicators. Internal indicators consider customer's history with us, credit scoring and risk profile, among others. In addition, we consider external information to enhance the scoring model and the decision-making process. The internal indicators and the external credit score are combined in a risk matrix, which is also used to price the loans based on the risk profile.

Securitization of loans receivable

In connection with securitization programs, we may sponsor and establish trusts (deemed to be variable interest entities "VIEs") to ultimately purchase certain of our loans receivable. Securities issued by securitization trusts are senior or subordinated, based on the criteria established by each trust. Generally, the subordinated residual interests issued from these transactions are first to absorb credit losses in accordance with the waterfall criteria. For these VIEs, generally the creditors have no recourse to our general credit and the liabilities of the VIEs can only be settled by the respective VIEs' assets. Additionally, the assets of the VIEs can be used only to settle obligations of the VIEs. We consolidate securitization VIEs when we are deemed to be the primary beneficiary and therefore have the power to direct the activities that most significantly affect the VIEs' economic performance and a variable interest that could potentially be significant to the VIE. Management assesses whether we are the primary beneficiary of the VIEs on an ongoing basis. See Note 11 for details.

Property and equipment, net

We record property and equipment at acquisition cost, net of accumulated depreciation. We compute depreciation using the straight-line method over the estimated useful lives of the assets. Land is not depreciated. We depreciate leasehold improvement using the straight-line method, over the shorter of the estimated useful life of the improvement or the remaining term of the lease.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

The estimated useful lives (in years) of the main categories of our property and equipment are as follows:

Asset	Estimated useful life (in years)
Computer hardware and software	3
Vehicles	5
Office furniture and fixture	10
Buildings	50

Expenditures for repairs and maintenance are charged to expense as incurred. The cost of significant renewals and improvements is added to the carrying amount of the respective asset and it is depreciated over the remaining life of the fixed asset.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in our consolidated statements of operations.

Business combinations

We use the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred, and the equity interests issued, if any. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. We assign the 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. Any excess purchase price over the fair value of the net tangible and intangible assets acquired is allocated to goodwill. When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions, especially with respect to intangible assets. Critical estimates in valuing certain intangible assets include but are not limited to future expected cash flows from customer relationships and trademarks and tradenames, 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.

We have a period of 12 months as from the date of acquisition (the "measurement period") to finalize the accounting for a business combination. We report provisional amounts when the accounting for a business combination is not complete by the end of the reporting period in which the business combination occurred. Any changes to provisional amounts identified during the measurement period are recognized in the reporting period in which the adjustment amounts are determined.

Goodwill

We record goodwill as the amount by which the aggregate of the fair value of consideration, transferred the acquisition date fair value of any previously held interest and any non-controlling interest exceeds the fair value of the assets and liabilities acquired. Goodwill is not subject to amortization and is tested at least annually for impairment, or earlier if an event occurs or circumstances change and there is an indication of impairment.

Intangible assets, net

We initially record intangible assets acquired in business combinations at fair value. We determine the fair value of intangible assets using standard valuation techniques, including the income approach (discounted cash flows) and/or market approach, as appropriate, and based on market participant assumptions.

Indefinite-lived intangible assets such as certain trademarks and tradenames are not subject to amortization and are tested at least annually for impairment, or earlier if an event occurs or circumstances change and there is an indication of impairment.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

Finite-lived intangible assets such as customer relationships, licenses and certain trademarks and domains are amortized over their respective estimated useful lives.

We also capitalize certain direct development costs associated with website and internal use developed technology and include external direct costs of services and payroll costs for employees devoting time to the software projects principally related to platform development, including support systems, software coding, designing system interfaces and installation and testing of the software. These costs are recorded as finite-lived intangible assets and are generally amortized over a period of 3 to 5 years beginning when the asset is substantially ready for use. Costs incurred for enhancements that are expected to result in additional features or functionalities are capitalized and amortized over the estimated useful life of the enhancements. Costs incurred during the preliminary project stage, as well as maintenance and training costs, are expensed as incurred.

Recoverability of goodwill and indefinite-lived intangible assets

We assign goodwill to reporting units that are expected to benefit from the synergies of the business combination as of the acquisition date. We assess goodwill and indefinite-lived intangible assets, neither of which is amortized, for impairment annually as of December 31, or more frequently, if events and circumstances indicate impairment may have occurred. In the evaluation of goodwill for impairment, we typically perform a quantitative assessment and compare the fair value of the reporting unit to its carrying value. An impairment charge is recorded based on the excess of the reporting unit's carrying amount over its fair value. Periodically, we may choose to perform a qualitative assessment, prior to performing the quantitative analysis, to determine whether the fair value of the goodwill is more likely than not impaired.

We generally base our measurement of fair value of reporting units on an analysis of the present value of future discounted cash flows. The discounted cash flows model indicates the fair value of the reporting units based on the present value of the cash flows that we expect the reporting units to generate in the future. Our significant assumptions in the discounted cash flows model include: our forecasted gross bookings; forecasted revenues, net of significant costs and expenses; and the discount rate. We believe the discounted cash flows is the best method for determining the fair value of our reporting units because it is one of the most common valuation methodologies used within the travel and internet industries.

In addition to measuring the fair value of our reporting units as described above, we consider the combined carrying and fair values of our reporting units in relation to our total fair value of equity plus debt as of the assessment date. Our equity value assumes our market capitalization, using either the stock price on the valuation date or the average stock price over a range of dates around the valuation date, plus an estimated acquisition premium which is based on observable transactions of comparable companies. The debt value is based on the highest value expected to be paid to repurchase the debt, which can be fair value, principal or principal plus a premium depending on the terms of each debt instrument.

In our evaluation of our indefinite-lived intangible assets, we typically first perform a quantitative assessment, and an impairment charge is recorded for the excess of the carrying value of indefinite-lived intangible assets over their fair value, if necessary. We base our measurement of fair value of indefinite-lived intangible assets, which primarily consist of trademarks and domains, using the relief-from-royalty method. Our significant assumptions include: our forecasted revenues and the royalty rate method assumes that the trademarks and domains have value to the extent that their owner is relieved of the obligation to pay royalties for the benefits received from them. As with goodwill, periodically, we may choose to perform a qualitative assessment, prior to performing the quantitative analysis, to determine whether the fair value of the indefinite-lived intangible asset is more likely than not impaired.

See Notes 14 and 15 for further information.

Recoverability of intangible assets with finite lives and other long-lived assets

Intangible assets with definite lives and other long-lived assets are carried at cost and are amortized on a straight-line basis over their estimated useful lives of 3 to 10 years and 50 years for buildings. We review the carrying value of long-lived assets or asset groups, including property and equipment, to be used in operations whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. Factors that would necessitate an impairment assessment include a significant adverse change in the extent or manner in which an asset is used, a significant adverse change in legal factors or the business climate that could affect the value of the asset, or a significant decline in the

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Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

observable market value of an asset, among others. If such facts indicate a potential impairment, we assess the recoverability of an asset group by determining if the carrying value of the asset group exceeds the sum of the projected undiscounted cash flows expected to result from the use and eventual disposition of the assets over the remaining economic life of the primary asset in the asset group. If the recoverability test indicates that the carrying value of the asset group is not recoverable, we estimate the fair value of the asset group using appropriate valuation methodologies which would typically include an estimate of discounted cash flows. Any impairment would be measured as the difference between the asset groups carrying amount and its estimated fair value.

Assets held for sale, to the extent we have any, are reported at the lower of cost or fair value less costs to sell.

See Notes 13 and 14 for further information.

Equity method investments

We use the equity method to account for investments in companies, if our investment provides us with the ability to exercise significant influence, but not control, over operating and financial policies of the investee. Our judgment regarding the level of influence over each equity method investment includes considering key factors such as our ownership interest, representation on the board of directors, participation in policy-making decisions and material intercompany transactions. We include the total of our investments in equity-method investees, including identifiable intangible assets, deferred tax liabilities, and goodwill, if any, within “Non-current other assets” in our consolidated balance sheets. We include our proportionate share of earnings and/or losses of our equity method investees in “Gain / (loss) from equity investments” in our consolidated statements of operations.

In the event that net losses of the investee reduce our equity-method investment carrying amount to zero, additional net losses may be recorded if we have committed to provide financial support to the investee. We regularly evaluate these investments, which are not carried at fair value, for other-than-temporary impairment. We also consider whether our equity-method investments generate sufficient cash flows from their operating or financing activities to meet their obligations and repay their liabilities when they come due. When our share in the net assets of associates is negative, we include the balance within “Non-current other liabilities” in our consolidated balance sheets. In the event we no longer have the ability to exercise significant influence over an equity-method investee, we would discontinue accounting for the investment under the equity method.

Redeemable non-controlling interests

We redeemed the non-controlling interest in Koin in January 2022 and therefore there is no outstanding redeemable non-controlling interest balance as of December 31, 2023.

The non-controlling interest contained certain rights, whereby we had the right but not the obligation to acquire, and the minority shareholders had the right but not the obligation to sell to us, the additional shares of Koin for cash at a fixed price other than fair value. The non-controlling interest was not redeemable during 2020 and 2021, but it was probable of becoming redeemable (the redemption depended solely on the passage of time). Accordingly, as of December 31, 2021, we recorded the non-controlling interest at the greater of (i) its acquisition date fair value as adjusted for its share (if any) of earnings, losses, or dividends or (ii) an accreted value from the date of the acquisition to the earliest redemption date. The accretion of the non-controlling interest to redemption value was recorded using the interest method.

We adopted a policy to charge the carrying value adjustment to retained earnings or, absent retained earnings, additional paid-in capital and reduced net income available to our common shareholders in the calculation of earnings per share in accordance with the two-class method.

See Note 5 for details.

Travel accounts payable

Travel accounts payable comprises trade accounts payable to airlines, hotels and other travel suppliers for products and services offered. Airline suppliers are generally due within thirty days of a confirmed air booking reservation. Under the Prepay model, hotels and other travel suppliers are generally paid after traveler checks out. Generally, our contracts with

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

hotels and other travel suppliers provide for a 12-month period for invoicing us for past services. If an invoice is not received after that period, we recognize breakage revenue for the unbilled payable.

Severance payments

We recognize a liability for severance payments if the following criteria are met: (a) management, having the authority to approve the action, commits to a plan of termination; (b) the plan identifies the number of employees to be terminated, their job classifications or functions and their locations, and the expected completion date; (c) the plan establishes the terms of the benefit arrangement, including the benefits that employees will receive upon termination, in sufficient detail to enable employees to determine the type and amount of benefits they will receive if they are involuntarily terminated; (d) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn; and (e) the plan has been communicated to employees. See Note 20 for details.

Pension information

We do not maintain any pension plans. Certain countries in which we operate provide for pension benefits to be paid to retired employees from government pension plans and/or private pension plans. Amounts payable to such plans are accounted for on an accrual basis.

Contingent liabilities

We have several tax, regulatory and legal matters outstanding, as discussed further in Note 23.

Periodically, we review the status of all significant outstanding matters to assess the potential financial exposure. When (i) it is probable that an asset has been impaired or a liability has been incurred and (ii) the amount of the loss can be reasonably estimated, we record the estimated loss in our consolidated statements of operations. We provide disclosure in the notes to the consolidated financial statements for loss contingencies that do not meet both of these conditions if there is a reasonable possibility that a loss may have been incurred that would be material to the consolidated financial statements. Significant judgment is required to determine the probability that a liability has been incurred and whether such liability is reasonably estimable. We base accruals made on the best information available at the time which can be highly subjective. The final outcome of these matters could vary significantly from the amounts included in the accompanying consolidated financial statements.

Derivative financial instruments

We carry derivative instruments at fair value on our consolidated balance sheets. The fair values of the derivative financial instruments generally represent the estimated amounts we would expect to receive or pay upon termination of the contracts as of the reporting date. As of December 31, 2023 and 2022, our derivative instruments primarily consisted of foreign currency forward contracts. We are exposed to various market risks that may affect our consolidated results of operations, cash flows and financial position. These market risks include, but are not limited to, fluctuations in foreign currency exchange rates. Our primary foreign currency exposures are to the currencies of Latin American countries, including Argentina, Brazil and Mexico, in which we conduct a significant portion of our business operations. As a result, we face exposure to adverse movements in foreign currency exchange rates as our results of operations are translated from local currencies into U.S. dollars upon consolidation. Additionally, foreign currency exchange rate fluctuations on transactions denominated in currencies other than the functional currency of an entity result in gains and losses that are reflected in net income / (loss).

We may use foreign currency forward contracts to economically hedge these exposures. Our goal in managing our foreign exchange risk is to reduce, to the extent practicable, our potential exposure to the changes that exchange rates might have on our earnings, cash flows and financial position. Our foreign currency forward contracts are typically short-term and, as they do not qualify for hedge accounting treatment, we classify the changes in their fair value in "Financial results, net" in our consolidated statements of operations in the period that the changes occur and are classified within "Net cash flows (used in) / provided by operating activities" in our consolidated statements of cash flows. We do not hold or issue financial instruments for speculative or trading purposes. We report the fair value of our derivative assets and liabilities on a gross basis in our consolidated balance sheets in "Other assets and prepaid expenses" and "Other liabilities", respectively.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

Leases

We determine if an arrangement is a lease, or contains a lease, at inception. Operating leases are primarily for office space, customer service centers and a fleet of dedicated vans, and, as of January 1, 2019 with the adoption of the new guidance for leasing arrangements, are included in operating “Lease right-of-use (“ROU”) assets” and operating “Lease liabilities” on our consolidated balance sheets. Lease ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

For operating leases with a term of one year or less, we have elected to not recognize a lease liability or ROU asset on our consolidated balance sheets. Instead, we recognize the lease payments as expense on a straight-line basis over the lease term. Short-term lease costs are immaterial to our consolidated statements of operations and consolidated statements of cash flows.

Our lease agreements have insignificant non-lease components and accordingly we have elected the practical expedient to combine and account for lease and non-lease components as a single lease component.

Financial results, net

We incur in financial results such as factoring interest, gains or losses on derivative financial instruments, interest income from financial investments, interest accrued on financial liabilities and foreign exchange gains or losses.

Stock-based compensation

We measure and amortize the fair value of restricted stock units and stock options as follows:

Restricted Stock Units (“RSUs”). Our RSUs consist of service-based awards. RSUs are stock awards that are granted to employees entitling the holder to shares of common stock as the award vests, typically over a 3 or 4-year period, but may accelerate in certain circumstances. During the year ended December 31, 2023, we issued RSUs as our primary form of stock-based compensation, some of them vest 33% after one year and others vest 25% after one year and will then vest yearly over the following 3 or 4 years, as appropriate. We measure the value of RSUs at fair value based on the number of shares granted and the quoted price of our common stock at the date of grant. We amortize the fair value as stock-based compensation expense over the vesting term on a straight-line basis.

Stock Options. Our employee stock options consist of service-based awards. We measure the value of stock options issued or modified, including unvested options assumed in acquisitions, if any, on the grant date (or modification or acquisition dates, if applicable) at fair value, using appropriate valuation techniques, including the Black-Scholes and Monte Carlo option pricing models. The Black-Scholes valuation models incorporate various assumptions including expected volatility, expected term and risk-free interest rates. The expected volatility is based on historical volatility of our common stock and other relevant factors. We base our expected term assumptions on our historical experience and on the terms and conditions of the stock awards granted to employees. We amortize the fair value over the remaining explicit vesting term in the case of service-based awards.

Since December 31, 2022, all stock options are fully vested. Estimates of fair value are not intended to predict actual future events or the value ultimately realized by employees who receive these awards, and subsequent events are not indicative of the reasonableness of our original estimates of fair value.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

Marketing and advertising expenses

We incur advertising expense consisting of offline costs, including television and radio advertising, and online advertising expense to promote our business. We expense the production costs associated with advertisements in the period in which the advertisement first takes place. We expense the costs of advertisement in the period during which the advertisement space or airtime is consumed. Internet advertising expenses are recognized based on the terms of the individual agreements, which is generally over the greater of (i) the ratio of the number of clicks delivered over the total number of contracted clicks, on a pay-per-click basis, or (ii) on a straight-line basis over the term of the contract. Our advertising expenses were **\$131,887**, \$102,962 and \$52,480 for the years ended December 31, 2023, 2022 and 2021, respectively.

Accounting for income taxes

We are organized as a British Virgin Islands corporation. However, under the “anti-inversion” rules of Section 7874 of the U.S. Internal Revenue Code, we are treated as a U.S. corporation for U.S. federal tax purposes. Accordingly, we are subject to U.S. federal income tax and state income tax in the United States. We are subject to foreign income taxes in the jurisdictions where we operate in accordance with the respective local tax laws.

We account for income taxes under the asset and liability method that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in our consolidated financial statements or tax returns. Judgment is required in assessing the future tax consequences of events that have been recognized in our consolidated financial statements or tax returns.

Variations in the actual outcome of these future tax consequences could materially impact our financial position, results of operations or effective tax rate.

Significant judgment is required in determining our worldwide income tax provision. In the ordinary course of a global business, there are many transactions and calculations where the ultimate tax outcome is uncertain. Some of these uncertainties arise as a consequence of revenue sharing and cost reimbursement arrangements among related entities, the process of identifying items of revenues and expenses that qualify for preferential tax treatment, and segregation of foreign and domestic earnings and expenses to avoid double taxation. Although we believe that our estimates are reasonable, the final tax outcome of these matters could be different from that which is reflected in our historical income tax provisions and accruals. Such differences could have a material effect on our income tax provision and net income in the period in which such determination is made.

In estimating future tax consequences, all expected future events are considered other than enactments of changes in tax laws or rates. Valuation allowances are established when necessary to reduce deferred tax assets to amounts which are more likely than not to be realized. We consider future growth, forecasted earnings, future taxable income, the mix of earnings in the jurisdictions in which we operate, historical earnings, the carryforward periods available for tax reporting purposes and prudent and feasible tax planning strategies in determining the need for a valuation allowance. In the event we were to determine that we would not be able to realize all or part of our net deferred tax assets in the future, an adjustment to the deferred tax assets valuation allowance would be charged to earnings in the period in which we make such a determination, or goodwill would be adjusted at our final determination of the valuation allowance related to an acquisition within the measurement period. If we later determine that it is more likely than not that the net deferred tax assets would be realized, we would reverse the applicable portion of the previously provided valuation allowance as an adjustment to earnings at such time.

The amount of income tax we pay is subject to ongoing audits by federal, state and foreign tax authorities, which often result in proposed assessments. Our estimate of the potential outcome for any uncertain tax issue is highly judgmental. We account for these uncertain tax issues pursuant to ASC 740, Income Taxes, which contains a two-step approach to recognizing and measuring 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 audit, 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. Although we believe we have adequately reserved for our uncertain tax positions, no assurance can be given with respect to the final outcome of these matters. We adjust reserves for our uncertain tax positions due to changing facts and circumstances, such as the closing of a

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Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

tax audit, judicial rulings, refinement of estimates or realization of earnings or deductions that differ from our estimates. To the extent that the final outcome of these matters is different than the amounts recorded, such differences generally will impact our provision for income taxes in the period in which such a determination is made. Our provisions for income taxes include the impact of reserve provisions and changes to reserves that are considered appropriate and also include the related interest and penalties.

We treat taxes on global intangible low-taxed income (“GILTI”) introduced by the U.S. Tax Cuts and Jobs Act (the “Tax Act”) as period costs. See Note 21 for further information.

Government grants and other assistance

We recognize government grants in our consolidated financial statements when it is probable that the grant will be received and we will comply with the conditions of the grant. Government grants are recorded as a reduction in the related operating expense or the cost of the asset that they are intended to defray. The government grants we received have principally been granted to defray personnel costs. We have not received government grants in 2023 and 2022.

Earnings / (losses) per share

We compute basic earnings / (losses) per share by dividing our net income or loss for the year attributable to Despegar.com, Corp. common shareholders, as adjusted for preferred stock accretion and dividends accrued, by our weighted-average outstanding common shares during the year on a basic and diluted basis. Since we issue warrants for nominal consideration which vest and are exercisable as from the issuance date, we include the shares of common stock underlying the outstanding warrants when calculating our basic earnings per share.

We compute diluted earnings per share using our weighted-average outstanding common shares including the dilutive effect of stock options and convertible preferred stock. The dilutive effect of stock-based compensation is calculated using the treasury method. The dilutive effect of convertible preferred stock is calculated using the if-converted method. In periods when we recognize a net loss, we exclude the impact of outstanding stock awards and convertible preferred stock from the diluted loss per share calculation as their inclusion would have an antidilutive effect.

We present basic and diluted earnings per share using the two-class method required for participating securities. We consider that our Series B preferred stock to be participating securities and, in accordance with the two-class method, earnings allocated to participating securities and the related number of outstanding shares of participating securities are excluded from the computation of basic and diluted net loss per common share. If a dividend is paid on common stock, the holders of Series B preferred stock are entitled to a proportionate share of any such dividend as if they were holders of common stock (on an if-converted basis). As the holders of our Series B preferred stock do not have contractual obligation to share in the losses of the Company, the net loss attributable to common shareholders for each period is not allocated between common stock and participating securities. Accordingly, preferred stock is excluded from the calculation of basic and diluted net loss per share as the effect would have been antidilutive.

For additional information on how we compute earnings per share, see Note 26.

Fair value recognition, measurement and disclosure

The carrying amounts of cash and cash equivalents and restricted cash reported on our consolidated balance sheets approximate fair value as we maintain them with various high-quality financial institutions. Accounts receivable and accounts payable are generally short-term in nature and their carrying amount approximate fair values.

We disclose the fair value of our financial instruments based on the fair value hierarchy using the following three categories:

Level 1 — Valuations based on quoted prices for identical assets and liabilities in active markets.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

Level 2 — Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Valuations based on unobservable inputs reflecting the Company's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

For additional information on items measured at fair value on a recurring or non-recurring basis, see Note 25.

Assets and Liabilities Held for Sale

Our Company classifies long-lived assets or disposal groups to be sold as held for sale in the period in which all of the following criteria are met: (1) management, having the authority to approve the action, commits to a plan to sell the asset or disposal group; (2) the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets or disposal groups; (3) an active program to locate a buyer and other actions required to complete the plan to sell the asset or disposal group have been initiated; (4) the sale of the asset or disposal group is probable, and transfer of the asset or disposal group is expected to qualify for recognition as a completed sale within one year, except if events or circumstances beyond our control extend the period of time required to sell the asset or disposal group beyond one year; (5) the asset or disposal group is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (6) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

We initially measure a long-lived asset or disposal group that is classified as held for sale at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held-for-sale criteria are met. Conversely, gains are not recognized on the sale of a long-lived asset or disposal group until the date of sale. We assess the fair value of a long-lived asset or disposal group less any costs to sell each reporting period it remains classified as held for sale and report any subsequent changes as an adjustment to the carrying value of the asset or disposal group, as long as the new carrying value does not exceed the carrying value of the asset at the time it was initially classified as held for sale.

Upon determining that a long-lived asset or disposal group meets the criteria to be classified as held for sale, the Company ceases depreciation and reports long-lived assets and/or the assets and liabilities of the disposal group, if material, in the line items assets held for sale and liabilities held for sale, respectively, in our consolidated balance sheet. See Note 32 for further information.

Recently adopted accounting policies

Accounting Standards Update (ASU) 2022-04, "Liabilities-Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations": In September 2022, the FASB issued new guidance, which provides guidance on the disclosure requirements for supplier finance programs. The amendments require that a buyer in a supplier finance program disclose sufficient qualitative and quantitative information about the program to allow a user of financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. The amended guidance is effective for the Company as from January 1, 2023, with the amendment on rollforward information effective January 1, 2024, with early adoption permitted. The amendments on supplier finance programs should be applied retrospectively except for the amendment on rollforward information, which should be applied prospectively. The adoption of this new standard did not have a material impact on our consolidated financial statements.

Accounting Standards Update (ASU) 2022-02, "Financial Instruments-Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures": In March 2022, the FASB issued new guidance, which eliminates the accounting guidance on troubled debt restructurings for creditors in ASC 310-40 and requires entities to evaluate all receivable modifications under ASC 310-20 to determine whether a modification made to a borrower results in a new loan or a continuation of the existing loan. The amended guidance adds enhanced disclosures for creditors with respect to loan refinancings and restructurings for borrowers experiencing financial difficulty. The amended guidance also requires

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Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

disclosure of current period gross charge-offs by year of origination within the vintage disclosures required by ASC 326. The adoption of this new standard did not have a material impact on our consolidated financial statements.

Recent accounting policies not yet adopted

Accounting Standards Update (ASU) 2023-01, “Leases (Topic 842) - Common Control Arrangements”: In March 2023, the FASB issued new guidance, these amendments provide private companies and not-for-profit organizations that are not conduit bond obligors with a practical expedient to use the written terms and conditions of a common control arrangement to determine whether a lease exists and, if so, the classification of and accounting for that lease. We are in the process of evaluating the impact of the amended guidance, but we currently expect that the adoption will not have a material impact, if any, on our consolidated financial statements.

Accounting Standards Update (ASU) 2023-02, “Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method” In March 2023, the FASB issued new guidance, these amendments allow reporting entities to elect to account for qualifying tax equity investments using the proportional amortization method, regardless of the program giving rise to the related income tax credits. The ASU responds to shareholder feedback that the proportional amortization method provides investors and other allocators of capital with a better understanding of the returns from investments that are made primarily for the purpose of receiving income tax credits and other income tax benefits. We are in the process of evaluating the impact of the amended guidance, but we currently expect that the adoption will not have a material impact, if any, on our consolidated financial statements.

Accounting Standards Update (ASU) 2023-03, “Presentation of Financial Statements (Topic 205), Income Statement—Reporting Comprehensive Income (Topic 220), Distinguishing Liabilities from Equity (Topic 480), Equity (Topic 505), and Compensation—Stock Compensation (Topic 718): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 120, SEC Staff Announcement at the March 24, 2022 EITF Meeting, and Staff Accounting Bulletin Topic 6.B, Accounting Series Release 280—General Revision of Regulation S-X: Income or Loss Applicable to Common Stock”: In July 2023, the FASB issued new guidance, this ASU amends the FASB Accounting Standards Codification for SEC paragraphs pursuant to SEC Staff Accounting Bulletin No. 120, SEC Staff Announcement at the March 24, 2022 EITF Meeting, and Staff Accounting Bulletin Topic 6.B, Accounting Series Release 280—General Revision of Regulation S-X: Income or Loss Applicable to Common Stock. We are in the process of evaluating the impact of the amended guidance, but we currently expect that the adoption will not have a material impact, if any, on our consolidated financial statements.

Accounting Standards Update (ASU) 2023-04, “Liabilities (Topic 405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 121”: In August 2023, the FASB issued new guidance, this ASU amends the FASB Accounting Standards Codification™ for SEC paragraphs pursuant to SEC Staff Accounting Bulletin No. 121 which expresses the views of the staff regarding the accounting for obligations to safeguard crypto-assets an entity holds for platform users. We are in the process of evaluating the impact of the amended guidance, but we currently expect that the adoption will not have a material impact, if any, on our consolidated financial statements.

Accounting Standards Update (ASU) 2023-05, “Business Combinations—Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement”: In August 2023, the FASB issued new guidance, this ASU applies to the formation of entities that meet the definition of a joint venture (or a corporate joint venture) as defined in the FASB Accounting Standards Codification® Master Glossary. While joint ventures are defined in the Master Glossary, there has been no specific guidance in the Codification that applies to the formation accounting by a joint venture in its separate financial statements. The amendments in the ASU require that a joint venture apply a new basis of accounting upon formation. As a result, a newly formed joint venture, upon formation, would initially measure its assets and liabilities at fair value (with exceptions to fair value measurement that are consistent with the business combinations guidance). We are in the process of evaluating the impact of the amended guidance, but we currently expect that the adoption will not have a material impact, if any, on our consolidated financial statements.

Accounting Standards Update (ASU) 2023-06, “Disclosure Improvements: Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative”: In October 2023, the FASB issued new guidance, the amendments in the ASU are expected to clarify or improve disclosure and presentation requirements of a variety of Codification Topics, allow users to more easily compare entities subject to the SEC’s existing disclosures with those entities that were not previously subject to the requirements, and align the requirements in the Codification with the SEC’s

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

regulations. We are in the process of evaluating the impact of the amended guidance, but we currently expect that the adoption will not have a material impact, if any, on our consolidated financial statements.

Accounting Standards Update (ASU) 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures”: In November 2023, the FASB issued new guidance, this ASU applies to all public entities that are required to report segment information in accordance with Topic 280, Segment Reporting. We are in the process of evaluating the impact of the amended guidance, but we currently expect that the adoption will not have a material impact, if any, on our consolidated financial statements.

Accounting Standards Update (ASU) 2023-08, “Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets”: In December 2023, the FASB issued new guidance, the amendments apply to all entities. ASU No. 2023-08 is intended to improve the accounting for certain crypto assets by requiring an entity to measure those crypto assets at fair value each reporting period with changes in fair value recognized in net income. The amendments also improve the information provided to investors about an entity’s crypto asset holdings by requiring disclosure about significant holdings, contractual sale restrictions, and changes during the reporting period. We are in the process of evaluating the impact of the amended guidance, but we currently expect that the adoption will not have a material impact, if any, on our consolidated financial statements.

Accounting Standards Update (ASU) 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures”: In December 2023, the FASB issued new guidance, these amendments require that public business entities on an annual basis (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income/(loss) by the applicable statutory income tax rate). We are in the process of evaluating the impact of the amended guidance, but we currently expect that the adoption will not have a material impact, if any, on our consolidated financial statements.

In March 2024, the SEC adopted final rules under SEC Release No. 33-11275, The Enhancement and Standardization of Climate-Related Disclosures for Investors, which requires registrants to provide certain climate-related information in their registration statements and annual reports. The rules require information about a registrant's climate-related risks that are reasonably likely to have a material impact on its business, results of operations, or financial condition. The required information about climate-related risks will also include disclosure of a registrant's greenhouse gas emissions. In addition, the rules will require registrants to present certain climate-related financial metrics in their audited financial statements. These requirements are effective for the Company in various fiscal years, starting with its fiscal year beginning January 1, 2026. Disclosures will be required prospectively, with information for prior periods required only to the extent it was previously disclosed in an SEC filing. The Company is currently evaluating the impact of these final rules on its consolidated financial statements and disclosures.

4. Acquisitions

2023 Acquisition Activity

We did not complete any acquisitions during the year ended December 31, 2023.

2022 Acquisition Activity

During the year ended December 31, 2022, we completed one business combination, as follows:

Acquisition of Viajanet

On June 1, 2022 (the “Closing Date”), we consummated the acquisition of a 100% equity interest of TVLX Viagens e Turismo S.A. (“Viajanet”), a company organized under the laws of Brazil (the “Viajanet Acquisition”), pursuant to a Share Purchase Agreement dated May 5, 2022 (the “Acquisition Agreement”). Viajanet is an online travel agency primarily focused on air travel in Brazil.

The purchase price was fixed at \$13,971 after net debt and working capital adjustments, of which \$9,355 was paid on June 30, 2022 and the remaining amount will be payable in June 2025.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

Under the Acquisition Agreement, the sellers contractually agreed to indemnify us for certain contingent matters up to \$20.0 million. We recognized and measured the seller indemnification based on the same basis as the indemnified items. Changes in the amount recognized for the seller indemnification which are not the result of qualifying measurement-period adjustments, are recognized in earnings in the same period as changes in the indemnified items are recognized.

We allocated the purchase price to identifiable tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at acquisition date. The estimated fair value of assets acquired and liabilities assumed was determined with the assistance of a third-party valuer. Goodwill was recognized as the excess of the aggregate of the fair values of consideration transferred over the fair value of assets acquired and liabilities assumed.

The purchase price allocation at the acquisition date was as follows:

Consideration:	
Purchase price paid on June 1, 2022	\$ 9,355
Fair value of deferred purchase price	4,616
Total consideration as of acquisition date	\$ 13,971
Recognized amounts of assets acquired and liabilities assumed:	
Cash and cash equivalents and restricted cash	\$ 2,337
Trade accounts receivable	1,004
Intangible assets	7,868
Property and equipment	769
Seller indemnification	7,956
Other assets	1,070
Total assets acquired	\$ 21,004
Accounts payable and accrued expenses	\$ 2,054
Travel accounts payable	6,861
Contingent liabilities	8,139
Deferred tax liabilities	2,212
Other liabilities	490
Total liabilities assumed	\$ 19,756
Total net assets acquired	\$ 1,248
Goodwill	\$ 12,723

Intangible assets acquired consisted of the following:

	Amount	Estimated useful life (in years)
Trademarks and domains	\$ 4,601	20
Developed technology	2,165	3
Customer relationships	800	1
Domains	302	20
Total intangible assets acquired	\$ 7,868	

The useful lives of the intangible assets for amortization purposes were determined considering the period of expected cash flows used to measure the fair value of the intangible assets adjusted as appropriate for the entity-specific factors including legal, regulatory, contractual, competitive, economic, or other factors that may limit the useful life of intangible assets.

We used an income approach to measure the fair value of trademarks based on the relief-from-royalty method. The relief-from-royalty valuation method estimates the benefit of ownership of the intangible asset as the “relief” from the royalty expense that would need to be incurred in absence of ownership.

We used a market approach to measure the fair value of domains.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

We used a cost approach to measure the fair value of developed technology based on the reproduction cost method, adjusted by a functional obsolescence factor. An additional cross-check analysis based on income approach has also been performed.

We used a replacement cost method to measure the fair value of licenses.

We used an income approach to measure the fair value of customer relationships based on the Multi-Period Excess Earnings Method. The excess earnings look at projected discounted cash flows of the customer relationships, considering estimated attrition rates. These fair value measurements were based on significant inputs not observable in the market and thus represent Level 3 measurements under the fair value hierarchy.

All other net tangible assets were valued at their respective carrying amounts, as we believe that these amounts approximate their current fair values.

Goodwill was primarily attributable to the synergistic value created from the opportunity for additional expansion in Brazil and is non-deductible for tax purposes.

We incurred \$390 of acquisition-related expenses which were included in “General and administrative” expenses in our consolidated statements of operations for the year ended December 31, 2022. As from August, 2022, we fully integrated Viajanet’s operations into our platform and we merged this company on January 1, 2023 with and into Decolar, our existing subsidiary in Brazil

The following table summarizes the revenue and net loss (including purchase accounting amortization and the impact of intercompany eliminations) of Viajanet included in our consolidated statements of operations for the year ended December 31, 2022 since June 1, 2022, the date of acquisition:

	Period from the date of acquisition to December 31, 2022	
Revenue	\$	3,658
Net loss	\$	(3,968)

The following pro forma summary presents certain consolidated information as if the Viajanet Acquisition occurred on January 1, 2021:

	For the year ended December 31,			
	2022		2021	
Revenue	\$	541,949	\$	330,668
Net loss	\$	(77,975)	\$	(110,048)

These pro forma results include adjustments for purposes of consolidating the historical financial results of Viajanet for the periods indicated. These pro forma results also include \$134 and \$268 for the years ended December 31, 2022 and 2021, respectively, to reflect the incremental depreciation and amortization as a result of recording assets at fair value. These pro forma results do not represent results that would have been realized had the acquisition actually occurred on January 1, 2021, nor are they intended to be a projection of future results.

2021 Acquisition Activity

We did not complete any acquisitions during the year ended December 31, 2021.

5. Redeemable non-controlling interest

In connection with the acquisition of the 84% controlling interest in Koin on August 20, 2020, we recognized \$2,655 as of December 31, 2022 for the 16% redeemable non-controlling interest held by the former owners. The terms of the agreement provided us with the right to acquire the non-controlling interest and provided the former owners the right to sell

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

their non-controlling interest back to us, assuming our call right was not exercised, at a date and fixed prices defined in the agreement.

The non-controlling interest was not redeemable during 2020 and 2021, but it was probable of becoming redeemable (the redemption depended solely on the passage of time). Accordingly, we recorded the non-controlling interest at the greater of (i) its acquisition date fair value as adjusted for its share (if any) of earnings, losses, or dividends or (ii) an accreted value from the date of the acquisition to the earliest redemption date, which was February 20, 2022. The accretion of the non-controlling interest to its earliest redemption value was recorded using an interest method. We adopted a policy to charge the carrying value adjustment to retained earnings or, absent retained earnings, additional paid-in capital and reduced net income available to our common shareholders in the calculation of earnings per share in accordance with the two-class method. We recorded the non-controlling interest amount in the “mezzanine” section of our consolidated balance sheets, outside of shareholders’ deficit. We recorded adjustments of \$1,355 to reflect the redemption value as of December 31, 2021.

On January 31, 2022, we redeemed the non-controlling interest in Koin for a fixed amount of \$3,200 payable in eight equal consecutive installments ending on August 31, 2022. We accounted for the change in ownership interest as an equity transaction. The difference between the amount of the non-controlling interest and the fair value of the consideration paid was recognized directly in equity and attributed to the parent.

As of December 31, 2023, there is no outstanding amount of redeemable non-controlling interest.

The following table presents a reconciliation of the changes in redeemable non-controlling interest:

	As of December 31, 2023	As of December 31, 2022
Balance, beginning of year	\$ —	\$ 2,596
Comprehensive loss adjustments:		
Net loss attributable to redeemable non-controlling interest	—	—
Other comprehensive loss attributable to redeemable non-controlling interest	—	131
Additional paid-in-capital adjustments:		
Adjustment to redemption value	—	473
Redemption of non-controlling interest	—	(3,200)
Balance, end of year	<u>\$ —</u>	<u>\$ —</u>

6. Preferred Stock and Warrants

Non-Convertible Redeemable Series A Preferred Shares and Warrants

On September 18, 2020 (the “Catterton Closing Date”), we completed the issuance and sale of our Series A Preferred Shares (as defined below) and warrants (the “Warrants”) to purchase our common stock (“Common Stock”) to LCLA Daylight LP, an affiliate of L Catterton Latin America III, L.P. (the “L Catterton Purchaser”) pursuant to our previously announced Investment Agreement, dated as of August 20, 2020, with the L Catterton Purchaser (the “L Catterton Investment Agreement”).

We issued and sold to the L Catterton Purchaser, pursuant to the L Catterton Investment Agreement, 150,000 shares of our newly created Series A Preferred Shares, no par value per share (the “Series A Preferred Shares”) and Warrants to purchase 11,000,000 shares of our Common Stock, no par value, for an aggregate purchase price of \$150,000.

On December 31, 2020, we paid certain fees in an aggregate amount of \$2,250 to the L Catterton Purchaser.

On the terms and subject to the conditions set forth in the L Catterton Investment Agreement, from and after September 18, 2020, LCLA Daylight LP is entitled to appoint one director to our Board of Directors (the “Board”) and one non-voting observer to the Board, in each case until such time as LCLA Daylight LP and its permitted transferees no longer hold (a) (i) at least 50% of the Series A Preferred Shares purchased by LCLA Daylight LP under the L Catterton Investment Agreement and (ii) Warrants and/or Common Stock for which the Warrants were exercised that represent, in the aggregate

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

and on an as-exercised basis, at least 50% of the shares underlying the Warrants purchased by LCLA Daylight LP under the L Catterton Investment Agreement or (b) if the Company has redeemed the Series A Preferred Shares in full (pursuant to the Company's redemption right with respect thereto), Warrants and/or Common Stock for which the Warrants were exercised that represent, in the aggregate and on an as-exercised basis, at least 50% of the shares underlying the Warrants purchased by LCLA Daylight LP under the L Catterton Investment Agreement.

The L Catterton Investment Agreement (including the forms of our amended Memorandum of Association and Articles of Association, the terms of the Series A Preferred Shares, Warrants and Registration Rights Agreement) contains other customary covenants and agreements, including certain transfer restrictions, standstill and voting provisions and preemptive rights.

In connection with and concurrently with the closing of the transactions contemplated by the L Catterton Investment Agreement, we issued to LCLA Daylight LP Warrants to purchase 11,000,000 shares of our Common Stock at an exercise price of \$0.01 per share, subject to certain customary anti-dilution adjustments provided under the Warrants, including for stock splits, reclassifications, combinations and dividends or distributions made by us on the Common Stock. The Warrants expire on September 18, 2030.

In connection with and concurrently with the closing of the transactions contemplated by the L Catterton Investment Agreement, we and LCLA Daylight LP entered into a Registration Rights Agreement (the "Registration Rights Agreement"), pursuant to which LCLA Daylight LP is entitled to customary registration rights with respect to the Common Stock for which the Warrants may be exercised.

Principal Terms of the Series A Preferred Shares

Dividends:

Dividends on each Series A Preferred Share accrue daily at a rate of 10.0% per annum and are payable semi-annually in arrears on September 30 and March 31, beginning on March 31, 2021. Dividends are payable, either in cash or through an accrual of unpaid dividends ("Dividend Accrual"), at the Company's option. Dividends on each Series A Preferred Share accrue whether or not declared and whether or not we have assets legally available to make payment thereof. To the extent that any dividends are declared but unpaid, or any dividends are not declared in any given year, (i) such accrued and unpaid dividends and/or (ii) an amount equal to the dividend entitlement, shall compound semi-annually at the rate of 10.0% per annum ("Accumulating Dividends"). All Accumulating Dividends shall be paid in full prior to any distribution, dividend or other payment in respect of any equity securities junior to the Series A Preferred Shares.

Ranking:

The Series A Preferred Shares rank senior to the Common Stock with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

Company's Redemption Rights:

At any time on or after the third anniversary of the Catterton Closing Date but prior to the fourth anniversary of the Catterton Closing Date, we may redeem all or any portion of the Series A Preferred Shares in cash at a price equal to 105.0% of the sum of the liquidation preference of \$1,000 per Series A Preferred Share plus any Dividend Accruals per Series A Preferred Share (the "Liquidation Preference"), plus, without duplication, accrued and unpaid distributions to, but excluding, the redemption date.

At any time on or after the fourth anniversary of the Catterton Closing Date but prior to the fifth anniversary of the Catterton Closing Date, we may redeem all or any portion of the Series A Preferred Shares in cash at a price equal to 102.5% of the Liquidation Preference, plus, without duplication, accrued and unpaid distributions to, but excluding, the redemption date. At any time after the fifth anniversary of the Catterton Closing Date, we may redeem all or any portion of the Series A Preferred Shares in cash at a price equal to the Liquidation Preference plus, without duplication, accrued and unpaid distributions to, but excluding, the redemption date.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

Holders' Redemption Rights:

At any time on or after the fifth anniversary of the Catterton Closing Date, each holder of Series A Preferred Shares may, at its election, cause the Company to redeem all or part of such holder's then outstanding Series A Preferred Shares in cash at a price equal to the Liquidation Preference, plus, without duplication, accrued and unpaid distributions to, but excluding, the redemption date. In addition, if the Company undergoes a qualifying change of control, each holder of Series A Preferred Shares may, at its election, cause the Company to redeem all of such holder's then outstanding Series A Preferred Shares in cash at a price equal to 110.0% of the Liquidation Preference, plus, without duplication, accrued and unpaid distributions to, but excluding, the redemption date.

Conversion Rights:

The Series A Preferred Shares are not convertible into Common Stock.

Voting Rights:

Each holder of Series A Preferred Shares will have one vote per share on any matter on which holders of Series A Preferred Shares are entitled to vote separately as a class, whether at a meeting or by written consent. The holders of Series A Preferred Shares do not otherwise have any voting rights at any meetings of the Company's shareholders or on any resolution of the Company's shareholders.

The prior written approval of the holders of a majority of the Series A Preferred Shares outstanding at such time, acting together as a separate class, is required in order for the Company to (i) amend the Memorandum and Articles of Association in a manner that adversely affects the holders of Series A Preferred Shares, (ii) create or issue any shares, or any securities convertible or exchangeable into, or exercisable for shares, ranking senior or pari passu to the Series A Preferred Shares or issue any additional Series A Preferred Shares or increase the authorized number of Series A Preferred Shares, other than an additional financing meeting certain requirements, (iii) declare or pay any dividend or distribution, or repurchase or redeem any shares, subject to certain exceptions, including with respect to the Series A Preferred Shares, (iv) make any fundamental change in the nature of the business in which the Company is primarily engaged, (v) initiate, engage in or permit to occur (to the extent within our control), any liquidation, dissolution or winding up of the Company, (vi) continue or re-domicile the Company in any jurisdiction other than the British Virgin Islands, or (vii) take or permit certain of the foregoing with respect to our significant subsidiaries.

So long as the Catterton Purchaser holds any Series A Preferred Shares, the prior written consent of the Catterton Purchaser is required in order for us to (i) incur any indebtedness for borrowed money in excess of the greater of \$60,000, and an amount equal to 1.0x the Company's consolidated Adjusted EBITDA for the twelve month period ending at the end of the last quarter for which we have publicly reported financial results, (ii) sell, dispose of or enter into any exclusive license for any material asset (or group of related assets) of the Company or with a fair market value equal or greater to 10% of our consolidated total assets and (iii) enter into certain affiliate transactions, in each case subject to certain exceptions.

Pursuant to the L Catterton Investment Agreement, on September 18, 2020, Mr. Dirk Donath was appointed as a member of the Board and Mr. Ramiro Lauzan was appointed as a non-voting observer. Mr. Donath has also been appointed to serve on the Strategy Committee and Nomination and Compensation Committee of the Board. Mr. Donath resigned on June 24, 2022, in connection with a rotation by L Catterton Purchaser of its appointed directors. Mr. Donath will continue to serve as an observer of the Board. Mr. Ramiro Lauzan has been appointed to the Board of Directors and to the Nomination and Compensation Committee and Strategy Committee of the Board, effective as of June 24, 2022.

Principal Terms of the Warrants to Purchase Common Stock

Pursuant to the L Catterton Investment Agreement, we issued to the Catterton Purchaser Warrants to purchase 11,000,000 Common Shares at an exercise price of \$0.01 per share ("Penny Warrants"), subject to certain customary anti-dilution adjustments provided under the Warrants, including for stock splits, reclassifications, combinations and dividends or distributions made by the Company on the Common Shares. The Penny Warrants expire ten years after the Catterton Closing Date.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

The Penny Warrants vest and are exercisable as of the issuance date.

The Penny Warrants also include customary anti-dilution adjustments.

Initial and Subsequent Accounting:

The Series A Preferred Shares are classified within temporary equity (mezzanine equity) on our consolidated balance sheet due to the provisions that could cause the equity to be redeemable at the option of the holder and the terms of the Series A Preferred Shares which do not include an unconditional obligation to redeem at a specified or determinable date, or upon an event certain to occur. The Penny Warrants qualify for classification in shareholders' equity and are included in our consolidated balance sheet within "Additional paid-in capital".

As indicated above, if a qualifying change of control occurs, then each holder of Series A Preferred Shares may, at its election, cause the Company to redeem all of such holder's then outstanding Series A Preferred Shares in cash at a price equal to 110.0% of the Liquidation Preference, plus, without duplication, accrued and unpaid distributions to, but excluding, the redemption date (the "Change of Control Put"). There is a substantial premium as the Company is required to pay 110.0% upon a change of control. The Change of Control Put requires bifurcation. However, it is uncertain whether or when a qualifying change of control would occur that would obligate the Company to pay the substantial premium liquidation preference to holders of the Series A Preferred Shares and at the balance sheet date, these circumstances were not probable. Thus, no value was assigned at inception. A subsequent adjustment to the carrying value of the Series A Preferred Shares may be made only when it becomes probable that such a change of control event will occur.

The gross proceeds received from the issuance of the Series A Preferred Shares were allocated to the Series A Preferred Shares and Warrants on a relative fair value basis.

In determining the fair value of the Series A Preferred Shares, we primarily used discounted cash flow analyses. Inputs to the discounted cash flow analyses and other aspects of the valuation require judgment. The more significant inputs used in the discounted cash flow analyses and other areas of judgment include assumptions on term, cash flows, and market yield.

In determining the fair value of the Warrants, we primarily used the Black Scholes Option Pricing Model ("BSOPM"). Inputs to the BSOPM and other aspects of the valuation require judgment. The more significant inputs used in the BSOPM and other areas of judgment include the starting stock price or value of the underlying assets, the strike price, the time to expiration, and volatility and risk-free rate. In order to consider the two-year transfer restriction of the Warrants, considered to be security specific, we applied a Discount for Lack of Marketability with the Finnerty Method.

Therefore, the Series A Preferred Shares were initially recognized at an allocated amount on a fair value basis of \$84,643, net of \$5,415 in initial discount and issuance costs. The Penny Warrants were recognized at an allocated amount on a fair value basis of \$56,339, net of \$3,604 in issuance costs. Penny Warrants were recorded as additional paid-in capital.

The Series A Preferred Shares are currently not redeemable; however, they will become redeemable on September 18, 2025. Since only the passage of time is needed to occur for the Series A Preferred Shares to become redeemable, it is considered to be probable that it will be redeemable. As such, we elected to accrete the difference between the initial value of \$84,643 and the redemption value of \$150,000 over the five-year period from the date of issuance through September 18, 2025 (the date at which the holder has the unconditional right to redeem the shares, deemed to be the earliest likely redemption date) using the effective interest method. The accretion to the carrying value of the redeemable preferred shares is treated as a deemed dividend, recorded as a charge to additional paid-in-capital (since there is a deficit in retained earnings) and deducted in computing earnings per share (analogous to the treatment for stated dividends paid on the redeemable preferred shares).

On March 21, 2023, we paid \$7,896 of accumulated dividends until September 30, 2022. On September 26, 2023, we paid \$7,854 of accumulated dividends until March 31, 2023. For the period from April 1, 2023 until December 31, 2023, we accrued \$11,491 for unpaid dividends recorded as a charge to additional paid-in-capital.

On March 25, 2022, we paid \$15,374 of accumulated dividends for the period ended March 31, 2022. On September 30, 2022, dividends were not paid in cash but instead accrued and accumulated. For the period from April 1, 2022 until December 31, 2022, we accrued \$11,491 for unpaid dividends recorded as a charge to additional paid-in-capital.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

As of December 31, 2023, none of the warrants were exercised.

The accumulated accretion as of December 31, 2023, 2022 and 2021 was \$13,324 and \$11,884 and \$10,600, respectively.

Convertible Redeemable Series B Preferred Shares

On September 21, 2020 (the “Waha Closing Date”), we completed the issuance and sale of our Series B Preferred Shares (as defined below) to Waha LATAM Investments Limited, an affiliate of Waha Capital PJSC (the “Waha Purchaser”) pursuant to our previously announced Investment Agreement, dated as of August 20, 2020, with the Waha Purchaser (the “Waha Investment Agreement”).

We issued and sold to the Waha Purchaser, pursuant to the Waha Investment Agreement, 50,000 shares of our newly created Series B Preferred Shares, no par value per share (the “Series B Preferred Shares”) for an aggregate purchase price of \$50,000.

On December 31, 2020, we paid certain fees in an aggregate amount of \$1,000 to affiliates of the Waha Purchaser.

On the terms and subject to the conditions set forth in the Waha Investment Agreement, from and after September 21, 2020, the Waha Purchaser is entitled to appoint one director to our Board and one non-voting observer to the Board, in each case until such time as (i) the Waha Purchaser no longer holds at least 50% of the Series B Preferred Shares purchased by the Waha Purchaser under the Waha Investment Agreement and (ii) in the event that the Waha Purchaser or the Company converts the Series B Preferred Shares to Common Shares in full, the Waha Purchaser will be entitled to appoint one director to the Board and one non-voting observer to the Board, in each case, until such time as the Waha Purchaser no longer holds at least 50% of the issued and outstanding Common Shares issued to the Waha Purchaser at the conversion date.

The Waha Investment Agreement (including the forms of our amended Memorandum of Association and Articles of Association, the terms of the Series B Preferred Shares and the Waha Shelf Registration Rights Agreement) contains other customary covenants and agreements, including certain transfer restrictions, standstill and voting provisions and preemptive rights.

Pursuant to the Waha Investment Agreement, we and the Waha Purchaser entered into a Shelf Registration Rights Agreement (the “Waha Shelf Registration Rights Agreement”), pursuant to which the Company filed a Registration Statement on Form F-3 covering the resale of the Common Shares for which the Series B Preferred Shares may be converted. The issuance of the Series B Preferred Shares pursuant to the Waha Investment Agreement is intended to be exempt from registration under the Securities Act, by virtue of the exemption provided by Section 4(a)(2) of the Securities Act.

Principal Terms of the Series B Preferred Shares

Dividends:

Dividends on each Series B Preferred Share accrue daily from and including the Waha Closing Date at a rate of 4.0% per annum and are payable quarterly in arrears commencing on December 31, 2020. Dividends on each Series B Preferred Share accrue whether or not declared and whether or not the Company has assets legally available to make payment thereof.

Dividends are payable, at the Company’s option, either (i) in cash or (ii) by increasing the amount of Accrued Dividends in an amount equal to the amount of the dividend to be paid. If the Company does not declare and pay in cash a full dividend on each Series B Preferred Share on any dividend payment date, then the amount of such unpaid dividend shall automatically be added to the amount of accrued dividends on such share on the applicable dividend payment date without any action on the part of the Company.

In addition, the Series B Preferred Shares are entitled to participate in dividends and other distributions declared and made on the Common Stock on an as-converted basis.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

Ranking:

The Series B Preferred Shares rank on a parity basis to the Series A Preferred Shares and senior to the Common Stock with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

Liquidation Rights:

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, the holders of the Series B Preferred Shares shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Company may be made to or set aside for the holders of any Common Shares, and subject to the rights of the holders of any Senior Shares or Parity Shares and the rights of the Company's existing and future creditors, to receive in full a liquidating distribution in cash and in the amount per Series B Preferred Share equal to the Liquidation Preference with respect to such Series B Preferred Share.

Conversion Rights:

The Series B Preferred Shares are convertible, at the option of the holder, at any time into Common Stock at an initial conversion price of \$9.251 (the "Initial Conversion Price) per share and an initial conversion rate of 108.1081 Common Shares per Series B Preferred Share, subject to certain anti-dilution adjustments. As of December 31, 2023 and 2022, there were no conversions of the Series B Preferred Shares. On March 27, 2024, Waha LATAM Investments Limited decided to convert our 50,000 Series B into ordinary shares (For further information, see Note 33).

Each holder of Series B Preferred Shares has the right, at such holder's option, to convert all or a part of such holder's Series B Preferred Shares at any time into (i) the number of Common Shares per Series B Preferred Share equal to the quotient of (A) the sum of the Stated Value plus, without duplication, any accrued and unpaid Dividends with respect to such Series B Preferred Share as of the applicable Conversion Date (to the extent such accrued and unpaid Dividend is not included in the Stated Value already) (such sum, the "Conversion Amount") divided by (B) the Conversion Price as of the applicable Conversion Date.

At any time from the third to the fifth anniversary of the Waha Closing Date, if the volume weighted average price ("VWAP") of the Common Shares exceeds \$13.88 (150% of the Initial Conversion Price) as may be adjusted pursuant to the Memorandum and Articles of Association, for at least 10 consecutive trading days, the Company may convert all of the Series B Preferred Shares into the number of Common Shares equal to the quotient of (1) 105% of the conversion amount as of the conversion date divided by (2) the conversion price of such share in effect as of the conversion date.

At any time from the fifth to the seventh anniversary of the Waha Closing Date, if the VWAP of the Common Shares exceeds \$12.49 (135% of the Initial Conversion Price), as may be adjusted pursuant to the Memorandum and Articles of Association, for at least 10 consecutive trading days, the Company may convert all of the Series B Preferred Shares into the number of Common Shares equal to the quotient of (1) 105% of the conversion amount as of the conversion date divided by (2) the conversion price of such share in effect as of the conversion date.

In addition, at any time from the seventh anniversary of the Waha Closing Date, if the VWAP of the Common Shares exceeds the Initial Conversion Price, as may be adjusted pursuant to the Memorandum and Articles of Association, for at least 10 consecutive trading days, the Company may convert all of the Series B Preferred Shares into the number of Common Shares equal to the conversion amount divided by the lower of (1) the VWAP per Common Share on the 15 trading days immediately preceding the conversion date or (2) the price per Common Share on the trading day immediately preceding the conversion date.

Redemption Rights:

At any time on or after the seventh anniversary of the Waha Closing Date, the Company may redeem all of the Series B Preferred Shares in cash at a price equal to the sum of (i) (x) the initial stated value of \$1,000 per Series B Preferred Shares plus (y) any Dividend Accruals (such sum, the "Stated Value") plus (ii), without duplication, any accrued and unpaid distributions to, but excluding, the redemption date.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

Change of Control Redemption:

If the Company undergoes a qualifying change of control prior to the seventh anniversary of the Waha Closing Date, the Company must redeem, subject to the right of each holder to convert its then outstanding Series B Preferred Shares into Common Shares, all of the then outstanding Series B Preferred Shares for a cash price per share equal to the greater of (x) 110.0% of the Stated Value plus, without duplication, any accrued and unpaid distributions to, but excluding, the redemption date, and (y) the amount such holder would have received in respect of the number of Common Shares that would be issuable upon conversion thereof.

If the Company undergoes a qualifying change of control on or following the seventh anniversary of the Waha Closing Date, the Company must redeem, subject to the right of each holder to convert its then outstanding Series B Preferred Shares into Common Shares, all of the then outstanding Series B Preferred Shares for a cash price per share equal to the greater of (x) 100% of the Stated Value plus, without duplication, any accrued and unpaid distributions to, but excluding, the redemption date, and (y) the amount such holder would have received in respect of the number of Common Shares that would be issuable upon conversion thereof, subject to certain conditions.

Voting Rights:

The Series B Preferred Shares will vote on all matters together with the Common Shares on an as-converted basis. Until such time as the Waha Purchaser no longer holds at least 50% of the Series B Preferred Shares purchased by the Waha Purchaser under the Waha Investment Agreement, the prior written consent of the Waha Purchaser is required in order for the Company to (i) authorize, create or issue any shares senior to or on parity with the Series B Preferred Shares, excluding an additional financing meeting certain requirements; (ii) amend, modify or repeal any provision of the Memorandum and Articles of Association in a manner adverse to the Series B Preferred Shares; (iii) change the authorized number of directors of the Company; (iv) enter into certain affiliate transactions; (v) declare or pay any dividend or distribution with respect to any shares; (vi) redeem, purchase or otherwise acquire any Common Shares; (vii) liquidate, dissolve or wind up the affairs of the Company or any of its subsidiaries, effect a recapitalization or reorganization, or reincorporate the Company under the laws of a jurisdiction other than the British Virgin Islands; (viii) effect a conversion of the Company into a different legal form; and (ix) enter into any exclusive license for all or substantially all of the Company's products or technologies to a third party, in each case subject to certain exceptions.

Pursuant to the Waha Investment Agreement, Mr. Aseem Gupta served as director from September 21, 2020 until June 30, 2021 when he resigned to his position in the board. As of the date of these consolidated financial statements, Waha has not designated any director since and its seat is still vacant.

Initial and Subsequent Accounting:

The Series B Preferred Shares are classified within temporary equity on our consolidated balance sheets due to the provisions that cause the equity to be redeemable upon the occurrence of a change of control. The terms of the Series B Preferred Shares do not include an unconditional obligation to redeem at a specified or determinable date, or upon an event certain to occur.

The Series B Preferred Shares were determined to have characteristics more akin to equity than debt. As a result, the conversion at holder's option or at the Company's option prior to the seventh anniversary of the Waha Closing Date were determined to be clearly and closely related to the Series B Preferred Shares and therefore do not need to be bifurcated and classified as a derivative liability.

The Company's conversion option after the seventh anniversary of the Waha Closing Date was not determined to be clearly and closely related to the Series B Preferred Shares as the feature is in-substance a put option as it is designed to provide the investor with a fixed monetary amount, settleable in shares. Put (call) options embedded in equity hosts are not considered clearly and closely related. However, the embedded feature does not meet the definition of a derivative. It has an underlying, a notional amount and a settlement provision, little to no initial net investment but it is not net settled. Therefore, the feature does not need to be bifurcated and classified as a derivative liability.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

We also evaluated whether a beneficial conversion feature (“BCF”) should be bifurcated and separately recognized. A convertible instrument contains a BCF when the conversion price is less than the fair value of the shares into which the instrument is convertible at the commitment date. As the conversion price is above the share price and the conversion option is not priced “in-the-money”, we concluded that the Series B Preferred Shares did not contain a BCF and no accounting entry was required.

All the other embedded features in the Series B Preferred Shares do not need to be bifurcated.

Accordingly, the Series B Preferred Shares were recognized at fair value of \$50,000 (the proceeds on the date of issuance) less issuance costs of \$3,300 resulting in an initial value of \$46,700.

The Series B Preferred Shares are not currently redeemable at December 31, 2023. Also, the events that could cause the Series B Preferred Shares to become redeemable are not considered probable of occurring as of December 31, 2023. Accordingly, accretion from the initial carrying amount to the redemption amount was not required. For the years ended December 31, 2023 and 2022, we accrued, approved, and paid \$2,000 and \$2,000, respectively, in cash dividends and as of December 31, 2023 there were no undeclared dividends.

7. Debt and other financial liabilities

The following table summarizes our outstanding short-term and long-term debt and other financial liabilities:

	As of December 31, 2023	As of December 31, 2022
Loan with HSBC Mexico, S.A. principal amount 100,000,000 Mexican Pesos	\$ —	\$ 5,177
Collect on debenture issuance by securitization program (Note 11)	—	2,231
Loan with Banco de Crédito e Inversiones principal amount 500,000,000 Chilean Pesos	—	251
Loan with Itaú Unibanco S.A. principal amounts 17,200,000 Reais and 3,000,000 Reais	3,605	3,926
Long-term debt, including current maturities	3,605	11,585
Less: Current maturities of long-term debt	1,343	6,466
Long-term debt, excluding current maturities	\$ 2,262	\$ 5,119
Short-term debt, including current maturities of long-term debt	28,530	29,931
Total short-term and long-term debt	\$ 30,792	\$ 35,050

The total estimated fair value of our long-term debt excluding our collateralized debt was approximately \$3,601 and \$4,843 as of December 31, 2023 and 2022, respectively.

The following table shows the details of the long-term debt outstanding as of December 31, 2023:

Loan	Issuance date	Maturity date	Currency	Amount in original currency	Amount in U.S. dollars	Interest rate	Interest payment
Itaú Unibanco S.A.	November 2020	November 2026	Reais	14,896	3,070	4%	Monthly
Itaú Unibanco S.A.	November 2020	November 2026	Reais	2,598	535	4%	Monthly

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Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

The changes in the balance of our total short-term and long-term debt as of December 31, 2023 and 2022 consist of the following:

	As of December 31, 2023	As of December 31, 2022
Balance, beginning of year	\$ 35,050	\$ 26,683
Collect on debenture issuance by securitization program (Note 11)	—	2,231
Payments of debenture issuance by securitization program (Note 11)	(2,231)	—
Payment of borrowings	(5,807)	(3,927)
Accrued interest	630	641
Interest paid	(361)	(229)
Foreign currency translation adjustment	(211)	(3,997)
Short-term loans, net	3,722	13,648
Balance, end of year	<u>\$ 30,792</u>	<u>\$ 35,050</u>

As of December 31, 2023 and 2022, short-term debt is comprised of seven loans with two financial institutions and five loans with one financial institution, respectively. Short-term debt is taken with maturities ranging from 1 month to 12 months. A portion of the short term debt is collateralized by accounts receivable. The weighted average interest rate on short-term borrowings outstanding as of December 31, 2023 and 2022, excluding our collateralized debt, was 12.29% and 12.98%, respectively. As December 31, 2023, we maintain short-term debt classified as a liability held for sale, see Note 32.

At December 31, 2023, we were in compliance with the applicable covenants under our debt agreements.

8. Cash and cash equivalents and restricted cash and cash equivalents

Cash and cash equivalents:

Cash and cash equivalents consist of the following:

	As of December 31, 2023	As of December 31, 2022
Cash on hand	\$ 27	\$ 65
Bank deposits ⁽¹⁾	119,806	186,539
Time deposits	57,466	17,117
Money market funds	37,276	15,446
Total cash and cash equivalents	<u>\$ 214,575</u>	<u>\$ 219,167</u>

(1) As of December 31, 2023, we maintain \$9,319 as assets held for sale, see Note 32.

Restricted cash:

Restricted cash and cash equivalents amount to \$26,879 and \$25,879 as of December 31, 2023 and 2022, respectively.

We place collateralized amounts related to operations with our travel suppliers and service providers and the International Air Transport Association (“IATA”). We are required to be accredited by IATA to sell international airlines tickets of IATA-affiliated airlines. We, therefore, as part of our operations, maintain restricted cash in the form of time deposits or bank or insurance guarantees.

Also included within the restricted cash balance is \$4,108 and \$1,492 related to cash and cash equivalents balances of the securitization VIEs as of December 31, 2023 and 2022, respectively (See Note 11).

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

The following table reconciles our cash and cash equivalents and restricted cash as reported in our consolidated balance sheets to the total amount shown in our consolidated statements of cash flows:

	As of December 31, 2023	As of December 31, 2022	As of December 31, 2021
As included in our consolidated balance sheets:			
Cash and cash equivalents ⁽¹⁾	\$ 223,894	\$ 219,167	\$ 246,078
Restricted cash ⁽¹⁾	26,895	25,879	33,145
Total cash and cash equivalents and restricted cash as shown in our consolidated statements of cash flows:	250,789	245,046	279,223
Cash and cash equivalents related to business held for sale (Note 32)	9,319	—	—
Restricted cash related to business held for sale (Note 32)	16	\$ —	\$ —
Cash and cash equivalents as of end of the period, net of business held for sale	\$ 241,454	\$ 245,046	\$ 279,223

(1) As of December 31, 2023, we maintain \$9,319 of cash and cash equivalents and \$16 of restricted cash as assets held for sale, see Note 32.

9. Trade accounts receivable, net of allowances:

Trade accounts receivable in our consolidated balance sheets as of December 31, 2023 and 2022 are as follows:

	As of December 31, 2023	As of December 31, 2022
Third-party credit card processors (1)	127,980	87,063
Fulfillment partners	30,310	38,545
Global distribution systems and travel incentives	10,307	12,837
Advertising	8,197	5,676
Airlines	3,297	4,144
Hotels	3,207	2,233
Others	6,904	7,429
Total accounts receivable	190,202	157,927
Allowance for credit losses	(6,809)	(10,529)
Total accounts receivable, Net	\$ 183,393	\$ 147,398

(1) Net of allowance for cancellations, see Note 31.

Our receivables are short-term in nature. We have grouped our trade receivables into pools by country of origin and type (i.e., facilitation services, incentives, advertising, transportation and tour services and others) based on similar risk characteristics. Payment terms for receivables vary depending on type and jurisdiction, generally less than one year.

As it relates to trade receivables with credit card processors which represent most of our trade receivables as of any given date, payment terms vary but typically are received within thirty days after booking except in those cases where transactions are effected through financing installment plans offered by banks. When travelers pay in installments, payment settlement depends on each market's dispositions. Installment plans are offered by banks and may vary, generally up to 12 monthly installments after booking is confirmed. We usually receive full payment from credit card processors within 30 days at an agreed-upon discount rate, regardless of customer due dates. However, in some specific markets we receive payment from credit card processors at the time each installment is due. In these cases, we typically enter into factoring agreements to collect these accounts receivable, thereby reducing the days of outstanding exposure. Payment conditions for accounts receivable from advertising transactions are usually agreed in each specific contract, the common practice for them is to be payable within 30 days. Receivables from back-end incentives typically do not have stated payment terms, although we usually receive this payment within 12 months.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

For each pool, we consider the historical credit loss experience, current economic conditions, supportable forecasts of future economic conditions, and any recoveries in assessing the lifetime expected credit losses. Generally, we utilize a loss rate method to calculate the allowance for expected credit losses. We track historical loss information for our receivables by type and geography using their contractual lives. We then apply the historical credit loss percentages to our outstanding balances as of any given date. We believe that using historical loss information is a reasonable basis on which to determine expected credit losses for our receivables because their composition at the reporting date is consistent with that used in developing the historical credit-loss percentages.

Historically the default or delinquency rates of our trade receivables have been low even during recessions or distressed economic periods. Recessions or other poor economic conditions had historically affected the number of bookings by travelers and therefore generation of revenue and corresponding receivables, but they generally did not affect the collection behavior of receivables from confirmed bookings. A booking is not confirmed if credit card information is not validated by the credit card processors' systems. Therefore, due to the nature of our receivables and counterparties, losses have been historically limited to very specific events at the counterparty level such as bankruptcy or financial difficulties.

Our exposure to credit risk takes the form of a loss that would be recognized if counterparties failed to, or were unable to, meet their payment obligations. We are also exposed to political and economic risk events, which may cause non-payment of foreign currency obligations to us.

Generally, the counterparties to our trade receivables are major well-recognized and externally-credit rated credit card companies, such as MasterCard, Visa and other local or regional credit card processors; major GDS providers, such as Travelport, Amadeus and Sabre, individual major airlines; and to a lesser extent hotel chains and operators. We may seek cash collateral, letter of credit or parent company guarantees, as considered appropriate. We have not experienced significant credit problems with these customers to date. Most of these entities or their parent companies are externally credit-rated. We review these external ratings from credit agencies. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in our consolidated balance sheet after deducting the expected credit loss allowance.

The following table shows the activity on the expected credit loss allowance for our trade receivables during the years ended December 31, 2023 and 2022:

	As of December 31, 2023	As of December 31, 2022
Balance, beginning of year	\$ 10,529	\$ 10,911
Provisions	4,350	8,233
Recoveries and write-off	(8,837)	(8,884)
Foreign currency translation adjustment	767	269
Balance, end of year	<u>\$ 6,809</u>	<u>\$ 10,529</u>

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

10. Loans receivable, net of allowances

Current loans receivable in our consolidated balance sheets as of December 31, 2023 and 2022 are as follows:

	As of December 31, 2023	As of December 31, 2022
Loans receivable	\$ 23,794	\$ 23,360
Securitized loans receivable	10,702	3,963
Allowance for credit expected losses	(13,111)	(11,938)
Total current loans receivable, net	<u>\$ 21,385</u>	<u>\$ 15,385</u>

Non-current loans receivable in our consolidated balance sheets as of December 31, 2023 and 2022 are as follows:

	As of December 31, 2023	As of December 31, 2022
Loans receivable	\$ 2,213	\$ 1,658
Allowance for credit expected losses	(472)	(473)
Total non-current loans receivable, net	<u>\$ 1,741</u>	<u>\$ 1,185</u>

For the years ended December 31, 2023 and 2022, all of our loans receivable were originated to consumers in Brazil. As of December 31, 2023 and 2022, 88% and 61% of loans receivable, respectively, were originated to consumers seeking to buy travel products and services with our Brazilian travel subsidiary, Decolar, and the remaining comprised loan receivable originated to consumers seeking to buy products with other merchants.

We utilize a simplified roll rate method to calculate the allowance for expected credit losses and estimate the lifetime expected credit loss allowance based on a collective assessment. We write off loans receivable when the customer balance becomes 360 days past due.

We apply the following rates which are calculated based on internal data and that are periodically assessed to check its adequacy in order to cover 100 % of the estimated credit losses of the current portfolio at each period closing.

Grade	Status	Provision Rate
B	Not overdue	1%
B	Overdue b/w 1 - 5 days	1%
D	Overdue b/w 6 - 14 days	10%
E	Overdue b/w 15 - 30 days	30%
F	Overdue b/w 31 - 60 days	50%
G	Overdue b/w 61 - 90 days	70%
G	Overdue b/w 91 - 120 days	70%
G	Overdue b/w 121 - 150 days	70%
H	Overdue b/w 151 - 360 days	100%

We write off loans receivable when the customer balance becomes 360 days past due.

The credit quality analysis of loans receivable was as follows:

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Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

	As of December 31, 2023	As of December 31, 2022
1-30 days past due	\$ 4,037	\$ 2,590
31-60 days past due	2,133	1,402
61-90 days past due	1,773	1,218
91-120 days past due	1,214	1,202
121-150 days past due	1,131	1,361
151-180 days past due	1,647	1,504
181-210 days past due	1,094	1,293
211-240 days past due	1,043	1,311
241-270 days past due	1,017	1,344
271-300 days past due	1,219	1,141
301-330 days past due	1,145	960
331-360 days past due	1,139	833
Total past due	<u>\$ 18,592</u>	<u>\$ 16,159</u>
To become due	18,117	12,822
Total loans receivable	<u>\$ 36,709</u>	<u>\$ 28,981</u>

11. Brazilian accounts receivable securitization program

Koin employs securitization programs to monetize a portion of its loans receivable. These programs involve transferring select loan assets to a special purpose vehicle (SPV), which then issues various forms of interests in those assets to investors. Koin receives cash proceeds and/or other interests in the SPV in exchange for the transferred assets.

As of December 31, 2022, we had a securitization program in place structured to securitize a portion of our loans receivable related to our Koin solution. In this securitization transaction, assets from our balance sheet were transferred to a special purpose vehicle (SPV) we established, which met the definition of a variable interest entity (VIE). The SPV issued various forms of interests in those assets to investors. We received cash proceeds and/or other interests in the securitization SPV for the assets we transferred.

The SPV was a VIE because its total equity investment at risk was not sufficient to permit it to finance its activities without additional subordinated financial support from investors or via the collections from loans receivable purchased. We were considered the primary beneficiary of the SPV since we had the ability to direct the activities of the VIE that most significantly impacted the entity's economic performance and the obligation to absorb losses and the right to receive benefits that were potentially significant to the VIE.

Our continuing involvement in the securitization transaction consisted primarily of holding certain retained interests and acting as the primary servicer for which we earned a servicing fee. We consolidated the assets, liabilities, and related results of the SPV in our consolidated financial statements. Any activity between the participating subsidiary and the SPV was eliminated in consolidation. The assets of the consolidated SPV primarily consisted of cash and cash equivalents and loans receivable, which we reported on our consolidated balance sheet as restricted cash and cash equivalents and securitized loans receivable, respectively. The assets of the SPV were the primary source of funds to settle its obligations. The third-party creditors of the SPV had legal recourse only to the assets securing the debt and did not have recourse to our company. The liabilities primarily consisted of debt securities issued by the SPV, which we reported on our consolidated balance sheet as securitized debt obligations. Additionally, the cash flows generated by the SPV were restricted to the payment of amounts due to third-party investors, but we retained the right to residual cash flows.

This first securitization program ended on October 27, 2023, with the full payment of all due interests and principal amounts by the VIE to the senior investors and with the return of the residual cash flows and loans receivable to Koin.

In January 2023, we launched a second securitization program, this time through a 'K-FIDC' structure, to serve as the successor to the first facility that had reached the end of its revolving period by the end of December 2022. We evaluated

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Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

the SPV and concluded that it was a VIE, following the same reasoning as for the first facility. We are the primary beneficiary of the SPV since we have the ability to direct the activities of the VIE that most significantly impact the entity's economic performance and the obligation to absorb losses and the right to receive benefits that are potentially significant to the VIE.

Our continuing involvement in the securitization transaction consists primarily of holding certain retained interests and acting as the primary servicer for which we earn a servicing fee. We consolidate the assets, liabilities and related results of the SPV in our consolidated financial statements.

The following table summarizes the collateralized debt as of December 31, 2023:

SPV	Collateralized debt	Interest rate	Currency	Maturity
Koin K-FIDC - Current	\$ 7,534	CDI +5.25% (*)	Brazilian Reais	December, 2024
Total	<u>\$ 7,534</u>			

(*) As of December 31, 2023, CDI equals 11.65%

The assets and liabilities of the SPV included in our consolidated financial statements as of December 31, 2023 and 2022 are as follows:

Vert-Koin:

	As of December 31, 2023	As of December 31, 2022
Restricted cash and cash equivalents	\$ —	\$ 1,492
Loans receivable	—	3,963
Allowance for credit losses	—	(550)
Total current assets	<u>\$ —</u>	<u>\$ 4,905</u>
Loans receivable, net	\$ —	\$ —
Total non-current assets	<u>\$ —</u>	<u>\$ —</u>
Total assets	<u>\$ —</u>	<u>\$ 4,905</u>

	As of December 31, 2023	As of December 31, 2022
Accounts payable	\$ —	\$ 2
Collateralized debt	—	2,314
Other payables	—	1
Total current liabilities	<u>\$ —</u>	<u>\$ 2,317</u>
Collateralized debt	—	2,231
Total non-current liabilities	<u>\$ —</u>	<u>\$ 2,231</u>
Total liabilities	<u>\$ —</u>	<u>\$ 4,548</u>

K-FDIC:

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

	As of December 31, 2023	As of December 31, 2022
Restricted cash and cash equivalents	\$4,108	\$ —
Loans receivable	10,702	—
Allowance for credit losses	(1,718)	—
Other receivables and prepaid expenses	749	—
Total current assets	13,841	—
Total assets	\$ 13,841	\$ —
	As of December 31, 2023	As of December 31, 2022
Accounts payable	\$ 15	\$ —
Collateralized debt	7,533	—
Total current liabilities	\$ 7,548	\$ —
Total liabilities	\$ 7,548	\$ —

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

12. Other assets and prepaid expenses

Other current assets and prepaid expenses consist of the following:

	As of December 31, 2023	As of December 31, 2022
Tax credits	\$ 37,608	\$ 26,660
Prepaid expenses and advance to suppliers	9,293	14,504
Seller indemnification ⁽¹⁾	2,409	4,216
Others	2,977	1,241
Total other current assets and prepaid expenses	<u>\$ 52,287</u>	<u>\$ 46,621</u>

⁽¹⁾ Correspond to the earnout provision under the Best Day acquisition. See Note 18.

Other non-current assets and prepaid expenses consist of the following:

	As of December 31, 2023	As of December 31, 2022
Deferred tax assets	\$ 70,729	\$ 59,254
Seller indemnification ⁽¹⁾	5,052	6,974
Equity method investments ⁽²⁾	3,105	3,556
Total other non-current assets and prepaid expenses	<u>\$ 78,886</u>	<u>\$ 69,784</u>

⁽¹⁾ Correspond to the acquisition of Viajanet, see Note 4.

⁽²⁾ Includes \$2.5 million related to an equity stake in Stays acquired in July 2022. Stays is a vacation rental channel manager based in Brazil.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

13. Property and equipment, net

Property and equipment, net consists of the following:

	As of December 31, 2023	As of December 31, 2022
Computer hardware and software	\$ 32,640	\$ 37,156
Office furniture and fixtures	16,540	14,687
Buildings	2,001	2,042
Vehicles	730	1,814
Land	41	268
Total property and equipment	\$ 51,952	\$ 55,967
Accumulated depreciation ⁽¹⁾	(35,552)	(40,435)
Total property and equipment, net	\$ 16,400	\$ 15,532

⁽¹⁾ Accumulated depreciation as of December 31, 2023 comprised of \$26,784, \$7,859, \$305 and \$604 for computer hardware and software, office furniture and fixtures, buildings and vehicles, respectively. Accumulated depreciation as of December 31, 2022 comprised of \$28,812, \$10,565, \$289 and \$769 for computer hardware and software, office furniture and fixtures, buildings and vehicles, respectively.

The changes in the balance of property and equipment for the years ended December 31, 2023 and 2022 consist of the following:

	As of December 31, 2023	As of December 31, 2022
Balance, beginning of year	\$ 15,532	\$ 17,285
Additions	9,820	4,288
Acquisitions (Note 4)	—	769
Depreciation	(8,535)	(7,018)
Foreign currency translation adjustment	1,079	208
Assets held for sale (Note 32)	(1,496)	—
Balance, end of year	\$ 16,400	\$ 15,532

Depreciation expense for the years ended December 31, 2023, 2022 and 2021 was classified as follows:

	For the year ended December 31		
	2023	2022	2021
Technology and product development	\$ 3,824	\$ 2,591	\$ 2,913
General and administrative	3,187	2,359	2,695
Selling and marketing	1,524	2,068	1,309
Total depreciation expense	\$ 8,535	\$ 7,018	\$ 6,917

As of December 31, 2023 and 2022, we identified no impairment indicators for our property and equipment assets.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

14. Intangible assets, net

Indefinite-lived and Finite-lived intangible assets, net consists of the following:

	As of December 31, 2023	As of December 31, 2022
<i>Indefinite-lived intangible assets:</i>		
Trademarks and domains	\$ 13,882	\$ 13,882
<i>Finite-lived intangible assets:</i>		
Trademarks and domains	18,494	31,084
Developed technology	160,436	135,318
Licenses	1,333	2,418
Customer relationships	39,452	34,685
Total intangible assets	\$ 233,597	\$ 217,387
Accumulated amortization ⁽¹⁾	(143,176)	(125,887)
Impairment charges	—	—
Total intangible assets, net	\$ 90,421	\$ 91,500

⁽¹⁾ Accumulated amortization as of December 31, 2023 comprised \$112,506, \$777, \$19,690 and \$10,203 for developed technology, licenses, customer relationships and trademarks, respectively. Accumulated amortization as of December 31, 2022 comprised \$97,615, \$1,741, \$12,465 and \$14,066 for developed technology, licenses, customer relationships and trademarks, respectively.

The changes in the balance of intangible assets, net for the years ended December 31, 2023 and 2022 consist of the following:

	As of December 31, 2023	As of December 31, 2022
Balance, beginning of year	\$ 91,500	\$ 85,723
Additions	31,146	26,372
Acquisitions (Note 4)	—	7,868
Amortization	(27,975)	(28,985)
Impairment charges	—	—
Foreign currency translation adjustment	3,988	522
Assets held for sale (Note 32)	(8,238)	—
Balance, end of year	\$ 90,421	\$ 91,500

Amortization expense for the years ended December 31, 2023, 2022 and 2021 was classified as follows:

	For the year ended December 31		
	2023	2022	2021
Technology and product development	\$ 20,924	\$ 18,825	\$ 18,610
General and administrative	5,711	8,574	7,044
Selling and marketing	1,340	1,586	1,634
Total amortization expense	\$ 27,975	\$ 28,985	\$ 27,288

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

The estimated future amortization expense related to intangible assets with finite lives as of December 31, 2023, assuming no subsequent impairment of the underlying assets, is as follows:

Year	Amount
2024	\$ 25,756
2025	20,440
2026	12,644
2027	5,675
2028 and thereafter	12,024
Total	<u>\$ 76,539</u>

Impairment Assessments

Indefinite-lived intangible assets:

Our indefinite-lived intangible assets comprise our trademarks Despegar and Decolar.

We test indefinite-lived intangible assets for impairment as of December 31 of each year, or more frequently if events and circumstances indicate that an impairment may have occurred. In our evaluation of our indefinite-lived intangible assets, we typically first perform a quantitative assessment, and an impairment charge is recorded for the excess of the carrying value of indefinite-lived intangible assets over their fair value, if necessary. We base our measurement of fair value of our trade name and trademarks, classified as Level 3 measurements, using the relief-from-royalty method, which includes unobservable inputs, including projected revenues and royalty rate of 2.5%. As of December 31, 2023, we performed our annual impairment test and concluded that there was no impairment of indefinite-lived intangible assets.

15. Goodwill

A substantial portion of our goodwill relates to the acquisition of the Best Day Group. See Note 4 for details.

Goodwill consists of the following:

	As of December 31, 2023	As of December 31, 2022
Goodwill	<u>\$ 150,752</u>	<u>\$ 138,637</u>

The following table presents the changes in goodwill by reportable segment:

	Air	Packages, Hotels and Other Travel Products	Financial Services	Total
Balance as of January 1, 2022	\$ 17,340	\$ 99,490	\$ 5,596	\$ 122,426
Additions	12,723	—	—	12,723
Foreign currency translation adjustment	(603)	3,789	302	3,488
Balance as of December 31, 2022	\$ 29,460	\$ 103,279	\$ 5,898	\$ 138,637
Assets held for sale (Note 32)	—	(3,685)	—	(3,685)
Foreign currency translation adjustment	2,920	12,353	527	15,800
Balance as of December 31, 2023	<u>\$ 32,380</u>	<u>\$ 111,947</u>	<u>\$ 6,425</u>	<u>\$ 150,752</u>

2023 Impairment Assessment

We test goodwill for impairment at the reporting unit level and the tests are performed as of December 31 of each year, or more frequently if events and circumstances indicate that an impairment may have occurred. We compared the fair value of the reporting units to their carrying values. The fair value estimates of the reporting units are based on the present value of their future discounted cash flows, Level 3 inputs (income approach). The income approach estimates fair value utilizing

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Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

long-term growth rates and discount rates applied to the cash flow projections. The significant estimates used in the discounted cash flows model included our forecasted gross bookings; forecasted revenues, net of significant costs and expenses; and the discount rate. Our assumptions were based on the actual historical performance of the reporting units and considered operating result trends, air passenger traffic growth rates, and implied risk premiums based on market prices of our equity and debt as of the assessment dates.

As of December 31, 2023, we performed our annual goodwill impairment test and concluded that there was no impairment of goodwill.

16. Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of the following:

	As of December 31, 2023	As of December 31, 2022
Marketing suppliers	\$ 23,491	\$ 20,212
Unbilled suppliers	17,039	15,868
Other suppliers	11,402	21,944
Total accounts payable and accrued expenses	\$ 51,932	\$ 58,024

17. Travel accounts payable

Travel accounts payable consist of the following:

	As of December 31, 2023	As of December 31, 2022
Hotels and other travel providers	\$ 253,092	\$ 200,006
Canceled reservations pending payment to travelers	44,504	44,657
Airlines	49,654	36,070
Other suppliers	8,137	6,693
Total travel accounts payable	\$ 355,387	\$ 287,426

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

18. Other liabilities

Other current liabilities consist of the following:

	As of December 31, 2023	As of December 31, 2022
Taxes payable	\$ 51,277	\$ 54,177
Salaries payable	39,210	37,927
Purchase price payable for Best Day Group (1)	—	3,744
Accrued earnout liability (2)	2,409	—
Promissory notes issued (3)	—	15,879
Others	1,797	2,494
Total other current liabilities	\$ 94,693	\$ 114,221

Other non-current liabilities consist of the following:

	As of December 31, 2023	As of December 31, 2022
Taxes payable	\$ —	\$ 16
Deferred tax liabilities	8,100	12,898
Accrued earnout liability (2)	—	811
Purchase price payable for Viajanet acquisition (4)	1,885	4,112
Others	2,646	3,008
Total other non-current liabilities	\$ 12,631	\$ 20,845

- (1) The purchase price for the Best Day acquisition was payable on October 1, 2023. However, we settled certain contingencies which were indemnified by the sellers and accordingly we agreed to apply those payments towards the purchase price.
- (2) Correspond to the earnout provision under the Best Day acquisition.
- (3) Correspond to legally assumed debt with Best Day prior shareholders. The outstanding debt was settled in October 2023. See Note 4.
- (4) Correspond to outstanding balance for the Viajanet acquisition payable in June 2025. However, we settled certain contingencies which were indemnified by the sellers and accordingly we agreed to apply those payments towards the purchase price.

19. Derivative financial instruments

As of December 31, 2023 and 2022, derivative financial instruments consist of foreign currency forward contracts of a short-term nature. The following table shows the derivative financial position as of the end of each year:

	Local currency	Notional amount	Type	Maturity	Fair value
2023					
	Brazilian Reais	\$ 9,000	Sell	Jan-24	\$ 474
	Brazilian Reais	\$ 7,000	Sell	Feb-24	\$ 294
	Brazilian Reais	\$ 5,000	Buy	Jan-24	\$ (93)
	Brazilian Reais	\$ 5,000	Buy	Feb-24	\$ (104)
	Chilean Pesos	\$ 1,500	Buy	Jan-24	\$ (9)
	Chilean Pesos	\$ 1,500	Buy	Feb-24	\$ (13)
	Chilean Pesos	\$ 1,500	Buy	Mar-24	\$ (12)
	Colombian Pesos	\$ 5,300	Sell	Jan-24	\$ 394
	Mexican Pesos	\$ 4,000	Sell	Jan-24	\$ 74
	Mexican Pesos	\$ 6,000	Sell	Feb-24	\$ 61
	Mexican Pesos	\$ 4,000	Sell	Mar-24	\$ 56
	Mexican Pesos	\$ 1,500	Sell	Abr-24	\$ 28
	Total fair value of foreign currency forwards, net				\$ 1,150

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Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

	Local currency	Notional amount	Type	Maturity	Fair value
2022					
	Brazilian Reais	\$ 7,000	Sell	Jan-23	\$ (155)
	Brazilian Reais	\$ 8,000	Sell	Feb-23	\$ (98)
	Brazilian Reais	\$ 6,600	Buy	Jan-23	\$ 172
	Chilean Pesos	\$ 4,000	Sell	Jan-23	\$ (91)
	Chilean Pesos	\$ 11,000	Buy	Jan-23	\$ 527
	Chilean Pesos	\$ 5,000	Buy	Feb-23	\$ 135
	Colombian Pesos	\$ 5,000	Sell	Jan-23	\$ (9)
	Mexican Pesos	\$ 3,500	Sell	Jan-23	\$ (27)
	Mexican Pesos	\$ 3,500	Buy	Jan-23	\$ (27)
	Peruvian soles	\$ 2,500	Sell	Jan-23	\$ (21)
	Peruvian soles	\$ 2,500	Buy	Jan-23	\$ 59
	Uruguayan Pesos	\$ 2,000	Sell	Jan-23	\$ 37
	Uruguayan Pesos	\$ 1,000	Sell	Feb-23	\$ 7
	Total fair value of foreign currency forwards, net				\$ 509

20. Restructuring and related reorganization charges

In 2023, we committed to restructuring actions intended to simplify our businesses and improve operational efficiencies, which have resulted in headcount reductions and consolidation of operational functions and systems. As a result, we recognized \$6,798 in restructuring and related reorganization charges during 2023. We continue to evaluate additional cost reduction efforts, and should we make decisions in future periods to take further actions we may incur additional restructuring and reorganization charges.

The following table summarizes the restructuring and related reorganization activity for the years ended December 31, 2023 and 2022:

	Employee severance and benefits	Others	Total
Accrued liability as of January 1, 2022	\$ —	\$ —	\$ —
Charges	—	—	—
Payments	—	—	—
Accrued liability as of December 31, 2022	\$ —	\$ —	\$ —
Charges	\$ 6,798	\$ —	\$ 6,798
Payments	(5,899)	—	(5,899)
Accrued liability as of December 31, 2023	\$ 899	\$ —	\$ 899

For the year ended December 31, 2023, we allocated the total employee severance and benefit expenses of \$6,798 to “Cost of revenue” (\$513), “Selling and marketing” expenses (\$196), “General and administrative” expenses (\$1,948) and “Technology and product development” expenses (\$4,141) in our consolidated statements of operations based on the departmental assignment of terminated employees.

We did not recognize any restructuring and related organization charges during 2022.

For the year ended December 31, 2021, we allocated the total employee severance and benefit expenses of \$3,646 to “Cost of revenue” (\$215), “Selling and marketing” expenses (\$1,290), “General and administrative” expenses (\$1,087) and “Technology and product development” expenses (\$1,054) in our consolidated statements of operations based on the departmental assignment of terminated employees. The remaining total reorganization charges of \$395 were allocated to “General and administrative” expenses in our consolidated statements of operations.

We allocate the total amounts of restructuring and related reorganization charges to the “Corporate” segment for all years presented.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

21. Income taxes

The Company is organized as a British Virgin Islands corporation. However, under the “anti-inversion” rules of Section 7874 of the U.S. Internal Revenue Code, it is treated as a U.S. corporation for tax purposes. Accordingly, the Company is subject to federal and state income tax in the United States, as well as foreign taxes in the multiple jurisdictions where it operates.

The following table summarizes our U.S. and foreign income / (loss) before income taxes for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31,		
	2023	2022	2021
U.S.	\$ (13,687)	\$ (22,264)	\$ (17,518)
Foreign	41,293	(24,948)	(88,577)
Net income / (loss) before income taxes	<u>\$ 27,606</u>	<u>\$ (47,212)</u>	<u>\$ (106,095)</u>

Provision for Income Taxes

The following table summarizes our provision for income taxes for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31,		
	2023	2022	2021
Current income tax (expenses) / benefit:			
U.S. Federal	\$ (54)	\$ (188)	\$ 8,355
Foreign	(39,580)	(20,926)	(26,115)
Total current income tax expense	<u>\$ (39,634)</u>	<u>\$ (21,114)</u>	<u>\$ (17,760)</u>
Deferred income tax (expenses) / benefit:			
U.S. Federal	5,958	(550)	(1,077)
Foreign	30,560	355	19,067
Total deferred income tax (expenses) / benefit	<u>\$ 36,518</u>	<u>\$ (195)</u>	<u>\$ 17,990</u>
Income tax (expenses) / benefit	<u>\$ (3,116)</u>	<u>\$ (21,309)</u>	<u>\$ 230</u>

Deferred Income Taxes

As of December 31, 2023 and 2022, the significant components of our deferred tax assets and deferred tax liabilities were as follows:

	As of December 31, 2023	As of December 31, 2022
Non-current deferred tax assets	\$ 115,503	\$ 113,474
Total deferred tax assets	<u>\$ 115,503</u>	<u>\$ 113,474</u>
Less: Valuation allowance	<u>(44,774)</u>	<u>(54,220)</u>
Net deferred tax assets	<u>\$ 70,729</u>	<u>\$ 59,254</u>
Non-current tax liabilities	<u>(8,100)</u>	<u>(12,898)</u>
Total deferred tax liabilities	<u>\$ (8,100)</u>	<u>\$ (12,898)</u>
Total net deferred tax assets after valuation allowance	<u>\$ 62,629</u>	<u>\$ 46,356</u>

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

The following table summarizes the composition of deferred tax assets and deferred tax liabilities as of December 31, 2023 and 2022:

	As of December 31, 2023	As of December 31, 2022
Tax loss carryforwards	\$ 72,644	\$ 84,386
Allowance for credit expected losses	5,528	6,068
Provisions and other assets	27,329	15,015
Property and equipment	1,301	1,355
Intangible assets	(3,959)	(5,879)
Others	4,560	(369)
Total net deferred tax assets before valuation allowance	\$ 107,403	\$ 100,576
Less: Valuation allowance	(44,774)	(54,220)
Total net deferred tax assets after valuation allowance	\$ 62,629	\$ 46,356

As of December 31, 2023, we have both foreign and U.S. net operating loss carryforwards (“NOLs”) of \$278,106. If not utilized, the NOLs will begin to expire as follows:

Expiration date	As of December 31, 2023	
	U.S.	Foreign
Expires 2025	\$ —	\$ 530
Expires 2026	—	160
Expires 2027	—	630
Expires 2028	—	1,753
Expires thereafter	—	42,352
Without expiration dates	81,595	151,086
Total NOLs	\$ 81,595	\$ 196,511

The following table shows the breakdown of our NOLs by country of origin as of December 31, 2023:

Country	NOL gross amount	Expiration terms
Brazil	\$ 148,927	No expiration. Offset limitation to 30% of taxable income by fiscal year.
Argentina	4,222	5 fiscal years expiration.
United States	81,595	No expiration. Offset limitation of 80% of the taxable income by fiscal year.
Mexico	41,203	10 fiscal years expiration.
Chile	—	No expiration.
Colombia	—	12 fiscal years expiration in general.
Peru	2,159	No expiration. Offset limitation of 50% of the taxable income by fiscal year.
Total NOLs	\$ 278,106	

In the aggregate, we have foreign and U.S NOLs amounting to \$232,681 which may be carried forward indefinitely but subject to certain percentage limitations of taxable income each year.

As of December 31, 2023, we had a valuation allowance of \$44,774 related to certain NOL carryforwards for which it is more likely than not that the tax benefits will not be realized. The valuation allowance decreased by \$9,446 from the amount recorded as of December 31, 2022 primarily due to recoverability analysis for the upcoming years. The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period change, or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as our projections for growth.

The following table presents the changes in our valuation allowance for the years ended December 31, 2023, 2022 and 2021:

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

	Valuation allowance
Balance as of January 1, 2021	\$ 9,026
Increases	23,124
Decreases	(8,151)
Balance as of December 31, 2021	\$ 23,999
Increases	39,240
Decreases	(9,019)
Balance as of December 31, 2022	\$ 54,220
Increases	8,201
Decreases	(17,647)
Balance as of December 31, 2023	\$ 44,774

Deferred tax assets and liabilities are recognized for the future tax consequences of differences between the carrying amounts of assets and liabilities and their respective tax bases using enacted tax rates in effect for the year in which the differences are expected to reverse. We have foreign subsidiaries with aggregated undistributed earnings of \$20,203 as of December 31, 2023. We have not provided deferred income taxes on taxable temporary differences related to investments in certain foreign subsidiaries where the foreign subsidiary has or will invest undistributed earnings indefinitely outside of the United States. In the event we distribute such earnings in the form of dividends or otherwise, we may be subject to income taxes. Further, a sale of these subsidiaries may cause these temporary differences to become taxable. Due to complexities in tax laws, uncertainties related to the timing and source of any potential distribution of such earnings, and other important factors such as the amount of associated foreign tax credits, it is not practicable to estimate the amount of unrecognized deferred taxes on these taxable temporary differences. We consider the earnings of our foreign subsidiaries to be indefinitely reinvested, other than certain earnings the distributions of which do not imply withholdings or state income taxes, and for that reason we have not recorded a deferred tax liability.

Reconciliation of Statutory Income Tax Rate to Effective Income Tax Rate

The reconciliation of the provision for income taxes for the years ended December 31, 2023, 2022 and 2021 to total income tax expense is as follows:

	Year ended December 31,		
	2023	2022	2021
Net income / (loss) before income tax	\$ 27,606	\$ (47,212)	\$ (106,095)
Income tax rate	21 %	21 %	21 %
Expected income tax expense / (benefit)	\$ 5,797	\$ (9,915)	\$ (22,280)
Permanent differences:			
Non-taxable income	(127)	\$ —	\$ —
Foreign non-creditable withholding tax	16,588	11,540	7,652
Non-deductible expenses	11,514	10,440	20,743
Currency translation adjustment	5,672	2,595	1,534
Tax credits recovery	(309)	—	—
Others	892	(256)	97
Unrecognized tax benefits and related interest	(14,081)	1,029	6,930
Foreign rate differential	(3,499)	(9,091)	(3,133)
Tax inflation adjustment	(27,103)	(12,716)	(6,906)
Tax holiday	3,977	5,990	334
True up	(1,253)	2,283	(2,238)
Change in rate	—	—	(4,597)
Change in valuation allowance	5,048	19,410	1,634
Income tax expense / (benefit)	\$ 3,116	\$ 21,309	\$ (230)

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

Our effective tax rate for the year ended December 31, 2023 was 11.3%, lower than the effective tax rate of 45.1%, for the year ended December 31, 2022 mainly due to the impact of the tax settlement and closing tax audits in Mexico and Tax inflation adjustment related to accumulated net operating losses in Argentina. The variation is also driven by the effect of incremental withholding taxes applicable to intercompany transactions.

Our effective tax rate for the year ended December 31, 2022 was 45.1%, which is higher than the 21% U.S. corporate tax rate due to changes in valuation allowance of deferred tax assets primarily in Brazil, the U.S. and Mexico based on a recoverability analysis for the upcoming years; increase in foreign non-creditable withholding tax; decrease in impact of uncertain tax positions; effects of non-deductible expenses; and the impact of the new promotional regime "Perse" in Brazil.

Our effective tax rate for the year ended December 31, 2021 was 0.2%, which is lower than the 21% U.S. corporate tax rate due to changes in the statutory tax rate in Argentina; uncertain tax positions and tax contingencies recognition due to the Best Day acquisition; and a reduction of a portion of valuation allowances linked with net operating losses in Brazil, Colombia, Peru and Argentina due to updated recoverability analyses for the upcoming years.

Knowledge-based Economy Promotional Regime in Argentina

On June 10, 2019, the Argentine government enacted Law No. 27,506 (also known as "Knowledge-based Economy Promotional Regime" or "Knowledge Law"), which established a regime that provides certain tax benefits for companies that meet specific criteria, such as companies that derive at least 70% of their revenues from specified activities.

On October 7, 2020, changes to the Knowledge-based Economy Promotional Regime were finally approved by the Congress. The approved regime has effect from January 1, 2020 through December 31, 2029 and grants (i) a reduction of the income tax up to 60% (60% for micro and small enterprises, 40% for medium-sized enterprises and 20% for large enterprises) over the promoted activities for each fiscal year, applicable to both Argentine source income and foreign source income; (ii) stability of the benefits established by the Knowledge-based Economy Promotional Regime (as long as the beneficiary is registered and in good standing) and (iii) a non-transferable tax credit bond generally amounting to 70% (up to 80% in certain specific cases) of the company's contribution to the social security regime of every employee whose job is related to the promoted activities (caps on the number of employees are applicable). The tax credit may be used within 24 months from its issuance date (this period can be extended for an additional 12 months in certain cases) to offset federal taxes, such as VAT (excludes income tax).

On January 14, 2022, the Under Secretariat of Knowledge Economy issued Disposition 33/2022 by which our Argentine subsidiary Despegar.com.ar S.A. obtained the registration in the National Registry of Beneficiaries of the Knowledge-based Economy Promotional Regime, created by Article 3 of Law No. 27,506, as amended. Tax benefits granted pursuant to the promotional regime to Despegar.com.ar S.A were retroactive to January 1, 2020.

During the years ended December 31, 2023, 2022 and 2021, the tax holiday effect was \$2,185, \$839 and \$334, respectively. The aggregate per share effect of the income tax benefit amounted to \$0.03 and income tax expense amounted to \$0.01 for the years ended December 31, 2023 and 2022, respectively.

Emergency Program to offset the economic effects of the COVID-19 pandemic for the tourism and events sector PERSE in Brazil

Law 14,148/2021, published on May 3, 2021, established several emergency actions by the government to offset the economic effects of the COVID-19 pandemic for the tourism and events sector ("Programa Emergencial de Retomada do Setor de Eventos y Turismo" or "PERSE"). Benefits include for a 60-month period a 0% rate for corporate income taxes (Corporate Income Tax "IRPJ" and Social Contribution on Net Income "CSLL") and a 0% rate on federal gross revenue taxes (Contribution to the Social Integration "PIS" and Contribution to Social Security Financing "COFINS).

On March 18, 2022, the Brazilian legislature removed a prior presidential veto on an article from Law 14,148/2021 that introduced a Temporary Tax Exemption for taxpayers in the tourism and events sector. As a result of the removal, the article has been re-included in Law 14,428/2021 and is effective as from that date.

On December 29, 2023 Provisional Measure "MP" 1202/23 was published including, among others, the revocation of article 4 of Law 14,148, which instituted PERSE. Based on the MP all economic sectors benefiting from PERSE must collect the taxes included in the program based on the rates provided for in the specific legislation as following: from April 1, 2024 in relation to federal gross revenue taxes (PIS and COFINS) and CSLL; and from January 1, 2025, in relation to

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

IRPJ. PERSE could progressively be phased out with the gradual resumption of the collection of taxes previously exempted.

The Provisional Measure will be effective for a maximum of 60 days since the date of issuance without approval by the National Congress, and may be renewed once for an additional 60 days, after which, it will cease to be in force unless the National Congress has approved it and passed it into law. As of the date of these consolidated financial statements the PERSE regime is in force and Provisional Measure "MP" 1202/23 was not converted into law.

During the years ended December 31, 2023, and 2022 the tax holiday effect was \$1,792 and \$6,829, respectively. The aggregate per share effect of the income tax benefit amounted to \$0.02 and to \$0.09 for the years ended December 31, 2023 and 2022, respectively.

Uncertain tax positions

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

	Year ended December 31,		
	2023	2022	2021
Balance, beginning of year	\$ 41,925	\$ 45,865	\$ 32,906
Increases to tax positions related to prior years ⁽¹⁾	—	2,453	8,404
Decreases to tax positions related to prior years ⁽¹⁾⁽²⁾	(16,853)	(6,912)	—
Settlements during current year ⁽¹⁾⁽³⁾	(8,598)	(5,121)	—
Interest and penalties	2,753	5,687	4,555
Currency translation adjustment	2,171	(47)	—
Balance, end of year	\$ 21,398	\$ 41,925	\$ 45,865

(1) Includes updates, interest and penalties.

(2) Includes tax positions in Mexico, Colombia, Argentina and US related to Best Day acquisition.

(3) Includes tax positions effectively settled in Mexico related to Best Day acquisition.

As of December 31, 2023, and 2022, we had \$21,398 and \$41,925 of gross unrecognized tax benefits, respectively.

As of December 31, 2023 and 2022, total gross interest and penalties accrued were \$12,695 and \$22,918, respectively. As of December 31, 2023 we recognized a decrease and settlement related to interest and penalties of \$9,320 and \$4,578 respectively. During the years ended December 31, 2023 and 2022, we recognized interest expense of \$2,753 and \$5,687 in connection with our unrecognized tax benefits, respectively.

We evaluate the tax positions and establish liabilities for uncertain tax positions that may be challenged by local authorities and may not be fully sustained, despite our belief that the underlying tax positions are fully supportable. Uncertain tax positions are reviewed on an ongoing basis and are adjusted in light of changing facts and circumstances, including progress of tax audits, developments in case law and closing of statute of limitations. Such adjustments are reflected in the income tax provision as appropriate.

We are routinely audited by U.S. federal and foreign income tax authorities. At any point in time, we may have tax audits underway at various stages of completion. These audits include questioning the timing and the amount of income and deductions and the allocation of income and deductions among various tax jurisdictions. The Mexican Tax Authority finalized during 2023 the examination of the income tax return for the fiscal years 2014, 2015, 2016 and 2017 of our subsidiary Viajes Beda, a settlement request ("*acuerdo conclusivo*") before the Mexican Taxpayer Ombudsman ("*Procuraduría de la Defensa del Contribuyente*") was closed and the dispute with the Mexican Tax Authority was concluded. As result we recognized a tax benefit of \$14,256 related to transactional taxes (VAT) and \$13,241 related to income tax.

During the third quarter of 2020, the Internal Revenue Service ("IRS") performed an income tax assessment on fiscal year 2017 applying adjustments on foreign tax credits allocation criteria taken during this period. We therefore recognized and paid additional income tax for \$1,649. Subsequently, we submitted a request to the IRS to offset the amount paid with net operating losses and recover the cash payment. In 2023, the IRS approved our request and refunded the tax credits to the Company.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

On June 2, 2023, the Colombian Tax Authority (DIAN) issued a Special Requirement as part of the comprehensive International Taxation program. The aim was to modify the income tax declaration by making adjustments related to the increase in declared gross income and the rejection of certain expenses. In response to this requirement, the Company submitted an objection on September 6, 2023. Subsequently, on March 13, 2024, the Authority issued the Official Review Settlement in line with the previous special requirement, establishing a tax liability of \$3,694, including a penalty for inaccuracy.

As of the financial statement issuance date, the Company is preparing the document to challenge and reject the Official Review Settlement, which will be submitted within the deadlines set by current regulations.

The Management's opinion, based on the opinion of external legal counsel, is that the risk of losing the case is not more likely than not. For that reason, the Company has not recorded any expense or liability for the disputed amounts.

22. Segment information

We determined our operating segments based on how our chief operating decision makers ("CODM") manage our business, make operating decisions and evaluate operating performance. Effective for our fiscal year 2022, our CODM changed their internal reporting to refine the way they view our financial services operations and its interaction with our travel business. Also, we started allocating certain expenses to our segments which were previously considered part of our corporate structure and were unallocated. These changes resulted in revisions to the financial information provided to the CODM on a recurring basis in their evaluation of our financial performance and the decision-making process. The CODM believes these changes better reflect the performance of our reportable segments.

Accordingly, we changed our segment reporting under ASC 280 "Segment Reporting" to report three reportable segments: "Air", "Packages, Hotels and Other Travel Products" and "Financial Services".

Our new segment reporting structure is as follows:

- *Travel Business:*

Our travel business is comprised of two reportable segments: "Air" and "Packages, Hotels and Other Travel Products".

- a. Our "Air" segment primarily consists of facilitation services for the sale of airline tickets on a stand-alone basis and excludes airline tickets that are packaged with other non-airline flight products.
- b. Our "Packages, Hotels and Other Travel Products" segment primarily consists of facilitation services for the sale of travel packages (which can include airline tickets and hotel rooms), as well as stand-alone sales of hotel rooms (including vacation rentals), car rentals, bus tickets, cruise tickets, travel insurance and destination services. Both segments also include the sale of advertisements and incentives earned from suppliers.

- *Financial Services Business:*

Our financial services business is comprised of one reportable segment: "Financial Services". Our "Financial Services" segment primarily consists of loan origination to our travel business' customers and to customers of other merchants in various industries. Our "Financial Services" segment also consists of processing, fraud identification, credit scoring and IT services to our travel business, and to third-party merchants.

For all our segments, our primary operating performance measure is *Adjusted Segment EBITDA*. For all years presented, we calculated Adjusted Segment EBITDA as our net loss for the year adjusted for income taxes; financial results, net; stock-based compensation expense; acquisition transaction costs; depreciation and amortization; impairment charges; and restructuring, reorganization and other exit activities charges. Adjusted Segment EBITDA includes allocations of certain expenses based on transaction volumes and other usage metrics. Our allocation methodology is periodically evaluated and may change.

Generally, our segment disclosure does not include intersegment revenues related to intra-group invoicing for the use of trademarks and various management services which are eliminated from the operating results of each segment.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

Intersegment transactions are conducted according to our transfer pricing policy. However, our segment disclosure does include intersegment revenue consisting mainly of credit card processing services provided by Koin to our travel business' subsidiaries. These intersegment transactions are recorded by each segment at amounts that approximate fair value as if the transactions were between third parties, and therefore, impact segment performance. However, the revenue and corresponding expense are eliminated in consolidation. The elimination of such intersegment transactions is included within "Intersegment eliminations" column in the table below.

In addition, as depreciation and amortization are not included in our segment's performance measure, we do not report Property and equipment and intangible assets by segment as it would not be meaningful. Our CODM does not regularly use this information. However, we report loans receivable on a gross basis and separately their related allowance for expected credit losses as part of the financial services segment assets as this information is regularly monitored by the CODM.

The following tables present our segment information for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31, 2023					
	Air	Packages, Hotels and Other travel products	Financial Services	Intersegment Eliminations	Corporate	Total Consolidated
External revenues	\$ 257,649	\$ 437,010	\$ 11,381	\$ —	\$ —	\$ 706,040
Inter segment revenues	\$ —	\$ —	\$ 29,531	\$ (29,531)	\$ —	\$ —
Total revenues	\$ 257,649	\$ 437,010	\$ 40,912	\$ (29,531)	\$ —	\$ 706,040
Adjusted positive (negative) EBITDA	\$ 13,172	\$ 103,172	\$ (797)	\$ —	\$ —	\$ 115,547
Depreciation and amortization	(9,526)	(11,673)	(1,202)	—	(14,109)	(36,510)
Stock-based compensation expense	—	—	—	—	(3,454)	(3,454)
Restructuring, reorganization and other exit activities charges	—	(4,546)	—	—	(6,798)	(11,344)
Operating income (loss)	\$ 3,646	\$ 86,953	\$ (1,999)	\$ —	\$ (24,361)	\$ 64,239
Financial results, net						(36,633)
Income before income tax						\$ 27,606
Income tax expense						(3,116)
Net income for the year						\$ 24,490
Net income attributable to redeemable non-controlling interest						—
Net income attributable to Despegar.com, Corp.						\$ 24,490

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

	Year ended December 31, 2022					
	Air	Packages, Hotels and Other travel products	Financial Services	Intersegment Eliminations	Corporate	Total Consolidated
External revenues	\$ 215,782	\$ 317,748	\$ 4,442	\$ —	\$ —	\$ 537,972
Inter segment revenues	\$ —	\$ —	\$ 7,805	\$ (7,805)	\$ —	\$ —
Total revenues	\$ 215,782	\$ 317,748	\$ 12,247	\$ (7,805)	\$ —	\$ 537,972
Adjusted positive (negative) EBITDA	\$ 17,953	\$ 42,257	\$ (18,278)	\$ —	\$ —	\$ 41,932
Depreciation and amortization	(10,339)	(12,516)	(71)	—	(13,077)	(36,003)
Stock-based compensation expense	—	—	—	—	(7,292)	(7,292)
Acquisition transaction costs	(390)	—	—	—	—	(390)
Operating income (loss)	\$ 7,224	\$ 29,741	\$ (18,349)	\$ —	\$ (20,369)	\$ (1,753)
Financial results, net						(45,459)
Loss before income tax						\$ (47,212)
Income tax expense						(21,309)
Net loss for the year						\$ (68,521)
Net loss attributable to redeemable non-controlling interest						—
Net loss attributable to Despegar.com, Corp.						\$ (68,521)

	Year ended December 31, 2021					
	Air	Packages, Hotels and Other travel products	Financial Services	Intersegment Eliminations	Corporate	Total Consolidated
External revenues	\$ 118,456	\$ 203,587	\$ 800	\$ —	\$ —	\$ 322,843
Inter segment revenues	\$ —	\$ —	\$ 707	\$ (707)	\$ —	\$ —
Total revenues	\$ 118,456	\$ 203,587	\$ 1,507	\$ (707)	\$ —	\$ 322,843
Adjusted (negative) EBITDA	\$ (21,536)	\$ (4,770)	\$ (13,799)	\$ —	\$ —	\$ (40,105)
Depreciation and amortization	(11,523)	(10,961)	(62)	—	(11,659)	(34,205)
Stock-based compensation expense	—	—	—	—	(12,338)	(12,338)
Impairment charges	(161)	(4,945)	—	—	—	(5,106)
Restructuring, reorganization and other exit activities charges	—	—	—	—	(4,041)	(4,041)
Acquisition transaction costs	—	—	—	—	(93)	(93)
Operating loss	\$ (33,220)	\$ (20,676)	\$ (13,861)	\$ —	\$ (28,131)	\$ (95,888)
Financial results, net						(10,207)
Loss before income tax						\$ (106,095)
Income tax benefit						230
Net loss for the year						\$ (105,865)
Net loss attributable to redeemable non-controlling interest						1,237
Net loss attributable to Despegar.com, Corp.						\$ (104,628)

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

Revenue by Business Model, Type and Country

The following table presents our consolidated revenues from third parties by business model, revenue type and country for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31,		
	2023	2022	2021
Business Model:			
Prepay model	\$ 619,658	\$ 457,335	\$ 270,891
PAD model	12,709	11,364	5,342
Interest revenue	9,272	4,114	788
Others ⁽¹⁾	64,401	65,159	45,822
Total Revenue	\$ 706,040	\$ 537,972	\$ 322,843
Revenue Type:			
Commissions and service fees	\$ 607,251	\$ 455,790	\$ 268,442
Incentive fees	42,998	39,859	28,658
Advertising	20,594	16,166	10,227
Destination services	25,116	14,071	7,959
Interest revenue	9,272	4,114	788
Financial services ⁽²⁾	2,109	328	13
Others ⁽³⁾	(1,300)	7,644	6,756
Total Revenue	\$ 706,040	\$ 537,972	\$ 322,843
Country:			
Argentina	\$ 118,239	\$ 75,136	\$ 44,789
Brazil	230,306	144,423	75,630
Uruguay	116,364	98,249	43,434
Mexico	129,680	116,273	94,284
Other countries ⁽⁴⁾	111,451	103,891	64,706
Total Revenue	\$ 706,040	\$ 537,972	\$ 322,843

- (1) Others includes incentive fees, advertising, breakage and loyalty revenue.
(2) Financial services include Financial Intermediation Processing fee, fraud prevention services and others.
(3) Others includes breakage and net effect of loyalty programs (See Note 3).
(4) Other countries include Chile, Perú, Colombia, Ecuador and others.

Assets by Country

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

The following table presents our assets by country:

	As of December 31, 2023	As of December 31, 2022
Goodwill:		
Argentina	\$ 1,200	\$ 1,200
Brazil	27,543	25,284
Mexico	97,743	88,280
Uruguay	16,839	16,839
Other countries ⁽¹⁾	7,427	7,034
Total goodwill	\$ 150,752	\$ 138,637
Property and equipment, net:		
Argentina	\$ 4,923	\$ 3,735
Brazil	2,759	1,699
Mexico	1,282	4,492
Uruguay	935	657
United States	1,410	3,141
Other countries ⁽²⁾	5,091	1,808
Total property and equipment, net	\$ 16,400	\$ 15,532
<i>Asset information by segment:</i>		
Financial Services:		
Loans receivable	\$ 36,709	\$ 28,981
Allowance for credit losses	(13,583)	(12,411)
Total loans receivable, net	\$ 23,126	\$ 16,570

⁽¹⁾ Other countries include Chile, Peru and Colombia.

⁽²⁾ Other countries include Chile, Peru, Colombia and Ecuador.

23. Commitments and contingencies

Commitments:

Operating Leases

Our commitments include operating lease commitments. Generally, our property and equipment, including a fleet of dedicated vans to provide transportation services, office and retail space, and others are supplied through operating leases. The future contractual aggregate minimum lease payments under non-cancellable operating leases and other commitments are disclosed in Note 30.

Employment Agreements

In the ordinary course of business, we entered into employment agreements with certain of our key employees which provide for compensation guidelines. Generally, we pay compensation to our executive officers in the form of (i) cash paid on a monthly basis and (ii) an annual bonus subject to the fulfillment of certain performance targets. We recognize compensation in “Other liabilities” in our consolidated balance sheets and in “General and administrative” expenses in our consolidated statements of operations.

Best Day Earnout Provision

The Acquisition Agreement provides for an earnout for the benefit of certain sellers ranging from \$0 to \$20 million based solely on the performance of our share price during a measurement period of six months prior to the fourth anniversary of the Closing Date, i.e. from April 2024 thru September 2024 (the “earnout measurement period”). The earnout, if any, will be payable in cash on October 1, 2024.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

We will not pay any earnout amount to the sellers if our average share price is below \$10 during the earnout measurement period. We will pay \$5,000 to the sellers if our average share price is between \$10 and \$15 during the earnout measurement period. We will pay \$10,000 to the sellers if our average share price is between \$15 and \$20 during the earnout measurement period. We will pay \$15,000 to the sellers if our average share price is between \$20 and \$25 during the earnout measurement period. And we will pay \$20,000 to the sellers if our average share price is above \$25 during the earnout measurement period.

As of the date of acquisition, we estimated an additional consideration of \$1,526 will be paid. The fair value of the earnout contingent consideration was \$2,409 and \$811 as of December 31, 2023 and 2022, respectively. We recognized the change in the fair value of the earnout contingent consideration under “General and administrative” expenses in our consolidated statements of operations. See Note 4 for additional information on the acquisition.

Contingencies:

We are a party to a number of tax, labor and social security, regulatory and legal matters outstanding in the ordinary course of business. We estimate the range of our liability related to contingencies when we believe the amount or range of loss can be estimated. We record our best estimate of a loss when the loss is considered probable. When a liability is probable and there is a range of estimated loss with no best estimate in the range, we record the minimum estimated liability related to the lawsuits or claims. As additional information becomes available, we assess the potential liability related to our pending litigation and claims and revise our estimates.

Significant judgment is required to determine the probability that a liability has been incurred and whether such liability is reasonably estimable. We base accruals made on the best information available at the time which can be highly subjective. Due to uncertainties related to the resolution of lawsuits and claims, the ultimate outcome may differ significantly from our estimates. In the opinion of management and based on liability accruals provided, our ultimate exposure with respect to these pending lawsuits and claims is not expected to have a material adverse effect on our consolidated financial position or cash flows, although they could have a material adverse effect on our results of operations for a particular reporting period.

We also evaluate other potential contingent matters, including income tax withholdings, valued-added tax, revenue tax, payroll taxes and other similar matters. We currently estimate possible losses related to these matters for which we have not accrued liabilities, as they are not deemed probable, to be approximately in a range between \$93,000 to \$124,000. We periodically evaluate the likelihood of probable and reasonably possible losses, if any, related to all known contingencies on an ongoing basis. Future increases or decreases to our accrued liabilities may be necessary and will be recorded in the period when such amounts are determined to be probable and reasonably estimable.

Legal Proceedings

We are a party to various lawsuits, claims and disputes mainly with customers arising out of the ordinary course of our business. As of December 31, 2023 and 2022, we have provided an amount of \$8,529 and \$8,757 to cover for probable losses, respectively.

Labor, Social Security and Tax Contingencies

As of December 31, 2023 and 2022, we have provided an amount of \$1,154 and \$2,630 mainly related to labor and social security contingencies, respectively.

As of December 31, 2023 and 2022, we have provided an amount of \$11,135 and \$27,188 mainly related to tax contingencies, respectively.

Labor and social security contingencies are mainly related to former employees’ litigation and unasserted labor claims. Tax contingencies are mainly related to unasserted claims in the jurisdictions where we operate regarding VAT or other taxes. While we believe that the assumptions and estimates used to determine contingent liabilities are reasonable, the ultimate outcome of these matters cannot presently be determined.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

Tax Audits

We are involved in various tax matters, with respect to some of which the outcome is uncertain. We establish reserves to remove some or all of the tax benefit of any of our tax positions at the time we determine that it becomes uncertain based upon one of the following conditions: (1) the tax position is not “more likely than not” to be sustained, (2) the tax position is “more likely than not” to be sustained, but for a lesser amount, or (3) the tax position is “more likely than not” to be sustained, but not in the financial period in which the tax position was originally taken. For purposes of evaluating whether or not a tax position is uncertain, (1) we presume the tax position will be examined by the relevant taxing authority that has full knowledge of all relevant information; (2) the technical merits of a tax position are derived from authorities such as legislation and statutes, legislative intent, regulations, rulings and case law and their applicability to the facts and circumstances of the tax position; and (3) each tax position is evaluated without consideration of the possibility of offset or aggregation with other tax positions taken. A number of years may elapse before a particular uncertain tax position is audited and finally resolved or when a tax assessment is raised. The number of years subject to tax assessments varies depending on the tax jurisdiction. The tax benefit that has been previously reserved because of a failure to meet the “more likely than not” recognition threshold would be recognized in our income tax expense in the first interim period when the uncertainty disappears under any one of the following conditions: (1) the tax position is “more likely than not” to be sustained, (2) the tax position, amount, and/or timing is ultimately settled through negotiation or litigation, or (3) the statute of limitations for the tax position has expired. See Note 21 for details.

Matters related to VAT in Argentina

In October 2021, we became aware that the tax authority in Argentina may have a divergent interpretation of the application of value-added taxes (VAT) to certain air transactions.

As of the date of these consolidated financial statements, we have not received any assessment, inquiry, audit, or any other form of claim on our application of VAT. While we believe we have complied with all applicable tax laws, rules and regulations in the relevant jurisdiction, the tax authority may have a different view and determine that we owe additional VAT. We have not recorded any liability in connection with this matter. As of the date of these consolidated financial statements, it is unclear what further actions, if any, the tax authority will take with respect to this matter. Such actions could include initiating an audit, assessing additional taxes and/or imposing interest, fines, penalties or criminal proceedings.

Matters related to PIS/COFINS Importation in Brazil

On October 10, 2023, our subsidiary in Brazil received a Penalty Notice issued by the Brazilian Federal Revenue, embodied in administrative process for the collection of alleged Federal Contributions PIS/COFINS/Importation debts on service imports related to the fiscal year 2019, for the amount of \$31,803. According to the tax authority, the company failed to pay importation taxes on remittances abroad made to various legal entities. On November 2, 2023, the company filed its defense rejecting the supposed debt. The defense was complemented by specific supporting documentation to justify remittances abroad and appropriate tax treatment. The Management’s opinion, based on the opinion of external legal counsel, is that the risk of losing the case is reasonably possible, but not probable, based on the technical merits. For that reason, the Company has not recorded any expense or liability for the disputed amounts.

24. Related party transactions

Balances and operations with Expedia

Expedia, Inc. (“Expedia”), a subsidiary of Expedia Group, Inc., a Delaware corporation, is a shareholder of record of the Company.

We are a party to an outsourcing agreement with Expedia pursuant to which Expedia has the exclusive right to provide lodging reservations for countries outside of Latin America offered through our platforms. Under the agreement, we may contract 10% of lodging inventory directly without using Expedia. The agreement automatically renews every year. The agreement provides for a \$125,000 termination fee if we fail to reach certain minimum marketing fee thresholds during specified periods. In addition, we executed addendum to the Expedia Outsourcing Agreement under which Decolar may participate in an accommodation advertising program known as TravelAds sponsored listings and receive a revenue additional to the marketing fee.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

Expedia may also unilaterally terminate the agreement in the event of a change of control of the Company. And as from July 18, 2023, we may unilaterally terminate the agreement upon payment of a \$125,000 termination fee.

We are also a party to another outsourcing agreement with Expedia pursuant to which we are required to make our hotel reservations inventory available to certain affiliates of Expedia. The agreement automatically renews every year.

Under the agreements, we maintained (i) a receivable position of \$16,437 and \$10,676 recognized under “Related party receivable” in our consolidated balance sheets as of December 31, 2023 and 2022, respectively, and (ii) a payable position of \$87,748 and \$37,472 recognized under “Related party payable” in our consolidated balance sheets as of December 31, 2023 and 2022, respectively. We generated revenue of \$40,288, \$24,220 and \$19,205 for the years ended December 31, 2023, 2022 and 2021, respectively, representing 6%, 5% and 6% of our total consolidated revenues for the years ended December 31, 2023, 2022 and 2021, respectively.

Balances with Dominicana Experience DMC, SRL

We maintained (i) a receivable position of \$209 recognized under “Related party receivable” in our consolidated balance sheet as of December 31, 2023, and (ii) a payable position of \$500 recognized under “Related party payable” in our consolidated balance sheets as of December 31, 2023.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

25. Fair value measurements

Items measured at fair value on a recurring basis

Financial assets and liabilities carried at fair value at December 31, 2023 are classified in the categories described in the table below:

	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents				
Money market funds	\$ 37,276	\$ —	\$ —	\$ 37,276
Time deposits	57,466	—	—	57,466
Other assets				
Foreign currency forwards	—	1,380	—	1,380
Total assets at fair value	\$ 94,742	\$ 1,380	\$ —	\$ 96,122
Liabilities				
Other liabilities				
Accrued earnout liability	\$ —	\$ —	\$ (2,409)	\$ (2,409)
Purchase price payable	—	—	(1,885)	(1,885)
Foreign currency forwards	—	(231)	—	(231)
Total liabilities at fair value	\$ —	\$ (231)	\$ (4,294)	\$ (4,525)

Financial assets and liabilities carried at fair value at December 31, 2022 are classified in the categories described in the table below:

	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents				
Money market funds	\$ 15,446	\$ —	\$ —	\$ 15,446
Time deposits	17,117	—	—	17,117
Other assets				
Foreign currency forwards	—	936	—	936
Total assets at fair value	\$ 32,563	\$ 936	\$ —	\$ 33,499
Liabilities				
Other liabilities				
Accrued earnout liability	\$ —	\$ —	\$ (811)	\$ (811)
Purchase price payable	—	—	(4,112)	(4,112)
Foreign currency forwards	—	(427)	—	(427)
Total liabilities at fair value	\$ —	\$ (427)	\$ (4,923)	\$ (5,350)

We value our derivative instruments using pricing models. Pricing models consider the contract terms as well as multiple inputs where applicable, such as interest rate yield curves, option volatility and foreign currency exchange rates. Derivatives are considered “Level 2” fair value measurements. Our derivative instruments are typically short-term in nature.

We measure the fair value of the earnout payment using a series of “digital options”. We believe this methodology can be applied because our earnout payment provides for a fixed payment to the sellers if our stock price exceeds a predetermined strike price during the earnout measurement period. In the application of this methodology, we performed a valuation in a risk neutral framework, using a Black-Scholes-Merton Digital call option formula. The significant inputs used were our share price as of the valuation date, our share price historical volatility, U.S. risk free rate, estimated term and credit-risk adjustment spread.

We measure the fair value of the purchase price payable considering the present value of the deferred payments discounted using a discount rate which represents the maturity and risk of the obligation.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

We classify our cash equivalents and investments within Level 1 as we value our cash equivalents and investments using quoted market prices.

We hold term deposit investments with financial institutions. Term deposits with original maturities of less than three months are classified as cash equivalents and those with remaining maturities of less than one year are classified within short-term investments.

As of December 31, 2023 and 2022, our cash and cash equivalents consisted primarily of term deposits with maturities of three months or less, money market funds and bank account balances.

Items measured at fair value on a non-recurring basis

Our non-financial assets, such as goodwill, indefinite and finite-lived intangible assets and property and equipment, as well as equity method investments, are adjusted to fair value only when an impairment charge is recognized, or the underlying investment is sold. Such fair value measurements are based predominately on Level 3 inputs.

Goodwill:

As of December 31, 2023 and 2022, we performed our annual goodwill impairment test and concluded that there was no impairment of goodwill. See Note 15 for further details.

Finite-lived intangible assets:

During 2023 and 2022, we had no impairments of finite-lived intangible assets. See Note 14 for further details.

26. Losses per share

The following table presents our basic and diluted losses per share for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31,		
	2023	2022	2021
Net income / (loss) for the year	\$ 24,490	\$ (68,521)	\$ (105,865)
Less: Net loss attributable to redeemable non-controlling interest	—	—	1,237
Net income / (loss) for the year attributable to Despegar.com, Corp.	\$ 24,490	\$ (68,521)	\$ (104,628)
Accretion of redeemable non-controlling interest	—	(473)	(1,355)
Accretion of Series A non-convertible preferred shares	(13,324)	(11,884)	(10,600)
Accrual of cumulative dividends of Series A non-convertible preferred shares	(15,750)	(15,375)	(15,251)
Accrual of dividends of Series B convertible preferred shares	(2,000)	(2,000)	(2,000)
Net loss for the year attributable to Despegar.com, Corp. common shareholders	\$ (6,584)	\$ (98,253)	\$ (133,834)
Numerator of basic and diluted losses per share	\$ (6,584)	\$ (98,253)	\$ (133,834)
Weighted average common shares outstanding—basic and diluted ⁽¹⁾	77,170	76,823	76,653
Denominator of basic and diluted losses per share	\$ 77,170	\$ 76,823	\$ 76,653
Basic and diluted losses per share	\$ (0.09)	\$ (1.28)	\$ (1.75)

⁽¹⁾ For additional information related to common shares outstanding, see Note 33.

For the year ended December 31, 2023, we excluded 775 of outstanding restricted stock units, 387 stock options and 5,405 convertible preferred stock from the calculations of diluted earnings per share attributable to common shareholders because their effect would have been antidilutive.

For the year ended December 31, 2022, we excluded 670 of outstanding stock awards and 5,405 convertible preferred stock from the calculations of diluted earnings per share attributable to common shareholders because their effect would have been antidilutive.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

For the year ended December 31, 2021, we excluded 1,129 of outstanding stock awards and 5,405 convertible preferred stock from the calculations of diluted earnings per share attributable to common shareholders because their effect would have been antidilutive.

Basic and diluted earnings per share is presented using the two-class method required for participating securities. We consider that our Series B preferred stock to be participating securities and, in accordance with the two-class method, earnings allocated to participating securities and the related number of outstanding shares of participating securities are excluded from the computation of basic and diluted net loss per common share. If a dividend is paid on common stock, the holders of Series B preferred stock are entitled to a proportionate share of any such dividend as if they were holders of common stock (on an if-converted basis). As the holders of our Series B preferred stock do not have contractual obligation to share in the losses of the Company, the net loss attributable to common shareholders for each period is not allocated between common stock and participating securities. Accordingly, preferred stock is excluded from the calculation of basic and diluted net loss per share as the effect would have been antidilutive.

27. Shareholders' (deficit) and mezzanine equity

In connection with our issuances of non-convertible redeemable Series A preferred shares and warrants to L Catterton Latin America III, L.P., and convertible redeemable Series B preferred shares to Waha LATAM Investments Limited, on September 18, 2020, we amended our Memorandum of Association and Articles of Association to establish the terms of the Series A Preferred Shares and Series B Preferred Shares. See Note 6 for a description of the terms of the Series A Preferred Shares and Series B Preferred Shares.

Common Stock

We are authorized to issue an unlimited number of common shares without par value. Common stock is entitled to 1 vote per share. Common stock qualifies for dividends, when and if declared by our Board of Directors.

Preferred Stock

We are authorized to issue 150,000 series A preferred shares without par value (the "Series A Preferred Shares") and 50,000 series B preferred shares without par value (the "Series B Preferred Shares").

Both Series A Preferred Shares and Series B Preferred Shares are not part of our shareholders' equity, rather they are classified as mezzanine equity due to their redemption features. See Note 6 for a description of the rights attaching to the Series A Preferred Shares and Series B Preferred Shares.

The Series A Preferred Shares are classified within the mezzanine equity section on our consolidated balance sheets due to the provisions that could cause the equity to be redeemable at the option of the holder. The Series B Preferred Shares are classified within the mezzanine equity section on our consolidated balance sheets due to the provisions that cause the equity to be redeemable upon the occurrence of a change of control.

As of December 31, 2023 and 2022, we have no preferred stock outstanding as part of our shareholders' equity.

Warrants

Pursuant to the L Catterton Investment Agreement, we agreed to issue to the Catterton Purchaser, warrants to purchase 11,000,000 Common Shares at an exercise price of \$0.01 per share ("Penny Warrants"), subject to certain customary anti-dilution adjustments provided under the Warrants, including for stock splits, reclassifications, combinations and dividends or distributions made by the Company on the Common Shares. The Penny Warrants expire ten years after the Catterton Closing Date. The Penny Warrants vest and are exercisable as of the issuance date.

We classified our warrants in our shareholders' equity and are included in our consolidated balance sheets within "Additional paid-in capital". As of December 31, 2023, no warrants were exercised.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

Treasury Stock

As of December 31, 2023 and 2022, our treasury stock was comprised of 6,259,966 shares of common stock amounting to \$78,267, respectively.

Share Repurchases

On June 13, 2022, our Board of Directors approved a new share repurchase program (the “2022 Share Repurchase Program”) that enabled the Company to repurchase up to \$40 million of its shares. The 2022 Share Repurchase Program became effective on June 14, 2022 and expired on August 12, 2022.

Under the program, we were authorized to repurchase our shares through a variety of methods, including pursuant to trading plans adopted in accordance with Rule 10b5-1 of the Exchange Act, or through open market or privately negotiated transactions, in accordance with applicable law. We were not obligated to acquire any specific number of shares under the program, and the program could be suspended, terminated or modified at any time for any reason, in accordance with applicable law. Under the 2022 Share Repurchase Program we repurchased a total amount of 1,251,659 shares at an average price of \$7.97 per share. We disbursed a total of \$10,000 under the program.

We had no share repurchase program outstanding as of December 31, 2023.

Dividends on our Common Stock

During the years ended December 31, 2023 2022 and 2021, we neither declared nor paid any dividends on our common stock.

Dividends on our Mezzanine-classified Preferred Stock

We paid dividends in cash to our Series A preferred shareholders for \$7,896 on March 21, 2023 and \$7,854 on September 26, 2023. We accrued \$15,750 as of December 31, 2023.

On March 25, 2022, we paid \$15,375 in dividends to our Series A preferred shareholders. In September 2022, we did not pay dividends in cash but we accrued and accumulated \$11,491.

On March 31, 2021, we paid \$7,972 in dividends to our Series A preferred shareholders. In September 2021, we did not pay dividends in cash but instead were accrued and accumulated.

During the years ended December 31, 2023 2022 and 2021, we paid \$2,000 in dividends to our Series B preferred shareholders, respectively.

Accumulated Other Comprehensive Income / (Loss)

The balance of accumulated other comprehensive income / (loss) as of December 31, 2023, 2022 and 2021 was comprised of foreign currency translation adjustments. These translation adjustments include foreign currency translation gain (losses) for the years ended December 31, 2023, 2022 and 2021 of \$4,434, \$1,973 and \$(5,485), respectively.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

28. Financial results, net

The following table presents the components of financial results, net:

	Year ended December 31,		
	2023	2022	2021
Foreign exchange losses	\$ (12,254)	\$ (39,152)	\$ (4,509)
Gains / (losses) on derivative financial instruments	2,385	2,940	(1,096)
Interest income	15,289	17,980	5,972
Interest expense	(10,290)	(8,484)	(5,686)
Factoring expense	(32,216)	(18,463)	(5,382)
Bank expense	(906)	(1,370)	(278)
Others	1,359	1,090	772
Total financial results, net	\$ (36,633)	\$ (45,459)	\$ (10,207)

29. Stock-based compensation

All stock options are fully vested since December 31, 2022. We did not grant stock options during the years ended December 31, 2023, 2022 and 2021. We generally issue restricted stock units (“RSUs”) as our primary form of stock-based compensation, which consist of service-based awards and typically vest 33% after one year and others vest 25% after one year and will then vest yearly over the following 3 or 4 years, as appropriate.

The following table presents a summary of our RSU activity:

	RSUs (in number of shares)	Weighted average grant-date fair value
	Balance as of January 1, 2021	1,679,206
Granted	723,908	\$ 12.56
Vested	(1,001,635)	\$ 12.12
Cancelled	(136,776)	\$ 10.49
Balance as of December 31, 2021	1,264,703	\$ 9.60
Granted	622,781	\$ 11.36
Vested	(1,021,791)	\$ 7.30
Cancelled	(195,933)	\$ 11.22
Balance as of December 31, 2022	669,760	\$ 10.74
Granted	892,367	\$ 6.17
Vested	(588,531)	\$ 7.88
Cancelled	(198,345)	\$ 9.21
Balance as of December 31, 2023	775,251	\$ 7.38

The total market value of shares vested during the years ended December 31, 2023, 2022 and 2021 was \$4,634, \$5,055 and \$12,138, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

The following table presents a summary of our stock option activity:

	Options (in number of shares)	Weighted average exercise price
Balance as of January 1, 2021	819,513	\$ 9.11
Exercised	(145,485)	\$ 11.00
Forfeited / Cancelled	(46,272)	\$ 12.40
Balance as of December 31, 2021	627,756	\$ 14.00
Exercised	(48,172)	\$ 6.41
Forfeited / Cancelled	(88,527)	\$ 11.28
Balance as of December 31, 2022	491,057	\$ 9.66
Exercised	(3,827)	\$ 6.03
Forfeited / Cancelled	(77,758)	\$ 9.65
Balance as of December 31, 2023	409,472	\$ 9.73
Fully vested as of December 31, 2023	409,472	\$ 9.73

As of December 31, 2023, the closing stock price of \$9.46 was higher than the minimum exercise price of the stock option plans and therefore, there is intrinsic value of \$601 at December 31, 2023. The total aggregate intrinsic value of stock options exercised was \$12 for the year ended December 31, 2023

As of December 31, 2022, the closing stock price of \$5.13 was lower than the minimum exercise price of the stock option plans and therefore, there is not intrinsic value at December 31, 2022. The total aggregate intrinsic value of stock options exercised was \$142 for the year ended December 31, 2022.

As of December 31, 2021, the closing stock price of \$9.79 was higher than the minimum exercise price of the stock option plans and therefore, there is intrinsic value of \$1,026 at December 31, 2021. The total aggregate intrinsic value of stock options exercised was \$1,244 for the year ended December 31, 2021.

During the years ended December 31, 2023, 2022 and 2021, we recognized total stock-based compensation expense of \$3,454, \$7,292 and \$12,338, respectively, mainly within "General and administrative" expenses in our consolidated statements of operations. Cash received from stock-based award exercises for the years ended December 31, 2023, 2022 and 2021 was \$4, \$340 and \$889, respectively.

As of December 31, 2023 and 2022, we had 1,184,723 and 1,160,817 shares of common stock assigned for stock-based awards, respectively. We issue new shares to satisfy the exercise or release of stock-based awards.

30. Leases

We have operating leases for office space, customer centers and a fleet of dedicated vans. Our leases have remaining lease terms of 1 to 17 years, some of which include options to extend the leases for up to 5 years, and some of which include options to terminate the leases within 1 year.

As of December 31, 2023, our weighted-average discount rate and weighted-average remaining lease term were approximately 9% and 8 years, respectively. As of December 31, 2022, our weighted-average discount rate and weighted-average remaining lease term were approximately 7% and 8 years, respectively.

We had no finance leases as of any of the years presented. We had not entered into leases that had not yet commenced as of any of the years presented.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

Supplemental cash flow information related to leases were as follows:

	Year ended December 31	
	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating lease payments	\$ 6,068	\$ 6,190

As of December 31, 2023, the operating lease liabilities will mature over the following periods:

	As of December 31, 2023
2024	\$ 6,453
2025	5,381
2026	3,859
2027	3,154
2028	2,396
2029 and thereafter	8,403
Total remaining lease payments	\$ 29,646
Less: Imputed interest	(6,641)
Total operating lease liabilities:	\$ 23,005
Current operating lease liability	6,035
Non-current operating lease liability	\$ 16,970

Operating lease costs were \$9,375, \$8,899 and \$10,348 for the years ended December 31, 2023, 2022 and 2021, respectively.

Lease Agreements

We have operating leases outstanding for office space in Mexico with Inmobiliaria Buenaventuras, S.A. de C.V., an entity related to Mr. Julián Balbuena Alonso ('JBA'), who was a member of the board of our subsidiary Viajes Beda, S.A.de C.V. until September 30, 2023.

As of December 31, 2022, our weighted-average discount rate under these agreements was approximately 4.4%, and the weighted average remaining lease term under these agreements was approximately 3 years. Operating lease costs under these agreements were \$134 for the year ended December 31, 2022.

Supplemental consolidated balance sheet information related to these lease agreements were as follows:

	As of December 31, 2022
Operating lease right-of-use assets	134
Total operating lease right-of-use assets	\$ 134
Current lease liabilities	108
Non-current lease liabilities	26
Total operating lease liabilities	\$ 134

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

31. Valuation and qualifying accounts

The following table presents the changes in our valuation and qualifying accounts:

	Balance, beginning of year		Charges to earnings		Charges to other accounts⁽¹⁾		Deductions		Balance, end of year
2021									
Allowance for credit expected losses – Accounts Receivable ⁽²⁾	\$ 9,543	\$	9,438	\$	(943)	\$	(7,127)	\$	10,911
Allowance for credit expected losses financial – Loans Receivable ⁽³⁾	\$ 1,252	\$	2,275	\$	(114)	\$	(1,349)	\$	2,064
Allowance for cancellations	\$ 15,012	\$	31,016	\$	69	\$	(26,881)	\$	19,216
Other reserves ⁽⁴⁾	\$ 565	\$	7,073	\$	(43)	\$	(5,323)	\$	2,272
2022									
Allowance for credit expected losses – Accounts Receivable ⁽²⁾	\$ 10,911	\$	8,233	\$	269	\$	(8,884)	\$	10,529
Allowance for credit expected losses financial – Loans Receivable ⁽³⁾	\$ 2,064	\$	13,972	\$	(132)	\$	(3,493)	\$	12,411
Allowance for cancellations	\$ 19,216	\$	5,598	\$	70	\$	(16,707)	\$	8,177
Other reserves ⁽⁴⁾	\$ 2,272	\$	10,187	\$	112	\$	(9,779)	\$	2,792
2023									
Allowance for credit expected losses – Accounts Receivable ⁽²⁾	\$ 10,529	\$	4,350	\$	767	\$	(8,837)	\$	6,809
Allowance for credit expected losses financial – Loans Receivable ⁽³⁾	\$ 12,411	\$	13,692	\$	1,108	\$	(13,628)	\$	13,583
Allowance for cancellations	\$ 8,177	\$	17,513	\$	(541)	\$	(16,919)	\$	8,230
Other reserves ⁽⁴⁾	\$ 2,792	\$	11,307	\$	(263)	\$	(9,555)	\$	4,281

⁽¹⁾ Charges to other accounts primarily relate to net translation adjustments.

⁽²⁾ Deductions include our credit write-off inputs as of December 31, 2023 \$1,963.

⁽³⁾ Deductions include our credit write-off inputs as of December 31, 2023, 2022, 2021 \$13,628, \$3,218 and \$1,068, respectively.

⁽⁴⁾ Other reserves primarily include our accrual of the cost associated with purchases made on our website related to the use of fraudulent credit cards charged-back due to payment disputes.

The accompanying notes are an integral part of these consolidated financial statements.

Despegar.com, Corp.
Notes to the Consolidated Financial Statements (Continued)
(In thousands of U.S. dollars, except per share data in U.S. dollars)

32. Assets and liabilities held for sale

The following table presents our information related to the major classes of assets and liabilities that were classified as held for sale in our consolidated balance sheets:

	Year ended December 31, 2023		
	Current	Non current	Total
Cash and cash equivalents (Note 8)	\$ 9,319	\$ —	\$ 9,319
Restricted cash (Note 8)	16	—	16
Trade accounts receivable, net of credit expected loss (Note 9)	6	—	6
Other assets and prepaid expenses (Note 12)	2,238	—	2,238
Related parties receivables (Note 24)	2,567	—	2,567
Property and equipment (Note 13)	—	1,496	1,496
Intangible assets (Note 14)	—	8,238	8,238
Valuation allowance	—	(861)	(861)
Assets classified as held for sale	\$ 14,146	\$ 8,873	\$ 23,019
Accounts payable and accrued expenses (Note 16)	\$ 314	\$ —	\$ 314
Travel accounts payable (Note 17)	175	—	175
Short-term debt and other financial liabilities (Note 7)	5,966	—	5,966
Other liabilities (Note 18)	1,915	—	1,915
Liabilities classified as held for sale	\$ 8,370	\$ —	\$ 8,370

The carrying amount of assets and liabilities classified as held for sale as of December 31, 2023 is \$23,019 and \$8,370, respectively. The Company has recognized a \$4,546 non-cash loss on disposal as of December 31, 2023 (presented within “Other operating expenses, net” in the Consolidated Statement of Operations) after comparing the carrying amount of net assets held for sale and its corresponding fair value less cost to sell at year-end. This amount includes the impact of cumulative translation adjustments and deferred income taxes associated with the disposal group. Goodwill allocated to the disposal group (totaling \$3,685) has been written-off.

As of December 31, 2023, assets and liabilities classified as held for sale correspond to one of our non-air segment lines of business. Transfer of the disposal group is expected to qualify for recognition as a completed sale in 2024.

We determined that the operations included in the table above did not meet the criteria to be classified as discontinued operations under the ASC 205 guidance.

33. Subsequent events

Payment of dividends to preferred shareholders

On March 21, 2024, we paid \$349 of accumulated dividends to our Series B preferred shareholders.

On March 25, 2024, we paid \$15,418 of accumulated dividends to our Series A preferred shareholders.

On March 27, 2024, Waha LATAM Investments Limited decided to convert our 50,000 Series B into ordinary shares at a conversion price of \$9.251 per share and a conversion rate of 108.1081 ordinary shares per Series B referred share representing 5,405,405 ordinary shares on an as-converted basis. For this conversion, we utilized our treasury stock held in portfolio. The Series B Preferred Shares were effectively converted and sold by Waha on April 1, 2024.

The accompanying notes are an integral part of these consolidated financial statements.

NEW YORK, NEW YORK,
October 21st, 2021

Decolar.com, Inc. and its affiliates
5201 Blue Lagoon Drive, Suite 927
MIAMI FL 33126

RE: IRREVOCABLE OFFER AMLOA 001/2021

Ref: Amendment to the Lodging Outsourcing Agreement

Dear Sir or madam,

Reference is hereby made to the Amended and Restated Lodging Outsourcing Agreement dated 15 November 2019 by and among Expedia, Inc., a Washington corporation (“**Expedia**”, “**we**”, “**us**” or “**our**”), Travel Reservations S.R.L, a Uruguay corporation, Decolar.com, Inc., a Delaware Corporation and each of the subsidiaries of Decolar Parent set forth therein (together “**Decolar**”) (the “**LOA Agreement**”).

We hereby present you with an offer to amend the LOA Agreement as set forth in Annex A.

This Offer shall terminate at 5:00 p.m. (New York City time) on October 28th, 2021 (the “**Expiration Time**”) unless accepted prior thereto.

This Offer shall be deemed unconditionally and irrevocably accepted by Decolar if Decolar sends to Expedia a letter accepting this Offer, issued in accordance with Section 15.9 of the LOA Agreement on or before the Expiration Time. Should this Offer be accepted, the terms and conditions attached as Annex A will be valid and binding.

Sincerely,

Expedia, Inc.

Name:
Title:

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED

[***] indicates the redacted confidential portions of this exhibit.

ANNEX A

AMENDMENT TO THE AMENDED AND RESTATED LODGING OUTSOURCING AGREEMENT

This amendment letter (“**Letter**”) to the LOA Agreement is effective as of the Expiration Time of the Offer (the “**Amendment Date**”).

The Parties desire to amend the LOA Agreement on the terms of this Letter. In consideration of their continued performance of their respective obligations under the LOA Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree to amend the LOA Agreement on the terms set out below.

Reference is made to the letter dated 13 May 2021 whereby the parties agreed to add Viajes Beda, S.A. de C.V. and Transporturist, S.A. de C.V. (the “**Best Day Group**”) as Affiliates under the LOA Agreement.

“Hoteldo” is a B2B brand and distribution channel of the Best Day Group (“**Hoteldo**”). Hoteldo wishes to make Expedia Travel Products available to its Hoteldo partners.

From and after the Amendment Date, the Parties agree to amend the LOA Agreement as follows:

1. For the purposes of Section 2.1.9 of the LOA Agreement, Expedia acknowledges that Decolar, operating under the brand ‘Hoteldo’ (“**Hoteldo**”) operates an affiliate programme under which partners with whom it contracts (“**Partners**”) are permitted to integrate Hoteldo’s XML feed (“**Hoteldo API**”) onto their consumer facing websites (“**Partner Sites**”) or agent booking tools (“**Partner Tools**”) to access and book travel products on behalf of End Users or allow End Users to access and book travel products. Expedia agrees that Hoteldo may integrate Expedia Information and Expedia Travel Products into the Hoteldo API and make them available to its Partners subject to the following restrictions:
 - a. Decolar must ensure that each Partner is bound by and complies with obligations that are at least equivalent to those imposed on Decolar under the LOA Agreement and shall procure that the Partner enters into terms the same as or no less onerous than the terms of use for Partners (“**Partner Terms of Use**”) as set out in the launch requirements, as updated and notified to you from time to time;
 - b. Decolar shall be solely responsible for the actions and omissions of each Partner as if such actions are the actions and omissions of Decolar, including any liabilities for Taxes. In the event that Decolar becomes aware of any non-compliance by a Partner with the LOA Agreement or the Partner Terms of Use, or at any time upon Expedia’s request, Decolar will immediately disable the distribution of the Expedia Information and Expedia Travel Products to such Partner and/or cancel any and all Expedia-Sourced Travel Bookings booked via
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the Hoteldo API, if Decolar or Partners breach Section 2.1.7 of the LOA Agreement;

- c. Hoteldo agrees to integrate Expedia Information and Expedia Travel Products into the Hoteldo API via an exclusive profile dedicated to monitoring API shopping calls and booking travel products;
 - d. at Expedia's request, Decolar shall promptly provide a list of current Partners;
 - e. Annex 1 hereto sets forth a list of restricted partners. Hoteldo may only make Expedia Information and Expedia Travel Products available to Partners who are not included in said list. In the event that any of Hoteldo's existing Partners are restricted at any time, Hoteldo shall immediately disable the distribution of Expedia Information and Expedia Travel Products to such Partners;
 - f. In addition Decolar may only make Expedia Information and Expedia Travel Products available for display on:
 - i. Hoteldo's Partner's Site if such Partner Site is in a geography or adopts a type of business model which has been approved by us in advance. Such approval shall take place in a quarterly meeting between the parties where current and prospective Partners shall be discussed in good faith (including but not limited to geographical mix, business models and areas of growth) or on an ad hoc basis in writing;
 - ii. Hoteldo's Partner's Tool if the access to such Partner Tool is limited to employees and staff of the Partner (and so is not a third party booking tool used by external agents);
 - g. Decolar is solely responsible for any compensation payable to the Partner [***],
 - h. Decolar shall co-operate with Expedia to technically support the tracking and identification of Travel Bookings by Hoteldo, including but not limited to assisting with the setting up of an identification tag, and shall maintain said tag operational throughout the term;
 - i. Decolar shall procure that the terms and conditions of each Expedia Travel Product, as updated and notified to Decolar from time to time, are made available to each End User by Partners prior to concluding a Travel Booking;
 - j. Decolar will be responsible for any monies owed to us for Travel Bookings, including for Travel Bookings made by Partners;
 - k. Decolar may not cancel or amend any Travel Bookings made by Partners except on the express instruction of the End User
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- l. Decolar acknowledge that Expedia will not provide customer support to Partner agents and accordingly, Decolar shall ensure that Partner agents do not contact Expedia directly;
 - m. Partner shall have no right to re-distribute Expedia Information and Expedia Travel Products and so Decolar shall procure that Partners only make Expedia Information and Expedia Travel Products available on the Partner Site and/or Partner Tool itself and via no other medium or channel whatsoever including their own API or allowing the Partner Tool to be accessed by agents other than employees and staff of the Partner. Should Expedia identify that a Partner has breached this section, it shall inform Decolar and Decolar shall promptly suspend said Partner's access to the Expedia Information and Expedia Travel Products;
 - n. Decolar shall use all reasonable endeavours to procure that each Partner shall display and use Expedia Travel Products for the sole purpose of procuring a Travel Booking on the Partner Sites and/or Partner Tools and for no other purpose whatsoever; and
 - o. upon discontinuing access or termination of a Partner for any reason, Decolar shall use all reasonable endeavours to procure that such Partner ceases to display on the Partner Sites and/or Partner Tools and promptly destroy or delete from all of the Partner's systems and/or devices any and all originals, copies, reproductions, adaptations, extracts and/or summaries of Expedia Travel Products and Expedia Information.
2. The definition of "Notice" in the LOA Agreement shall be amended to read as follows:

““Notice” has the meaning set forth in Section 15.9.”

3. Section 15.9 in the LOA Agreement shall be amended and replaced with the following:

“15.9 Notices. Any notice, consent or approval required or permitted to be given in connection with this Agreement (in this Section 15.9 referred to as a “Notice”) shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by facsimile or through e-mail:

(a) in the case of a Notice to Decolar at:

*Travel Reservations S.R.L
Ruta 8, Km. 17,500, Oficina 300, Local 318, Montevideo,
Uruguay*

c/o Despegar.com.ar S.A.

Av. Jujuy 2013, C1247ABI CABA

Buenos Aires, Argentina
Attention: Mariano Jorge Scagliarini
[Email: mariano.scagliarini@despegar.com](mailto:mariano.scagliarini@despegar.com) / contratos@despegar.com

With a copy (which shall not constitute notice) to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: Juan Francisco Mendez
[Email: jmendez@stblaw.com](mailto:jmendez@stblaw.com)

(b) *in the case of a Notice to Expedia at:*

1111 Expedia Group Way W.
Seattle WA 98119
Tel: (425) 679-3644
Fax: (425) 679-7251
Attention: General Counsel
Email: bdzielak@Expedia.com

Any Notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted; provided, however, that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. If the Notice is delivered or transmitted after 5:00 p.m. local time or if the day is not a Business Day, then the Notice shall be deemed to have been given and received on the next Business Day. Any Party may, from time to time, change its address by giving Notice to the other Party in accordance with the provisions of this Section 15.9."

4. All capitalized terms, where not defined in this Letter, shall have the meanings set out in the LOA Agreement.
 5. Other than as set forth in this Letter and any prior or subsequent amendment and/or waiver of the LOA Agreement, all other terms and conditions of the LOA Agreement remain in full force and effect, and this Letter in no way amends, alters, modifies, or otherwise changes the terms and/or conditions of the LOA Agreement unless otherwise expressly stated. In the event of any conflict or inconsistency between the provisions of the LOA Agreement and this Letter, this Letter will take precedence.
 6. This Letter shall be governed by and construed in accordance with the Laws of the State of New York applicable to agreements made and to be performed entirely within such State, without regard to the conflict of Laws principles of such State.
 7. Except as otherwise expressly stated herein, this Letter may be amended only in writing signed by Decolar and Expedia.
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Annex 1
Restricted List

[***]

NEW YORK, NEW YORK,
June 07, 2022

Decolar.com, Inc. and its affiliates
5201 Blue Lagoon Drive Suite 927
MIAMI FL 33126

RE: IRREVOCABLE OFFER AMLOA 003/2022

Ref.: Amendment to the Amended and Restated Lodging Outsourcing Agreement

Dear Sir or madam,

We address to you on behalf of Expedia, Inc., a Washington corporation ("**Expedia**") in connection with the Amended and Restated Lodging Outsourcing Agreement dated November 15, 2019 (the "**Agreement**"), entered by Expedia, Decolar.com, Inc., a Delaware Corporation ("**Decolar Parent**"), Travel Reservations S.R.L., a Uruguay corporation, and each of the subsidiaries of Decolar set forth in the Agreement ("**Decolar**"). Pursuant to our previous discussions, we hereby present you with this Offer in order to amend certain clauses of the Agreement on the terms set out in **Annex A**.

This Offer shall terminate at 5:00 p.m. (New York time) on June 10th, 2022 (the "**Expiration Time**"), unless accepted prior thereto.

This Offer shall be deemed unconditionally and irrevocably accepted by Decolar if Decolar sends to Expedia a letter accepting this Offer, on or before the Expiration Time. Should this Offer be accepted, the terms and conditions attached as Annex A will be valid and binding.

Sincerely,

Expedia, Inc.

Name:
Title:

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

*** indicates the redacted confidential portions of this exhibit.

ANNEX A

AMENDMENT TO AMENDED AND RESTATED LODGING OUTSOURCING AGREEMENT

This amendment (“**Amendment**”) to the Amended and Restated Lodging Outsourcing Agreement (the “**Agreement**”), dated as of November 15, 2019 by and among Expedia, Inc., a Washington corporation, Travel Reservations S.R.L, a Uruguay corporation (“**Decolar**”), Decolar.com, Inc., a Delaware Corporation (“**Decolar Parent**”) and each of the subsidiaries of Decolar Parent set forth therein, is effective as of the Expiration Time of the Offer (the “**Amendment Date**”) (the “**Parties**”).

The Parties desire to amend the Agreement on the terms of this Amendment. In consideration of their continued performance of their respective obligations under the Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree to amend the Agreement on the terms set out below.

All capitalized terms, where not defined in this Amendment, shall have the meanings set out in the Agreement. From and after the Amendment Date, the Parties agree to amend the Agreement as follows:

1. A new Section 2.4 shall be added as follows:

2.4 TravelAds

*2.4.1 The parties agree that Decolar may participate in an accommodation advertising programme known as TravelAds sponsored listings (“**TravelAds**”). In order to participate, Decolar will make a call to the Expedia API known as a ‘sponsored list call’ and Expedia will return in accordance to the call made by Decolar a ranked order of Travel Supply Providers for Expedia Travel Products located in the Expedia Territory, or agencies acting on their behalf, which have successfully bid for a TravelAd via the auction model on the TravelAds platform. Decolar will display any such Travel Supply Providers (and corresponding Expedia Information) in the correct ranked order received in the Expedia API (save that, provided the ranked order is preserved, not all Travel Supplier Providers must be displayed meaning Decolar can display Travel Suppliers ordered first and third only, provided such order is preserved). Expedia will also provide advertising copy content for Decolar to use for such display, although such usage is in Decolar’s sole discretion.*

*2.4.2 Decolar agrees to use reasonable endeavours to integrate TravelAds in the Decolar Travel Solution for Expedia Covered Lodging Supply no later than within [***] (“**Phase 1 Go Live Date**”). Failing to do so, Expedia reserve the right to withdraw its interest to enable Travel Ads service to Decolar. Expedia agrees to use reasonable endeavours to provide all necessary documentation and specifications for Decolar to integrate TravelAds in the Decolar Travel Solution for Decolar Travel Products (“**Phase 2**”) no*

later than the date which is [***] from the Phase 1 Go Live Date (“**Documentation Delivery Date**”).

2.4.3 For any Consumed Travel Booking for which a TravelAd applied, in addition to the Marketing Fee Payments under this Agreement, for [***] from the Phase 1 Go Live Date, Expedia shall pay Decolar an amount equal to [***]% of the cost per click (“**CPC**”) received from the Travel Supplier after Expedia has deducted [***]% of the CPC for Expedia’s cost of providing such advertising (“**TravelAds Revenue**”). The parties shall review the TravelAds Revenue in good faith and agree the amount which shall apply for the period after [***] from the Phase 1 Go Live Date. The TravelAds Revenue shall be paid [***] in arrears at the same time as the Marketing Fee Payments due under this Agreement. For the avoidance of doubt, the TravelAds Revenue shall not include revenue for any clicks for which Expedia or its Corporate Affiliates do not receive payment, for example, due to promotional and goodwill credits which are provided to a Travel Supply Provider in Expedia’s sole discretion. Expedia may (no earlier than [***] from the Phase 1 Go Live Date) adjust deduction set out in this paragraph to take into account additional costs or losses incurred by Expedia or its Corporate Affiliates in connection with TravelAds.

2.4.4 Decolar shall use appropriate mechanisms to detect and blacklist users engaged in click-fraud, in order to reduce the instances of click-fraud for which deductions would be needed. For the purpose of this clause, click fraud is bot activity, or other click fraud, including systematic activity, such as shopping bots or similar activity, and malicious activity.

2.4.5 In addition, the following terms shall apply:

- (a) Expedia shall be the sole provider of accommodation advertising in the form of sponsored search listings on the Decolar Travel Solutions in the Expedia Territory; meaning Decolar may not utilise any third party to provide accommodation advertising in the form of sponsored search listings on the Decolar Travel Solutions in the Expedia Territory but may contract with accommodation providers directly for such advertising services.
 - (b) Decolar may only display TravelAds on their customer facing Decolar Travel Solutions operated by Decolar and shall not be provided to any Decolar Partner(s).
 - (c) Decolar will comply with all applicable law when participating in TravelAds and displaying any ranked Travel Suppliers and advertising content, including using any required tagging or badging of advertising.
 - (d) Decolar will return to Expedia in the Expedia API: the session ID for any display; the position of each TravelAd in Decolar’s organic search results; and any performance data required by Expedia in connection with each TravelAd for the purposes of ensuring accuracy and continuity of reporting to advertising and
-

publishing partners, including but not limited to any associated bookings. If Decolar fails to do so, it shall not accrue or be entitled to receive any TravelAds Revenue.

(e) Decolar will not use the content or Expedia Information it accesses via the Expedia API for any purposes other than to perform its obligations under this Agreement.

(f) Expedia makes no representations or warranties with regard to TravelAds or the integration of TravelAds and Expedia expressly disclaims all implied warranties, obligations, and liabilities with respect thereto.

*(g) Both parties reserve the right in their sole discretion to cease to make available or display TravelAds (as applicable), on [***] notice to the other party, for any or no reason, and without liability. Likewise, each party further reserves the right to cease to immediately make TravelAds available or to display TravelAds without liability to address: a) regulatory or legal requirements, b) in the case of force majeure; c) or in the case that external factors make the TravelAds Revenue not viable.*

NEW YORK, NEW YORK,
October 27, 2022

Decolar.com, Inc. and its affiliates
5201 Blue Lagoon Drive Suite 927
MIAMI FL 33126

RE: IRREVOCABLE OFFER AMLOA 002/2022

Ref.: Amendment to the Amended and Restated Lodging Outsourcing Agreement

Dear Sir or madam,

We address to you on behalf of Expedia, Inc., a Washington corporation ("**Expedia**") in connection with the Amended and Restated Lodging Outsourcing Agreement dated November 15, 2019 (the "**Agreement**"), entered by Expedia, Decolar.com, Inc., a Delaware Corporation ("**Decolar Parent**"), Travel Reservations S.R.L., a Uruguay corporation, and each of the subsidiaries of Decolar set forth in the Agreement (jointly, "**Decolar**"). Pursuant to our previous discussions, we hereby present you with this Offer in order to amend certain clauses of the Agreement on the terms set out in **Annex A**.

This Offer shall terminate at 5:00 p.m. (New York time) on **November 03, 2022** (the "**Expiration Time**"), unless accepted prior thereto.

This Offer shall be deemed unconditionally and irrevocably accepted by Decolar if Decolar sends to Expedia a letter accepting this Offer, on or before the Expiration Time. Should this Offer be accepted, the terms and conditions attached as Annex A will be valid and binding.

Sincerely,

Expedia, Inc

Name:

Title:

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

[***] indicates the redacted confidential portions of this exhibit.

ANNEX A

AMENDMENT TO AMENDED AND RESTATED LODGING OUTSOURCING AGREEMENT

This amendment (“**Amendment**”) to the Amended and Restated Lodging Outsourcing Agreement (the “**Agreement**”), dated as of November 15, 2019 by and among Expedia, Inc., a Washington corporation, Travel Reservations S.R.L, a Uruguay corporation (“**Decolar**”), Decolar.com, Inc., a Delaware Corporation (“**Decolar Parent**”) and each of the subsidiaries of Decolar Parent set forth therein, is effective as of the Expiration Time of the Offer (the “**Amendment Date**”) (the “**Parties**”).

The Parties desire to amend the Agreement on the terms of this Amendment. In consideration of their continued performance of their respective obligations under the Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree to amend the Agreement on the terms set out below.

All capitalized terms, where not defined in this Amendment, shall have the meanings set out in the Agreement. From and after the Amendment Date, the Parties agree to amend the Agreement as follows:

1. A new Section 5.1.4 shall be inserted as follows:

*“5.1.4 Cross-Border Data Transfers. The Parties agree to comply with the following provisions, to the extent applicable to each Party: (a) to the extent that and for so long as Privacy Shield is a recognised method of transfer by the European Commission, Privacy Shield shall be the agreed mechanism for cross-border transfers of data originating from the European Union to us in the United States, and (b) to the extent and for so long as Privacy Shield is not a valid method of transfer, the SCCs shall apply to such transfers. To the extent applicable to each Party, they agree to enter into the SCCs as set out in <https://www.expediagroup.com/who-we-are/corporate-standards/partner-privacy-data-handling-requirements/default.aspx> (“**SCC Inserts**”) and those terms are hereby incorporated into this Agreement by reference. Any capitalised terms used in this Section 5.1.4 and not defined in this Agreement shall have the meaning given to them in the SCC Inserts.”*

NEW YORK, NEW YORK,
November 18th, 2022

Decolar.com, Inc. and its affiliates
5201 Blue Lagoon Drive Suite 927
MIAMI FL 33126

RE: IRREVOCABLE OFFER AMLOA 005/2022

Ref.: Second Amendment to the Amended and Restated Lodging Outsourcing Agreement

Dear Sir or madam,

We address to you on behalf of Expedia, Inc., a Washington corporation (“**Expedia**”) in connection with the Amended and Restated Lodging Outsourcing Agreement dated November 15, 2019 (the “**Agreement**”), entered by Expedia, Decolar.com, Inc., a Delaware Corporation (“**Decolar Parent**”), Travel Reservations S.R.L., a Uruguay company, and each of the subsidiaries of Decolar set forth in the Agreement (jointly, “**Decolar**”). Pursuant to our previous discussions, we hereby present you with this Offer in order to amend certain clauses of the Agreement on the terms set out in **Annex A**.

This Offer shall terminate at 5:00 p.m. (New York time) on November 30th (the “**Expiration Time**”), unless accepted prior thereto.

This Offer shall be deemed unconditionally and irrevocably accepted by Decolar if Decolar sends to Expedia a letter accepting this Offer, on or before the Expiration Time. Should this Offer be accepted, the terms and conditions attached as Annex A will be valid and binding.

Sincerely,

Expedia, Inc.

Name:
Title:

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

[***] indicates the redacted confidential portions of this exhibit.

ANNEX A

[SECOND] AMENDMENT TO AMENDED AND RESTATED LODGING OUTSOURCING AGREEMENT

This second amendment (“**Amendment**”) to the Amended and Restated Lodging Outsourcing Agreement (the “**Agreement**”), dated as of November 15, 2019 by and among Expedia, Inc., a Washington corporation, Travel Reservations S.R.L, a Uruguay company, Decolar.com, Inc., a Delaware Corporation (“**Decolar Parent**”) and each of the subsidiaries of Decolar Parent set forth therein (jointly, “**Decolar**”), is effective as of the Expiration Time of the Offer (the “**Amendment Date**”) (the “**Parties**”).

The Parties desire to amend the Agreement on the terms of this Amendment. In consideration of their continued performance of their respective obligations under the Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree to amend the Agreement on the terms set out below.

All capitalized terms, where not defined in this Amendment, shall have the meanings set out in the Agreement. From and after the Amendment Date, the Parties agree to amend the Agreement as follows:

1. The following clause shall be added to Section 5.1.3 of the Agreement as a new sub-Section

5.1.3 (c):

*“Notwithstanding any other terms in the Agreement (including, without limitation, restrictions on disclosure of Customer Personal Data to third parties), Decolar agrees that Expedia may share certain Initiative Data (defined below) solely with [***] as part of the Initiative (defined below). Expedia shall require [***] to agree to written terms that (i) limit the use of the Initiative Data to use in connection with the Initiative, which shall be considered confidential information and (ii) are at least as protective of the Initiative Data as the terms of this Agreement. The “Initiative” is a data sharing initiative being carried out amongst Decolar, Expedia, and [***] with the purpose of increasing bookings of applicable Expedia Sourced Travel Bookings through the Decolar Application or Decolar Platform. “Initiative Data” means Gross Booking Value, Room Revenue, net room nights (“NRN”), average daily rate (“ADR”), booking window, length of stay (“LOS”), and rate plan mix, and any other data agreed upon by the parties in writing (which for the purposes of this Section may be via email). The Parties agree to participate, in good faith, as reasonably requested by the other Party in discussions among Decolar, Expedia and [***] regarding the Initiative.*

NEW YORK, NEW YORK,
June 12, 2023

Decolar.com, Inc. and its affiliates
5201 Blue Lagoon Drive Suite 927
MIAMI FL 33126

RE: IRREVOCABLE OFFER AMLOA 002/2023

Ref.: Amendment to the Amended and Restated Lodging Outsourcing Agreement

Dear Sir or madam,

We address to you on behalf of Expedia, Inc., a Washington corporation ("**Expedia**") in connection with the Amended and Restated Lodging Outsourcing Agreement dated November 15, 2019 (the "**Agreement**"), entered by Expedia, Decolar.com, Inc., a Delaware Corporation ("**Decolar Parent**"), Travel Reservations S.R.L., a Uruguay corporation, and each of the subsidiaries of Decolar set forth in the Agreement (jointly, "**Decolar**"). Pursuant to our previous discussions, we hereby present you with this Offer in order to amend certain clauses of the Agreement on the terms set out in **Annex A**.

This Offer shall terminate at 5:00 p.m. (New York time) on June 26, 2023 (the "**Expiration Time**"), unless accepted prior thereto.

This Offer shall be deemed unconditionally and irrevocably accepted by Decolar if Decolar sends to Expedia a letter accepting this Offer, on or before the Expiration Time. Should this Offer be accepted, the terms and conditions attached as Annex A will be valid and binding.

Sincerely,

Expedia, Inc.

Name:

Title: VP, Commercial Partnerships, Americas

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

[***] indicates the redacted confidential portions of this exhibit.

ANNEX A

AMENDMENT TO AMENDED AND RESTATED LODGING OUTSOURCING AGREEMENT

This amendment (“**Amendment**”) to the Amended and Restated Lodging Outsourcing Agreement (the “**Agreement**”), dated as of November 15, 2019 by and among Expedia, Inc., a Washington corporation, Travel Reservations S.R.L, a Uruguay corporation (“**Decolar**”), Decolar.com, Inc., a Delaware Corporation (“**Decolar Parent**”) and each of the subsidiaries of Decolar Parent set forth therein, is effective as of the Expiration Time of the Offer (the “**Amendment Date**”) (the “**Parties**”).

The Parties desire to amend the Agreement on the terms of this Amendment. In consideration of their continued performance of their respective obligations under the Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree to amend the Agreement on the terms set out below.

All capitalized terms, where not defined in this Amendment, shall have the meanings set out in the Agreement. From and after the Amendment Date, the Parties agree to amend the Agreement as follows:

1. A new Section 2.4 shall be added as follows:

2.4 Vrbo Properties. *Expedia may make available to Decolar Travel Products via the separate client identification (“CIDs”) comprising of vacation rental properties which are also made available on Vrbo.com or connected websites (“Vrbo Properties”), under the terms of this Agreement and subject to the following:*

2.4.1 Decolar will cooperate to ensure that separate CIDs are set up to allow Vrbo Transaction to be separately identified;

2.4.2 Decolar shall comply with the Expedia Specifications applicable to Vrbo Properties on the Expedia developer hub including but not limited to displaying the correct TSF levied by Vrbo; and Decolar shall allow Expedia to confirm Decolar’s compliance with the Expedia Specifications, either by allowing Expedia access to Decolar’s systems, or providing Expedia with alternative evidence to Expedia’s satisfaction;

2.4.3 Vrbo Properties shall be displayed solely on the Decolar Platform under any brand owned by Decolar and/or its affiliates, or white label template website that Decolar owns and controls (“WLT”) and not on any other Travel Solutions through which Decolar provides Travel Products to a third party. For the avoidance of doubt, they may not be redistributed to a Decolar Partner or otherwise pursuant to Section 2.1.9, including as part of the HotelDO API. It is also agreed that the exception for WLT shall only apply to WLTs where Decolar is the merchant of record, Decolar is providing customer support and it is a subdomain of a Decolar Travel Solution (e.g. partnerxxx.despegar.hotel. or as

Decolar may name the domain). Decolar shall remove Vrbo Properties from any WLT partner at any time upon our request;

2.4.4 Notwithstanding Section 8.6 of the Agreement, Decolar shall ensure that customer terms and conditions applicable to Vrbo Properties (as well as the applicable Vrbo privacy statement (as updated and notified to Decolar from time to time) (together, the “Vrbo T&Cs”), are made available to each End User in a durable format prior to concluding a Transaction. Decolar shall also ensure that any rental agreement, check-in instructions or other information provided to Decolar, is immediately passed to the End User;

2.4.5 Decolar shall not issue any form of tax invoice or payment receipt which may mislead End Users into believing that Decolar is the facilitator of the Vrbo Booking(s);

2.4.6 Where Decolar collects payment, it does so on behalf of Vrbo and Vrbo will be solely responsible for authorization of payments from the End User, and delivery of the TSF.

2.4.7 The Parties acknowledge and agree that whilst Decolar shall provide first line support to customers for Vrbo Properties, Expedia (or Vrbo) agents will, provide second line consultative support for customer care and if contacted by End Users, first line support directly to End Users; and

2.4.8. Decolar shall not display or advertise Expedia Information relating to Vrbo Properties on any metasearch site or other third-party medium or channel through which lodging and other travel products are marketed through side-by-side or similar price comparison;

2.4.9 Decolar shall integrate Expedia’s “Vrbo availability rapid API” into the Decolar Platform in order to reduce shopping calls to the API for non-available Vrbo Properties and to inform End Users of the minimum length of stay applicable to a Vrbo Property

2.4.10 Decolar acknowledges and agrees that Vrbo Properties shall be displayed as “vacation rentals” or “rentals” (i.e., not hotels) on the Decolar Platform. In addition, Decolar shall ensure that the following information (to be communicated to Decolar via the Expedia API) is visible to End Users when displaying Vrbo Properties:

- i) check-in instructions; special check-in instructions; fees;*
 - ii) Vrbo essential stay content (post-booking);*
 - ii) guest ratings;*
 - iv) house rules; and*
 - v) property registration number and private host registration.*
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2. A new section 2.5 shall be added as follows:

“ 2.5 Guest Reviews

“ 2.5.1 Guest Reviews may be included within the Expedia Information, and where Decolar accesses them, it must also ensure that:

(a) Guest Reviews are solely displayed on the Decolar Platform under any brand owned by Decolar and/or its affiliates and not on any other Travel Solutions through which Decolar provides Travel Products to a third party. For the avoidance of doubt, they may not be redistributed to a Decolar Partner or otherwise pursuant to Section 2.1.9, including as part of the Hoteldo API;

(b) any cache of Guest Reviews is refreshed every 48 hours, and Guest Reviews are displayed in a manner that is non-indexable by internet search engines;

(c) they are not displayed on any French point of sale; and

(d) the correct attribution (e.g. ‘[Hotels.com](#) Trusted Review’ or ‘[Expedia.com](#) Trusted Review’) is displayed as per the Expedia Specifications. Expedia grants Decolar a limited, non-exclusive, non-assignable, revocable and without right to grant sublicenses, license to use the Affiliate’ trademarks and logos that are depicted in Guest Reviews within the Expedia Information, solely for the purpose of displaying the Guest Reviews as permitted herein, and without edits, alteration, or modification.

*2.5.2 Expedia reserves the right to remove or restrict Decolar’s access to Guest Reviews at any time on [***] days’ prior written notice.*

2.5.3. Where Expedia has made Guest Reviews available to Decolar, Decolar agrees (upon Expedia request) to make available to Expedia and its Affiliates, and grant Expedia and its Affiliates any necessary licences in order to display, any guest reviews Decolar has for any accommodation for which we have Expedia Information.

2.5.4. Customers who provide Guest Reviews accept the terms and conditions of booking on one of the consumer brands of Expedia which contains a license for Expedia and its partners to use, reproduce, modify, adapt, translate, distribute and publish such Guest Reviews anywhere in the world.

2.2.5 Expedia will comply in accordance with applicable data protection laws with respect to requests from Customers in the event that they request to remove their Guest Reviews.

3. A new paragraph 3 of Schedule 3.1 shall be inserted as follows:

*“For each Consumed Vrbo Transaction, Expedia shall pay Decolar a Marketing Fee equivalent to [***]% of Vrbo Gross Profit.”*

4. Save as set out expressly in Amendment, the provisions of this Agreement shall apply equally to Vrbo Bookings as they do to non-Vrbo Bookings; and shall apply equally to Travel Products concerning Vrbo Properties as those concerning properties provided by other lodging suppliers.
5. Expedia hereby declares that Vrbo is part of the Expedia Group and that Expedia shall be fully responsible for the terms, conditions and obligations agreed to hereunder on behalf of Vrbo.
6. The following new definitions shall be added:

“Guest Reviews” means any reviews by customers for a given Expedia Travel Product included within Expedia Information;

“TSF” means the traveler service fee paid by the End User of a Vrbo Transaction, as set out in the API;

“Vrbo” means the relevant entity from the following: EG Vacation Rentals Ltd., HomeAway.com Inc., Bookabach Ltd., Stayz Pty Ltd., or HomeAway Emerging Markets Pty. Ltd., or any other Group Member of the above as identified in the Vrbo T&Cs for any given Booking;

*“Vrbo Gross Profit” means an amount equal to (a) GBV or TSF received by Expedia or its Affiliates for a Consumed Vrbo Transaction excluding any and all Indirect Revenues, Service Fees, any Taxes and net of any amounts relating to fraud, cancellations, refunds or otherwise plus (b) Media Revenue less, (c) where applicable in relation to a Travel Booking, without duplication, Costs associated with any debit memo, replacement room nights, charge backs, and cancellation fees where applicable less; (d) the cost of providing the room accommodation reservation; less (e) where applicable in relation to a Travel Booking, without duplication, the product of (i) (A) where Expedia or its Affiliate processes a credit card for a Transaction, [***]% of GBV; plus (B) [***]% of GBV for Cost of Service. For Gross Profit based only on TSF, (d) shall not apply.*

“Vrbo Transaction” means a Travel Booking of a Vrbo Property through the Expedia API.

NEW YORK, NEW YORK,
September 29, 2023

Decolar.com, Inc. and its affiliates
5201 Blue Lagoon Drive Suite 927
MIAMI FL 33126

RE: IRREVOCABLE OFFER AMLOA 003/2023

Ref.: Amendment to the Amended and Restated Lodging Outsourcing Agreement

Dear Sir or madam,

We address to you on behalf of Expedia, Inc., a Washington corporation ("**Expedia**") in connection with the Amended and Restated Lodging Outsourcing Agreement dated November 15, 2019 (the "**Agreement**"), entered by Expedia, [Decolar.com](https://www.decolar.com), Inc., a Delaware Corporation ("**Decolar Parent**"), Travel Reservations S.R.L., a Uruguay corporation, and each of the subsidiaries of Decolar set forth in the Agreement (jointly, "**Decolar**"). Pursuant to our previous discussions, we hereby present you with this Offer in order to amend certain clauses of the Agreement on the terms set out in **Annex A**.

This Offer shall terminate at 5:00 p.m. (New York time) on October 13, 2023 (the "**Expiration Time**"), unless accepted prior thereto.

This Offer shall be deemed unconditionally and irrevocably accepted by Decolar if Decolar sends to Expedia a letter accepting this Offer, on or before the Expiration Time. Should this Offer be accepted, the terms and conditions attached as Annex A will be valid and binding.

Sincerely,

Expedia, Inc.

Name:

Title:

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

[***] indicates the redacted confidential portions of this exhibit.

ANNEX A

AMENDMENT TO AMENDED AND RESTATED LODGING OUTSOURCING AGREEMENT

This amendment (“**Amendment**”) to the Amended and Restated Lodging Outsourcing Agreement (the “**Agreement**”), dated as of November 15, 2019 by and among Expedia, Inc., a Washington corporation, Travel Reservations S.R.L, a Uruguay corporation (“**Decolar**”), Decolar.com, Inc., a Delaware Corporation (“**Decolar Parent**”) and each of the subsidiaries of Decolar Parent set forth therein as amended, is effective as of the Expiration Time of the Offer (the “**Amendment Date**”) (the “**Parties**”).

The Parties desire to amend the Agreement on the terms of this Amendment. In consideration of their continued performance of their respective obligations under the Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree to amend the Agreement on the terms set out below.

All capitalized terms, where not defined in this Amendment, shall have the meanings set out in the Agreement. From and after the Amendment Date, the Parties agree to amend the Agreement as follows:

1. Replacement of EAN.com LP with Expedia, Inc.

EAN.com LP shall be removed from the Agreement and the reference to EAN.com LP in Recital 3, section 2.1.2 and schedule 3.1.2 shall be replaced by Expedia, Inc. Accordingly, the definition of Expedia Parent and Expedia shall both mean Expedia, Inc.

2. Net remittance of Marketing Fees:

The following amendments shall be made to cater for net remittance of Marketing Fees (“**Net Remittance Amendments**”). It being agreed that the Net Remittance Amendments in this clause 2, shall only be effective once Decolar has undertaken such developments, to Expedia’s reasonable satisfaction, as Expedia notifies it are necessary in order for net remittance to be enacted, including but not limited to integrating a new set of API profiles/client identifications and enacting the changes for the Mexican point of sale as indicated in clause 3 of this Amendment. For the avoidance of doubt, this clause 2 shall only apply to Transaction Statements issued after the date such amendments are effective.

- a. Section 3.2.1 (Marketing Fee Payments) shall be amended to read as follows:

*“3.2.1 Payment to Decolar. Expedia shall pay to Decolar the Marketing Fees owed to Decolar solely with respect to all Consumed Property-Collect Bookings for which Compensation has been received by Expedia and its Affiliates during a given calendar month (the “Marketing Fee Payment”) within [***] following the end of such calendar month.”*

- b. A new Section 3.2.3 shall be inserted as follows:
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“3.2.3. Net Marketing Fees. When paying the Transactions Statement pursuant to Section 3.3.1 Decolar shall remit the Net Room Revenue (being Room Revenue generated from Transactions with respect to Consumed Affiliate-Collect Bookings less the Marketing Fees) to Expedia and retain the Marketing Fees at source. As a result, Decolar will not receive Marketing Fees payment from Expedia with respect to Consumed Affiliate-Collect Bookings and instead will retain the amount of Marketing Fees.”

- c. Section 3.4.1 shall only be applicable to Property-Collect Bookings and so Marketing Fee Statements shall only be provided for the Marketing Fee Payment on Property-Collect Bookings.
- d. The Parties acknowledge that Gross Profit excludes any amounts relating to fraud, cancellations, refunds or otherwise and following the amendments set out herein, Transaction Statements may contain negative Marketing Fee values if the Gross Profit for any given Booking is negative due to fraud, cancellations, refunds or otherwise.

3. Mexican Point of Sale

The following changes shall be made with regard to Transactions on the Mexican point of sale:

- a. In Section 2.1.2 the final two sentences, commencing “For any Expedia Travel Products made...” shall be deleted and replaced with:

*“For any Expedia Travel Products made available or displayed to End Users on Decolar Travel Solutions with a Brazilian country code top-level domain (being .br or com.br or any variation thereof) (“**Brazilian POS**”) or a Mexican country-code top-level domain (being .mx or .com.mx or any variation thereof) (“**Mexican POS**”), Decolar shall ensure that any call to the Expedia API via the Decolar Application shall be made solely in Brazilian Real or Mexican Pesos, respectively.*

If Decolar fails to comply with any of its obligations relating to the Brazilian POS or the Mexican POS under this Section, Expedia shall be entitled to withhold payment due to Decolar under the Agreement for an amount equal to any losses suffered by Expedia as a result of Decolar’s failure to comply with obligations relating to the Brazilian POS or the Mexican POS under this Section, or deduct and withhold on any payment for such amounts to Decolar in order to comply with its or its Affiliates’ obligations under applicable tax laws.”

- b. Section 3.2.2. shall be amended as follows:

“3.2.2 All Payments made by Expedia to Decolar will be made in United States Dollars, Brazilian Real or Mexican Pesos (depending on the currency of the Transaction Statement) and sent via wire transfer to the Decolar bank account

specified in Despegar's profile on Expedia's portal (which Decolar may revise from time to time upon notice to Expedia)."

- c. Section 3.3.1 shall be amended to insert a new part (ii) as follows and the existing part (ii) shall become part (iii):

"(ii) Transaction Statement for the Room Revenue generated from Decolar's Consumed Travel Bookings booked on Decolar's Mexican POS shall be stated in Mexican Pesos only; and"

- d. Section 3.3.2 shall be restated to read as follows:

"3.3.2. Payment. Decolar shall pay to:

*(i) Expedia the full Room Revenue amount for Bookings other than those on the Brazilian POS and the Mexican POS detailed on the Transaction Statement (the "USD Room Revenue Payment") within [***] of the date of the Transaction Statement (or [***] with respect to Transactions for points of sale located in Argentina, provided that the Parties will discuss in good faith reducing such number of days based on improving economic conditions in Argentina) of the date of the Transaction Statement; and (ii) Expedia's Brazilian Subsidiary the full Room Revenue amount for Brazilian POS Consumed Travel Bookings detailed on the Transaction Statement (the "BRL Room Revenue Payment") within [***] of the date of the Transaction Statement;*

*(ii) unless otherwise notified by Expedia, Expedia's Mexican Subsidiary for the full Room Revenue amount for Mexican POS Consumed Travel Bookings detailed on the Transaction Statement (the "MX Room Revenue Payment"), and together with the USD Room Revenue Payment and the BRL Room Revenue Payment, the "Room Revenue Payment") within [***] of the date of the Transaction Statement. In the event that Expedia elects, at any time, not to have payment made to its Mexican Subsidiary for the full Room Revenue amount for Mexican POS Consumed Travel Bookings it shall notify Decolar and payments shall instead be made as if this Section 3.3.2 and 3.3.3 with regard to MX Room Revenue Payment did not exist.*

Funds shall be paid by Decolar to Expedia, Expedia's Brazilian Subsidiary (for Brazilian POS Consumed Travel Bookings) or Expedia's Mexican Subsidiary (for Mexican POS Consumed Travel Bookings).

*In the event that any Room Revenue Payment due in respect of a Transaction Statement is not received by Expedia, Expedia's Brazilian Subsidiary (for Brazilian POS Consumed Travel Bookings) or Expedia's Mexican Subsidiary (for Mexican POS Consumed Travel Bookings) in compliance with this provision, during the subsequent [***] period, Decolar shall take such steps as may be necessary to cure any failure to make such Room Revenue Payment within [***].*

*If, at the conclusion of such [***] period, any Room Revenue Payment due in respect of a Transaction Statement is not received by Expedia, Expedia's Brazilian Subsidiary (for Brazilian POS Consumed Travel Bookings) or Expedia's Mexican Subsidiary (for Mexican POS Consumed Travel Bookings) in compliance with this provision, in addition to Expedia's rights under this Agreement and at Law, Expedia shall have the right to: (a) offset any such amounts due from any Payments due Decolar hereunder; (b) cancel all un-stayed bookings; (c) suspend Decolar's access to Expedia's Travel Products immediately and/or (d) to the extent not so offset pursuant to the preceding clause (a) or Section 3.3.4 recoup such amounts due by drawing upon the Letter of Credit at any time, pursuant to Section 3.6.4. In addition, Expedia may demand from Decolar adequate assurance of due performance if Expedia reasonably believes that there will be a fundamental non-performance of Decolar's obligations hereunder. If Expedia has not received such adequate assurance within [***] from the date of delivery of its request then Expedia may deliver a statement to Decolar for all Transactions whether Consumed or not. Such statement shall be considered a Transaction Statement and shall be subject to the payment terms hereunder. Decolar acknowledges and agrees that Decolar is responsible for the payment of banking transfer fees in relation to the payment of the Transaction Statement. Expedia acknowledges and agrees that Expedia is responsible for the payment of banking transfer fees in relation to the receipt of payments related to the Transaction Statement."*

e. Section 3.3.3 shall be restated to read as follows:

"3.3.3. Notwithstanding the above, the Parties agree that the payment of Transaction Statements for Consumed Travel Bookings, that take place through or on:

(i) any Brazilian POS and such Consumed Travel Bookings shall be paid in Brazilian Real;

(ii) any Mexican POS and such Consumed Travel Bookings shall be paid in Mexican Pesos to the bank account stipulated in Schedule 3.3.3 unless otherwise notified by Expedia; and

(iii) any other Decolar Travel Solution (other than the Brazilian POS and Mexican POS), shall be paid in United States Dollars.

*In all cases, all payments made by Decolar to Expedia will be sent via wire transfer to the Expedia bank account specified in Schedule 3.3.3 or on the Transaction Statement (which Expedia may revise from time to time by Notice to Decolar) (the "**Expedia Account**")."*

f. A new Schedule 3.3.3 shall be inserted and will include details of Expedia's Mexican, US and Brazilian bank accounts as follows:

[***]

The Parties agree that Expedia's bank account in Brazil, Mexico and US may be updated in writing to the email addresses set out in Section 15.9."

- g. The final sentence of Section 5.1.1 shall be amended to remove the words: "that is governed by the GDPR (as defined in Schedule 5), if any" at the end of the Section.
 - h. A new Schedule 5 shall be inserted as per Appendix 1 of this Amendment and Section 5.1.4 added by way of amendment on 27 October 2022 shall be deleted.
 - i. Section 8.6(b) shall be amended to remove reference to 'or Vacationspot, SL' in part (1)
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Schedule 5.1

Applicable data Protection laws

1. Definitions

For the purposes of this Schedule, the following terms will have the following meanings:

- a) **appropriate technical and organizational measures, personal data, and supervisory authority** (or reasonably equivalent terms) shall each have the meaning given to them in the Applicable Data Protection Law;
 - b) **Applicable Data Protection Law(s)** means all data protection and privacy laws that apply to Customer Personal Data Processed under this Agreement (including, where applicable to each Party, EU Data Protection Laws and Brazilian Data Protection Law);
 - c) **Brazilian Data Protection Law** means Law num. 13.709 of august 14, 2018 (the “**LGPD**”) and any applicable national legislation made under or in connection with the LGPD;
 - d) **Current Audit Report** means a current version of the PCI DSS attestation of compliance and the SSAE 16 Audit Report, or its industry standard successor, for the Data Processor’s data centre providers;
 - e) **Data Controller** means an entity that determines the purposes and means of Processing personal data;
 - f) **Data Processor** means an entity that Processes personal data on behalf of a Data Controller;
 - g) **Permitted Purpose** means the purposes of (i) fulfilling Travel Bookings; (ii) providing customer support for Travel Bookings when applicable; (iii) using anonymized data to improve our services and user experience, including optimizing the booking experience for End Users; (iv) generating reports for Decolar for you, including commission statements and any further processing required for reconciliations, complaints handling and similar activities connected with servicing; (v) creating aggregated and anonymized reports for analytics, business intelligence and business reporting; (vi) fraud prevention; (vii) responding to law enforcement requests and tax audit requests; (viii) facilitating business asset transactions (which may extend to any mergers, acquisitions or asset sales); and (ix) otherwise complying with our the Parties’ obligations under this Agreement and applicable laws; and (x) for the determination, calculation, reporting of Travel Taxes and other applicable taxation purposes as may be required from time to time;
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- h) **Process or Processing** means any operation or set of operations that is performed upon Personal Data, whether or not by automatic means, including, without limitation, collection, recording, organization, structuring, storage, access, adaptation, alteration, retrieval, consultation, use, disclosure, dissemination, making available, alignment, combination, restriction, blocking, deletion, erasure, or destruction; 18488
- i) **Privacy Shield** means the EU-US/ Swiss-US Privacy Shield certifications with the US Department of Commerce or replacement or supplementary certification mechanisms approved by the European Commission (or other relevant national authority) from time to time including the Data Privacy Framework approved by the European Commission on 10 July 2023;
- j) **Restricted Transfer Area** means the European Economic Area, Switzerland or the United Kingdom;
- k) **Restricted Transfer Data** means End User Data relating to a Travel Booking made via a point of sale intended by us to be accessed by individuals in a Restricted Transfer Area;
- l) **Security Incident** means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, Customer Personal Data transmitted, stored or otherwise Processed; and
- m) **Standard Contractual Clauses/ SCCs** means the approved European Commission's Standard Contractual Clauses for the transfer of personal data from the European Union to third countries, as issued on 4 June 2021, as amended, replaced, supplemented, or superseded from time to time, and the full current version of which can be found following this link: https://commission.europa.eu/law/law-topic/data-protection/international-dimension-data-protection/standard-contractual-clauses-scc_en.

2. Relationship of the parties

- 1.1 Both Parties agree to comply with Applicable Data Protection Laws in respect of the Processing of Customer Personal Data, as applicable to each Party.
- 1.2 For any Customer Personal Data, Decolar shall be the Data Controller and Expedia shall be the Data Processor and this Schedule 5 sets out the scope, nature and purpose of processing by us as processor, the duration of the processing and types of personal data and categories of data subject.

3. The Data Controller's responsibilities

- 1.1 In its capacity as Data Controller, Decolar will in particular:
 - 1.1.1 comply with Data Protection Laws applicable to Decolar;
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- 1.1.2 satisfy a legal basis in order to make available the Customer Personal Data provided by Decolar to Expedia to process for the Permitted Purposes;
- 1.1.3 cooperate with and provide reasonable assistance to Expedia to assist Expedia with its compliance with Applicable Data Protection Law in the course of its processing of Customer Data Personal in connection with this Agreement; and
- 1.1.4 display and comply with lawful and up-to-date cookie notice, if applicable to Decolar.

4. The Data Processor's responsibilities

- 1.1 In its capacity as the Data Processor, Expedia (and its Affiliates, where applicable) will:
 - 1.1.1 process Customer Personal Data only on the Data Controller's written instruction and in accordance with this Agreement and in accordance with Decolar's privacy policies accepted by the End Users to the extent they have been shared with the Data Processor and do not conflict with the Permitted Purposes, and Data Controller hereby confirm that its documented instructions are for the Data Processor to process the Customer Personal Data as required in connection with the Permitted Purposes and necessary or further instructed in writing by the Data Controller in connection with the Agreement. The Data Processor shall inform the Data Controller if, in its opinion, an instruction infringes Applicable Data Protection Laws;
 - 1.1.2 upon termination or expiry of the Agreement or upon the Data Controller's request, delete or return Customer Personal Data save that, in the event that the Data Processor is unable to destroy the Customer Personal Data (due to backup or legal reasons), the Data Processor shall continue to extend the protections of these requirements for the term determined by applicable laws and immediately terminate any further Processing of the Customer Personal Data without the Data Controller's express prior written consent, except where and to the extent required by applicable law. The Data Processor obligations under these requirements to protect the security of Customer Personal Data shall survive termination of the Agreement;
 - 1.1.3 ensure appropriate operational and technical measures are in place to safeguard the Customer Personal Data against Security Incidents;
 - 1.1.4 notify the Data Controller without undue delay if the Data Processor determines the occurrence of any actual Security Incidents and shall provide the Data Controller with reasonable information and cooperation
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so it can fulfil any data breach reporting obligations it may have under (and in accordance with the timescales required by) applicable Data Protection Laws;

- 1.1.5 establish policies and procedures to provide all reasonable and prompt assistance to the Data Controller in responding to any and all requests, complaints, or other communications received from any individual who is or may be the subject of any Customer Personal Data Processed by the Data Processor;
 - 1.1.6 ensure that any person (including the Data Processor's staff, agents and subcontractors) who are authorized to Process the Customer Personal is subject to a strict duty of confidentiality (whether a contractual or statutory duty) and shall not permit any person to Process the Customer Personal Data who is not under such a duty of confidentiality;
 - 1.1.7 maintain a record of processing activities carried out on Data Controller's behalf as required by Applicable Data Protection Law;
 - 1.1.8 with regard to Restricted Transfer Data, assist the Data Controller at its cost to conduct data protection impact assessments to the extent such assessments are required by Applicable Data Protection Law, and if necessary, consult with relevant supervisory authorities or equivalent under Applicable Data Protection Laws; and
 - 1.1.9 not use Customer Personal Data to initiate contact with individuals who are the subject of the Customer Personal Data for any purpose other than in connection with the Permitted Purposes except where End Customer has expressly requested such contact or otherwise in accordance with Applicable Data Protection Law.
- 1.2 If the Data Processor considers any request by the Data Controller for support or assistance under paragraph 4.1 to be excessive or unduly onerous, then it reserve the right to charge the Data Controller for such support to a reasonable level to be agreed by the Parties.

5. Sub-processors

- 1.1 When acting as Data Processor, a list of subcontractors who may Process Decolar's Customer Personal Data is listed at Expedia's sub-processor website (<https://support.ean.com/hc/en-us/articles/360000986389-EAN-Data-Services-Vendor-List>, as updated from time to time) and Data Controller hereby confirms its approval of the Data Processor's existing sub-processors. This sub-processor list shall contain a mechanism for Decolar to subscribe to notifications of any new sub-processors or changes to the sub-processor list. To receive updates or changes to this list, Decolar will subscribe using the mechanism provided. Expedia shall
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only appoint third party vendors or service providers as sub-processors of the Customer Personal Data where it:

1.1.1 enters into written contracts with such sub-processors which provide for data protection terms that are no less protective than the terms set out in this Schedule; and

1.1.2 remain fully liable to Decolar for any breaches of the Agreement that are caused by the acts, errors and omissions of its sub-processors,

1.2 Where Decolar has reasonable data protection grounds to believe that a sub-processor appointed by Expedia will render Expedia unable to fulfil its data protection obligations under this Schedule, it may, within [***] of receipt of notice of their appointment, object to Expedia's appointment of such sub-processor, in which case Expedia will not allow that sub-processor to further access the Customer Personal Data until Decolar has agreed to the appointment or replacement of the subcontractor or until Decolar withdraws its objection.

6. Cross-border data transfers

1.1 The Data Processor shall not (and shall not permit any sub-processor to) transfer Customer Personal Data outside the territory of origination unless it takes any required compliance measures to enable such transfer legally in accordance with Applicable Data Protection Laws. For example, such measures shall include the compliance with requirements of Chapter V of the LGPD in case of transfer of data outside of Brazil.

1.2 To the extent applicable to each Party, the Data Controller and Data Processor agree that in respect of transfers of Customer Personal Data between the Data Controller and Data Processor (a) to the extent that and for so long as Privacy Shield is a recognized method of transfer by a relevant authority and to the extent applicable to each Party, Privacy Shield shall be the agreed mechanism for cross-border transfers of data originating from a Restricted Transfer Area to Data Processor in the United States if applicable to the Parties, and (b) to the extent and for so long as Privacy Shield is not a valid method of transfer in relation to any Restricted Transfer Data, the SCCs shall apply to such transfers if applicable to the Parties. The Data Controller and Data Processor hereby agree to enter into the SCCs as set out in <https://www.expediagroup.com/who-we-are/corporate-standards/partner-privacy-data-handling-requirements/default.aspx> marked "Rapid API - Processor SCCs" or similar term from time to time, and those terms are hereby incorporated into this Agreement by reference only to the extent applicable to each Party.

7. Data security

1.1 Both parties shall:

- 1.1.1 maintain appropriate technical and organizational measures to protect the Customer Personal Data they each process against a Security Incident; and
 - 1.1.2 in the event of a confirmed Security Incident, promptly notify the other party if the Security Incident affects Customer Personal Data that is also processed by the other Party under this Agreement, providing full details of the same. In such event, both Parties shall cooperate reasonably and in good faith to remedy or mitigate the effects of the Security Incident, and the reasonable costs of such cooperation shall be borne by the Party that suffered the Security Incident.
- 1.2 Upon the Data Controller's written request and no more than once a year, the Data Processor will provide the Data Controller its then Current Audit Report or meet with the Data Controller's security team to discuss security questions that it may have; and/or complete a questionnaire provided by the Data Controller or a third party on its behalf regarding its compliance with this Schedule, provided that the Data Processor shall not be required to disclose information that is reasonably considered confidential to its business.

8. Additional Obligations

- 1.1 For the purpose of this section: "sale/sell" and "share" will have the meaning given to it in Applicable Data Protection Law in the United States.
 - 1.2 To the extent that Customer Personal Data processed by the Data Processor is within the scope of Applicable Data Protection Law of the United States, Expedia will be deemed to be a "Service Provider" and references to processor in this Schedule 5 shall be construed accordingly for such purposes.
 - 1.3 The Data Processor (Expedia) will not process any Customer Personal Data outside of the direct business relationship between the Parties as outlined in this Agreement. Additionally, the Data Processor will not combine Customer Personal Data it receives from or on behalf of the Data Controller with any personal information it receive from another entity or that it collect from our own interactions with individuals, except where allowed under Applicable Data Protection Laws.
 - 1.4 If the Data Processor has access to de-identified Customer Personal Data, it will publicly commit to maintain and only use such de-identified data in such form. The Data Processor will not, and will allow any sub-processor to, re-identify any de-identified Customer Personal Data unless so instructed in writing by the Data Controller.
 - 1.5 For the purposes of Applicable Data Protection Law, the Data Processor acknowledges and agrees that it is not permitted to sell, share or rent the Customer Personal Data. The Data Processor and the Data Controller agree that the transfer
-

of any Customer Personal Data in accordance with this Agreement does not constitute a sale or sharing.

9. PCI

1.1 The Data Controller warrants and represents that it shall:

1.1.1 only obtain, use, transmit and store End User cardholder data to the extent required to comply with Data Controller's obligations under this Agreement and the applicable data protection policy accepted by End Users;

1.1.2 where Data Controller obtains, uses, transmits, stores or processes End User's cardholder data, it shall comply with the PCI DSS as issued by the PCI Security Standards Council, as updated from time to time;

1.1.3 provide Data Processor with a copy of its annual certification of compliance if requested by Data Processor;
and

1.1.4 promptly notify Data Processor of any breach of the PCI DSS or any personal data breach affecting End User cardholder data.

SUBSIDIARIES OF THE REGISTRANT

Name of Subsidiary	Jurisdiction of Incorporation or Organization
AM BD GP JV, S.A.P.I. de C.V.	Mexico
Badurey S.A.	Uruguay
Click Hoteles.com, LLC	Delaware, United States of America
Decolar.com Ltda.	Brazil
Decolar.com, Inc.	Delaware, United States of America
Despegar Colombia S.A.S.	Colombia
DespegarEcuador S.A.	Ecuador
Despegar.com Chile SpA.	Chile
Despegar.com México, S.A. de C.V.	Mexico
Despegar.com Perú S.A.C.	Peru
Despegar.com USA, Inc.	Delaware, United States of America
Despegar.com.ar S.A.	Argentina
DFinance Holding Ltda.	Brazil
Dominicana Experience DMC, SRL	Dominican Republic
Gray Line Excursiones y Transporte Turístico Dominicano S.R.L.	Dominican Republic
Holidays S.A.	Uruguay
Jamiray International S.A.	Uruguay
Koin Administradora de Cartões e Meios de Pagamento S.A.	Brazil
Koin (BVI) Limited	British Virgin Islands
Rivamor S.A.	Uruguay
Ruotej S.A.	Uruguay
Ruselmy S.A.	Uruguay
Satylca S.C.A.	Uruguay
Servicios Online 3351 de Venezuela C.A.	Venezuela
South Net Chile, SpA *	Chile
South Net Turismo S.A.U.	Argentina
Stays S.A.	Brazil
Transporturist, S.A. de C.V.	Mexico
Travel Reservations S.R.L.	Uruguay
Viajes Beda, S.A. de C.V.	Mexico
Xirex Contigo S.A.P.I. de C.V. SOFOM, E.N.R.	Mexico

* In process of dissolution.

**Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Damián Scokin, certify that:

1. I have reviewed this annual report on Form 20-F of Despegar.com, Corp. (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - (d) disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: April 26, 2024

By: /s/ Damián Scokin
Name: Damián Scokin
Title: Chief Executive Officer

**Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Amit Singh, certify that:

1. I have reviewed this annual report on Form 20-F of Despegar.com, Corp. (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - (d) disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect the Company’s internal control over financial reporting.
and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: April 26, 2024

By: /s/ Amit Singh

Name: Amit Singh

Title: Chief Financial Officer

**Certification of Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Despegar.com, Corp. (the "Company") on Form 20-F for the fiscal year ended December 31, 2023, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Damián Scokin, Chief Executive Officer, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 26, 2024

By: /s/ Damián Scokin
Name: Damián Scokin
Title: Chief Executive Officer

**Certification of Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Despegar.com, Corp. (the "Company") on Form 20-F for the fiscal year ended December 31, 2023, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Amit Singh, Chief Financial Officer, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the U.S. Sarbanes-Oxley-Act of 2002, that to the best of my knowledge:

- (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 26, 2024

By: /s/ Amit Singh

Name: Amit Sing

Title: Chief Financial Officer



CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form F-3 (No. 333-253401) of Despegar.com, Corp. of our report dated April 26, 2024 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PRICE WATERHOUSE & CO. S.R.L.

/s/ Walter Rafael Zablocky (Partner)

Walter Rafael Zablocky

Buenos Aires, Argentina

April 26, 2024

DESPEGAR.COM, CORP.
Incentive Compensation Clawback Policy
(As Adopted on August 10, 2023 Pursuant to NYSE Rule 303A.14)

1. Overview. The Nomination and Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of Despegar.com, Corp. (the “*Company*”) has adopted this Incentive Compensation Clawback Policy (the “*Policy*”) which requires the recoupment of certain incentive-based compensation in accordance with the terms herein and is intended to comply with Section 303A.14 of The New York Stock Exchange Listed Company Manual, as such section may be amended from time to time (the “*Listing Rules*”). Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms under Section 12 of this Policy.

2. Interpretation and Administration. The Committee shall have full authority to interpret and enforce the Policy; provided, however, that the Policy shall be interpreted in a manner consistent with its intent to meet the requirements of the Listing Rules. As further set forth in Section 10 below, this Policy is intended to supplement any other clawback policies and procedures that the Company may have in place from time to time pursuant to other applicable law, plans, policies or agreements.

3. Covered Executives. The Policy applies to each current and former Executive Officer of the Company who serves or served as an Executive Officer at any time during a performance period in respect of which Incentive Compensation is Received, to the extent that any portion of such Incentive Compensation is (a) Received by the Executive Officer during the last three completed Fiscal Years or any applicable Transition Period preceding the date that the Company is required to prepare a Restatement (regardless of whether any such Restatement is actually filed) and (b) determined to have included Erroneously Awarded Compensation. For purposes of determining the relevant recovery period referenced in the preceding clause (a), the date that the Company is required to prepare a Restatement under the Policy is the earlier to occur of (i) the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement. Executive Officers subject to this Policy pursuant to this Section 3 are referred to herein as “*Covered Executives*.”

4. Recovery of Erroneously Awarded Compensation. If any Erroneously Awarded Compensation is Received by a Covered Executive, the Company shall reasonably promptly take steps to recover such Erroneously Awarded Compensation in a manner described under Section 5 of this Policy.

5. Forms of Recovery. The Committee shall determine, in its sole discretion and in a manner that effectuates the purpose of the Listing Rules, one or more methods for recovering any Erroneously Awarded Compensation hereunder in accordance with Section 4 above, which may include, without limitation: (a) requiring cash reimbursement; (b) seeking recovery or forfeiture of any gain realized on the vesting, exercise, settlement, sale, transfer or other disposition of any equity-based awards; (c) offsetting the amount to be recouped from any compensation otherwise owed by the Company to the Covered Executive; (d) canceling outstanding vested or unvested equity awards; or (e) taking any other remedial and recovery action permitted by law, as determined by the Committee. To the extent the Covered Executive refuses to pay to the Company an amount equal to the Erroneously Awarded Compensation, the Company shall have the right to sue for repayment and/or enforce the Covered Executive’s obligation to make payment through the reduction or cancellation of outstanding and future compensation. Any reduction, cancellation or forfeiture of compensation shall be done in compliance with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

6. No Indemnification. The Company shall not indemnify any Covered Executive against the loss of any Erroneously Awarded Compensation for which the Committee has determined to seek recoupment pursuant to this Policy.

7. Exceptions to the Recovery Requirement. Notwithstanding anything in this Policy to the contrary, Erroneously Awarded Compensation need not be recovered pursuant to this Policy if the Committee (or, if the Committee is not composed solely of Independent Directors, a majority of the Independent Directors serving on the Board) determines that recovery would be impracticable as a result of any of the following:

- i. the direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered; provided that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Company must make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Exchange;
- ii. recovery would violate home country law where that law was adopted prior to November 28, 2022; provided that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company must obtain an opinion of home country counsel, acceptable to the Exchange, that recovery would result in such a violation, and must provide such opinion to the Exchange; or
- iii. recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

8. Committee Determination Final. Any determination by the Committee with respect to the Policy shall be final, conclusive and binding on all interested parties.

9. Amendment. The Policy may be amended by the Committee from time to time, to the extent permitted under the Listing Rules.

10. Non-Exclusivity. Nothing in the Policy shall be viewed as limiting the right of the Company or the Committee to pursue additional remedies or recoupment under or as required by any similar policy adopted by the Company or under the Company's compensation plans, award agreements, employment agreements or similar agreements or the applicable provisions of any law, rule or regulation which may require or permit recoupment to a greater degree or with respect to additional compensation as compared to this Policy (but without duplication as to any recoupment already made with respect to Erroneously Awarded Compensation pursuant to this Policy). This Policy shall be interpreted in all respects to comply with the Listing Rules.

11. Successors. The Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

12. Defined Terms.

"Covered Executives" shall have the meaning set forth in Section 3 of this Policy.

"Erroneously Awarded Compensation" shall mean the amount of Incentive Compensation actually Received that exceeds the amount of Incentive Compensation that otherwise would have been Received had it been determined based on the restated amounts, and computed without regard to any taxes paid. For Incentive Compensation based on stock price or total shareholder return, where the amount of erroneously awarded Incentive Compensation is not subject to mathematical recalculation directly from the information in a Restatement:

- i. The calculation of Erroneously Awarded Compensation shall be based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Incentive Compensation was Received; and
- ii. The Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to the Exchange.

"Exchange" shall mean The New York Stock Exchange.

"Executive Officer" shall mean the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. Executive officers of the Company's parent(s) or subsidiaries shall be deemed executive officers of the Company if they perform such policy-making functions for the Company.

"Financial Reporting Measures" shall mean measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures

that are derived wholly or in part from such measures, including, without limitation, stock price and total shareholder return (in each case, regardless of whether such measures are presented within the Company's financial statements or included in a filing with the Securities and Exchange Commission).

"Fiscal Year" shall mean the Company's fiscal year; provided that a Transition Period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months will be deemed a completed fiscal year.

"Incentive Compensation" shall mean any compensation (whether cash or equity-based) that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure, and may include, but shall not be limited to, performance bonuses and long-term incentive awards such as stock options, stock appreciation rights, restricted stock, restricted stock units, performance share units or other equity-based awards. For the avoidance of doubt, Incentive Compensation does not include awards that vest exclusively upon completion of a specified employment period, without any performance condition, and bonus awards that are discretionary or based on subjective goals or goals unrelated to Financial Reporting Measures. Notwithstanding the foregoing, compensation amounts shall not be considered "Incentive Compensation" for purposes of the Policy unless such compensation is Received (1) while the Company has a class of securities listed on a national securities exchange or a national securities association and (2) on or after October 2, 2023, the effective date of the Listing Rules.

"Independent Director" shall mean a director who is determined by the Board to be "independent" for Board or Committee membership, as applicable, under the rules of the Exchange, as of any determination date.

"Listing Rules" shall have the meaning set forth in Section 1 of this Policy.

Incentive Compensation shall be deemed **"Received"** in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

"Restatement" shall mean an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the Company's previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"Transition Period" shall mean any transition period that results from a change in the Company's Fiscal Year within or immediately following the three completed Fiscal Years immediately preceding the Company's requirement to prepare a Restatement.

Adopted on: August 10, 2023

Acknowledgment of Incentive Compensation Clawback Policy

Reference is made to the Despegar.com, Corp. Incentive Compensation Clawback Policy (as adopted on August 10, 2023 pursuant to NYSE Rule 303A.14) (the **"Policy"**). Capitalized terms used herein without definition have the meanings assigned to such terms under the Policy.

By signing below, the undersigned acknowledges, confirms and agrees that:

- the undersigned has received and reviewed a copy of the Policy;
 - the undersigned is, and will continue to be, subject to the Policy to the extent provided therein;
 - the Policy may apply both during and after termination of the undersigned's employment with the Company and its affiliates; and
 - the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation to the Company pursuant to the Policy.
-

Signature

Print Name

Date