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

# FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER**
**PURSUANT TO SECTION 13a-16 OR 15d-16**
**UNDER THE SECURITIES EXCHANGE ACT OF 1934**

**For the month of November, 2022**

**Commission File Number: 001-37959**

# trivago N.V.
**(Exact Name of Registrant as Specified in Its Charter)**

**Kesselstraße 5 - 7**
**40221 D✔sseldorf**
**Federal Republic of Germany**
**+49 211 54065110**
**(Address of principal executive offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F x Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

## EXPLANATORY NOTE

On November 2, 2022, trivago N.V. will hold a conference call regarding its unaudited financial results for the third quarter ended September 30, 2022. Copies of the operating and financial review for the third quarter of 2022, a letter to shareholders and the unaudited condensed consolidated interim financial statements as of September 30, 2022 are furnished as Exhibits 99.1, 99.2 and 99.3 hereto.

## SIGNATURES

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

| | | |
|---|---|---|
| | | **trivago N.V.** |
| Date: November 1, 2022 | By: | /s/ Matthias Tillmann |
| | | Matthias Tillmann |
| | | Chief Financial Officer |

## EXHIBIT INDEX

| Exhibit No. | Description |
|---|---|
| 99.1 | Operating and Financial Review for the Third Quarter of 2022. |
| 99.2 | Letter to Shareholders. |
| 99.3 | Unaudited Condensed Consolidated Interim Financial Statements as of September 30, 2022. |

**Exhibit 99.1**

# Operating and Financial Review

The following discussion should be considered together with our unaudited financial information included with this review and the periodic reports we file with the Securities and Exchange Commission, including the section contained in our Annual Report on Form 20-F for the fiscal year ended December 31, 2021, "Item 5. Operating and Financial Review and Prospects." Certain information and disclosures normally included in consolidated financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP") have been omitted from this review.

As used herein, references to "we," "us," the "company," or "trivago," or similar terms shall mean trivago N.V. and, as the context requires, its subsidiaries.

## Overview

trivago is a global hotel and accommodation search platform. We are focused on reshaping the way travelers search for and compare different types of accommodations, such as hotels, vacation rentals and apartments, while enabling our advertisers to grow their businesses by providing them with access to a broad audience of travelers via our websites and apps. Our platform allows travelers to make informed decisions by personalizing their search for accommodations and providing them with access to a deep supply of relevant information and prices. As of September 30, 2022, we offered access to more than 5.0 million hotels and other types of accommodation in over 190 countries, including over 3.8 million units of alternative accommodation, such as vacation rentals and apartments.

Our search platform forms the core of our user experience and can be accessed globally via 53 localized websites and apps available in 31 languages. Our users initially search via a text-based search function, which supports searches across a broad range of criteria. This leads through to a listings page that displays search results and allows for further refinement based on more nuanced filters. Additionally, we enhance our users' experience by giving them the option to display their search results in listing or map formats. Users can search our platform on desktop and mobile devices, and benefit from a familiar user interface, resulting in a consistent user experience.

## Financial Summary & Operating Metrics (€ millions, unless otherwise stated)

| | Three months ended September 30, | | | Nine months ended September 30, | | |
|---|---|---|---|---|---|---|
| | **2022** | **2021** | **Δ Y/Y** | **2022** | **2021** | **Δ Y/Y** |
| Total revenue | 183.7 | 138.6 | 33% | 430.1 | 272.3 | 58% |
| Qualified Referrals (in millions) | 100.8 | 104.1 | (3)% | 254.1 | 219.9 | 16% |
| Revenue per Qualified Referral (in €) | 1.79 | 1.31 | 37% | 1.65 | 1.21 | 36% |
| Operating income/(loss) | (73.4) | 8.6 | n.m. | (138.0) | (3.1) | n.m. |
| Net income/(loss) | (67.1) | 5.5 | n.m. | (137.6) | (4.5) | n.m. |
| Return on Advertising Spend | 147.6% | 138.7% | 8.9 ppts | 161.0% | 146.5% | 14.5 ppts |
| Adjusted EBITDA[1] | 33.5 | 15.5 | 116% | 84.8 | 15.1 | 462% |

*n.m. not meaningful*

*[1] "Adjusted EBITDA" is a non-GAAP measure. Please see "Definitions of Non-GAAP Measures" and "Tabular Reconciliations for Non-GAAP Measures" on pages 13 to 14 herein for explanations and reconciliations of non-GAAP measures used throughout this review.*

## Recent Trends

In the third quarter of 2022, we continued to benefit from the recovery in travel, particularly in the northern hemisphere, and as planned, we increased our branded marketing activities during this period. Our new television advertising creative, refocusing on price comparison, performed well and led to healthy growth in branded traffic to our platform. Overall, the competitive dynamics in performance marketing channels, including our own auction, intensified during the summer as many players in the online travel industry appeared to have focused on gaining traffic share. While we benefited from this increased competition and have experienced a very strong auction during the quarter, these dynamics have also resulted in higher costs in some performance marketing channels in certain markets. We have maintained our disciplined marketing approach and continued to focus on high-quality traffic at the expense of more traffic volume to maintain profitability targets that we believe create long-term value.

The past few months have also given us a better view on the trends affecting the online travel industry as we approach 2023. The effects of the COVID-19 pandemic on travel behavior appear to have receded as large-scale vaccinations and mass recovery from COVID-19 infections have muted the negative effects of the pandemic. We believe that travel seasonality this winter will be more in line with what we experienced prior to the pandemic.

Throughout the summer, we have observed a significant increase in average price levels for hotel rooms. We believe that geopolitical conflicts and disruptions, which have led to higher energy prices, are likely to continue for the foreseeable future. We anticipate that this, when combined with the effects of labor cost increases, may continue to result in increases in consumer prices, including average daily rates for hotels. In the third quarter of 2022, we saw first signs of consumers attempting to mitigate this effect through searching for more affordable destinations and accommodations as well as by reducing the length of their trip, especially in our Developed Europe segment. We believe that this trend is likely to continue in 2023 as inflation leads to consumers having lower real disposable income. While this may result in lower traffic volumes, we continue to believe that our value proposition will be highly relevant for consumers around the globe and that we will be able to benefit from consumers’ greater focus on cost saving and their need for price comparison.

After performing our annual goodwill and indefinite-lived intangible asset impairment analysis as of September 30, 2022, we recorded an impairment charge of €100.4 million due to the continued deterioration of macroeconomic conditions, including rising interest rates, increased inflation and more uncertainty in respect of the overall economic environment. This charge drove a net loss of €67.1 million for the third quarter of 2022, and, along with an additional impairment charge of €84.2 million that was recorded in the second quarter, resulted in a net loss of €137.6 million for the nine months ended September 30, 2022. Adjusted EBITDA, which excludes the impairments of intangible assets and goodwill mentioned above, was €33.5 million in the third quarter of 2022 and €84.8 million for the nine months ended September 30, 2022, representing the strong operational results delivered for the year so far.

**Purchase of Class A Shares**

On November 1, 2022, the Company agreed to purchase from Peter Vinnemeier, one of our founders, 20,000,000 Class A shares, representing 5.5% of the Company’s total common shares outstanding, for an aggregate price of USD $20.0 million (USD $1.00 per share). The purchase of shares will be funded from available working capital.

## Revenue

### Referral Revenue & Other Revenue

We match our users' searches with large numbers of hotel and other accommodation offers through our auction platform, which we call our marketplace. With our marketplace, we provide advertisers a competitive forum to access user traffic by facilitating a vast quantity of auctions on any particular day. Advertisers submit hotel room and other accommodation rates and participate in our marketplace primarily by making bids for each user click on an advertised rate for a hotel or other accommodation on a cost-per-click, or CPC, basis. We also offer the option for our advertisers to participate in our marketplace on a cost-per-acquisition, or CPA, basis.

We earn substantially all of our revenue when users of our websites and apps click on hotel and accommodation offers or advertisements in our search results and are referred to one of our advertisers. We call this our Referral Revenue.

Management has identified three reportable segments, which correspond to our three operating segments: the Americas, Developed Europe and Rest of World (RoW). Our Americas segment is comprised of Argentina, Brazil, Canada, Chile, Colombia, Ecuador, Mexico, Peru, the United States and Uruguay. Our Developed Europe segment is comprised of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. Our RoW segment is comprised of all other countries. In the third quarter of 2022, the most significant countries by revenue in that segment were Japan, Australia, Turkey, Israel and Poland.

We also earn revenue by offering our advertisers business-to-business (B2B) solutions, such as display advertisements and white label services, and from subscription fees earned from advertisers for the trivago Business Studio PRO Package. These revenues do not represent a significant portion of our revenue.

**Referral Revenue by Segment & Other Revenue (€ millions)**

| | Three months ended September 30, | | | | Nine months ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2022 | 2021 | Δ € | Δ % | 2022 | 2021 | Δ € | Δ % Y/Y |
| Americas | € 75.2 | € 48.1 | 27.1 | 56% | € 174.6 | € 104.0 | 70.6 | 68% |
| Developed Europe | 83.5 | 74.7 | 8.8 | 12% | 193.7 | 128.0 | 65.7 | 51% |
| Rest of World | 21.8 | 13.2 | 8.6 | 65% | 52.0 | 33.7 | 18.3 | 54% |
| **Total Referral Revenue** | **€ 180.5** | **€ 136.1** | **44.4** | **33%** | **€ 420.3** | **€ 265.7** | **154.6** | **58%** |
| Other revenue | 3.2 | 2.6 | 0.6 | 23% | 9.8 | 6.6 | 3.2 | 48% |
| **Total revenue** | **€ 183.7** | **€ 138.6** | **45.1** | **33%** | **€ 430.1** | **€ 272.3** | **157.8** | **58%** |

*Note: Some figures may not add due to rounding.*

In the third quarter of 2022, total revenue increased by €45.1 million, or by 33%, compared to the same period in 2021. In the nine months ended September 30, 2022, total revenue increased by €157.8 million, or by 58%, compared to the same period in 2021.

In the third quarter of 2022, Referral Revenue increased to €75.2 million, €83.5 million and €21.8 million, or by 56%, 12% and 65% in Americas, Developed Europe and RoW, respectively, compared to the same period in 2021. This increase is mainly driven by an increase in Revenue per Qualified Referrals (RPQR) across all segments which was partly offset by a decrease in Qualified Referrals in Developed Europe. In the nine months ended September 30, 2022, Referral Revenue increased to €174.6 million, €193.7 million and €52.0 million, or by 68%, 51% and 54% in Americas, Developed Europe and RoW, respectively. This increase was similarly driven by an increase in both Qualified Referrals and RPQR across all segments.

Other revenue increased by €0.6 million, or 23%, during the third quarter of 2022, and by €3.2 million, or 48%, during the nine months ended September 30, 2022. These increases were mainly driven by increased revenue from our B2B solutions compared to the same periods in 2021.

## Qualified Referrals

Qualified Referrals indicate the number of unique visitors per day that generate at least one referral. The following table sets forth the Qualified Referrals for our reportable segments:

**Qualified Referrals by Segment (in millions)**

| | Three months ended September 30, | | | | Nine months ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | **2022** | **2021** | **Δ** | **Δ %** | **2022** | **2021** | **Δ** | **Δ % Y/Y** |
| Americas | 25.3 | 24.8 | 0.5 | 2% | 70.8 | 62.2 | 8.6 | 14% |
| Developed Europe | 47.6 | 53.6 | (6.0) | (11)% | 115.2 | 96.3 | 18.9 | 20% |
| Rest of World | 27.9 | 25.7 | 2.2 | 9% | 68.0 | 61.4 | 6.6 | 11% |
| **Total** | **100.8** | **104.1** | **(3.3)** | **(3)%** | **254.1** | **219.9** | **34.2** | **16%** |

*Note: Some figures may not add due to rounding.*

In the third quarter of 2022, total Qualified Referrals decreased by 3%, as they decreased by 11% in Developed Europe. This decline in Qualified Referrals was partly offset by an increase of 2% and 9% in Americas and RoW, respectively, compared to the same period in 2021. The decline in Qualified Referrals in Developed Europe was mainly driven by increased competition to acquire traffic in some of our core markets in Developed Europe. The period-over-period increase in Americas and RoW was mainly driven by the continued increase of travel demand, particularly in RoW, compared to the same period in 2021 when many core markets in RoW had continued to have been negatively affected by COVID-19 related mobility restrictions.

During the nine months ended September 30, 2022, total Qualified Referrals increased by 16% compared to the same period in 2021. Qualified Referrals increased by 14%, 20% and 11% in Americas, Developed Europe and RoW respectively, compared to the same period in 2021. The increase in Qualified Referrals across all regions was due to the significant increase in traffic volumes, reflecting the easing of COVID-19 related mobility restrictions, particularly in the first and second quarter of 2022.

## Revenue Per Qualified Referral

We use RPQR to measure how effectively we convert Qualified Referrals to revenue. RPQR is calculated as Referral Revenue divided by the total number of Qualified Referrals in a given period. RPQR is a key financial metric that describes the quality of our referrals, the efficiency of our marketplace and, as a consequence, how effectively we monetize the referrals we provide our advertisers. Furthermore, we use RPQR to help us detect and analyze changes in market dynamics. The following table sets forth the RPQR for our reportable segments for the periods indicated:

**RPQR by Segment (in €)**

| | Three months ended September 30, | | | Nine months ended September 30, | | |
|---|---|---|---|---|---|---|
| | **2022** | **2021** | **Δ %** | **2022** | **2021** | **Δ % Y/Y** |
| Americas | € 2.97 | € 1.94 | 53% | € 2.47 | € 1.67 | 48% |
| Developed Europe | 1.75 | 1.39 | 26% | 1.68 | 1.33 | 26% |
| Rest of World | 0.78 | 0.51 | 53% | 0.76 | 0.55 | 38% |
| **Consolidated RPQR** | **€ 1.79** | **€ 1.31** | **37%** | **€ 1.65** | **€ 1.21** | **36%** |

In the third quarter of 2022, consolidated RPQR increased by 37% as RPQR increased by 53%, 26% and 53% in Americas, Developed Europe and RoW, respectively, compared to the same period in 2021. This improvement was due to the significant increase in bidding levels.

In the nine months ended September 30, 2022, consolidated RPQR increased by 36% as RPQR increased by 48%, 26% and 38% in Americas, Developed Europe and RoW respectively, compared to the same period in 2021. The increase in RPQR in the nine months ended September 30, 2022, was mainly driven by the significant increase in bidding levels and by a positive foreign exchange rate impact resulting from the strengthening of the U.S. dollar against the euro.

## Advertiser Concentration

We generate the majority of our Referral Revenue from online travel agencies, or OTAs. For brands affiliated with Expedia Group, including Brand Expedia, Hotels.com, Orbitz, Travelocity, Hotwire, Wotif, Vrbo and ebookers, the share of our Referral Revenue was 34% and 32% in the third quarter of 2022 and in the nine months ended September 30, 2022, respectively, compared to 27% and 24% in the same periods in 2021. For brands affiliated with Booking Holdings, including Booking.com, Agoda and priceline.com, the share of our Referral Revenue was 50% in the third quarter and in the nine months ended September 30, 2022, respectively, compared to 56% and 57% in the same periods in 2021.

## Return on Advertising Spend (ROAS)

We track the ratio of our Referral Revenue to our Advertising Spend, or ROAS. We believe that ROAS is an indicator of the efficiency of our advertising and it is our primary operating metric. The following table sets forth the ROAS for our reportable segments:

**ROAS by Segment (in %)**

| | Three months ended September 30, | | | Nine months ended September 30, | | |
|---|---|---|---|---|---|---|
| | **2022** | **2021** | **Δ ppts** | **2022** | **2021** | **Δ ppts** |
| **ROAS** | | | | | | |
| Americas | 142.5% | 125.7% | 16.8 ppts | 159.0% | 135.3% | 23.7 ppts |
| Developed Europe | 146.8% | 141.4% | 5.4 ppts | 156.3% | 146.2% | 10.1 ppts |
| Rest of World | 172.2% | 189.6% | (17.4) ppts | 190.8% | 198.2% | (7.4) ppts |
| **Consolidated ROAS** | **147.6%** | **138.7%** | **8.9 ppts** | **161.0%** | **146.5%** | **14.5 ppts** |

In the third quarter of 2022, consolidated ROAS was 147.6%, compared to 138.7% in the same period in 2021. ROAS increased to 142.5% and 146.8% in Americas and Developed Europe, respectively, while it decreased to 172.2% in RoW, compared to the same period in 2021. The ROAS increase in Americas and Developed Europe was mainly driven by increased bidding levels on our platform, resulting in an increase in Referral Revenue. The decrease in RoW was mainly driven by a significant increase in Advertising Spend undertaken as a reaction to the recovery in travel demand, particularly in Asia, which offset the increase in Referral Revenue in this segment.

In the third quarter of 2022, Advertising Spend increased by 38%, 7% and 81% or by €14.6 million, €3.9 million and €5.7 million in Americas, Developed Europe and RoW, respectively. In the third quarter of 2022, Advertising Spend increased across all segments, as a result of the advertising campaigns initiated in the summer of 2022, compared to the same period in 2021, specifically in RoW where marketing activities were muted in the previous year.

In the nine months ended September 30, 2022, consolidated ROAS increased to 161.0%, compared to 146.5% in the same period in 2021. ROAS increased by 23.7 ppts and 10.1 ppts in Americas and Developed Europe, respectively, but decreased by 7.4 ppts in RoW. The ROAS increase in Americas and Developed Europe was mainly driven by the increase in Referral Revenue described above. The decrease in RoW is driven by the increased Advertising Spend compared to the same period in 2021, when marketing investments were muted as a result of the impact of the COVID-19 pandemic.

In the nine months ended September 30, 2022, Advertising Spend increased by 43%, 42% and 61% or by €33.0 million, €36.5 million and €10.3 million in Americas, Developed Europe and RoW, respectively. Advertising Spend was increased in response to the continued increase in travel demand compared to the same period in 2021.

## Expenses

### Expenses by cost category (€ millions)

| | Costs and expenses | | | As a % of revenue | | |
|---|---|---|---|---|---|---|
| | Three months ended September 30, | | | Three months ended September 30, | | |
| | 2022 | 2021 | Δ % | 2022 | 2021 | Δ in ppts |
| Cost of revenue | € 3.2 | € 3.1 | 3 % | 2 % | 2 % | — % |
| *of which share-based compensation* | *0.0* | *0.1* | *(100)%* | | | |
| Selling and marketing | 128.8 | 104.4 | 23 % | 70 % | 75 % | (5)% |
| *of which share-based compensation* | *0.2* | *0.3* | *(33)%* | | | |
| Technology and content | 13.5 | 12.7 | 6 % | 7 % | 9 % | (2)% |
| *of which share-based compensation* | *0.7* | *1.1* | *(36)%* | | | |
| General and administrative | 11.1 | 9.8 | 13 % | 6 % | 7 % | (1)% |
| *of which share-based compensation* | *4.0* | *3.6* | *11 %* | | | |
| Amortization of intangible assets | 0.0 | 0.0 | — % | 0 % | 0 % | — % |
| Impairment of intangible assets and goodwill | 100.4 | — | 100 % | 55 % | — % | 55 % |
| **Total costs and expenses** | **€ 257.1** | **€ 130.0** | **98%** | **140%** | **94 %** | **46 %** |

*Note: Some figures may not add due to rounding.*

| | Costs and Expenses | | | As a % of Revenue | | |
|---|---|---|---|---|---|---|
| | Nine months ended September 30, | | | Nine months ended September 30, | | |
| | 2022 | 2021 | Δ % Y/Y | 2022 | 2021 | Δ in ppts |
| Cost of revenue | € 9.2 | € 8.7 | 6% | 2 % | 3 % | (1)% |
| *of which share-based compensation* | *0.2* | *0.2* | *—%* | | | |
| Selling and marketing | 280.5 | 199.1 | 41% | 65 % | 73 % | (8)% |
| *of which share-based compensation* | *0.6* | *0.8* | *(25)%* | | | |
| Technology and content | 42.5 | 39.1 | 9% | 10 % | 14 % | (4)% |
| *of which share-based compensation* | *2.3* | *2.9* | *(21)%* | | | |
| General and administrative | 51.2 | 28.5 | 80% | 12 % | 10 % | 2 % |
| *of which share-based compensation* | *8.7* | *9.2* | *(5)%* | | | |
| Amortization of intangible assets | 0.1 | 0.1 | —% | 0 % | 0 % | — % |
| Impairment of intangible assets and goodwill | 184.6 | — | 100% | 43% | — % | 43 % |
| **Total costs and expenses** | **€ 568.1** | **€ 275.5** | **106%** | **132%** | **101 %** | **31 %** |

*Note: Some figures may not add due to rounding.*

## Cost of revenue

In the third quarter of 2022, cost of revenue increased by €0.1 million to €3.2 million, and in the nine months ended September 30, 2022, increased by €0.5 million to €9.2 million, or 6%, period-over-period.

The increase in the third quarter of 2022 was driven by higher personnel costs mainly due to an increase in salaries compared to the same period in 2021, partly offset by lower data center depreciation expense resulting from our continued migration to cloud-based service providers. In the nine months ended September 30, 2022, the increase was driven by higher cloud-related service provider costs and higher personnel related costs, partly offset by lower data center related depreciation expense compared to the same period in 2021.

## Selling and marketing

Selling and marketing expense was 70% of total revenue in the third quarter of 2022, compared to 75% in the same period in 2021.

In the third quarter of 2022, selling and marketing expense increased by €24.4 million, or by 23%, period-over-period to €128.8 million, of which €122.3 million, or 95%, was Advertising Spend. Advertising Spend increased to €52.8 million, €56.8 million and €12.7 million in Americas, Developed Europe and RoW, respectively, compared to €38.2 million, €52.9 million and €7.0 million in the same period in 2021. The increase in Advertising Spend across all segments was made in response to the increase in travel demand compared to the same period in 2021.

In the nine months ended September 30, 2022, selling and marketing expense increased by 41% to €280.5 million compared to the same period in 2021. Advertising Spend increased to €109.8 million, €124.0 million and €27.3 million in Americas, Developed Europe and RoW, respectively, compared to €76.8 million, €87.5 million and €17.0 million in the same period in 2021. This period-over-period increase in Advertising Spend was mainly driven by the increase in travel demand compared to the same period in 2021.

In the third quarter of 2022, other selling and marketing expense increased by €0.2 million to €6.5 million, or 3%, period-over-period, and in the nine months ended September 30, 2022, increased by €1.6 million to €19.4 million, or 9.0%.

The increase in the third quarter of 2022 was primarily driven by cancellation fees for contracts related to discontinued products and expenses incurred to acquire traffic. These were partly offset by lower television advertisement production costs and slightly lower personnel costs.

The increase in the nine months ended September 30, 2022 was primarily driven by expenses incurred to acquire traffic, cancellation fees for contracts related to discontinued products, and higher digital sales taxes. These were partly offset by lower television advertisement production costs.

## Technology and content

In the third quarter of 2022, technology and content expense increased by €0.8 million to €13.5 million, or 6%, period-over-period, and in the nine months ended September 30, 2022, increased by €3.4 million to €42.5 million, or 9%, period-over-period.

The increase in the third quarter of 2022 was primarily driven by higher personnel costs resulting from an increase in salaries and direct employee benefits compared to the same period in 2021. These were partly offset by lower share-based compensation expense.

The increase in the nine months ended September 30, 2022 was primarily driven by higher personnel costs resulting from an increase in salaries and direct employee benefits compared to the same period in

2021 and the impairment of capitalized software assets in the second quarter of 2022. It was further driven by the non-recurrence of a gain realized in the first quarter of 2021 on the modification of the lease for our D✔sseldorf campus, see "*Costs across multiple categories*" below.

## General and administrative

In the third quarter of 2022, general and administrative expense increased by €1.3 million to €11.1 million, or 13%, period-over-period, and in the nine months ended September 30, 2022, increased by €22.7 million to €51.2 million, or 80%, period over period.

The increase in the third quarter of 2022 was primarily driven by higher share-based compensation, an increase in professional fees and other expenses which was mainly driven by higher insurance expenses and higher personnel expenses compared to the same period in 2021.

The increase in the nine months ended September 30, 2022, was driven by the recognition of additional expense of €20.7 million, representing the incremental portion not covered by provisions we had previously established in relation to the proceeding brought by the Australian Competition and Consumer Commission (ACCC) against us.

## Costs across multiple categories

In the first quarter of 2021 we reduced our office space in D✔sseldorf and recorded a €1.2 million gain on our campus lease modification.

Share-based compensation decreased by €0.1 million to €4.9 million in the third quarter of 2022, compared to the same period in 2021, and decreased by €1.3 million to €11.7 million in the nine months ended September 30, 2022.

## Amortization of intangible assets

Amortization of intangible assets was €34 thousand in both the third quarter of 2022 and 2021, and was €0.1 million in both the nine months ended September 30, 2022 and 2021, as we amortize intangible assets acquired through the weekengo GmbH acquisition.

## Impairment of intangible assets and goodwill

We performed our annual goodwill impairment test during the third quarter as of September 30, 2022. Due to continued deteriorating macroeconomic conditions, including rising interest rates, increased inflation and more uncertainty in respect of the overall economic environment, we recorded an impairment charge of €100.4 million in the third quarter of 2022. Of the total impairment charge recorded, €52.8 million was impaired from our our indefinite-lived intangible assets and €47.6 million was impaired from our Developed Europe reporting unit goodwill balance. We did not record any impairment to our Americas reporting unit as the fair value continues to be assessed as higher than its carrying value.

In the nine months ended September 30, 2022, we recorded a cumulative impairment charge of €184.6 million arising from deteriorating macroeconomic conditions, including rising interest rates, increased inflation and more uncertainty in the overall economic environment which led to a shift in the Company’s internal priorities during the second quarter of 2022. This is comprised of a €80.0 million impairment of our our indefinite-lived intangible assets and a goodwill impairment charge of €104.6 million from on our Developed Europe reporting unit. We did not record any impairment to our Americas reporting unit as the fair value continues to be assessed as higher than its carrying value.

## Income taxes, net income/(loss) and Adjusted EBITDA(1) (€ millions)

| | Three months ended September 30, | | | Nine months ended September 30, | | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | Δ € | 2022 | 2021 | Δ € |
| Operating income/(loss) | € (73.4) | € 8.6 | (82.0) | € (138.0) | € (3.1) | (134.9) |
| Other income/(expense) | | | | | | |
| Interest expense | (0.0) | (0.1) | 0.1 | (0.0) | (0.3) | 0.3 |
| Other, net | 0.4 | 0.4 | — | 0.9 | 1.0 | (0.1) |
| **Total other income/(expense), net** | **€ 0.4** | **€ 0.2** | **0.2** | **€ 0.9** | **€ 0.7** | **0.2** |
| Income/(loss) before income taxes | (73.0) | 8.8 | (81.8) | (137.2) | (2.5) | (134.7) |
| Expense/ (benefit) for income taxes | (6.1) | 3.3 | (9.4) | 0.2 | 2.0 | (1.8) |
| **Income/(loss) before equity method investment** | **€ (66.9)** | **€ 5.5** | **(72.4)** | **€ (137.3)** | **€ (4.5)** | **(132.8)** |
| Loss from equity method investment | (0.3) | — | (0.3) | (0.3) | — | (0.3) |
| **Net income/(loss)** | **€ (67.1)** | **€ 5.5** | **(72.6)** | **€ (137.6)** | **€ (4.5)** | **(133.1)** |
| **Adjusted EBITDA(1)** | **€ 33.5** | **€ 15.5** | **18.0** | **€ 84.8** | **€ 15.1** | **69.7** |

*Note: Some figures may not add due to rounding.*

*(1) "Adjusted EBITDA" is a non-GAAP measure. Please see "Definitions of Non-GAAP Measures" and "Tabular Reconciliations for Non-GAAP Measures" on pages 13 to 14 herein for explanations and reconciliations of non-GAAP measures used throughout this review.*

## Income taxes

Income tax benefit was €6.1 million in the quarter ended September 30, 2022, compared to income tax expense of €3.3 million in the quarter ended September 30, 2021. The total weighted average tax rate was 31.5% for the quarter ended September 30, 2022, which was mainly driven by the German statutory tax rate of approximately 31%. Our effective tax rate for the quarter ended September 30, 2022 was 8.4% compared to 37.4% for the quarter ended September 30, 2021. The decrease in effective tax rate is due to the difference in the pre-tax profit and loss position and discrete items. The difference between the weighted average tax rate of 31.5% and the effective tax rate of 8.4% in the quarter ended September 30, 2022 is primarily attributable to the goodwill impairment, intangible assets impairment and share-based compensation expense which are treated as discrete items.

Income tax expense was €0.2 million in the nine months ended September 30, 2022, compared €2.0 million in the nine months ended September 30, 2021. Our effective tax rate for the nine months ended September 30, 2022 was (0.1)% compared to (83.4)% for the nine months ended September 30, 2021. The difference between the weighted average tax rate and the effective tax rate for the nine months ended September 30, 2022 is primarily attributable to the goodwill impairment, intangible assets impairment, share-based compensation expense, and an additional expense for a penalty and applicant's cost pursuant to a court ruling, which are treated as discrete items.

An uncertain tax position in connection with unrecognized tax benefits relating to the deductibility of expenses amounted to €9.2 million as of September 30, 2022. A liability for these tax benefits was included under other long-term liabilities in the unaudited condensed consolidated financial statements.

## Net loss and Adjusted EBITDA

Net loss in the third quarter of 2022 was €67.1 million as compared to a net income of €5.5 million in the third quarter of 2021. The decline was mainly driven by the impairment of intangible assets and goodwill of €100.4 million and was partly offset by the recovery of travel demand, resulting in an increase in Referral Revenue and Advertising Spend of €44.4 million and €24.2 million, respectively.

Net loss in the nine months ended September 30, 2022 was €137.6 million compared to a net loss of €4.5 million in the nine months ended September 30, 2021. The decline was mainly driven by the impairment charges recorded in the second and third quarters of 2022 totaling €184.6 million and the recognition of €20.7 million of additional expense relating to the penalty imposed on us by the Australian Federal Court in the first quarter. These were partly offset by the recovery of travel demand, resulting in an increase in Referral Revenue of €154.6 million and in Advertising Spend of €79.8 million.

Adjusted EBITDA increased by €18.0 million to €33.5 million in the third quarter of 2022, compared to the same period in 2021, and increased by €69.7 million to €84.8 million in the nine months ended September 30, 2022 compared to the same period in 2021, driven by the recovery of travel demand. Adjusted EBITDA excludes the effects of the €184.6 million impairment charge recorded in the second and third quarters of 2022.

The decision of the Australian Federal Court in the first quarter of 2022 had a significant negative impact on our operating expenses for the nine months ended September 30, 2022 of €20.7 million. Due to the size and unusual nature of the accrual relating to the judgement of the Australian Federal Court and its distorting effect on the understanding of our underlying business developments, it is also excluded when calculating Adjusted EBITDA.

In the nine months ended September 30, 2021, a €1.2 million gain on the campus lease modification was excluded from Adjusted EBITDA. The gain was considered as a reconciling adjustment within the certain other items reconciling line as shown in the "*Tabular Reconciliations for Non-GAAP Measures*" on pages 13 to 14 herein.

## Balance sheet and cash flows

Total cash, cash equivalents and restricted cash were €231.8 million as of September 30, 2022, compared to €256.7 million as of December 31, 2021. The total as of September 30, 2022 included €231.5 million in cash and cash equivalents and €0.3 million in short-term restricted cash, compared to €256.4 million of cash and cash equivalents and €0.3 million of long-term restricted cash presented in other long-term assets as of December 31, 2021.

The decrease of €24.9 million for the nine months ended September 30, 2022 was mainly driven by cash used in investing activities of €59.3 million, partly offset by cash provided by operating activities of €32.3 million.

Cash used in investing activities for the nine months ended September 30, 2022 was primarily driven by the purchase of €50.0 million in term deposits, a €5.9 million investment in an equity-method investee and a €3.3 million net cash outflow related to capital expenditures, including internal-use software and website development.

Cash provided by operating activities for the nine months ended September 30, 2022 was primarily driven by the adjustment of non-cash items totaling €182.5 million included in the period net loss, partly offset by negative changes in operating assets and liabilities of €12.7 million.

Non-cash items reconciled from net loss include the intangible assets and goodwill impairment charge of €184.6 million, share-based compensation of €11.7 million and depreciation of €4.8 million, partly offset by a reduction of deferred income taxes of €19.0 million.

The negative change in operating assets and liabilities of €12.7 million was primarily due to an increase in accounts receivable of €36.4 million mostly from higher revenues in the nine months ended September

30, 2022 compared to same period in 2021. This was partly offset by an increase in accounts payable of €15.3 million resulting mostly from higher Advertising Spend, and an increase of taxes payable of €8.4 million.

In the second quarter of 2022, we paid the penalty imposed on us by the Australian Federal Court in an amount of €29.6 million, which was previously accrued for over multiple prior accounting periods.

Our current ratio decreased from 7.3 as of December 31, 2021 to 6.0 as of September 30, 2022, as the relative increase in our current liabilities was higher than the relative increase in our current assets compared to December 31, 2021.

## trivago N.V. Key Metrics

- The following metrics are intended as a supplement to the financial information found in this review and the financial statements included in our filings with the Securities and Exchange Commission ("SEC"). In the event of discrepancies between amounts in these tables and our historical financial statements, readers should rely on our filings with the SEC and our most recent financial statements filed with the SEC.
- We intend to periodically review and refine the definition, methodology and appropriateness of each of our supplemental metrics. As a result, metrics are subject to removal and/or change, and such changes could be material.
- These metrics do not include adjustments for one-time items, acquisitions, foreign exchange or other adjustments.
- Some numbers may not add due to rounding.

| | **Three months ended September 30,** | | **Nine months ended September 30,** | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| **ROAS by segment** | | | | |
| Americas | 142.5% | 125.7% | 159.0% | 135.3% |
| Developed Europe | 146.8% | 141.4% | 156.3% | 146.2% |
| Rest of World | 172.2% | 189.6% | 190.8% | 198.2% |
| **Consolidated ROAS** | **147.6%** | **138.7%** | **161.0%** | **146.5%** |
| | | | | |
| **Qualified Referrals by segment (in millions)** | | | | |
| Americas | 25.3 | 24.8 | 70.8 | 62.2 |
| Developed Europe | 47.6 | 53.6 | 115.2 | 96.3 |
| Rest of World | 27.9 | 25.7 | 68.0 | 61.4 |
| **Consolidated Qualified Referrals** | **100.8** | **104.1** | **254.1** | **219.9** |
| | | | | |
| **RPQR by segment** | | | | |
| Americas | €2.97 | €1.94 | €2.47 | €1.67 |
| Developed Europe | 1.75 | 1.39 | 1.68 | 1.33 |
| Rest of World | 0.78 | 0.51 | 0.76 | 0.55 |
| **Consolidated RPQR** | **€1.79** | **€1.31** | **€1.65** | **€1.21** |

# Notes & Definitions:

<u>Current Ratio</u>: The current ratio is used to measure the company´s ability to pay off its short-term liabilities with its current assets and is an important measure of liquidity. The current ratio is calculated by dividing the company´s total current assets by the company´s total current liabilities.

<u>Referral Revenue</u>: We use the term “referral” to describe each time a visitor to one of our websites or apps clicks on a hotel offer or advertisement in our search results and is referred to one of our advertisers. We charge our advertisers for each referral on a cost-per-click (CPC) or cost-per-acquisition (CPA) basis.

<u>ROAS</u>: The ratio of our Referral Revenue to our Advertising Spend in a given period, or **Return On Advertising Spend.** We invest in multiple marketing channels, such as: TV; out-of-home advertising; search engine marketing; display advertising campaigns on advertising networks, affiliate websites, social networking sites and email marketing; online video; mobile app marketing and content marketing; sponsorship and endorsement.

<u>RPQR</u>: We use average **Revenue Per Qualified Referral**, to measure how effectively we convert Qualified Referrals to revenue. RPQR is calculated as Referral Revenue divided by the total number of Qualified Referrals in a given period.

<u>Qualified Referral</u>: We define a Qualified Referral as a unique visitor per day that generates at least one referral. For example, if a single visitor clicks on multiple hotel offers in our search results in a given day, they count as multiple referrals, but as only one Qualified Referral.

## Definitions of Non-GAAP Measures

### Adjusted EBITDA:

We define Adjusted EBITDA as net income/(loss) adjusted for:

- income/(loss) from equity method investment,
- expense/(benefit) for income taxes,
- total other (income)/expense, net,
- depreciation of property and equipment and amortization of intangible assets,
- impairment of, and gains and losses on disposals of, property and equipment,
- impairment of intangible assets and goodwill,
- share-based compensation, and
- certain other items, including restructuring, significant legal settlements and court-ordered penalties, such as the penalty imposed by the Australian Federal Court in the proceeding brought by the ACCC against us.

From time to time, we may exclude from Adjusted EBITDA the impact of certain events, gains, losses or other charges (such as restructuring charges, significant legal settlements and court-ordered penalties) that affect the period-to-period comparability of our operating performance.

Adjusted EBITDA is a non-GAAP financial measure. A “non-GAAP financial measure” refers to a numerical measure of a company’s historical or future financial performance, financial position, or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with U.S. GAAP in such company’s financial statements. We present this non-GAAP financial measure because it is used by management to evaluate our operating performance, formulate business plans, and make strategic decisions on capital allocation. We also believe that this non-GAAP financial measure provides useful information to investors and others in understanding and evaluating our operating performance and consolidated results of operations in the same manner as our management, and the exclusion of certain expenses in calculating Adjusted EBITDA can provide a useful measure in comparing financial results between periods as these costs may vary independent of core business performance. Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results reported in accordance with U.S. GAAP, including net income/loss. Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect expenses, such as restructuring and other related reorganization costs;
- Although depreciation, amortization and impairments are non-cash charges, the assets being depreciated, amortized or impaired may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements; and
- Other companies, including companies in our own industry, may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

## Tabular Reconciliations for Non-GAAP Measures

**Adjusted EBITDA (€ millions)**

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| Net income/(loss) | € (67.1) | € 5.5 | € (137.6) | € (4.5) |
| Loss from equity method investment | (0.3) | 0.0 | (0.3) | 0.0 |
| **Income/(loss) before equity method investment** | **€ (66.9)** | **€ 5.5** | **€ (137.3)** | **€ (4.5)** |
| Expense/ (benefit) for income taxes | (6.1) | 3.3 | 0.2 | 2.0 |
| **Income/(loss) before income taxes** | **€ (73.0)** | **€ 8.8** | **€ (137.2)** | **€ (2.5)** |
| Add/(less): | | | | |
| Interest expense | 0.0 | 0.1 | 0.0 | 0.3 |
| Other, net | (0.4) | (0.4) | (0.9) | (1.0) |
| **Operating income/(loss)** | **€ (73.4)** | **€ 8.6** | **€ (138.0)** | **€ (3.1)** |
| Depreciation of property and equipment and amortization of intangible assets | 1.5 | 2.0 | 4.9 | 6.5 |
| Impairment of, and gains and losses on disposals of, property and equipment | 0.0 | (0.1) | 0.9 | (0.0) |
| Impairment of intangible assets and goodwill | 100.4 | — | 184.6 | — |
| Share-based compensation | 4.9 | 5.0 | 11.7 | 13.0 |
| Certain other items, including restructuring, significant legal settlements and court-ordered penalties | (0.0) | 0.0 | 20.7 | (1.3) |
| **Adjusted EBITDA** | **€ 33.5** | **€ 15.5** | **€ 84.8** | **€ 15.1** |

*Note: Some figures may not add due to rounding.*

## Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

This review contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance. These forward-looking statements are based on management’s expectations as of the date of this review and assumptions which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. The use of words such as "will," “intend” and “expect,” among others, generally identify forward-looking statements. However, these words are not the exclusive means of identifying such statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements and may include statements relating to future revenue, expenses, margins, profitability, net income / (loss), earnings per share and other measures of results of operations and the prospects for future growth of trivago N.V.’s business. Actual results and the timing and outcome of events may differ materially from those expressed or implied in the forward-looking statements for a variety of reasons, including, among others:

- the continued material adverse effect of the COVID-19 pandemic on the global and local economy, the travel industry and our business and financial performance;
- any acceleration of long-term changes to consumer behavior and industry structure arising from the COVID-19 pandemic that may have a significant adverse effect on our business model and our future competitiveness and profitability;
- changes in sociopolitical and macro-economic factors;
- any additional impairment of intangible assets and goodwill;
- our continued dependence on a small number of advertisers for our revenue and adverse impacts that could result from their reduced spending or changes in their cost-per-click, or CPC, bidding strategy;
- our ability to generate referrals, customers, bookings or revenue and profit for our advertisers on a basis they deem to be cost-effective;
- factors that contribute to our period-over-period volatility in our financial condition and result of operations;
- our dependence on general economic conditions and adverse impacts that could result from declines in travel or discretionary spending;
- the decreased effectiveness of our Advertising Spend as a result of an almost complete stop to television advertising in 2020, resuming only at reduced levels in 2021, which may continue to have a negative impact on the effectiveness of our advertising in coming years;
- our ability to implement our strategic initiatives;
- increasing competition in our industry;
- our ability to innovate and provide tools and services that are useful to our users and advertisers;
- our dependence on relationships with third parties to provide us with content;
- our reliance on search engines, particularly Google, which promotes its own product and services that competes directly with our accommodation search and may negatively impact our business, financial performance and prospects;
- changes to and our compliance with applicable laws, rules and regulations;
- the impact of any legal and regulatory proceedings to which we are or may become subject;
- potential disruptions in the operation of our systems, security breaches and data protection; and
- impacts from our operating globally.

as well as other risks and uncertainties detailed in our public filings with the SEC, including trivago's Annual Report on Form 20-F for the fiscal year ended December 31, 2021 as such risks and uncertainties may be updated from time to time. Except as required by law, we undertake no obligation to update any forward-looking or other statements in this review, whether as a result of new information, future events or otherwise.

**Exhibit 99.2**

November 1, 2022

Dear Shareholders,

The past few months have given us a better view on the “new normal”. The pandemic appears to be behind us as high immunization levels – achieved both through large-scale vaccinations and mass recovery from COVID-19 infections – have eased the impact of the pandemic on consumer behavior and travel activity in most parts of the world. We have seen a significantly improved summer business in our core Western markets compared to prior year, and believe that travel seasonality this winter will be more in line with what we experienced prior to the pandemic.

Throughout the summer, we have observed a significant increase in average price levels for hotel rooms. We believe that geopolitical conflicts and disruptions, which have led to higher energy prices, are likely to continue for the foreseeable future. We anticipate that this, when combined with the effects of labor cost increases, may continue to result in increases in consumer prices, including average daily rates for hotels. In the third quarter of 2022, we saw first signs of consumers attempting to mitigate this effect through searching for more affordable destinations and accommodations as well as by reducing the length of their trip, especially in our Developed Europe segment.

We believe that this trend is likely to continue in 2023 as inflation leads to consumers having lower real disposable income. While this may result in lower traffic volumes, we continue to believe that our value proposition will be highly relevant for consumers around the globe and that we will be able to benefit from consumers’ greater focus on cost saving and their need for price comparison.

**trivago in Q3 2022**

The strong start of the summer season in the northern hemisphere continued throughout the third quarter of 2022, and as planned, we increased our branded marketing activities during this period. Our new television advertising creative, refocusing on price comparison, performed very well and led to a healthy growth in our branded traffic to our platform.

Overall, competitive dynamics in performance marketing channels, including our own auction, intensified during the summer as many players in the online travel industry appeared to have focused on gaining traffic share. While we benefited from this increased competition and have experienced a very strong auction during the quarter, these dynamics have also resulted in higher costs in some performance marketing channels in certain markets. We maintained our disciplined marketing approach and continued to focus on high-quality traffic at the expense of more traffic volume to maintain profitability targets that we believe create long-term value.

In the third quarter of 2022, we generated the highest quarterly adjusted EBITDA in our history. We are proud of this strong operational performance, which is a result of our continued cost discipline, increased marketing efficiency and recovering travel demand. However, the macroeconomic outlook has worsened as high inflation and rising interest rates continue to weigh on consumer sentiment. This was also reflected in declining equity markets. We performed our annual goodwill and indefinite-lived intangible assets impairment test which resulted in an impairment charge of €100.4 million, driving the net loss of €67.1 million for the quarter.

In the third quarter of 2022, we have made significant progress on long-term projects:

- We have completed the migration of our organic search pages to our new front-end infrastructure, reducing complexity and laying the foundations for further optimizations going forward.

- We have launched first tests to significantly improve our coverage of directly bookable hotel rates across our platform.
- In a company-wide effort, we have reviewed our company values and launched an updated set of values, providing more focus and guidance while preserving our way of working and collaborating.

**Q4 2022 and 2023 outlook**

For the fourth quarter 2022 and 2023, we expect consumers to partly mitigate the effect of higher accommodation prices by reducing the duration of their trips as well as by choosing cheaper accommodation options. As a result, we believe accommodation price comparison will become an even more important element in consumers' travel planning. Going forward, we plan to remain disciplined with our expenses, both for marketing campaigns and in respect of our fixed costs, to enable us to fully leverage our value proposition in this more challenging environment while still delivering robust operational results and strong positive cash flows.

**Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995**

This letter contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance. These forward-looking statements are based on management's expectations as of the date of this review and assumptions which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. The use of words such as "will," "intend" and "expect," among others, generally identify forward-looking statements. However, these words are not the exclusive means of identifying such statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements and may include statements relating to future revenue, expenses, margins, profitability, net income / (loss), earnings per share and other measures of results of operations and the prospects for future growth of trivago N.V.'s business. Actual results and the timing and outcome of events may differ materially from those expressed or implied in the forward-looking statements for a variety of reasons, including, among others:

- the continued material adverse effect of the COVID-19 pandemic on the global and local economy, the travel industry and our business and financial performance;
- any acceleration of long-term changes to consumer behavior and industry structure arising from the COVID-19 pandemic that may have a significant adverse effect on our business model and our future competitiveness and profitability;
- any additional impairment of goodwill;
- our continued dependence on a small number of advertisers for our revenue and adverse impacts that could result from their reduced spending or changes in their cost-per-click, or CPC, bidding strategy;
- our ability to generate referrals, customers, bookings or revenue and profit for our advertisers on a basis they deem to be cost-effective;
- factors that contribute to our period-over-period volatility in our financial condition and result of operations;
- our dependence on general economic conditions and adverse impacts that could result from declines in travel or discretionary spending;
- the decreased effectiveness of our Advertising Spend as a result of an almost complete stop to television advertising in 2020, resuming only at reduced levels in 2021, which may continue to have a negative impact on the effectiveness of our advertising in coming years;
- our ability to implement our strategic initiatives;

- increasing competition in our industry;
- our ability to innovate and provide tools and services that are useful to our users and advertisers;
- our dependence on relationships with third parties to provide us with content;
- our reliance on search engines, particularly Google, which promotes its own product and services that competes directly with our accommodation search and may negatively impact our business, financial performance and prospects;
- changes to and our compliance with applicable laws, rules and regulations;
- the impact of any legal and regulatory proceedings to which we are or may become subject;
- potential disruptions in the operation of our systems, security breaches and data protection; and
- impacts from our operating globally.

as well as other risks and uncertainties detailed in our public filings with the SEC, including trivago's Annual Report on Form 20-F for the fiscal year ended December 31, 2021 as such risks and uncertainties may be updated from time to time. Except as required by law, we undertake no obligation to update any forward-looking or other statements in this review, whether as a result of new information, future events or otherwise.

**Non-GAAP Financial Measures**

This letter contains reference to certain non-GAAP (Generally Accepted Accounting Principles) measures that our management believes provide our shareholders with additional insights into trivago’s results of operations. The non-GAAP measures referred to in this letter are supplemental in nature. They should not be considered in isolation or as a substitute for analysis of our results reported in accordance with U.S. GAAP. Reconciliations of this non-GAAP financial information to trivago’s financial statements as prepared under GAAP are included in the Exhibit 99.1 to Form 6-K that accompanies this letter. We are not able to provide a reconciliation of our adjusted EBITDA guidance to net income/(loss), the comparable GAAP measure, because certain items that are excluded from adjusted EBITDA cannot be reasonably predicted or are not in our control. In particular, we are unable to forecast the timing or magnitude of share-based compensation, interest, taxes, depreciation and amortization without unreasonable efforts, and these items could significantly impact, either individually or in the aggregate, net income/(loss) in the future.

Exhibit 99.3

# trivago N.V.

# Unaudited Condensed Consolidated Interim Financial Statements as of September 30, 2022

**trivago N.V.**

## Condensed consolidated statements of operations

(€ thousands, except per share amounts, unaudited)

| | Three months ended September 30, | | | | Nine months ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2021 | | 2022 | | 2021 | |
| Revenue | € | 122,747 | € | 102,801 | € | 294,224 | € | 208,747 |
| Revenue from related party | | 60,955 | | 35,838 | | 135,891 | | 63,592 |
| **Total revenue** | | **183,702** | | **138,639** | | **430,115** | | **272,339** |
| Costs and expenses: | | | | | | | | |
| Cost of revenue, including related party, excluding amortization [1] | | 3,236 | | 3,136 | | 9,199 | | 8,683 |
| Selling and marketing, including related party [1][2][3] | | 128,799 | | 104,374 | | 280,491 | | 199,077 |
| Technology and content, including related party [1][2][3] | | 13,453 | | 12,746 | | 42,500 | | 39,139 |
| General and administrative, including related party [1][2][3] | | 11,121 | | 9,765 | | 51,202 | | 28,469 |
| Amortization of intangible assets [2] | | 34 | | 34 | | 102 | | 102 |
| Impairment of intangible assets and goodwill | | 100,465 | | — | | 184,642 | | — |
| **Operating income/(loss)** | | **(73,406)** | | **8,584** | | **(138,021)** | | **(3,131)** |
| Other income/(expense) | | | | | | | | |
| Interest expense | | (11) | | (106) | | (46) | | (308) |
| Other, net | | 415 | | 353 | | 899 | | 985 |
| **Total other income/(expense), net** | | **404** | | **247** | | **853** | | **677** |
| **Income/(loss) before income taxes** | | **(73,002)** | | **8,831** | | **(137,168)** | | **(2,454)** |
| Expense/ (benefit) for income taxes | | (6,124) | | 3,303 | | 158 | | 2,047 |
| **Income/(loss) before equity method investment** | | **(66,878)** | | **5,528** | | **(137,326)** | | **(4,501)** |
| Loss from equity method investment | | (259) | | — | | (313) | | — |
| **Net income/(loss)** | **€** | **(67,137)** | **€** | **5,528** | **€** | **(137,639)** | **€** | **(4,501)** |
| **Earnings per share available to common stockholders:** | | | | | | | | |
| Basic | € | (0.19) | € | 0.02 | € | (0.38) | € | (0.01) |
| Diluted | | (0.19) | | 0.02 | | (0.38) | | (0.01) |
| **Shares used in computing earnings per share:** | | | | | | | | |
| Basic | | 360,609 | | 358,076 | | 359,964 | | 357,181 |
| Diluted | | 360,609 | | 368,322 | | 359,964 | | 357,181 |

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| (1) Includes share-based compensation as follows: | | | | |
| Cost of revenue | € 48 | € 68 | € 150 | € 189 |
| Selling and marketing | 161 | 259 | 592 | 784 |
| Technology and content | 687 | 1,135 | 2,314 | 2,864 |
| General and administrative | 4,044 | 3,566 | 8,682 | 9,206 |
| (2) Includes amortization as follows: | | | | |
| Amortization of internal use software costs included in selling and marketing | € — | € 19 | € 8 | € 82 |
| Amortization of internal use software and website development costs included in technology and content | 1,042 | 1,159 | 3,204 | 3,479 |
| Amortization of internal use software costs included in general and administrative | 1 | 75 | 104 | 246 |
| Amortization of acquired technology included in amortization of intangible assets | 34 | 34 | 102 | 102 |
| (3) Includes related party expense as follows: | | | | |
| Selling and marketing | € 7 | € 28 | € 93 | € 101 |
| Technology and content | 51 | 13 | 112 | 40 |
| General and administrative | — | — | 1 | — |

*See accompanying notes*

## trivago N.V.

## Condensed consolidated statements of comprehensive income/(loss)

(€ thousands, unaudited)

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Net income/(loss) | € (67,137) | € 5,528 | € (137,639) | € (4,501) |
| Other comprehensive income/(loss): | | | | |
| Currency translation adjustments | 24 | 12 | 52 | 4 |
| Total other comprehensive income/(loss) | 24 | 12 | 52 | 4 |
| **Comprehensive income/(loss)** | **€ (67,113)** | **€ 5,540** | **€ (137,587)** | **€ (4,497)** |

*See accompanying notes*

**trivago N.V.**

## Condensed consolidated balance sheets

(€ thousands, except share and per share data, unaudited)

| ASSETS | | As of September 30, 2022 | | As of December 31, 2021 |
|---|---|---|---|---|
| Current assets: | | | | |
| Cash and cash equivalents | € | 231,470 | € | 256,378 |
| Restricted cash | | 342 | | — |
| Accounts receivable, net of allowance for credit losses of €397 and €658 at September 30, 2022 and December 31, 2021, respectively | | 37,255 | | 23,707 |
| Accounts receivable, related party | | 39,372 | | 16,506 |
| Short-term investments | | 50,000 | | — |
| Tax receivable | | 3,195 | | 3,527 |
| Prepaid expenses and other current assets | | 10,776 | | 10,273 |
| **Total current assets** | | **372,410** | | **310,391** |
| Property and equipment, net | | 13,632 | | 15,905 |
| Operating lease right-of-use assets | | 45,854 | | 48,323 |
| Deferred income taxes | | 26 | | 26 |
| Investments and other assets | | 8,380 | | 3,250 |
| Intangible assets, net | | 89,984 | | 170,085 |
| Goodwill | | 181,956 | | 286,539 |
| **TOTAL ASSETS** | **€** | **712,242** | **€** | **834,519** |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | | | |
| Current liabilities: | | | | |
| Accounts payable | € | 30,088 | € | 14,053 |
| Income taxes payable | | 12,704 | | 4,358 |
| Deferred revenue | | 1,978 | | 2,174 |
| Payroll liabilities | | 3,639 | | 3,289 |
| Accrued expenses and other current liabilities | | 9,523 | | 16,323 |
| Operating lease liability | | 4,544 | | 2,269 |
| **Total current liabilities** | | **62,476** | | **42,466** |
| Operating lease liability | | 41,293 | | 45,267 |
| Deferred income taxes | | 30,822 | | 49,810 |
| Other long-term liabilities | | 9,925 | | 3,192 |
| Stockholders' equity: | | | | |
| Class A common stock, €0.06 par value - 700,000,000 shares authorized, 123,804,735 and 96,704,815 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively | | 7,428 | | 5,802 |
| Class B common stock, €0.60 par value - 320,000,000 shares authorized, 237,476,895 and 261,962,688 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively | | 142,486 | | 157,178 |
| Treasury stock at cost - Class A shares, 205,547 and nil shares as of September 30, 2022 and December 31, 2021, respectively | | (299) | | — |
| Reserves | | 860,733 | | 835,839 |
| Contribution from Parent | | 122,307 | | 122,307 |
| Accumulated other comprehensive income | | 88 | | 36 |
| Accumulated deficit | | (565,017) | | (427,378) |
| **Total stockholders' equity** | | **567,726** | | **693,784** |
| **TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** | **€** | **712,242** | **€** | **834,519** |

*See accompanying notes*

**trivago N.V.**

## Condensed consolidated statements of changes in equity

(€ thousands, unaudited)

| Three Months Ended September 30, 2022 | Class A common stock | Class B common stock | Treasury stock - Class A common stock | Reserves | Retained earnings (accumulated deficit) | Accumulated other comprehensive income/(loss) | Contribution from Parent | Total stockholders' equity |
|---|---|---|---|---|---|---|---|---|
| Balance at July 1, 2022 | € 7,362 | € 142,486 | € (23) | € 855,817 | € (497,880) | € 64 | € 122,307 | € 630,133 |
| Net loss | | | | | (67,137) | | | (67,137) |
| Other comprehensive income (net of tax) | | | | | | 24 | | 24 |
| Share-based compensation expense | | | | 4,940 | | | | 4,940 |
| Conversion of Class B shares | | | | | | | | — |
| Issued capital, options exercised | 66 | | | (24) | | | | 42 |
| Repurchase of common stock | | | (276) | | | | | (276) |
| **Balance at September 30, 2022** | **€ 7,428** | **€ 142,486** | **€ (299)** | **€ 860,733** | **€ (565,017)** | **€ 88** | **€ 122,307** | **€ 567,726** |

| Nine months ended September 30, 2022 | Class A common stock | Class B common stock | Treasury stock - Class A common stock | Reserves | Retained earnings (accumulated deficit) | Accumulated other comprehensive income/(loss) | Contribution from Parent | Total stockholders' equity |
|---|---|---|---|---|---|---|---|---|
| Balance at January 1, 2022 | € 5,802 | € 157,178 | € — | € 835,839 | € (427,378) | € 36 | € 122,307 | € 693,784 |
| Net loss | | | | | (137,639) | | | (137,639) |
| Other comprehensive income (net of tax) | | | | | | 52 | | 52 |
| Share-based compensation expense | | | | 11,738 | | | | 11,738 |
| Conversion of Class B shares | 1,469 | (14,692) | | 13,223 | | | | — |
| Issued capital, options exercised | 157 | | | (67) | | | | 90 |
| Repurchase of common stock | | | (299) | | | | | (299) |
| **Balance at September 30, 2022** | **€ 7,428** | **€ 142,486** | **€ (299)** | **€ 860,733** | **€ (565,017)** | **€ 88** | **€ 122,307** | **€ 567,726** |

| Three months ended September 30, 2021 | Class A common stock | Class B common stock | Treasury stock - Class A common stock | Reserves | Retained earnings (accumulated deficit) | Accumulated other comprehensive income/(loss) | Contribution from Parent | Total stockholders' equity |
|---|---|---|---|---|---|---|---|---|
| Balance at July 1, 2021 | € 4,155 | € 173,138 | € — | € 812,240 | € (448,111) | € (4) | € 122,307 | € 663,725 |
| Net loss | | | | | 5,528 | | | 5,528 |
| Other comprehensive income (net of tax) | | | | | | 12 | | 12 |
| Share-based compensation expense | | | | 5,028 | | | | 5,028 |
| Conversion of Class B shares | 1,538 | (15,377) | | 13,839 | | | | — |
| Issued capital, options exercised | 26 | | | (5) | | | | 21 |
| **Balance at September 30, 2021** | **€ 5,719** | **€ 157,761** | **€ —** | **€ 831,102** | **€ (442,583)** | **€ 8** | **€ 122,307** | **€ 674,314** |

| Nine months ended September 30, 2021 | Class A common stock | Class B common stock | Treasury stock - Class A common stock | Reserves | Retained earnings (accumulated deficit) | Accumulated other comprehensive income/(loss) | Contribution from Parent | Total stockholders' equity |
|---|---|---|---|---|---|---|---|---|
| Balance at January 1, 2021 | € 3,358 | € 178,913 | € — | € 798,017 | € (438,082) | € 4 | € 122,307 | € 664,517 |
| Net loss | | | | | (4,501) | | | (4,501) |
| Other comprehensive income (net of tax) | | | | | | 4 | | 4 |
| Share-based compensation expense | | | | 13,043 | | | | 13,043 |
| Conversion of Class B shares | 2,115 | (21,152) | | 19,037 | | | | — |
| Issued capital, options exercised | 246 | | | 1,005 | | | | 1,251 |
| **Balance at September 30, 2021** | **€ 5,719** | **€ 157,761** | **€ —** | **€ 831,102** | **€ (442,583)** | **€ 8** | **€ 122,307** | **€ 674,314** |

*See accompanying notes*

trivago N.V.

## Condensed consolidated statements of cash flows

(€ thousands, unaudited)

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Operating activities:** | | | | |
| Net income/(loss) | € (67,137) | € 5,528 | € (137,639) | € (4,501) |
| **Adjustments to reconcile net income/(loss) to net cash provided by/(used in):** | | | | |
| Depreciation (property and equipment and internal-use software and website development) | 1,464 | 1,958 | 4,783 | 6,366 |
| Amortization of intangible assets | 34 | 34 | 102 | 102 |
| Goodwill and intangible assets impairment loss | 100,465 | — | 184,642 | — |
| Impairment of long-lived assets including internal-use software and website development | — | — | 893 | — |
| Share-based compensation | 4,940 | 5,028 | 11,738 | 13,043 |
| Deferred income taxes | (15,419) | 2,601 | (18,988) | 2,088 |
| Foreign exchange (gain)/loss | (326) | (365) | (1,023) | (1,029) |
| Expected credit losses, net | 66 | 142 | 89 | 179 |
| (Gain)/Loss on disposal of fixed assets | 8 | 118 | (2) | 222 |
| Gain from settlement of asset retirement obligation | — | — | — | (5) |
| (Gain)/loss from lease termination and modification, net | — | 4 | — | (1,307) |
| Loss from equity method investment | 259 | — | 313 | — |
| Changes in operating assets and liabilities: | | | | |
| Accounts receivable, including related party | (1,903) | (22,798) | (36,416) | (61,596) |
| Prepaid expenses and other assets | 3,428 | 6,046 | (421) | (2,756) |
| Accounts payable | (10,150) | (12,611) | 15,342 | 12,845 |
| Payroll liabilities | (92) | 107 | 350 | 277 |
| Accrued expenses and other liabilities | 1,192 | 99 | 317 | 2,452 |
| Deferred revenue | 210 | (52) | (196) | (988) |
| Taxes payable/receivable, net | 10,301 | 6,055 | 8,368 | 5,108 |
| **Net cash provided by/(used in) operating activities** | **27,340** | **(8,106)** | **32,252** | **(29,500)** |
| **Investing activities:** | | | | |
| Purchase of investments | — | — | (50,000) | (1,351) |
| Proceeds from sales of investments | — | 9,338 | — | 19,338 |
| Business acquisition, net of cash acquired | — | — | — | (4,302) |
| Capital expenditures, including internal-use software and website development | (1,126) | (1,103) | (3,332) | (2,901) |
| Investment in equity-method investees | — | — | (5,951) | — |
| Proceeds from sale of fixed assets | 3 | 38 | 13 | 110 |
| **Net cash provided by/(used in) investing activities** | **(1,123)** | **8,273** | **(59,270)** | **10,894** |
| **Financing activities:** | | | | |
| Proceeds from exercise of option awards | 42 | 21 | 90 | 1,251 |
| Repayment of other non-current liabilities | (13) | (42) | (99) | (174) |
| Purchases of treasury stock | (299) | — | (299) | — |
| **Net cash provided by/(used in) financing activities** | **(270)** | **(21)** | **(308)** | **1,077** |
| Effect of exchange rate changes on cash | 988 | 633 | 2,419 | 1,538 |
| **Net increase/(decrease) in cash, cash equivalents and restricted cash** | **26,935** | **779** | **(24,907)** | **(15,991)** |
| Cash, cash equivalents and restricted cash at beginning of the period | 204,877 | 194,001 | 256,719 | 210,771 |
| **Cash, cash equivalents and restricted cash at end of the period** | **€ 231,812** | **€ 194,780** | **€ 231,812** | **€ 194,780** |

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Supplemental cash flow information: | | | | |
| Cash paid for interest | € 11 | € 106 | € 46 | € 302 |
| Cash received for interest | 18 | 45 | 127 | 77 |
| Cash paid for taxes, net of (refunds) | (1,020) | (5,340) | 4,545 | (5,180) |

*See accompanying notes*

# trivago N.V.

## Notes to the condensed consolidated financial statements (unaudited)

### Note 1: Organization and basis of presentation

**Description of business**

trivago N.V., (“trivago” the “Company,” “us,” “we” and “our”) and its subsidiaries offer online meta-search for hotel and accommodation through online travel agencies (“OTAs”), hotel chains and independent hotels. Our search-driven marketplace, delivered on websites and apps, provides users with a tailored search experience via our proprietary matching algorithms. We generally employ a ‘cost-per-click’ (or “CPC”) pricing structure, allowing advertisers to control their own return on investment and the volume of lead traffic we generate for them. During 2013, the Expedia Group, Inc. (formerly Expedia, Inc., the "Parent" or "Expedia Group") completed the purchase of a controlling interest in the Company. As of September 30, 2022, Expedia Group’s ownership interest and voting interest in trivago N.V. is 57.9% and 83.7%, respectively.

**COVID-19**

Our business and operating results continue to be impacted by the COVID-19 pandemic. Our ultimate financial performance will depend on a number of factors relating to the world’s emergence from the COVID-19 pandemic, including rates of vaccination, the effectiveness of vaccinations against various mutations of the COVID-19 virus and the loosening of border and quarantine controls as well the gradual removal of restrictions to public and social life.

**Basis of presentation**

We have prepared the accompanying interim unaudited condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial reporting. We have included all adjustments necessary for a fair presentation of the results of the interim period. These adjustments consist of normal recurring items. Our interim unaudited condensed consolidated financial statements are not necessarily indicative of results that may be expected for any other interim period or for the full year.

Certain information and note disclosures normally included in the audited annual consolidated financial statements have been condensed or omitted in accordance with SEC rules. The condensed consolidated balance sheet as of December 31, 2021 was derived from our audited consolidated financial statements as of that date but does not contain all of the footnote disclosures from the annual financial statements. As such, these interim unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in our Annual Report on Form 20-F for the year ended December 31, 2021, previously filed with the Securities and Exchange Commission (“SEC”).

**Seasonality**

We experience seasonal fluctuations in the demand for our services as a result of seasonal patterns in travel. For example, absent the effect of the COVID-19 pandemic in 2020 and 2021, which has disrupted our usual seasonality trends, searches and consequently our revenue, are generally the highest in the first three quarters as travelers plan and book their spring, summer and winter holiday travel. Our revenue typically decreases in the fourth quarter. We generally expect to experience higher return on Advertising Spend in the first and fourth quarter of the year as we typically expect to advertise less in the periods outside of high travel seasons. Seasonal fluctuations affecting our revenue also affect the timing of our cash flows. We typically invoice once per month, with customary payment terms. Therefore, our cash flow varies seasonally with a slight delay to our revenue, and is significantly affected by the timing of our advertising spending. Changes in the relative revenue share of our offerings in countries and areas where seasonal travel patterns vary from those described above may influence the typical trend of our seasonal patterns in the future. It is difficult to forecast the seasonality for future periods, given the uncertainty around the duration of the impact from COVID-19 and the nature and timing of any sustained recovery.

**Accounting estimates**

We use estimates and assumptions in the preparation of our interim unaudited condensed consolidated financial statements in accordance with GAAP. Preparation of the interim unaudited condensed consolidated financial statements and accompanying notes requires that we make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the unaudited condensed consolidated financial statements, as well as revenue and expenses during the periods reported. Our actual financial results could differ significantly from these estimates. The significant estimates underlying our interim unaudited condensed consolidated financial statements include: leases, recoverability of goodwill, intangible assets and other long-lived assets, income taxes, legal and tax contingencies, business combinations and share-based compensation.

The COVID-19 pandemic has had, and is expected to continue to have, a material adverse impact on the travel industry, which may continue to have a significant adverse effect on our business and results of operations. The uncertainty associated with COVID-19 increased the level of judgement applied in our estimates and assumptions. Our estimates may change in future periods as a result of new events arising from the COVID-19 pandemic.

## Note 2: Significant accounting policies

The significant accounting policies used in preparation of these unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2022 are consistent with those discussed in Note 2 to the consolidated financial statements in our Annual Report on Form 20-F for the year ended December 31, 2021, except as updated below.

**Treasury stock**

The Company records the repurchase of shares of its common stock at cost on the trade date of the transaction. These shares are considered treasury stock, which is a reduction to stockholders’ equity.

Treasury stock is included in authorized and issued shares but are not considered outstanding for share count purposes, therefore are excluded from average common shares outstanding for basic and diluted earnings per share.

**Non-marketable equity investments**

We account for non-marketable equity investments which we exercise significant influence but do not have control using the equity method. Under the equity method, investments are initially recognized at cost and adjusted to reflect the Company’s interest in the investee's net earnings or losses, dividends received and other-than-temporary impairments. Losses are limited to the extent of the Company’s investment in, advances to and commitments for the investee.

On a quarterly basis, we perform a qualitative assessment considering impairment indicators to evaluate whether these investments are impaired. Qualitative factors considered include industry and market conditions, financial performance, business prospects, and other relevant events and factors. When indicators of impairment exist, we prepare a quantitative assessment of the fair value of our equity investments, which may include using both the market and income approaches that require judgment and the use of estimates. When our assessment indicates that an impairment, that is also "other-than-temporary", exists, we write down our non-marketable equity investments to fair value.

**Adoption of new accounting pronouncements**

*Government Assistance.* As of January 1, 2022, we have prospectively adopted ASU 2021-10 which introduces annual disclosure requirements about government grants. The adoption of this new guidance did not have a material impact to our unaudited condensed consolidated financial statements.

**Recent accounting pronouncements not yet adopted**

*Business Combinations*. In October 2021, the FASB issued ASU 2021-08 which requires that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606 instead of at fair value. The new standard is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted. We are in the process of evaluating the impact of adopting this new guidance on our consolidated financial statements; however, we currently do not expect a material impact.

*Measurement of Credit Losses on Financial Instruments*. In March 2022, the FASB issued ASU 2022-02 which clarifies two issues that arose after the implementation of ASU 2016-13 (ASC Topic 326 *Financial Instruments–Credit Losses*). The ASU eliminates troubled debt restructuring recognition and measurement guidance and, instead, requires that an entity evaluate whether the modification represents a new loan or a continuation of an existing loan. The ASU requires that public business entities disclose, in addition to current requirements, the current-period gross write-offs by year of origination for financing receivables and net investment in leases. The new standard is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted. We are in the process of evaluating the impact of adopting this new guidance on our consolidated financial statements; however, we currently do not expect a material impact.

**Certain risks and concentration of credit risk**

Our business is subject to certain risks and concentrations including dependence on relationships with our advertisers, dependence on third-party technology providers, and exposure to risks associated with online commerce security. Our concentration of credit risk relates to depositors holding our cash and customers with significant accounts receivable balances.

Our customer base includes primarily OTAs, hotel chains and independent hotels. We perform ongoing credit evaluations of our customers and maintain allowances for potential credit losses. We generally do not require collateral or other security from our customers.

Expedia Group, our controlling shareholder, and its affiliates represent 33% and 32% of total revenues for the three and nine months ended September 30, 2022, respectively, compared to 26% and 23% in the same periods in 2021, respectively. The Expedia Group and its affiliates represents 51% and 41% of total accounts receivable as of September 30, 2022 and December 31, 2021, respectively.

Booking Holdings and its affiliates represent 50% and 49%, respectively, of total revenues for the three and nine months ended September 30, 2022, compared to 55% and 56%, respectively, in the same periods in 2021. Booking Holdings and its affiliates represent 29% and 31% of total accounts receivable as of September 30, 2022 and December 31, 2021, respectively.

**Restricted cash**

As of September 30, 2022 and December 31, 2021, restricted cash was €0.3 million. The total balance as of September 30, 2022 is classified as current assets and the balance as of December 31, 2021, is classified as other long-term assets based on the expected dates the restricted cash will be refunded or made available to the Company.

**Deferred revenue**

As of December 31, 2021, the deferred revenue balance was €2.2 million, €2.0 million of which was recognized as revenue during the nine months ended September 30, 2022.

## Note 3: Acquisitions, other investments and divestitures

**Acquisitions and divestitures**

Refer to Note 3 in trivago's Annual Report on Form 20-F for the year ended December 31, 2021 for more information on pre-2022 acquisitions and divestitures.

There were no adjustments made during the three or nine months ended September 30, 2022 related to acquisitions or divestitures that closed during the year ended December 31, 2021.

**Other investments**

On April 28, 2022 (the "closing date"), we entered into an investment for a 20.8% (15.5% fully-diluted by share options) ownership interest in UBIO Limited ("UBIO") for €5.9 million. UBIO is a software company that develops robotic automation technology. trivago has the ability to exercise significant influence over UBIO through our representation on UBIO's Board of Directors, where we hold one of five seats. trivago does not have any rights, obligations or any relationships with regards to the other investors of UBIO.

Our investment in UBIO is accounted for as an equity method investment. As of the closing date, the carrying value of our equity method investment in UBIO was approximately €5.8 million higher than our share of interest in UBIO's underlying net assets. Of this basis difference, €2.2 million relates to intangible assets that will be amortized over the intangible assets' useful life, €(0.4) million relates to tax basis differences to be recovered where appropriate, and the remaining amount of €4.0 million relates to equity method goodwill recognized as part of the overall investment account balance. The equity method goodwill recognized is not amortized.

## Note 4: Fair value measurement

Financial assets measured at fair value on a recurring basis are classified using the fair value hierarchy in the tables below:

| **As of September 30, 2022** | **Total** | **Level 1** | **Level 2** |
|---|---|---|---|
| **(in thousands)** | | | |
| **Assets** | | | |
| Cash equivalents: | | | |
| Term deposits | € 69,000 | € — | € 69,000 |
| Short-term investments: | | | |
| Term deposits | 50,000 | — | 50,000 |
| Investments and other assets: | | | |
| Term deposits | 1,351 | — | 1,351 |
| **Total** | **€ 120,351** | **€ —** | **€ 120,351** |

| As of December 31, 2021 | Total | | Level 1 | | Level 2 | |
|---|---|---|---|---|---|---|
| **(in thousands)** | | | | | | |
| **Assets** | | | | | | |
| Cash equivalents: | | | | | | |
| Money market funds | € | 19,922 | € | 19,922 | € | — |
| Investments and other assets: | | | | | | |
| Term deposits | | 1,351 | | — | | 1,351 |
| **Total** | **€** | **21,273** | **€** | **19,922** | **€** | **1,351** |

We value our financial assets using quoted market prices or alternative pricing sources and models utilizing market observable inputs.

Money market funds are valued at the closing price reported by the fund sponsor from an actively traded exchange. This is included within cash equivalents as Level 1 measurements.

We hold term deposit investments with financial institutions. We classify our term deposits within Level 2 in the fair value hierarchy because they are valued at amortized cost, which approximates fair value. Term deposits with a maturity of less than 3 months are classified as cash equivalents, those with a maturity of more than three months but less than one year are classified as short-term investments and those with a maturity of more than one year are classified as investments and other assets.

The term deposits balance presented within investments and other assets includes €1.4 million which is restricted by long-term obligations related to the new campus building.

**Assets measured at fair value on a non-recurring basis**

Our non-financial assets, such as goodwill, intangible assets and property and equipment, as well as equity method investments, are adjusted to fair value when an impairment charge is recognized or the underlying investment is sold. Such fair value measurements are based predominately on Level 3 inputs.

## Note 5: Prepaid expenses and other current assets

| (in thousands) | September 30, 2022 | | December 31, 2021 | |
|---|---|---|---|---|
| Prepaid advertising | € | 7,917 | € | 5,078 |
| Other prepaid expenses | | 2,688 | | 4,968 |
| Other assets | | 171 | | 227 |
| **Total** | **€** | **10,776** | **€** | **10,273** |

In January 2021, we entered into a long-term marketing sponsorship agreement for various marketing rights beginning on July 1, 2021. The first three contractual installment payments under this agreement have been paid and as of September 30, 2022, €6.4 million has been included within prepaid advertising in the above table.

## Note 6: Property and equipment, net

The following table is a summary of property, equipment, and accumulated depreciation as of September 30, 2022 and December 31, 2021:

| (in thousands) | September 30, 2022 | December 31, 2021 |
|---|---|---|
| Building and leasehold improvements | € 6,865 | € 6,865 |
| Capitalized software and software development costs | 28,378 | 26,643 |
| Computer equipment | 16,042 | 15,795 |
| Furniture and fixtures | 3,039 | 3,026 |
| Subtotal | € 54,324 | € 52,329 |
| Less: accumulated depreciation | 41,115 | 37,537 |
| Construction in process | 423 | 1,113 |
| **Property and equipment, net** | **€ 13,632** | **€ 15,905** |

In the second quarter of 2022, we recorded an impairment of €0.9 million related to acquired software and internally capitalized software development costs. We recognized the loss on impairment within our operating expenses in our unaudited condensed consolidated statements of operations.

## Note 7: Goodwill and intangible assets, net

The following table presents our goodwill and intangible assets as of September 30, 2022 and December 31, 2021:

| (in thousands) | September 30, 2022 | December 31, 2021 |
|---|---|---|
| Goodwill | € 181,956 | € 286,539 |
| Intangible assets with definite lives, net | 439 | 540 |
| Intangible assets with indefinite lives | 89,545 | 169,545 |
| **Total** | **€ 271,940** | **€ 456,624** |

### Goodwill

The following table presents the changes in goodwill by reporting segment:

| (in thousands) | Developed Europe | Americas | Rest of World | Total |
|---|---|---|---|---|
| **Balance as of January 1, 2021** | **€ 197,516** | **€ 85,148** | **€ —** | **€ 282,664** |
| Foreign exchange translation | 26 | 11 | — | 37 |
| Additions | 2,525 | 1,313 | — | 3,838 |
| **Balance as of December 31, 2021** | **€ 200,067** | **€ 86,472** | **€ —** | **€ 286,539** |
| Foreign exchange translation | 41 | 18 | — | 59 |
| Impairment charge | (104,642) | — | — | (104,642) |
| **Balance as of September 30, 2022** | **€ 95,466** | **€ 86,490** | **€ —** | **€ 181,956** |

Due to deteriorating macroeconomic conditions, including rising interest rates, increased inflation and more uncertainty in respect of the overall economic environment which led to a shift in the Company’s internal priorities, we performed an impairment test during the second quarter and our annual impairment test during the third quarter of 2022.

The fair value estimates for all reporting units were based on a blended analysis of the present value of future discounted cash flows and market value approach. The significant estimates used in the discounted cash flows model included our weighted average cost of capital, revenue growth rates, profitability of our business and long-term rate of growth. The significant estimates used in the market approach included identifying similar companies with comparable business factors such as size, growth, profitability, risk and return on investment, assessing comparable revenue and earnings multiples and the control premium applied in estimating the fair values of the reporting units.

Based on the results of the impairment assessments performed, we recorded a total impairment charge of €104.6 million to our goodwill balance for the Developed Europe reporting unit in 2022. As of September 30, 2022, we had accumulated impairment losses for goodwill of €312.3 million and €207.6 million as of December 31, 2021.

**Indefinite-lived Intangible Assets**

The following table presents the changes in our indefinite-lived intangible assets:

| **(in thousands)** | | **Intangible assets with indefinite lives** |
|---|---|---|
| **Balance as of January 1, 2021** | **€** | **169,545** |
| Impairment charge | | — |
| **Balance as of December 31, 2021** | **€** | **169,545** |
| Impairment charge | | (80,000) |
| **Balance as of September 30, 2022** | **€** | **89,545** |

Our indefinite-lived intangible assets relate principally to trade names, trademarks and domain names.

Due to deteriorating macroeconomic conditions, including rising interest rates, increased inflation and more uncertainty in respect of the overall economic environment which led to a shift in the Company’s internal priorities, we performed an impairment test during the second quarter and our annual impairment test during the third quarter of 2022.

We base our measurement of the fair value of our indefinite-lived intangible assets using the relief-from-royalty method. This method assumes that these assets have value to the extent that their owner is relieved of the obligation to pay royalties for the benefits received from them. The method requires us to estimate future revenue for the brand, the appropriate royalty rate and an applicable discount rate.

Based on the results of the impairment assessment, we recorded an impairment charge of €80.0 million to our indefinite-lived intangible assets. As of September 30, 2022, we had accumulated impairment losses for indefinite-lived intangible assets of €80.0 million and no amounts as of December 31, 2021.

## Note 8: Share-based awards and other equity instruments

### Amendments to the 2016 Omnibus Incentive Plan

On March 2, 2021, our supervisory board amended the trivago N.V. 2016 Omnibus Incentive Plan to increase the maximum number of Class A shares available for issuance from 34,711,009 to 59,635,698 Class A shares, which does not include any Class B share conversions. Class A shares issuable under 2016 Plan are represented by American Depositary Shares (“ADS”) for such Class A shares.

### Share-based compensation expense

The following table presents the amount of share-based compensation expense included in our unaudited condensed consolidated statements of operations during the periods presented:

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| **(in thousands)** | **2022** | **2021** | **2022** | **2021** |
| Cost of revenue | € 48 | € 68 | € 150 | € 189 |
| Selling and marketing | 161 | 259 | 592 | 784 |
| Technology and content | 687 | 1,135 | 2,314 | 2,864 |
| General and administrative | 4,044 | 3,566 | 8,682 | 9,206 |
| **Total share-based compensation expense** | **€ 4,940** | **€ 5,028** | **€ 11,738** | **€ 13,043** |

### Share-based award activity

The following table presents a summary of our share option activity for the nine months ended September 30, 2022:

| | Options | Weighted average exercise price (in €) | Remaining contractual life (In years) | Aggregate intrinsic value (€ in thousands) |
|---|---|---|---|---|
| **Balance as of December 31, 2021** | 23,827,946 | 2.64 | 11 | 30,237 |
| Granted | 9,405,035 | 0.22 | | |
| Exercised | 1,487,742 | 0.06 | | |
| Cancelled | 2,861,601 | 0.91 | | |
| **Balance as of September 30, 2022** | **28,883,638** | 2.39 | 10 | 23,121 |
| Exercisable as of September 30, 2022 | 15,124,315 | 4.05 | 13 | 9,653 |
| **Vested and expected to vest after September 30, 2022** | **28,883,638** | 2.39 | 10 | 23,121 |

The following table presents a summary of our restricted stock units (RSUs) for the nine months ended September 30, 2022:

| | RSUs | Weighted Average Grant Date Fair Value | Remaining contractual life |
|---|---|---|---|
| | | (in €) | (in years) |
| **Balance as of December 31, 2021** | 1,366,123 | 2.92 | 6 |
| Granted | 3,677,117 | 2.00 | |
| Vested | 1,126,385 | 2.63 | |
| Cancelled | 578,412 | 2.72 | |
| **Balance as of September 30, 2022** | 3,338,443 | 2.04 | 6 |

On July 11, 2022, the market-based stock option award granted on March 11, 2020 and subsequently modified on October 22, 2020, to our management board was cancelled. The award of 2,032,743 options was scheduled to cliff vest on January 2, 2023 and was dependent on achieving a set volume-weighted average share price target. Also on July 11, 2022, the Supervisory Board approved the annual equity compensation awards for our management board and senior leadership team totaling 8,681,362 options and RSUs.

## Note 9: Income taxes

We determine our provision for income taxes for interim periods using an estimate of our annual effective tax rate. We record any changes affecting the estimated annual effective tax rate in the interim period in which the change occurs, including discrete items.

Income tax benefit was €6.1 million in the quarter ended September 30, 2022, compared to income tax expense of €3.3 million in the quarter ended September 30, 2021. The total weighted average tax rate was 31.5% for the quarter ended September 30, 2022, which was mainly driven by the German statutory tax rate of approximately 31%. Our effective tax rate for the quarter ended September 30, 2022 was 8.4% compared to 37.4% for the quarter ended September 30, 2021. The decrease in the effective tax rate is due to the difference in the pre-tax profit and loss position and discrete items. The difference between the weighted average tax rate of 31.5% and the effective tax rate of 8.4% in the quarter ended September 30, 2022 is primarily attributable to the goodwill impairment (permanent item), intangible assets impairment (temporary item) and share-based compensation expense (non-deductible for tax purposes), which are treated as discrete items.

Income tax expense was €0.2 million in the nine months ended September 30, 2022, compared to €2.0 million in the nine months ended September 30, 2021. Our effective tax rate for the nine months ended September 30, 2022 was (0.1)% compared to (83.4)% for the nine months ended ended September 30, 2021. The difference between the weighted average tax rate and the effective tax rate for the nine months ended September 30, 2022 is primarily attributable to the goodwill impairment (permanent item), intangible assets impairment (temporary item), share-based compensation expense (non-deductible for tax purposes), and an additional expense for a penalty and applicant's cost pursuant to a court ruling, which are treated as discrete items.

An uncertain tax position in connection with unrecognized tax benefits relating to the deductibility of expenses amounted to €9.2 million as of September 30, 2022. A liability for these tax benefits was included under other long-term liabilities in the unaudited condensed consolidated financial statements.

## Note 10: Stockholders' equity

Each Class B share is convertible into one Class A share at any time by the holder. The share premium derived from the conversion is recognized within reserves. As of September 30, 2022, Class B shares of trivago N.V. are only held by Expedia Group and Rolf Schrömgens. Refer to *Note 1: Organization and basis of presentation* for Expedia Group's ownership interest and voting interest. The Class B shares held by Mr. Schrömgens as of September 30, 2022, had an ownership interest and voting interest of 7.9% and 11.4%, respectively.

During the nine months ended September 30, 2022, 24,485,793 Class B shares were converted into Class A shares. During the nine months ended September 30, 2021, 35,253,205 Class B shares were converted into Class A shares.

On March 1, 2022, the Company's Supervisory Board authorized a program to repurchase up to 10 million of the Company's ADSs, each representing one Class A share. On March 7, 2022, the Company entered into a stock repurchase program which expired on May 30, 2022. No stock repurchases were made under this agreement. On May 31, 2022, the Company entered into another stock repurchase program which expired on July 29, 2022. As of September 30, 2022, the Company reacquired 205,547 Class A common shares on the open market at fair market value. The shares of stock purchased under the buyback program are held as treasury shares.

## Note 11: Earnings per share

Basic and diluted earnings per share of Class A and Class B common stock is computed by dividing net income/(loss) by the weighted average number of Class A and Class B common stock outstanding during the same period. Diluted earnings per share is calculated using our weighted-average outstanding common shares including the dilutive effect of stock awards as determined under the treasury stock method. The following table presents our basic and diluted earnings per share:

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| **(€ thousands, except per share data)** | **2022** | **2021** | **2022** | **2021** |
| **Numerator:** | | | | |
| Net income/(loss) | € (67,137) | € 5,528 | € (137,639) | € (4,501) |
| | | | | |
| **Denominator:** | | | | |
| Weighted average shares of Class A and Class B common stock outstanding: | | | | |
| Basic | 360,609 | 358,076 | 359,964 | 357,181 |
| Diluted | 360,609 | 368,322 | 359,964 | 357,181 |
| | | | | |
| **Net income/(loss) per share:** | | | | |
| Basic | € (0.19) | € 0.02 | € (0.38) | € (0.01) |
| Diluted | (0.19) | 0.02 | (0.38) | (0.01) |

For the three and nine months ended September 30, 2022 and the nine months ended September 30, 2021, diluted weighted average common shares outstanding does not include the effects of the exercise of outstanding stock options and RSUs as the inclusion of these instruments would have been anti-dilutive.

## Note 12: Commitments and contingencies

### Legal proceedings

On August 23, 2018, the Australian Competition and Consumer Commission, or ACCC, instituted proceedings in the Australian Federal Court against us. The ACCC alleged a number of breaches of the Australian Consumer Law, or ACL, relating to certain advertisements in Australia concerning the hotel prices available on our Australian site, our Australian strike-through pricing practice and other aspects of the way offers for accommodation were displayed on our Australian website. The matter went to trial in September 2019 and on January 20, 2020, the Australian Federal Court issued a judgment finding that we had engaged in conduct in breach of the ACL. On March 4, 2020, we filed a notice of appeal at the Australian Federal Court appealing part of that judgment. On November 4, 2020, the Australian Federal Court dismissed trivago's appeal. On October 18 and 19, 2021, the Australian Federal Court heard submissions from the parties in relation to relief. On April 22, 2022, the Australian Federal Court issued a judgment ordering us to pay a penalty of AUD 44.7 million, which we paid in the second quarter of 2022. The court also ordered us to cover the ACCC's costs arising from the proceeding. The court also enjoined us from engaging in misleading conduct of the type found by the Australian Federal Court to be in contravention of the ACL.

The penalty balance had previously been included in accrued expenses and other current liabilities in our unaudited condensed consolidated balance sheet as of March 31, 2022.

## Note 13: Related party transactions

### Relationships with Expedia

We have commercial relationships with Expedia Group, Inc. and many of its affiliated brands, including Brand Expedia, Hotels.com, Orbitz, Travelocity, Hotwire, Wotif, Vrbo and ebookers. These arrangements are terminable at will upon fourteen to thirty days prior notice by either party. The arrangements include enabling Expedia Group's brands to advertise on our platform and referring traffic to us when a particular hotel or region is unavailable on the applicable Expedia Group website. Related-party revenue from Expedia Group primarily consists of click-through fees and other advertising services provided to Expedia Group and its affiliates.

Related-party revenue from Expedia Group and its affiliates was €61.0 million and €135.9 million for the three and nine months ended September 30, 2022, respectively, compared to €35.8 million and €63.6 million in the same periods in 2021, respectively. These amounts are recorded at contract value, which we believe is a reasonable reflection of the value of the services provided. Related-party revenue represented 33% and 32% of our total revenue for the three and nine months ended September 30, 2022, respectively, compared to 26% and 23% in the same periods in 2021, respectively.

For the three and nine months ended September 30, 2022 and 2021, we did not incur significant operating expenses of related-party services and support agreements with Expedia Group.

The related party trade receivable balances with Expedia Group and its affiliates as of September 30, 2022 and December 31, 2021 were €39.3 million and €16.4 million, respectively.

## Note 14: Segment information

Management has identified three reportable segments, which correspond to our three operating segments: the Americas, Developed Europe and Rest of World (RoW). Our Americas segment is comprised of Argentina, Brazil, Canada, Chile, Colombia, Ecuador, Mexico, Peru, the United States and Uruguay. Our Developed Europe segment is comprised of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. Our RoW segment is comprised of all other countries where trivago operates.

We determined our operating segments based on how our chief operating decision makers manage our business, make operating decisions and evaluate operating performance. Our primary operating metric is Return on Advertising Spend, or ROAS, for each of our segments, which compares Referral Revenue to Advertising Spend. ROAS includes the allocation of revenue by segment which is based on the location of the website, or domain name, regardless of where the consumer resides. This is consistent with how management monitors and runs the business.

Corporate and Eliminations also includes all corporate functions and expenses except for direct advertising. In addition, we record amortization of intangible assets and any related impairment, impairment of goodwill, share-based compensation expense, restructuring and related reorganization charges, legal reserves, occupancy tax and other taxes, and other items excluded from segment operating performance in Corporate and Eliminations. Such amounts are detailed in our segment reconciliations below. The following tables present our segment information for the three and nine months ended September 30, 2022 and 2021. As a significant portion of our property and equipment is not allocated to our operating segments and depreciation is not included in our segment measure, we do not report the assets by segment as it would not be meaningful. We do not regularly provide such information to our chief operating decision makers.

| | Three months ended September 30, 2022 | | | | |
|---|---|---|---|---|---|
| (€ thousands) | Developed Europe | Americas | Rest of World | Corporate & Eliminations | Total |
| Referral Revenue | € 83,463 | € 75,188 | € 21,808 | € — | € 180,459 |
| Subscription revenue | — | — | — | 764 | 764 |
| Other revenue | — | — | — | 2,479 | 2,479 |
| Total revenue | € 83,463 | € 75,188 | € 21,808 | € 3,243 | € 183,702 |
| Advertising Spend | 56,837 | 52,760 | 12,664 | — | 122,261 |
| ROAS contribution | € 26,626 | € 22,428 | € 9,144 | € 3,243 | € 61,441 |
| Costs and expenses: | | | | | |
| Cost of revenue, including related party, excluding amortization | | | | | 3,236 |
| Other selling and marketing, including related party (1) | | | | | 6,538 |
| Technology and content, including related party | | | | | 13,453 |
| General and administrative, including related party | | | | | 11,121 |
| Amortization of intangible assets | | | | | 34 |
| Impairment of intangible assets and goodwill | | | | | 100,465 |
| Operating loss | | | | | € (73,406) |
| Other income/(expense) | | | | | |
| Interest expense | | | | | (11) |
| Other, net | | | | | 415 |
| Total other income/(expense), net | | | | | € 404 |
| Loss before income taxes | | | | | € (73,002) |
| Benefit for income taxes | | | | | (6,124) |
| Loss before equity method investment | | | | | € (66,878) |
| Loss from equity method investment | | | | | (259) |
| **Net loss** | | | | | **€ (67,137)** |

*(1) Represents all other sales and marketing, excluding Advertising Spend, as Advertising Spend is tracked by reporting segment.*

| | Three months ended September 30, 2021 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **(€ thousands)** | **Developed Europe** | | **Americas** | | **Rest of World** | | **Corporate & Eliminations** | | **Total** | |
| Referral Revenue | € | 74,744 | € | 48,102 | € | 13,241 | € | — | € | 136,087 |
| Subscription revenue | | — | | — | | — | | 1,043 | | 1,043 |
| Other revenue | | — | | — | | — | | 1,509 | | 1,509 |
| Total revenue | € | 74,744 | € | 48,102 | € | 13,241 | € | 2,552 | € | 138,639 |
| Advertising Spend | | 52,863 | | 38,278 | | 6,984 | | — | | 98,125 |
| ROAS contribution | € | 21,881 | € | 9,824 | € | 6,257 | € | 2,552 | € | 40,514 |
| Costs and expenses: | | | | | | | | | | |
| Cost of revenue, including related party, excluding amortization | | | | | | | | | | 3,136 |
| Other selling and marketing, including related party (1) | | | | | | | | | | 6,249 |
| Technology and content, including related party | | | | | | | | | | 12,746 |
| General and administrative, including related party | | | | | | | | | | 9,765 |
| Amortization of intangible assets | | | | | | | | | | 34 |
| Operating income | | | | | | | | | € | 8,584 |
| Other income/(expense) | | | | | | | | | | |
| Interest expense | | | | | | | | | | (106) |
| Other, net | | | | | | | | | | 353 |
| Total other income/(expense), net | | | | | | | | | € | 247 |
| Income before income taxes | | | | | | | | | € | 8,831 |
| Expense for income taxes | | | | | | | | | | 3,303 |
| **Net Income** | | | | | | | | | **€** | **5,528** |

*(1) Represents all other sales and marketing, excluding Advertising Spend, as Advertising Spend is tracked by reporting segment.*

| | Nine months ended September 30, 2022 | | | | |
|---|---|---|---|---|---|
| **(€ thousands)** | **Developed Europe** | **Americas** | **Rest of World** | **Corporate & Eliminations** | **Total** |
| Referral Revenue | € 193,745 | € 174,565 | € 52,033 | € — | € 420,343 |
| Subscription revenue | — | — | — | 2,685 | 2,685 |
| Other revenue | — | — | — | 7,087 | 7,087 |
| Total revenue | € 193,745 | € 174,565 | € 52,033 | € 9,772 | € 430,115 |
| Advertising Spend | 123,980 | 109,822 | 27,272 | — | 261,074 |
| ROAS contribution | € 69,765 | € 64,743 | € 24,761 | € 9,772 | € 169,041 |
| Costs and expenses: | | | | | |
| Cost of revenue, including related party, excluding amortization | | | | | 9,199 |
| Other selling and marketing, including related party (1) | | | | | 19,417 |
| Technology and content, including related party | | | | | 42,500 |
| General and administrative, including related party | | | | | 51,202 |
| Amortization of intangible assets | | | | | 102 |
| Impairment of intangible assets and goodwill | | | | | 184,642 |
| Operating loss | | | | | € (138,021) |
| Other income/(expense) | | | | | |
| Interest expense | | | | | (46) |
| Other, net | | | | | 899 |
| Total other income/(expense), net | | | | | € 853 |
| Loss before income taxes | | | | | € (137,168) |
| Expense for income taxes | | | | | 158 |
| Loss before equity method investment | | | | | € (137,326) |
| Loss from equity method investment | | | | | (313) |
| **Net loss** | | | | | **€ (137,639)** |

*(1) Represents all other sales and marketing, excluding Advertising Spend, as Advertising Spend is tracked by reporting segment.*

| (€ thousands) | Nine months ended September 30, 2021 Developed Europe | Americas | Rest of World | Corporate & Eliminations | Total |
|---|---|---|---|---|---|
| Referral Revenue | € 128,005 | € 103,964 | € 33,733 | € — | € 265,702 |
| Subscription revenue | — | — | — | 3,606 | 3,606 |
| Other revenue | — | — | — | 3,031 | 3,031 |
| Total revenue | € 128,005 | € 103,964 | € 33,733 | € 6,637 | € 272,339 |
| Advertising Spend | 87,528 | 76,831 | 17,020 | — | 181,379 |
| ROAS contribution | € 40,477 | € 27,133 | € 16,713 | € 6,637 | € 90,960 |
| Costs and expenses: | | | | | |
| Cost of revenue, including related party, excluding amortization | | | | | 8,683 |
| Other selling and marketing, including related party (1) | | | | | 17,698 |
| Technology and content, including related party | | | | | 39,139 |
| General and administrative, including related party | | | | | 28,469 |
| Amortization of intangible assets | | | | | 102 |
| Operating loss | | | | | € (3,131) |
| Other income/(expense) | | | | | |
| Interest expense | | | | | (308) |
| Other, net | | | | | 985 |
| Total other income/(expense), net | | | | | € 677 |
| Loss before income taxes | | | | | € (2,454) |
| Expense for income taxes | | | | | 2,047 |
| **Net loss** | | | | | **€ (4,501)** |

*(1) Represents all other sales and marketing, excluding Advertising Spend, as Advertising Spend is tracked by reporting segment.*

## Note 15: Subsequent events

After the date of the balance sheet through the date of issuance of these unaudited condensed consolidated financial statements, 226,052 Class A shares were issued as a result of options exercised and RSUs released. Additionally, 28,098 treasury shares were reissued to settle RSU awards vesting from our share-based compensation awards.

On November 1, 2022, the Company agreed to purchase from Peter Vinnemeier, one of our founders, 20,000,000 Class A shares, representing 5.5% of the Company's total common shares outstanding, for an aggregate price of USD $20.0 million (USD $1.00 per share). The purchase of shares will be funded from available working capital.