

Annual report of trivago N.V.
for the fiscal year ended 31 December 2023

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1. Introduction

In this board report, the terms “we,” “us,” the “company,” or “trivago,” or similar terms shall mean trivago N.V. and, as the context requires, its subsidiaries. References to “Expedia Group” mean our majority shareholder, Expedia Group, Inc., together with its subsidiaries. References to our “Founders” mean Rolf Schrömgens, Peter Vinnemeier and Malte Siewert, collectively.

Unless otherwise specified, all monetary amounts are in euros. All references in this annual report to “\$,” “US\$,” “U.S. \$,” “U.S. dollars,” “dollars” and “USD” mean U.S. dollars, and all references to “€” and “euros,” mean euros, unless otherwise noted.

1.1. Preparation

This annual report has been prepared by trivago's management and has been approved by trivago's management board (the "management board") and trivago's supervisory board (the "supervisory board"). It contains (i) the Dutch statutory board report pursuant to Section 2:391a of the Dutch Civil Code ("DCC"), (ii) trivago's Dutch statutory annual accounts as defined in Section 2:361(1) DCC and (iii) the information to be added pursuant to Section 2:392 DCC (to the extent relevant). The financial statements included in sections 9 and 10 of this board report have been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Commission ("EU IFRS") and Part 9 of Book 2 of the DCC. The report of trivago's independent auditor, Ernst & Young Accountants LLP, is included in section 11.5. The Dutch Corporate Governance Code ("DCGC") recommends that the report includes separate reports from the management board and the supervisory board. The annual report does not include a separate supervisory board report but the board report includes the information that is required to be included in a supervisory board report.

1.2. Special note regarding forward-looking statements

This board report contains forward-looking statements, that are based on our management's beliefs and assumptions and on information currently available to our management. All statements other than present and historical facts and conditions contained in this annual report, including statements regarding our future results of operations and financial positions, business strategy, plans and our objectives for future operations, are forward-looking statements. When used in this annual report, the words “aim,” “anticipate,” “assume,” “believe,” “contemplate,” “continue,” “could,” “due,” “estimate,” “expect,” “goal,” “intend,” “may,” “objective,” “plan,” “predict,” “potential,” “positioned,” “seek,” “should,” “target,” “will,” “would,” and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology identify forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- the extent to which our strategy of increasing brand marketing investments positively impacts the volume of direct traffic to our platform and grows our revenue in future periods without reducing our profits or incurring losses;
- the continuing negative impact of having ceased almost all television advertising in 2020 and only having resumed such advertising at reduced levels in recent years on our ability to grow our revenue;
- our reliance on search engines, particularly Google, whose search results can be affected by a number of factors, many of which are not in our control;
- the promotion by Google of its own products and services that compete directly with our accommodation search;
- 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;
- the potential negative impact of a worsening of the economic outlook and inflation on consumer discretionary spending;
- any impairment of goodwill;

- geopolitical and diplomatic tensions, instabilities and conflicts, including war, civil unrest, terrorist activity, sanctions or other geopolitical events or escalations of hostilities, such as the war in Ukraine and the ongoing conflict affecting the Middle Eastern region;
- increasing competition in our industry;
- our ability to innovate and provide tools and services that are useful to our users and advertisers;
- our business model's dependence on consumer preferences for traditional hotel-based accommodation;
- our dependence on relationships with third parties to provide us with content;
- 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; and
- potential disruptions in the operation of our systems, security breaches and data protection.

You should refer to the section 4.2 of this board report for a discussion of important risk factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this annual report will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

You should read this board report and the documents that we reference in this annual report completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

2. Company and Business Overview

2.1. History and development of the Company

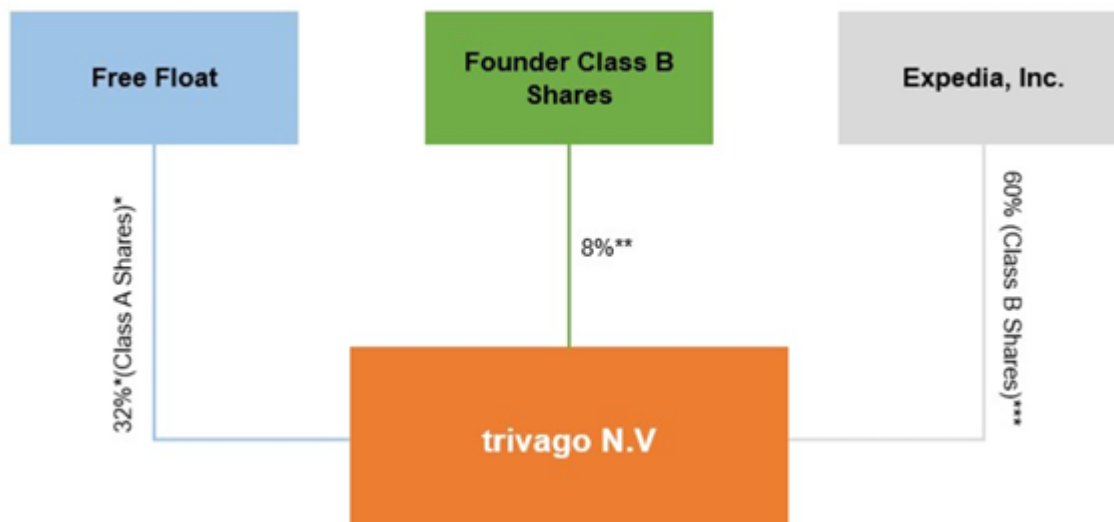
We were incorporated on November 7, 2016 as travel B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under Dutch law. On December 16, 2016, we completed our initial public offering, or IPO, on the Nasdaq Stock Exchange. In connection with our IPO, we converted into a public company with limited liability (*naamloze vennootschap*) under Dutch law pursuant to a deed of amendment and conversion and changed our legal name to trivago N.V. On September 7, 2017, we consummated the cross-border merger of trivago GmbH into and with trivago N.V.

We are registered with the Trade Register of the Chamber of Commerce in the Netherlands (*Kamer van Koophandel*) under number 67222927. Our corporate seat is in Amsterdam, the Netherlands, and our registered office is at Kesselstraße 5 - 7, 40221 Düsseldorf, Germany (under number HRB 79986). Our telephone number is +49-211-3876840000.

As of December 31, 2023, we had 651 employees (prior year: 709 employees).

2.2. Organizational structure

The following chart depicts our corporate structure and percentages of economic interest as of the date hereof based on the number of shares outstanding as of December 31, 2023:



*Class A shares are held by the public shareholders and by the Founders. Based on the information available through public filings, Rolf Schrömgens currently owns: 34,483,934 Class A (13D/A filed on December 19, 2023).

**As of December 31, 2023, Class B shares of trivago N.V. are only held by Expedia Group and Rolf Schrömgens, one of our founders and a member of our supervisory board.

*** The holders of our Class B shares are entitled to ten votes per share, and holders of our Class A shares are entitled to one vote per share. Each Class B share is convertible into one Class A share at any time by the holder thereof, while Class A shares are not convertible into Class B shares under any circumstances.

trivago N.V. is the direct or indirect holding company of our subsidiaries.

2.3. Property, plant and equipment

In June 2018, we moved into our headquarters located in Düsseldorf's media harbor. We currently occupy 18,632 square meters of office space, which has been certified with LEED core & shell Gold - representing a state-of-the-art workplace for trivago. The lease provides for a fixed ten-year term plus two renewal options, each for a term of five years. Initially, trivago N.V. was the sole tenant of the building and the building was, therefore, built to our specifications.

As a result of negotiations of our lease contract for the campus in Düsseldorf, Germany, we signed an amendment to the contract, which became effective in January 2021. The agreement includes the return of unused office spaces and a corresponding reduction of rent, as well as the sale of certain fixed assets related to the space to the landlord.

We also have 381 square meters of leased office space in Spain.

2.4. Business Overview

2.4.1. Overview

trivago is a global 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 private 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 accommodation and providing them with access to a deep supply of relevant information and prices. In the year ended December 31, 2023, we offered access to more than 5.0 million hotels and other types of accommodation, including 3.8 million units of alternative accommodation such as vacation rentals and private apartments, in over 190 countries.

We believe that the number of travelers accessing our websites and apps makes us an important and scalable marketing channel for our advertisers, which include online travel agencies, or OTAs, hotel chains, independent hotels and providers of alternative accommodation. Additionally, our ability to refine user intent through our search function allows us to provide advertisers with transaction-ready referrals. Recognizing that advertisers on our marketplace have varying objectives and varying levels of marketing resources and experience, we provide a range of services to enable advertisers to improve their performance on our marketplace.

Our hotel and accommodation search platform can be accessed globally via 53 localized websites and apps available in 31 languages. Users can search our platform on desktop and mobile devices, and benefit from a familiar user interface, resulting in a consistent user experience.

In the year ended December 31, 2023, we generated revenue of €485.0 million and a net income of €28.5 million, compared to revenue of €535.0 million and a net income of €51.8 million for the same period in 2022.

2.4.2. trivago's search platform

Our accommodation search platform forms the core of our user experience. It is a search and comparison product, and users do not book directly on our platform. When they click on an offer for a hotel room or other accommodation at a certain price, they are referred to our advertisers' websites where they can complete their booking. We maintain one of the largest searchable databases of accommodations in the world. As of December 31, 2023 and 2022, our database included more than 5.0 million hotels and other types of accommodations, gathered through OTAs, hotel chains, independent hotels and providers of alternative accommodations. As of December 31, 2023 and 2022, we offered access on our search platform to more than 3.8 million units of alternative accommodation, such as vacation rentals and private apartments.

Our users initially search via a text-based search function, which supports searches across a broad range of criteria. The search results show a user an accommodation listing page. For hotels, the page contains aggregated information, including:

- *Accommodation information:* We display information that we believe is relevant to the user, such as the name, pictures, amenities, star rating and distance to selected location;
- *trivago ratings index:* We aggregate millions of ratings globally. We produce a score for each property, which is updated daily to render relevant and valuable insights for our users while saving them time when searching for the ideal hotel or other accommodation. The rating is a single, easy-to-use score out of ten;
- *Reviews:* We provide reviews from third parties in a clear and concise format; and
- *Price comparison:* We prominently display a suggested advertised deal for each hotel or other accommodation, while also listing additional available offers from our advertisers in a list format, including room types, amenities and payment options. To learn more about how we determine the prominence given to offers and their placement in our search results, see 2.4.5. *Marketplace* below.

We provide our services through websites and apps, including through our mobile-optimized website available on mobile device browsers. Our full-featured native mobile app is available on iPhone, iPad, Android Phone, and Android Tablet.

2.4.3. Marketing

Through test-driven marketing operations, we have positioned our brand as a key part of the process for travelers in finding their ideal hotel or other accommodation. We focus the efforts of our marketing teams and Advertising Spend towards building effective and efficient messaging for a broad audience. We believe that building and maintaining our brand and clearly articulating our role in travelers' hotel or other accommodation discovery journey, will continue to drive both travelers and advertisers to our platform to connect in a mutually beneficial way.

Our application of data-led improvement and innovation also informs our marketing strategy, which we believe enables us to become increasingly more effective with our marketing spend. We have built tools that capture data and calculate our return on many elements of our brand and performance marketing measures.

Brand marketing

To grow brand awareness and increase the likelihood that users will visit our websites and use our apps, we invest in brand marketing globally across a broad range of media channels, including TV marketing, on demand video platforms, and online video advertising.

The amount and nature of our Advertising Spend varies across our geographic markets, depending on multiple factors including; the emphasis we wish to place on profitability versus traffic growth, cost efficiency, marginal effectiveness of our Advertising Spend, local media dynamics, the size of the market, and our existing brand presence in that market.

We also generate travel content as a means of engaging with travelers, which is distributed online via social media, our online magazine and email.

Performance marketing

We market our services and directly acquire traffic for our websites by purchasing travel and hotel-related keywords from general search engines and through advertisements on other online marketing channels. These activities include advertisements through search engines, such as Bing, Google, Naver, and Yahoo! and through display advertising campaigns on advertising networks, affiliate websites and social media sites. Mobile app marketing remains important given the high usage of that device type.

Allocation of marketing spend

We take a data-driven, testing-based approach to making decisions about allocating marketing spend, where we use tools, processes and algorithms, many of which are proprietary, to measure and optimize performance end-to-end, starting with the pretesting of the creative concept and ending with the optimization of media spend. We continue to develop the methodologies we use to inform decisions about how much we spend on each marketing channel. We look at a range of metrics including behavior on the trivago website as well as subsequent booking behavior with our advertisers to determine the optimal mix of spend. We assess the returns on marketing spend by looking at a range of factors, both short and long-term, including impact on Referral Revenue, user retention and advertiser engagement.

2.4.4. Sales & Account Management

Our sales and account management team builds and grows relationships with OTAs, hotel chains and other travel companies, including hospitality technology providers. From facilitating their participation in our marketplace to growing the adoption of our products, our dedicated teams provide ongoing consultation and guidance to our advertisers around CPC and CPA (or cost-per-acquisition) bidding options, product updates, and optimization opportunities. We proactively engage with our advertisers to better understand their specific objectives in order to offer solutions through our marketplace.

Independent hotels receive dedicated attention through our customer success team. With tailored solutions for hoteliers, we enable independent hotels to generate direct business through their official website by advertising their rates directly in our price comparison, allowing them to compete with the large OTAs and chains. Our team accompanies hoteliers throughout the sales cycle, from creating awareness about our products to onboarding them.

Marketing tools and services for advertisers

We offer our advertisers a suite of marketing tools to help promote their listings on our platform and drive traffic to their websites. Our tools and services provide tailored solutions for OTAs, hotel chains and independent hotel

advertisers to help them manage their presence on our marketplace and steer their investments according to their budget and traffic needs.

2.4.5. Marketplace

We design our algorithm to display hotel room and other accommodation rate offers that we believe will be attractive to our users, emphasizing those offers that we believe are more likely to be clicked and ultimately booked on our advertisers' websites. We prominently display a suggested deal for each hotel, which is determined based on our algorithm as described below, while also listing additional offers made available to us from our advertisers in a list format.

We consider the completion of hotel and other accommodation bookings, which we refer to as booking conversion, to be a key indicator of user satisfaction on our website. At the core of our ability to match our users' searches with large numbers of hotel and other accommodation offers is 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.

CPC Bidding Model

Our advertisers continue to participate in our marketplace primarily through CPC, or cost-per-click, bidding. Advertisers that use this method submit CPC bids for an advertised rate for a hotel. By clicking on a given rate, an individual user is referred to that advertiser's website where the user can complete the booking. Advertisers can submit and adjust CPC bids on our marketplace frequently - as often as twice per day - on a property-by-property and market-by-market basis, and provide us with information on hotel room and other accommodation rates and availability on a near-real time basis. CPC bids can be adjusted upwards or downwards for a set of dimensions (length-of-stay, booking-window, standard-date, group-size).

We also offer our advertisers the opportunity to advertise and promote their business through hotel/accommodation sponsored placements on our websites. This service is generally also priced on a CPC basis and guarantees that advertiser placement in a pre-selected slot at the top of our search results.

Cost-per-acquisition model

We also offer our advertisers the opportunity to participate in our marketplace on a CPA, or cost-per-acquisition, basis, whereby an advertiser pays us a percentage of the booking revenue that ultimately result from a referral. The CPA model enables our advertisers to be charged only in the event a user ultimately completes a booking, enabling them to reduce their risk as they only pay when an actual booking takes place. Advertisers may set multiple CPA campaigns in a given market, and update CPA inputs for each campaign frequently. When an advertiser opts to participate in our marketplace on a CPA basis, we calculate a CPC bid-equivalent based on potential booking value, and the CPA inputs. This equivalent is then used for the purpose of the ranking and sorting algorithm described below.

Ranking and sorting algorithm

In determining the prominence given to offers and their placement in our search results, including in comparison search results for a given location and on detail pages for a given property, our proprietary algorithm considers a number of factors in a dynamic, self-learning process. These include (but are not limited to) the advertiser's offered rate for the hotel room or other accommodation, the likelihood the offer will match the user's accommodation search criteria, data we have collected on the likelihood an offer will be clicked and the CPC bids submitted by our advertisers (or CPC equivalent, as the case may be).

CPC levels play an important role in determining the prominence given to offers and their placement in our search results. Advertisers can analyze the number of referrals obtained from their advertisements on our marketplace and the consequent value generated from a referral based on the booking value they receive from users referred from our site, to determine the amount they are willing to pay. Generally, the higher the potential booking value or booking conversion generated by a referral and the more competitive the bidding, the more an advertiser is willing to bid for an accommodation advertisement on our marketplace. This means that the levels of advertisers' CPC bids generally reflect their view of the likelihood that each click on an offer will result in a booking by a user. We exclude from our marketplace auction offers where the CPC has been set to a *de minimis* level, as this typically denotes room inventory that the advertiser has withdrawn for some period of time from its active inventory on trivago.

By managing their CPC bids, their CPA campaigns and hotel room and other accommodation rates submitted on our marketplace, our advertisers can influence their own returns on investment and the volumes of referral traffic we generate for them. We believe that by providing services to help our advertisers, we can increase competition and create a more level playing field for our advertisers. By doing this, we aim to mitigate competitive disadvantages for smaller advertisers on our marketplace and to deliver more choice for our users.

2.4.6. Our strategy

We want to be the obvious choice for price-savvy travelers searching for a hotel. We aim to simplify their planning, help them save, and instill confidence in their booking decisions. The value proposition of trivago is highly relevant as consumers continue to be price-conscious, great deals continue to be available and the trivago brand is well-recognized globally. This provides a strong foundation for us to build upon. We expect the following four strategic priorities will propel our success.

Brand

Reignite our globally recognized brand. We believe that rebuilding our branded visitor baseline is the key to return to growth, and we expect it to be a multi-year effort. We are continuously optimizing our brand budget allocation as well as our ads. Over time, we anticipate these efforts will enhance the efficiency of our marketing investments, and we expect to see the compounding effects to materialize over time.

Search

Enhance our hotel search experience. We are simplifying the search for hotels across hundreds of sites and millions of accommodations, saving travelers significant time. We are constantly enhancing the user experience by conducting tests on all aspects of our product. We are focused on improving the content and visual experience we offer to travelers. The power of AI/ML allows us to customize our search results and innovate our search experience.

Deals

Deliver the best deal discovery experience. We want to be the shortcut for finding great hotel deals and better prices. We believe this is where we can leverage our core competencies and differentiate our proposition. We aim to introduce new ways to spotlight savings and great deals in our search results with the objective of getting price-savvy travelers to return to our platform.

Partnerships

Empower our advertising partners to realize their full potential on trivago. By co-creating and innovating with our advertising partners, we aim to unlock user value throughout our meta-search platform and to remain a relevant marketing channel for our advertisers, driving high quality traffic.

2.4.7. Our customers

Customers that pay to advertise on trivago include:

- OTAs, including large international players, as well as smaller, regional and local OTAs;
- Hotel chains, including large multi-national hotel chains and smaller regional chains;
- Individual hotels;
- Providers of alternative accommodation, such as vacation rental or private apartments; and
- Industry participants, including metasearch and content providers.

We generate the large majority of our Referral Revenue from OTAs. Certain brands affiliated with our majority shareholder, Expedia Group, including Brand Expedia, Hotels.com, Orbitz, Travelocity, Hotwire, Wotif, Vrbo and ebookers, in the aggregate, accounted for 36% of our Referral Revenue for the year ended December 31, 2023. Booking Holdings and its affiliated brands, including Booking.com, Agoda and priceline.com, accounted for 43% of our Referral Revenue for the year ended December 31, 2023.

Nearly all of our agreements with advertisers, including our agreements with our largest advertisers, may be terminated upon prior notice of thirty days or less by either party. For more information on risks related to the concentration of our revenue and our relationship with our largest advertisers, see 4.2. *Risk factors*.

2.4.8. Competition

We compete with other advertising channels for hotel advertisers' marketing spend. These include traditional offline media and online marketing channels. In terms of user traffic, we compete on the basis of the quality of referrals, CPC rates and advertisers' implied return on investment. While we compete with OTAs, hotel chains and independent hotels for user traffic, these parties also represent the key contributors to our revenue and supply of hotels and other accommodation.

Competition for users

We compete to attract users to our websites and apps to help them research and find hotels and other accommodation. Given our position at the top of the online search funnel, many companies we compete with are also our customers.

Our principal competitors for users include:

- Online metasearch and review websites, such as Google Hotel Ads, Kayak, Skyscanner, Check24 and TripAdvisor;
- Search engines, such as Bing, Google, Naver and Yahoo!;
- Independent hotels and hotel chains, such as Accor, Hilton and Marriott;
- OTAs, such as Booking.com, Agoda, Priceline, Ctrip, TUI, trip.com and Brand Expedia; and
- Alternative accommodation providers, such as Airbnb and Vrbo.

Competition for advertisers

We compete with other advertising channels for hotel advertisers' marketing spend. These include traditional offline media and online marketing channels. In terms of user traffic, we compete on the basis of the quality of referrals, CPC rates and advertisers' implied return on investment.

Our principal competitors for advertisers' marketing spend include:

- Print media, such as local newspapers and magazines;
- Other traditional media, such as TV and radio;
- Search engines, such as Bing, Google, Naver and Yahoo!;
- Online metasearch and review websites, such as Google Hotel Ads, Kayak, Skyscanner, Check24 and TripAdvisor;
- Social networking services, such as Facebook and X (Twitter);
- Websites offering display advertising;
- Email marketing software and tools;
- Online video channels, such as YouTube; and
- Mobile app marketing.

2.4.9. Our employees and culture

trivago's culture is a blend of trust, collaboration, inclusivity, continuous learning, and a data-driven, entrepreneurial spirit, all aimed at fostering a dynamic, entrepreneurial and fulfilling work environment. We believe that our entrepreneurial corporate culture is a key ingredient to our success. It has been designed to reflect the fast-moving technology space in which we operate, as well as our determination to remain pioneers in our field. Trust in one another is our baseline, encouraging open information flow, fostering teamwork, and shaping the trivago community. Building strong, meaningful relationships turns individual employees into powerful, cohesive teams that operate as entrepreneurs in their areas of responsibility. These strong connections are the driving force that empower us to overcome challenges and achieve common goals together. We draw inspiration from every employee that makes up our all-inclusive team continuously striving for innovation and improvement for both our internal and external customers. Our open-minded approach to development allows us to quickly learn, adapt, and improve. Through trivago's many possibilities, we take ownership of our personal journeys, dedicating time and effort to our own improvement. We exchange and learn from each other, because it fuels our collective growth. Cultural fit is a key part of our recruiting process, as we seek to hire employees with a growth mindset, comfortable working in a flat organizational structure that rewards those who are energized and motivated to take proactive action and continuously seek to learn, take risks and innovate.

2.4.10. Seasonality

We experience seasonal fluctuations in the demand for our services as a result of seasonal patterns in travel. For example, 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 (ROAS) 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 Spend. 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.

2.4.11. Intellectual property

Our intellectual property, including trademarks, is an important component of our business. We rely on confidentiality procedures and contractual provisions with suppliers to protect our proprietary technology and our brands. Based on recent technological developments, we amended our artist and agency agreements to ensure that we can secure all relevant rights for creative work when using artificial intelligence in relation to marketing materials. In addition, we enter into confidentiality and invention assignment agreements with our employees and consultants.

We have registered domain names for websites that we use in our business, such as www.trivago.com, www.trivago.de and www.trivago.co.uk. Our registered trademarks include: trivago, "Hotel? trivago", "trivago Rating Index", Youzhan, and our trivago logo. These trademarks are registered in various jurisdictions. Reflecting a brand revamp, we additionally registered a trivago trademark reflecting the new style as well as a new trivago logo trademark in our key markets.

2.4.12. Government regulation

trivago provides, receives and shares data and information with its users, advertisers and other online advertising providers and conducts consumer facing marketing activities that are subject to consumer protection laws in jurisdictions in which we operate, regulating unfair and deceptive practices. For example, the United States and the European Union, or EU (including at member state level), but also many other jurisdictions, are increasingly regulating commercial and other activities on the Internet, including the use of information retrieved from or transmitted over the Internet, the display, moderation and use of user-generated content, and are adopting new rules aimed at ensuring user privacy and information security as well as increasingly regulating online marketing, advertising and promotional activities and communications, including rules regarding disclosures in relation to the role of algorithms and price display messages in the display practices of platforms.

There are also new or additional rules regarding the taxation of digital products and services, the quality of products and services as well as addressing liability for third-party activities. Moreover, the applicability to the Internet of existing laws addressing issues such as intellectual property ownership and infringement is uncertain and evolving.

In particular, we are subject to an evolving set of data privacy laws. trivago is subject to the GDPR, which has been in effect since May 25, 2018 and which has recently led to the imposition of significant fines on various companies. Due to the global nature of our operations, trivago is subject to an ever changing and growing patchwork of privacy laws, including the UK Data Protection Act 2018 the Brazilian General Data Protection Law (LGPD) and the Canadian Personal Information Protection and Electronic Documents Act, to name a few.

In the US, the California Consumer Privacy Act of 2018 as amended by the California Privacy Rights Act of 2020 (CCPA) among other US state privacy laws; impose certain privacy requirements and restrictions as well as provide rights for consumers. Other privacy laws will continue to come into force in other US states, which may in turn influence other states or even the US Congress to pass comparable legislation, rendering it almost impossible to adopt a single compliance approach for the US. Other substantial markets have adopted or are in the process of adopting data protection regulations. As a result, the data privacy regulatory landscape is becoming more and more fragmented, and such regulations and the implementation and enforcement thereof risk being inconsistent or conflicting.

While we strive to monitor and comply with this complex and ever-changing set of laws, a failure or perceived or alleged failure to comply with data privacy requirements in one of the jurisdictions where we operate, or target users may significantly harm our businesses. In addition, we could be adversely affected if data privacy

regulations are expanded (through new regulation or through legal rulings) to require major changes in our business practices.

The growing complexity of the data protection landscape is exemplified by the regulation regarding international transfer of personal data, which is rapidly evolving and likely to remain uncertain for the foreseeable future. In particular, the GDPR regulates transfers of EU personal data to third countries that have not been found by the European Commission to provide adequate protection to such EU personal data, such as the United States. A considerable number of our service providers and hotels operate in such jurisdictions. In July 2023, the European Commission has adopted an adequacy decision for the Data Privacy Framework (DPF) which has been negotiated between the US and the European Union. This DPF provides companies with a mechanism to comply with data protection requirements when transferring personal data from the EU to the United States. While this new framework might help reduce the complexity surrounding the transfer of personal data from the EU to the US, uncertainty remains as to the validity of this DPF (it is already subject, and might continue on being subject to, legal challenges). At present, companies still mostly rely on the European Commission's Standard Contractual Clauses to transfer personal data from Europe to the United States and other countries that have not been found to provide adequate protection to EU personal data. However, reliance on the Standard Contractual Clauses is subject to enhanced due diligence on the data importer's national laws: a transfer impact assessment must be carried out for any transfers and supplementary measures may have to accompany the Standard Contractual Clauses for a transfer to be compliant. These changes are causing us to continually review our current compliance approach and may result in additional compliance costs. The legal uncertainty related to cross-border transfers of personal data, could harm our ability to transfer personal data outside of the EU, and could in turn harm our ability to provide, and our customers' ability to use, some of our services.

Many governmental authorities in the markets in which we operate are also considering, or are in the process of implementing, additional and potentially diverging legislative and regulatory proposals that would or will increase the level and complexity of regulation of technology companies. For example, the EU's Digital Services Act, which fully entered into force on February 17, 2024, applies to trivago and, *inter alia*, imposes further disclosure obligations on us. The interpretation of this new regulation, which remains unclear for some of its provisions, is still subject to the upcoming publication of guidelines by the European Commission – the issuance of which could lead us to reassess our compliance approach on short notice. The EU has also adopted, or is in the process of adopting, a broad range of new legal instruments aimed primarily at regulating the technology sector (for example, the EU's Data Governance Act, the EU's Digital Markets Act, the EU's Data Act, the new EU's Network and Information Security Directive ("NIS 2"), and the ePrivacy Regulation).

The emergence of increasingly sophisticated artificial intelligence ("AI") models in recent years has prompted lawmakers around the world to consider or adopt AI-related regulations. For example, in February 2024, representatives of European Union Member States reached agreement on the proposed text of the EU's Artificial Intelligence Act, one of the first comprehensive regulations on AI. Other substantial markets, like the US and the UK, are also in the process of considering AI-specific legislation. The legal landscape surrounding AI therefore remains uncertain and will require close monitoring in the coming years, as trivago increasingly applies AI technologies.

It is impossible to predict whether further new taxes or regulations will be imposed on our services and whether or how we might be affected. Increased regulation of the Internet could increase the cost of doing business or otherwise materially adversely affect our business, financial condition or results of operations. In addition, the application and interpretation of existing laws and regulations to our business is often uncertain, given the highly dynamic nature of our business and the sector in which trivago operates.

2.4.13. Technology and infrastructure

Data and proprietary algorithms

We process a large amount of information about user traffic and behavior, advertisers and direct connections into the databases of many of our advertisers. We believe it is central to the success of our business that we effectively capture and parse this data. To achieve this, we have developed proprietary algorithms that drive key actions across our platform, including search, listings and bidding tools. We continue to explore new ways to capture relevant data and feed this into our platform to further enhance the experience for both our users and advertisers.

Infrastructure

Our primary data center is situated in Germany, and we additionally utilize cloud servers located in the EU, U.S., and Singapore, which we believe offer us secure and scalable storage and processing power at manageable incremental expense. While much of the data we receive and capture is not sensitive, our data centers and our cloud providers strive to be compliant with the highest security standards. Where required, our data centers and

cloud providers are payment card industry (PCI) compliant and accordingly, it is our policy to store separately the limited amount of relevant sensitive data that we do capture. We have designed our websites, apps and infrastructure to be able to support high-volume demand.

Software

We develop our own software employing a rigorous iterative approach. This includes the proprietary algorithm underlying our search function, internal management tools, data analytics and advertiser tools.

2.4.14. Legal proceedings

A number of regulatory authorities in Europe, Australia, and elsewhere have initiated litigation and/or market studies, inquiries or investigations relating to online marketplaces and how information is presented to consumers using those marketplaces, including practices such as search results rankings and algorithms, discount claims, disclosure of charges and availability and similar messaging.

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. 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. We paid the penalty balance of €29.6 million (AUD 44.7 million) in the second quarter of 2022 and costs arising from the proceedings. The penalty balance had been previously provided for over multiple accounting periods within other liabilities in our consolidated statement of financial position.

In addition, two purported class actions have been filed in Israel and Ontario, Canada, making allegations about our advertising and/or display practices, such as search results rankings and algorithms, and discount claims. Plaintiffs' motion for class certification in the Ontario action was denied on November 28, 2022. Plaintiffs have since filed a notice of appeal asking that the motion for class certification be granted. A hearing regarding that appeal took place on November 17, 2023, and a decision rejecting the appeal was announced on March 21, 2024. The plaintiffs filed a motion for leave to appeal on April 4, 2024. A case management hearing in the class action was filed in Israel. The matter remains at a relatively early stage.

2.4.15. Corporate social responsibility and sustainability

trivago acknowledges the importance of corporate social responsibility and aims to conduct its business in the most sustainable manner. In 2023, we continued to focus on creating and maintaining an inclusive workplace. To reflect our growing focus on diversity and inclusion, a designated position within our human relations function coordinates our efforts, and we aim at driving these measures further in 2024, especially as they relate to gender diversity. Furthermore, our company supports local education by providing tech-focused workshops to the community, leveraging our team's skills to enhance local tech knowledge. We also make donations to support these efforts. We are working on setting up a partnership with a major NGO to help provide emergency support on a regular basis. We are enthusiastic about the ongoing development of our community engagement efforts and look forward to making a more significant impact through these initiatives.

A core component of our company mission — to be your companion to experience our world — is ensuring there is always a world worth experiencing. Running our own operations sustainably is an important part of our strategy. Our headquarters in Düsseldorf, Germany, where the great majority of our employees are located, has received a LEED gold certificate, indicating that it meets certain criteria that address carbon, energy, water, waste, transportation, materials, health and indoor environmental quality. In addition, our data centers have largely migrated to the cloud. Our primary cloud provider matches its annual electricity consumption with purchases of renewable energy.

We may become subject to further sustainability related reporting requirements in the near future. Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022, amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (the "CSRD"), entered into force on January 5, 2023. The CSRD modernizes and

strengthens the rules about the social and environmental information that companies have to report. The CSRD aims to ensure that investors and other stakeholders have access to the information they need to assess investment risks arising from climate change and other sustainability topics. The CSRD will require companies to disclose information on the basis of European Sustainability Reporting Standards (“ESRS”) in their consolidated annual report. Based on the CSRD, companies will be required to report on the way they operate and manage social and environmental challenges. In connection with these reporting obligations we may also be required to formulate long-term ESG targets, policy, strategic plans and to conduct due diligence for our operations and supply chain. The CSRD also makes it mandatory for companies to have a review of the sustainability information that they report. The ESRS require companies to disclose detailed information on environmental protection, social responsibility and treatment of employees, respect for human rights, anti-corruption, bribery and on diversity.

3. Financial Overview

3.1. Selected financial data

The selected consolidated financial data for each of the years ended December 31, 2023 and 2022 have been derived from our audited consolidated financial statements and notes thereto set forth in section 9 of this annual report. The selected consolidated financial data for the year ended December 31, 2021 has been derived from our audited consolidated financial statements and notes thereto set forth in the annual report for the fiscal year ended December 31, 2022.

The following selected consolidated financial data should be read in conjunction with 3.2. *Management's discussion and analysis of financial condition and results of operations* and our consolidated financial statements and related notes appearing elsewhere in this annual report. Our consolidated financial statements included herein are prepared in accordance with EU IFRS and with Part 9 of Book 2 of the DCC.

	2023		2022		2021
	€000		€000		€000
Consolidated statement of profit and loss					
Revenue from contracts with customers	485,031		535,005		361,465
<i>% of revenue growth</i>	(9)%		48 %		45 %
Gross profit	473,148		522,319		349,987
<i>as a % of sales</i>	98 %		98 %		97 %
Profit (loss) for the year	28,536		51,846		(9,367)
Earnings per share attributable to Class A and Class B common stockholders:					
<i>Basic</i> €	0.08	€	0.15	€	(0.03)
<i>Diluted</i> €	0.08	€	0.14	€	(0.03)
Dividends per share	€ 0.529228		—		—
Consolidated statement of financial position					
Cash and cash equivalents	101,847		248,584		256,378
Total assets	256,452		429,034		393,250
Total current liabilities	45,531		59,121		71,243
Total equity	165,978		323,132		276,474
Consolidated statement of cash flows					
Net cash provided by operating activities	26,882		69,748		38,781
Net cash provided by (used in) investing activities	21,559		(54,520)		10,031
Net cash used in financing activities	(194,900)		(23,492)		(3,129)

3.2. Management's discussion and analysis of financial condition and results of operations

Our total revenue for the years ended December 31, 2023 and 2022 was €485.0 million and €535.0 million, respectively, representing a decrease of 9%. Our Referral Revenue for the years ended December 31, 2023 and 2022 and was €476.8 million and €521.8 million, respectively, representing a decrease of 9%.

In the year ended December 31, 2023, Referral Revenue decreased on a year-over-year basis by 19% and 9% in Americas and Developed Europe, respectively, while it increased by 25% and Rest of World, compared to the year ended December 31, 2022. See *Results of Operations - Revenue* for further details.

Our profit for the year ended December 31, 2023 was €28.5 million, compared to the profit for the year ended December 31, 2022, of €51.8 million, representing a decrease of €23.3 million from 2022 to 2023.

How we earn and monitor revenue

We earn substantially all of our revenue when users of our websites and apps click on hotel offers or advertisements in our search results and are referred to one of our advertisers. We call this our Referral Revenue. Each advertiser determines the amount that it wants to pay for each referral by bidding for advertisements on our marketplace. We also offer the option for our advertisers to participate in our marketplace

on a cost-per-acquisition, or CPA, basis. We continue to onboard additional advertisers to the CPA model. See 2.4.5. Marketplace.

We also earn revenue by offering our advertisers business-to-business (B2B) solutions, such as access services and subscription fees earned from advertisers for the trivago Business Studio PRO Package. We also offered white label services, which were discontinued over the course of 2023. Revenues earned from these B2B solutions did not represent a significant portion of our total revenue.

Key metrics we use to monitor our revenue includes mainly our Return on Advertising Spend, or ROAS.

Referrals

We use the term “referral” to describe each time a visitor to one of our websites or apps clicks on a hotel offer in our search results and is referred to one of our advertisers. We charge our advertisers for each referral mostly on a CPC, basis.

We believe the primary factors that drive changes in our referral levels are the number of visits to our websites and apps (referred to as *traffic volume(s)*), the number of available accommodations on our search platform, content (the quality and availability of general information, reviews and pictures about the hotels), hotel room prices (the price of accommodation as well as the number of price sources for each accommodation), hotel ratings, the user friendliness of our websites and apps and the degree of customization of our search results for each visitor. Our referral levels are also heavily impacted by changes in our investment in Advertising Spend, as we rely on brand and performance marketing to attract users to our platform. In addition to continuously seeking expansion of our hotel advertisers and alternative accommodations network, we partner with such hotels or service providers to improve content, and constantly test and improve the features of our websites and apps to improve the user experience, including our interface, user friendliness, and personalization for each visitor.

Revenue per Referral

We use Revenue per Referral, or RPR, to measure how effectively we convert referrals to revenue. RPR is calculated as Referral Revenue divided by the total number of referrals in a given period.

RPR is determined by the CPC or CPA bids our advertisers submit on our marketplace. CPC bids submitted by our advertisers (or a CPC equivalent in the case of advertisers billed on a CPA basis) play an important role in determining the prominence given to offers and their placement in our search results.

Advertisers can analyze the number of referrals obtained from their advertisements on our marketplace and the consequent value generated from a referral based on the booking value they receive from users referred from our site to determine the amount they are willing to bid. We refer to this percentage of booking value we earn in Referral Revenue as *revenue share* or as our *monetization*. Accordingly, the bidding behavior of our advertisers is influenced by the rate at which our referrals result in bookings on their websites, or *booking conversion*, and the amount our advertisers obtain from referrals as a result of hotels and other accommodation booked on their sites, or *booking value*. The quality of the traffic we generate for our advertisers increases when aggregate booking conversion and/or aggregate booking value increases. We estimate overall booking conversion and booking value from data voluntarily provided to us by certain advertisers to better understand the drivers in our marketplace and, in particular, to gain insight into how our advertisers manage their advertising campaigns. Booking value is influenced by factors such as average daily rates of accommodation prices and duration, referred to as *length of stay*. Foreign exchange developments against our reporting currency (the euro) also play a role in revenue developments.

Assuming unchanged dynamics in the market beyond our marketplace, we would expect that the higher the potential booking value or conversion generated by a referral and the more competitive the bidding, the more an advertiser is willing to bid for a hotel advertisement on our marketplace, and therefore resulting in higher levels of monetization. The dynamics in the market beyond our marketplace are not static, and we believe that our advertisers continuously review their Advertising Spend on our platform and on other advertising channels, and continuously seek to optimize their allocation of their spending among us and our competitors.

The following tables set forth the percentage changes year-over-year of RPR and the number of referrals for our reportable segments for the years indicated. Percentages calculated below are based on the unrounded amounts and therefore may not recalculate on a rounded basis.

% increase/decrease in RPR (unaudited)	Year ended December 31,	
	2023 vs 2022	
Americas	(8)%	
Developed Europe	(2)%	
Rest of World	18 %	
Total	(6)%	

% increase/decrease in number of referrals (unaudited)	Year ended December 31,	
	2023 vs 2022	
Americas	(11)%	
Developed Europe	(7)%	
Rest of World	8 %	
Total	(4)%	

Return on Advertising Spend (ROAS)

We track the ratio of our Referral Revenue to our advertising expenses, or ROAS. We believe that ROAS is an indicator of the effectiveness of our advertising, and it is our primary operating metric. Historically, we believe that our advertising has been successful in generating additional revenue. We invest in many kinds of marketing channels, such as TV, search engine marketing, display and affiliate marketing, email marketing, social media, online video, mobile app marketing, content marketing, sponsorship and endorsement.

Our ROAS by reportable segment for the years ended December 31, 2023 and 2022 was as follows:

ROAS by segment (unaudited)	Year ended December 31,	
	2023	2022
Americas	148.3%	164.4%
Developed Europe	146.0%	158.6%
Rest of World	150.1%	188.8%
Global ROAS	147.6%	164.4%

Global ROAS decreased to 147.6% for the year ended December 31, 2023, compared to 164.4% in the same period in 2022. ROAS decreased by 16.1ppts, 12.6ppts and 38.7ppts in Americas, Developed Europe and Rest of World, respectively, compared to the same period in 2022.

Americas

In the year ended December 31, 2023, ROAS in Americas decreased to 148.3% as the relative decrease in Referral Revenue was greater than the relative decrease in Advertising Spend compared to the same period in 2022. Advertising Spend decreased by €12.6 million, or 9.6%, to €119.0 million in the year ended December 31, 2023, compared to the year ended December 31, 2022, mainly due to adjustments made to our performance marketing activities to maintain our ROAS targets. ROAS contribution decreased by €27.4 million, or 32.3%, to €57.4 million in the year ended December 31, 2023, compared to the same period in 2022.

Developed Europe

In the year ended December 31, 2023, ROAS in Developed Europe decreased to 146.0% as the relative decrease in Referral Revenue was greater than the relative decrease in Advertising Spend compared to the same period in 2022. Advertising Spend decreased by €2.1 million, or 1.4%, to €147.7 million in the year ended December 31, 2023, compared to the year ended December 31, 2022, mainly due to adjustments made to our performance marketing activities to maintain our ROAS targets, which were partly offset by increased brand investments. ROAS contribution decreased by €19.9 million, or 22.6%, to €68.0 million in the year ended December 31, 2023, compared to the same period in 2022.

Rest of World

In the year ended December 31, 2023, ROAS in Rest of World decreased to 150.1% as the relative increase in Advertising Spend was greater than the relative increase in Referral Revenue compared to the same period in 2022. Advertising Spend increased by €20.6 million, or 57.4%, to €56.5 million in the year ended December 31,

2023, compared to the year ended December 31, 2022, mainly driven by a significant increase in marketing activities due to the recovery of travel demand, particularly in Japan. ROAS contribution decreased by €3.5 million, or 11.0%, to €28.3 million in the year ended December 31, 2023, compared to the same period in 2022.

Marketplace dynamics

Our advertisers regularly adjust the CPC and CPA bids they submit on our marketplace to reflect the levels of referrals, customers, bookings or revenue and profit they intend to achieve with their marketing spend on our platform. In recent years, we have observed a number of factors that can influence their bidding behavior on our marketplace, including:

- The fees advertisers are willing to pay based on how they manage their advertising costs and their targeted return on investment;
- Our advertisers' testing of their bidding strategies and the extent to which they make their inventories available on our marketplace;
- Responses of advertisers to elevated levels of volatility on our marketplace;
- Advertiser competition for the placement of their offers; and
- Our advertisers' response to changes made to our marketplace.

Recent and ongoing trends in our business

The following recent and ongoing trends have contributed to the results of our consolidated operations, and we anticipate that they will continue to impact our future results.

Volatility in monetization and traffic volumes

During 2023, we observed lower levels of monetization compared to the prior year when we had benefited from a strong auction in our marketplace and the seasonal uptick in monetization had been particularly pronounced. Foreign exchange headwinds also negatively impacted our financial performance. We observed higher average booking values during 2023, although the levels normalized during the fourth quarter. At the beginning of 2024, monetization levels were volatile, varying significantly over the course of January.

In addition, we observed increased volatility in the results of our performance marketing campaigns during 2023. Higher levels of competition in performance marketing channels continued to negatively impact our results, which resulted in traffic volume declines, particularly in our Developed Europe and Americas segments. As we continued to be disciplined with ROAS targets, we experienced significant declines in performance marketing traffic volumes. In addition, we observed ad format tests on Google that negatively impacted traffic volumes to our platform. These declines were partly offset by increased traffic volumes in our Rest of World segment, where we continue to observe a strong recovery in post-COVID travel and the positive impact of marketing investments.

Brand marketing investments

We announced in September 2023 a renewed focus on our brand marketing strategy which aims to fuel long-term growth. We kicked off our new marketing campaigns in mid-December 2023, rolling out globally our new creative and refreshed logo in an effort to rejuvenate the brand. We expect the short-term effect of these brand investments on our traffic volumes to be limited and aim to see revenue growth in the medium-term; however, we believe that these investments will help us increase our brand baseline traffic over time, while negatively impacting our profitability in the near-term.

Macroeconomic and geopolitical environment

We continue to closely monitor the ongoing conflict affecting the Middle Eastern region. A prolonged or further escalation in the conflict may have a negative impact on our Rest of World segment results. We expect the new and existing geopolitical conflicts, disruptions to supply chain operations, and inflationary pressures to continue to have an impact on the travel market going forward. Against this backdrop, we believe travelers will have an increased need to compare prices as they focus on saving.

Advertiser structure

We continue to generate most of our Referral Revenue from a limited number of OTAs. Certain brands affiliated as of the date hereof with our majority shareholder, Expedia Group, including Brand Expedia, Hotels.com, Orbitz, Travelocity, Hotwire, Wotif, Vrbo and ebookers, in the aggregate, accounted for 36% of our Referral Revenue for the year ended 2023. Booking Holdings and its affiliated brands, Booking.com, Agoda and priceline.com accounted for 43% of our Referral Revenue for the year ended 2023. Although we believe we will ultimately receive a portion of the additional booking value we generate for our advertisers, the fact that a significant

portion of our Referral Revenue is generated from brands affiliated with Expedia Group and Booking Holdings can permit them to obtain the same or increased levels of referrals, customers, bookings or revenue and profit at lower cost.

Results of Operations

Revenue

Our total revenue in the year ended December 31, 2023 consisted of Referral Revenue of €476.8 million and other revenue of €8.2 million.

Total revenue for the year ended December 31, 2023 was €485.0 million, representing a decrease of €50.0 million, or 9%, compared to the year ended December 31, 2022. Revenue from related parties for the year ended December 31, 2023 decreased by €0.8 million, or 0.6%, compared to the year ended December 31, 2022, while revenue from third parties decreased by €49.1 million, or 14%, for the same period in 2022.

Referral Revenue for the year ended December 31, 2023 was €476.8 million, representing a decrease of €45.0 million, or 9%, compared to the same period in 2022. This decrease was primarily driven by softer bidding dynamics on our platform compared to the year ended December 31, 2022, when we had benefited from a strong auction. It was further driven by lower traffic volumes from increased competition in performance marketing channels and a negative foreign exchange rate impact due to the strengthening of the euro against foreign currencies, compared to the year ended December 31, 2022. The decrease was partly offset by higher average booking values and better booking conversion compared to the same period in 2022.

The breakdown of Referral Revenue by reportable segment is as follows:

(in millions)	Year ended December 31,		% Change
	2023	2022	2023 vs 2022
Americas	€ 176.4	€ 216.4	(19)%
Developed Europe	215.7	237.7	(9)%
Rest of World	84.7	67.7	25 %
Total	€ 476.8	€ 521.8	(9)%

Americas

Referral Revenue in Americas in the year ended December 31, 2023, decreased by €40.0 million, or 19%, compared to the same period in 2022. The year-over-year decrease was primarily driven by lower traffic volumes from increased competition in performance marketing channels, softer bidding dynamics on our platform compared to the same period in 2022 when we had benefited from a strong auction, and a negative foreign exchange rate impact due to the weakening of the U.S. dollar against the euro. These were partly offset by higher average booking values compared to the same period in 2022.

Developed Europe

Referral Revenue in Developed Europe in the year ended December 31, 2023, decreased by €22.0 million, or 9%, compared to the same period in 2022. The decrease was primarily driven by softer bidding dynamics on our platform compared to the same period in 2022 when we had benefited from a strong auction, and by lower traffic volumes from increased competition in performance marketing channels. The decrease was partly offset by better booking conversion and higher average booking values compared to the same period in 2022.

Rest of World

Referral Revenue in Rest of World in the year ended December 31, 2023, increased by €17.0 million, or 25%, compared to the same period in 2022, which was mainly driven by higher average booking values, better booking conversion, and an increase in traffic volumes, particularly in Japan. The increase was partly offset by a negative foreign exchange rate impact primarily due to the weakening of the Japanese Yen against the euro, and by a reduction in traffic volumes mostly in Central Eastern Europe compared to the same period in 2022.

Cost of revenue

Our cost of revenue consists primarily of our third-party cloud-related service provider expenses and third-party data center expenses, depreciation expense for self owned data center, personnel-related expenses and share-based compensation for our data center operations staff and our customer service team.

Cost of revenue was €11.9 million for the year ended December 31, 2023, and decreased by €0.8 million, or 6%, compared to the same period in 2022. The decrease was mainly driven by lower data center and cloud-related service provider costs.

Selling and distribution costs

Selling and distribution expense includes advertising expense, other selling and marketing expenses, and share-based compensation expense.

Advertising expense consists of fees that we pay for our various marketing channels like TV, search engine marketing, display and affiliate marketing, email marketing, online video, app marketing, content marketing, and sponsorship and endorsement.

Other selling and marketing expenses include personnel-related expenses for our marketing, sales and account management teams, as well as production costs for our TV spots and other marketing material, and other professional fees such as market research costs.

(in millions)	Year ended December 31,		% Change
	2023	2022	2023 vs 2022
Advertising expense	€ 323.2	€ 317.3	2 %
Other selling and marketing	21.8	23.8	(8)%
Share-based compensation	0.3	0.5	(40)%
Total selling and distribution expense	€ 345.3	€ 341.6	1 %

Selling and distribution expense for the year ended December 31, 2023 increased by €3.7 million, or 1%, compared to the same period in 2022, primarily driven by the increase in Advertising Spend in the Rest of World segment.

Advertising Spend increased by €5.9 million, or 2%, for the year ended December 31, 2023, compared to the same period in 2022. Advertising Spend increased by €20.6 million to €56.5 million in Rest of World, while it decreased by €12.6 million and €2.1 million to €119.0 million and €147.7 million in Americas and Developed Europe, respectively, compared to the year ended December 31, 2022. The overall increase in Advertising Spend was driven by higher brand investments and was partly offset by lower performance marketing spend. For a more detailed discussion of changes in Advertising Spend by segment, see "Return on Advertising Spend (ROAS)" above.

Other selling and marketing expenses excluding share-based compensation for the year ended December 31, 2023 decreased by €2.1 million, or 8%, compared to the same period in 2022. The decrease was primarily driven by lower expenses incurred to acquire traffic, and lower personnel-related costs from a lower headcount following the discontinuation of certain products and projects in the prior year and as a result of an internal reorganization of existing teams to achieve efficiencies in 2022. The decrease was further driven by cancellation fees incurred in the prior year for contracts related to discontinued products, and was partly offset by higher television advertisement production costs.

Technology and content

Technology and content expense consists primarily of expenses for technology development, product development and hotel search personnel and overhead, depreciation and amortization of technology assets including hardware, purchased and internally developed software and other professional fees (primarily licensing and maintenance expense), including share-based compensation expense.

(in millions)	Year ended December 31,		% Change
	2023	2022	2023 vs 2022
Personnel	€ 26.7	€ 30.9	(14)%
Share-based compensation	0.7	2.5	(72)%
Depreciation of technology assets	5.7	7.2	(21)%
Professional fees and other	15.0	13.5	11 %
Total technology and content	€ 48.1	€ 54.1	(11)%

Technology and content expense for the year ended December 31, 2023 decreased by €6.0 million, or 11%, compared to the same period in 2022, mainly due to lower personnel-related costs, share-based compensation, and depreciation expense, partly offset by higher professional fees and other expenses.

Personnel-related costs for the year ended December 31, 2023 decreased by €4.3 million, or 14%, mainly due a lower headcount following an internal reorganization of existing teams to achieve efficiencies through attrition and headcount reductions as a result of the discontinuation of certain products and projects in 2022. The decrease was further driven by lower severance payments compared to the year ended December 31, 2022.

Depreciation expense for the year ended December 31, 2023 decreased by €1.4 million, or 21%, mainly due to lower underlying capitalized software and software development cost assets that are typically depreciated over a three year useful life.

Share-based compensation expense for the year ended December 31, 2023 decreased by €1.8 million or 72% was mainly driven by higher forfeitures as a result of the lower headcount.

Professional fees and other expenses for the year ended December 31, 2023 increased by €1.5 million, or 11%, mainly due to higher cloud-related service provider costs and continuous investments to improve our platform. These were partly offset by the non-recurrence of an impairment of capitalized software assets related to discontinued products and projects recognized in the prior year.

General and administrative

General and administrative expense consists primarily of personnel-related costs including those of our executive leadership, finance, legal and human resource functions, as well as professional fees for external services including legal, tax and accounting. It also includes other overhead costs, depreciation and share-based compensation.

(in millions)	Year ended December 31,		% Change
	2023	2022	2023 vs 2022
Personnel	€ 15.8	€ 13.1	21 %
Share-based compensation	5.9	11.7	(50)%
Professional fees and other	16.3	16.3	— %
Total general and administrative	€ 38.0	€ 41.1	(8)%

General and administrative expense for the year ended December 31, 2023 decreased by €3.1 million, or 8%, compared to the same period in 2022, mainly due to lower share-based compensation expense, partly offset by higher personnel-related costs.

Share-based compensation decreased by €5.8 million, or 50%, for the year ended December 31, 2023, which was mainly driven by forfeitures as a result of the leadership team transition.

Personnel-related costs for the year ended December 31, 2023 increased by €2.7 million, or 21%, mainly due to an increase in compensation costs compared to the same period in 2022.

Other operating income

Other operating income for the year ended December 31, 2023 was €5.4 million compared to other net operating income of €0.6 million in the same period in 2022. The increase was mainly due to a higher interest income in the year ended December 31, 2023 compared to the same period in 2022.

Finance expense

Our finance expense was €1.6 million for the year ended December 31, 2023, which remained mostly stable compared to €1.7 million in the same period in 2022.

Share of loss of an associate

In the year ended December 31, 2023 we recorded our share of the loss of UBIO Limited in the amount of €0.2 million compared to €0.4 million in the same period in 2022.

Expense for income taxes

The income tax expense is mainly driven by income before income taxes of €44.5 million in 2023 and €83.4 million in 2022. Our effective tax rate was 35.9% in 2023 compared to 37.9% in 2022.

Liquidity and Capital Resources

For the year ended December 31, 2023, total cash and cash equivalents decreased by €146.7 million to €101.8 million. The decrease was mainly driven by negative cash flows from financing activities, partly offset by positive cash flows from operating and investing activities. Refer to further detail in sections below.

Our known material liquidity needs for periods beyond the next twelve months are described below in Note 9 Commitments and Contingencies. We believe that our cash from operations, together with our cash balance are sufficient to meet our ongoing capital expenditures, working capital requirements and other capital needs for at least the next twelve months.

The following table summarizes our cash flows for the years ended December 31, 2022 and 2023:

(in millions)	Year ended December 31,	
	2023	2022
Cash flows provided from operating activities	€ 26.9	€ 69.7
Cash flows provided from (used in) investing activities	21.6	(54.5)
Cash flows used in financing activities	(194.9)	(23.5)

Net Cash Flows From Operating Activities

For the year ended December 31, 2023, net cash provided from operating activities was €26.9 million mainly driven by the adjustment of non-cash items totaling €13.0 million included in the profit for the period of €28.5 million and taxes paid of €32.9 million, partly offset by an overall negative change in operating assets and liabilities of €47.6 million.

Non-cash items included in the profit for the period include share-based compensation of €7.1 million, depreciation of €4.8 million, and amortization of €3.2 million, partly offset by interest income of €5.2 million.

The change in operating assets and liabilities was primarily driven by cash outflows consisting of a decrease in taxes payable, net of taxes paid, of €43.8 million and an increase in taxes receivable of €6.2 million. These negative cash flows were partly offset by a decrease in accounts receivable, including related party, of €6.7 million due to lower revenues in the fourth quarter of 2023 compared to the same period in 2022.

Net Cash Flows From Investing Activities

For the year ended December 31, 2023, net cash provided from investing activities was €21.6 million, primarily driven by proceeds from sales and maturities of investments of €45.0 million and interest payments received of €5.3 million. This was partly offset by the purchase of an investment of €25.2 million and cash outflows of €3.2 million related to capital expenditures, including internal-use software and website development.

Net Cash Flows Used in Financing Activities

For the year ended December 31, 2023, net cash used in financing activities was €194.9 million, primarily driven by the one-time extraordinary dividend paid to shareholders in the fourth quarter of 2023 totaling €184.4 million and payments totaling €6.4 million related to withholding taxes on net share settlements of equity awards.

Research and Development

We conduct research and development activities to continuously improve our product and are only capitalized if all the conditions stipulated in the applicable accounting standard are met.

Amortization is recorded in technology and content of the consolidated statement of profit or loss in connection with capitalized research and development activities, which amounted to €3.1 million and €3.9 million for the years ended December 31, 2023 and December 31, 2022, respectively. Expenses related to research activities were insignificant for the years ended and December 31, 2023 and December 31, 2022, respectively.

Employees

We do not plan to increase our headcount materially during the year ending December 31, 2024.

Investments

In 2024, we plan to continue to make investments, for example, in self-developed software.

4. Risk Management and Risk Factors

4.1. Risk management, risk appetite and control systems

The management board and supervisory board are responsible for reviewing the Company's risk management and control systems in relation to the financial reporting by the Company. These risk management and control systems have been established to mitigate the risk the Company faces as described in section 4.2. *Risk Factors*. The supervisory board has charged its audit committee (the "Audit Committee") with the periodic oversight of these risk management and control systems, with reports being provided to the supervisory board. The Audit Committee assists the supervisory board in monitoring (i) the integrity of the Company's financial statements and its accounting and financial reporting processes, (ii) the effectiveness of the Company's internal control over financial reporting, (iii) the Company's compliance with applicable legal and regulatory requirements (including United States federal securities laws), (iv) the qualifications, independence and performance of the independent auditors, (v) the Company's internal audit function, (vi) the Company's processes and procedures relating to risk assessment and risk management, and (vii) related party transactions.

Our success as a business depends on our ability to identify opportunities while assessing and maintaining an appropriate risk appetite. Our risk management considers a variety of risks, including those related to our industry and business, those related to our ongoing relationship with our shareholders; those related to our intellectual property and those related to the ownership of our Class A shares and American Depositary Shares ('ADS')s. Within each category of risk, we have included risk factors in section 4.2. *Risk Factors* that describe our current view of the significance of each risk described therein and have summarized those that we consider as key risks in the section 4.2.1. *Summary of key risk factors*. The summary of key risk factors may not include all risks that may affect the Company, and other risks included in section 4.2. *Risk Factors* as well as others not described in this report may have a material and adverse impact on our business, strategic objectives, revenues, income, assets, liquidity, capital resources and achievement of our strategic initiatives. Our approach to risk management is designed to provide reasonable, but not absolute, assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated and all information that may be required to be disclosed is reported to our senior management including, where appropriate, to our Chief Executive Officer and Chief Financial Officer. Our risk appetite is also described in various chapters of this report, including in sections *Recent and ongoing trends in our business* and *Liquidity and Capital Resources* as well as *Note 7 Financial risk management* to the Consolidated Financial Statements (section 9).

The management board and the supervisory board believe that the Company's internal risk management and control systems provide reasonable assurance that the Company's financial reporting does not contain any errors of material importance and that these risk management and control systems worked properly in the fiscal year to which this board report pertains. The management board and supervisory board have no reason to believe that there are material shortcomings associated with the Company's internal risk management and control systems. The risk management and control systems have not been materially revised during the fiscal year to which this board report pertains, and, other than as disclosed herein, no material improvements thereto are currently scheduled.

The Company's internal risk management and control systems are under continuous review and have been discussed by the management board with the Audit Committee and the members of the supervisory board. The same applies to any material weaknesses that are identified.

Controls and procedures

Disclosure controls and procedures

We maintain disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act. Our management, with the participation of our chief executive officer and chief financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2023. Based upon that evaluation, our chief executive officer and chief financial officer concluded that, as of December 31, 2023, the design and operation of our disclosure controls and procedures were effective to accomplish their objectives.

Management's report on internal control over financial reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. GAAP.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the criteria for effective control over financial reporting described in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this evaluation, management has concluded that, as of December 31, 2023, the Company's internal control over financial reporting was effective. Management has reviewed its assessment with the Audit Committee.

On the basis of what is described in the paragraph directly above and of periodic reports and information provided to our managing directors, coming from different processes, audits and controls, including the internal function and the Audit Committee (which periodically has separate executive sessions with management and the internal audit function discussing relevant topics) and the information it received from management, our management board is of the opinion that:

- this report provides sufficient insight into failings in the effectiveness of the Company's risk management and control systems with regard to the risks associated with the strategy and activities of the Company and its affiliated enterprise (if any — none are identified in this report);
- the Company's risk management and control systems provide reasonable assurance that the Company's financial reporting does not contain material inaccuracies;
- based on the Company's state of affairs as at the date of this report and sufficiency of our cash balance to meet the Company's material liquidity needs as described in the penultimate paragraph of the *3.2 Liquidity and Capital Resources* section of this board report, it is justified that the Company's financial reporting is prepared on a going concern basis; and
- this report states the material risks associated with the strategy and activities of the Company and its affiliated enterprise and the uncertainties, to the extent that they are relevant to the expectation of the Company's continuity for a period of twelve months after the date of this report.

Management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all cases of error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

4.2. Risk factors

Our business faces significant risks. You should carefully consider all of the information set forth in this board report and in our filings with the United States Securities and Exchange Commission, or the SEC, including the information set forth in our annual report on Form 20-F, filed with the SEC on March 1, 2024, and the following risk factors which we face and that are faced by our industry. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. This board report also contains forward-looking statements that involve risks and uncertainties. Our results could materially differ from those anticipated in these forward-looking statements as a result of certain factors including the risks described below and elsewhere in this report and our SEC filings. See 1.2. Special note regarding forward-looking statements” above.

4.2.1. Summary of key risk factors

Some of the key risks related to trivago and its business include the following. See chapters 4.2.2. to 4.2.9. of this board report for additional detail and other risks. We urge shareholders to review all of chapter 4.2 for a complete understanding of applicable risk factors.

Risks related to the general economic and geopolitical environment, the travel industry and our business

- We recently announced a strategy to increase brand marketing investments, with the aim of increasing the volume of direct traffic to our platform in the long-term. This strategy may not enable us to grow our revenue in future periods, or at rates deemed sufficient by the market without reducing our profits or incurring losses.
- We rely on search engines, particularly Google, to drive a substantial amount of traffic to our platform. Google continues to promote its own products and services that compete directly with our accommodation search at the expense of traditional keyword auctions and organic search. If we are unable to drive traffic cost-effectively, direct traffic to our platform could continue to decline and our business would be negatively affected.
- If TV or other brand marketing advertising becomes less effective or if we experience diminishing returns from investments in such advertising, overall or in key markets, our planned brand marketing campaigns may not be as successful in terms of Return on Advertising Spend (ROAS) as our broad-reaching TV marketing campaigns had been prior to the COVID-19 pandemic.
- The number of users we attract from search engines to our platform is due in large part to how and where information from, and links to, our websites are displayed on search engine pages. The display, including rankings, of search results can be affected by a number of factors, many of which are not in our control. Google and other search engines frequently update and change the logic that determines the placement and display of results of a user's search.
- We derive a very large portion of our revenue from a small number of advertisers. Any reduction in spending or any change in the bidding strategies by any of these advertisers could harm our business and negatively affect our financial condition and results of operations.
- We cannot reliably predict our advertisers' future advertising spend or CPC levels or other strategic goals they hope to achieve through changes in bidding on our marketplace and, as a result, it is difficult for us to forecast advertiser demand, especially since our advertisers can and often do change their CPC bidding levels with little or no notice to us.
- We are subject to a number of factors that contribute to significant period-to-period volatility in our financial condition and results of operations.
- We are dependent on general economic conditions, and declines in travel or discretionary spending could reduce the demand for our services.
- As a result of the change in the macroeconomic outlook, we have experienced and may in the future record impairments of goodwill.
- Increasing competition in our industry could result in a loss of market share and higher traffic acquisition costs or reduce the value of our services to users and a loss of users, which would adversely affect our business, results of operations, financial condition and prospects.
- Any change in the global geopolitical environment, including any escalation or unexpected change in circumstances in the ongoing military conflict between Russia and Ukraine or the ongoing conflict affecting the Middle Eastern region, may have a negative impact on our business.
- If we do not innovate and provide tools and services that are sufficiently useful to users and advertisers, we may not remain competitive, and our revenue and results of operations could suffer.

- Several of our product features depend, in part, on our relationship with third parties to provide us with content and services.
- Climate change may have an adverse impact on our business.

Legal and regulatory risks

- We are involved in various legal proceedings and may experience unfavorable outcomes, which could adversely affect our reputation, business and financial condition.
- Regulators' continued focus on the consumer-facing business practices of online travel companies may adversely affect our business, financial performance, results of operations or business growth.
- We process, store and use user and employee personal data, which entails reputational, litigation and liability risks associated to any actual or perceived potential failure to comply with relevant legal obligations and regulatory guidance, which are constantly evolving.
- Regulations and expectations relating to environmental, social, and governance (“ESG”) considerations could expose us to potential liabilities, increased costs, and reputational harm.

Operational risks

- The competition for highly skilled personnel, including senior management and technology professionals is intense. If we are unable to retain or motivate key personnel or hire, retain, and motivate qualified personnel, especially as the broader job market undergoes structural changes that increase our costs, our business would be harmed.
- We are dependent upon the quality of traffic in our network to provide value to our advertisers, and any failure in our ability to deliver quality traffic and/or the metrics to demonstrate the value of the traffic could have a material and adverse impact on the value of our websites to our advertisers and adversely affect our revenue.
- We rely on assumptions, estimates and data to make decisions about our business, and any inaccuracies in, or misinterpretation of, such information could negatively impact our business.
- We may experience difficulties in implementing new business and financial systems.
- Increased computer circumvention capabilities could result in security breaches in our information systems, which may significantly harm our business.
- Any significant disruption in service on our websites and apps or in our computer systems, most of which are currently hosted by third-party providers, could damage our reputation and result in a loss of users, which would harm our business and results of operations.
- We rely on information technology to operate our business and maintain our competitiveness, and any failure to invest in and adapt to technological developments and industry trends could harm our business.
- Any use of artificial intelligence/machine learning (AI/ML) technologies in our operations may present additional legal, regulatory, and social risks, which could lead to additional costs and impact our competitive position.
- Our brand is subject to reputational risks and impairment.

Risks related to our ongoing relationship with our shareholders

- Expedia Group controls our company and has the ability to control the direction of our business.
- Expedia Group’s interests may conflict with our interests, the interests of the Founders and the interests of our shareholders, and conflicts of interest among Expedia Group and us could be resolved in a manner unfavorable to us and our shareholders.

4.2.2. Risks related to the general economic and geopolitical environment, the travel industry and our business

We recently announced a strategy to increase brand marketing investments, with the aim of increasing the volume of direct traffic to our platform in the long-term. This strategy may not enable us to grow our revenue in future periods, or at rates deemed sufficient by the market without reducing our profits or incurring losses.

We almost completely ceased advertising on television in 2020 and resumed such advertising at reduced levels in recent years. We believe our prior television advertising campaigns continued to have a significant positive effect, albeit one that diminishes over time, on direct traffic volumes to our platform in periods after the

advertising was aired. As we continue to see diminishing returns from prior brand marketing campaigns, our financial performance has been negatively impacted. We have experienced declines in direct traffic volumes to our platform and a reduction in revenue of 9% in 2023, compared to 2022. We have decided to increase our brand marketing investments to increase the volume of direct traffic to our platform. Our planned increases in brand marketing investments are expected to negatively impact our profitability in the short-to-medium term and there can be no assurances that this revised strategy will succeed.

The success of our brand marketing investments depends on consumers' awareness of the trivago brand, perceived quality and perceived differentiated attributes of our brand, and to what extent those efforts help us attract and expand the number of users of our websites and apps. If TV or other brand marketing advertising becomes less effective or if we experience diminishing returns from investments in such advertising, overall or in key markets, our planned brand marketing campaigns may not be as successful in terms of Return on Advertising Spend (ROAS) as our broad-reaching TV marketing campaigns had been prior to the COVID-19 pandemic. As we make our planned investments, we may observe increasing prices in light of increased spending from competitors or may see reduced benefits from our advertising due to, among other things, increasing traffic share growth of search engines as destination sites for users and the declining viewership in certain age groups and changes in viewing patterns that reduce viewer exposure to advertising. As we develop new creative concepts in our advertisements, our new advertisements may not be as effective in terms of ROAS as those we have used in the past. Our competitors may also invest in innovative advertisement campaigns to improve their brand awareness, which could make it difficult for us to increase or maintain our own marginal returns on our advertisements, despite our planned investments in brand marketing.

We anticipate the decline in viewership on traditional linear television to persist as consumers shift to other digital formats, such as streaming platforms and online video. As a result, we have begun investing in other channels with which we have less experience, including non-linear TV advertising formats and social media which may prove less effective than TV advertising in the long run and potentially lead to a lower marginal ROAS. If we are unable to maintain or enhance consumer awareness of our brand or to generate additional revenue in a cost-effective manner, it may have a material adverse effect on our business, results of operations, financial condition and prospects.

We rely on search engines, particularly Google, to drive a substantial amount of traffic to our platform. Google continues to promote its own products and services that compete directly with our accommodation search at the expense of traditional keyword auctions and organic search. If we are unable to drive traffic cost-effectively, direct traffic to our platform could continue to decline and our business would be negatively affected.

We rely on Bing, Google, Yahoo! and other Internet search engines to generate a substantial amount of traffic to our websites, principally through the purchase of hotel-related keywords. We obtain a significant amount of traffic via search engines and therefore utilize techniques such as search engine optimization and search engine marketing to improve our placement in relevant search queries. The number of users we attract from search engines to our platform is due in large part to how and where information from, and links to, our websites are displayed on search engine pages. The display, including rankings, of search results can be affected by a number of factors, many of which are not in our control. Google and other search engines frequently update and change the logic that determines the placement and display of results of a user's search. If a major search engine changes its algorithms in a manner that negatively affects the search engine ranking, paid or unpaid, of our websites or that of our third-party distribution partners, it may have a material adverse effect on our business, results of operations, financial condition and prospects. For example, we observed ad format tests on Google that negatively impacted traffic volumes to our platform in 2023. In addition, increased competition in keyword auctions can also negatively impact our business, results of operations, financial condition and prospects. For example, we observed higher levels of competition in keyword auctions that resulted in declines in traffic volumes in 2023, particularly in our Americas and Developed Europe segments.

In addition, certain search and metasearch companies may change their displays or rankings in order to promote their own competing products or services, or the products or services of one or more of our competitors. For example, Google, a significant source of traffic to our website, frequently promotes its own hotel search platform (which it refers to as "Google Hotel Ads") at the expense of traditional keyword auctions and organic search results. This presents a challenge since we have significantly less flexibility to acquire traffic for our website using that platform compared to traditional hotel-related keyword advertising. In addition, our major advertisers might not be amenable in some cases to our using their inventory to compete with them on Google Hotel Ads, which may present a further difficulty if Google continues to direct traffic in this manner. Google's promotion of its own competing products, or similar actions by Google in the future that have the effect of reducing our prominence or ranking on its search results, could have a substantial negative effect on our business, results of operations, financial condition and prospects.

We derive a very large portion of our revenue from a small number of advertisers. Any reduction in spending or any change in the bidding strategies by any of these advertisers could harm our business and negatively affect our financial condition and results of operations.

Our "cost-per-click," or CPC, pricing for click-based advertising depends, in part, on competition among advertisers on our marketplace, with advertisers that pay higher CPCs generally receiving better advertising placement and more referrals from us. We continue to generate the great majority of our revenue from our largest OTA advertisers, including brands affiliated with Booking Holdings, such as Booking.com, Agoda and priceline.com, and those affiliated with our majority shareholder, Expedia Group, such as Brand Expedia and Hotels.com. The loss of any of our major advertisers, on some or all of our platforms, or a further reduction in the amount they spend, or a further concentration in Advertising Spend by one advertiser could result in significant decreases in our revenue and profit or negative impacts on our liquidity position.

Our ability to grow and maintain revenue from our advertisers is dependent to a significant extent on our ability to generate referrals, customers, bookings or revenue and profit for our advertisers on a basis they deem to be cost-effective. Any reduction in the value that we deliver to our advertisers or our ability to match the value delivered by our competitors may negatively affect CPC bids on our marketplace. Our advertisers' spend on our platforms may also be adversely affected by other factors such as a weakening of their own financial or business conditions or external economic effects.

Even if we improve our product and deliver value to our advertisers, the fact that a very significant portion of our revenue is generated from brands affiliated with Booking Holdings and Expedia Group can permit these advertisers, depending on marketplace dynamics, to adjust their CPC bids and obtain the same or increased levels of referrals, customers, bookings or revenue and profit at a lower cost. This can occur if one or more advertisers with sufficient market share to influence our aggregate CPC levels change their return-on-investment targets for their spend on our marketplace. Our advertisers may curtail their spend on our platform in response to changes we may make to our product offering or strategy, which may also, in turn, negatively impact our revenue levels and profitability or increase the volatility on our marketplace.

We are subject to a number of factors that contribute to significant period-to-period volatility in our financial condition and results of operations.

Our financial condition and results of operations have varied and may continue to vary considerably from period-to-period. This was reflected in the quarter-to-quarter changes in our profitability and revenue in 2023 and earlier years. We cannot reliably predict our advertisers' future advertising spend or CPC levels or other strategic goals they hope to achieve through changes in bidding on our marketplace and, as a result, it is difficult for us to forecast advertiser demand, especially since our advertisers can and often do change their CPC bidding levels with little or no notice to us. Our advertisers often pursue different marketing strategies and have varying levels of competitiveness based on their own competitive position. We believe that our advertisers continuously review their advertising spend on our platform and on other marketing channels, and continuously seek to optimize the allocation of their spend among us and our competitors.

We regularly compete with our advertisers in auctions for search engine keywords on Google and other search engines and adjust our spend on search engine marketing based on trends we see in our results. Large advertisers' strategies regularly test how changes in their spend on our platform may affect the efficiency of their spend on these other marketing channels. If these tests indicate that there are financial benefits from spending less on our platform, we would generate fewer referrals to our advertisers' websites, and as a result, our revenues and results of operations would be adversely affected.

Furthermore, any resulting changes in Referral Revenue, especially as a result of changes in CPC bidding levels by our largest advertisers, could result in our inability to reduce our Advertising Spend, particularly on television, quickly enough to respond to the change in revenue since we have historically placed orders for television advertising in advance of the campaign season. As we spend the great majority of our revenue on advertising, such a failure to reduce Advertising Spend quickly enough can have, and has in the past had, a sudden and significant adverse effect on our profitability and results of operations. This risk may be exacerbated by our strategy to increase our brand marketing investments. Any resulting inability to meet financial guidance that we may communicate to the market in the future may have a material adverse effect on our business, results of operations, financial condition and prospects.

We are dependent on general economic conditions, and declines in travel or discretionary spending could reduce the demand for our services.

Our results of operations and financial prospects are significantly dependent upon users of our services and the prosperity and solvency of the OTAs, hotel chains and independent hotels that have relationships with us. The global economic outlook continues to be highly uncertain, with an economic recession in some or all of our key markets still possible. Travel, including the booking of accommodation, is dependent on personal and business discretionary spending levels, which are directly affected by perceived or actual adverse economic conditions. Our results of operations and financial prospects continue to be significantly dependent upon the economic health of our users and the prosperity and solvency of the OTAs, hotel chains and independent hotels that have relationships with us.

As a result of the change in the macroeconomic outlook, we have experienced and may in the future record impairments of goodwill.

Future impairments might be driven by adjustments made to our profitability outlook arising from the announced strategy shift to long-term growth, share price decline, uncertainty in our operating environment, and the continued uncertainty in respect of the overall economic environment. We may record further impairment charges in the future due to further changes in the macroeconomic outlook.

Increasing competition in our industry could result in a loss of market share and higher traffic acquisition costs or reduce the value of our services to users and a loss of users, which would adversely affect our business, results of operations, financial condition and prospects.

We operate in an increasingly competitive travel industry. Many of our current and potential competitors, including hotels themselves (both hotel chains and independent hotels), and metasearch engines, such as Kayak, TripAdvisor, Skyscanner and Google Hotel Ads, locally focused metasearch engines, such as Check24, OTAs, such as Booking.com, Ctrip, TUI, trip.com and Brand Expedia, alternative accommodation websites, such as Airbnb and Vrbo, and other hotel websites, may have been in existence longer, may have larger user bases, may have wider ranges of products and services and may have greater brand recognition and customer loyalty in certain markets and/or significantly greater financial, marketing, personnel, technical and other resources than we do. Some of these competitors may be able to offer products and services on more favorable terms than we can. Google Hotel Ads and other metasearch websites, continue to expand globally, are increasingly competitive, have access to large numbers of users, and, in some cases, continue to adopt strategies and develop technologies and websites that are very similar to ours. In particular, Google has entered various aspects of the online travel market and has grown rapidly in this area, including by offering a flight meta-search product ("Google Flights"), a hotel meta-search product ("Google Hotel Ads"), a vacation rental meta-search product, a tours and activities product, an inspirational travel product, Google Travel (which is a planning tool that aggregates its flight, tours and activities and hotel and packages products in one website), and by integrating its hotel meta-search products and restaurant information and reservation products into its Google Maps app. In addition, artificial intelligence (AI) has the potential to disrupt the online travel industry, possibly changing how travelers look for and book travel. AI's advancement could enable our competitors to enhance user experiences and operational efficiencies, potentially threatening our position in the market if we do not adopt and deploy artificial intelligence/machine learning (AI/ML) as quickly or as efficiently as our competitors. Further, the rapid pace of AI/ML's development may require the investment of significant resources for us to remain competitive, and we may not receive commensurate returns if we are not successful in achieving the outcomes we expect (either on the timelines we expect or at all). The realization of any of these risks could result in higher traffic acquisition costs, lower CPC levels and reduced margins on our advertising services, loss of market share, reduced user traffic to our websites and reduced advertising by hotel companies and other accommodation advertisers on our websites.

Our business model and value proposition is focused primarily on providing users with search services for hotels. If user preferences shift from traditional hotel-based accommodation or if users expect our websites and apps to offer search for non-accommodation services, we may be unable to source and monetize that inventory to a sufficient degree.

Our success depends on continued innovation to provide features and services that make our websites and apps useful for users. While we have offered users the opportunity to search for alternative accommodation, such as vacation rentals, on our websites and apps, our primary historical focus has been on helping users search for accommodation at hotels. If user preferences shift away from traditional hotel-based accommodation, we may face challenges in integrating and monetizing new types of accommodation into our platform since those properties may have attributes substantially different from hotel rooms, our traditional area of focus. In addition, the online travel industry is rapidly evolving, and if we fail to predict the manner in which that market develops or if our competitors are able to acquire a larger share of the aggregate online accommodation searches at our expense, our financial performance may be harmed. In addition, we do not currently offer users the ability to search for air travel, rental cars, tours, cruises and other services with our advertisers, while they can book or otherwise obtain information about at least some of these services on the websites of nearly all of our major competitors. If we are unable to provide users with information they deem useful, or our competitors are able to provide more attractive offers for accommodation coupled with attractive offers for other services, or if our users demand to see more comprehensive offers akin to those of our competitors, this may have a substantial negative effect on our competitiveness, business, results of operations, financial condition and prospects.

If we do not innovate and provide tools and services that are sufficiently useful to users and advertisers, we may not remain competitive, and our revenue and results of operations could suffer.

Our competitors are constantly innovating in online accommodation-related services and features. As a result, we must continue to invest significant resources in research and development to continuously improve the speed, accuracy and comprehensiveness of our services. The emergence of alternative platforms and niche competitors who may be able to optimize services or strategies have required, and will continue to require, new and costly investments in technology. We have invested, and in the future may invest, in new business strategies and services to attain competitiveness. Some of the changes we are implementing may require us to make investments into what we perceive as longer-term profitable returns at the expense of short-term profitability, and as a result, we may continue to prioritize the quality of user experience over short-term monetization.

In the future, we may need to provide alternative hotel listing products, potentially including paid and non-paid placements, to ensure we have a competitive coverage of rates globally. These strategies and services may not succeed, and, even if successful, our revenue may not increase or we may not achieve the longer-term profitable returns that we expect. In addition, we may fail to adopt and adapt to new technology, especially as text-based Internet search, including through Google and Amazon, potentially moves to video and voice interfaces over the coming years, or we may not be successful in developing technologies that operate effectively across multiple devices and platforms. New developments in other areas could also make it easier for competitors to enter our markets due to lower up-front technology costs. If we are unable to continue offering innovative services or do not provide sufficiently comprehensive results for our users, we may be unable to attract additional users and advertisers or retain our current users and advertisers, which may have a material adverse effect on our business, results of operations, financial condition and prospects.

If we do not provide a broad set of offers to our users, we may not remain competitive, and our revenue and results of operations could suffer.

Our ability to attract users to our services depends in large part on providing a comprehensive set of accommodation search results and a broad range of offers across price ranges. To do so, we maintain relationships with OTAs, hotel chains, independent hotels and alternative accommodation providers to include their data in our search results. Although we maintain a very large searchable database of properties from around the world, we do not have relationships with some significant potential advertisers, including some major hotel chains, many independent hotels, smaller chains and certain large providers of alternative accommodations. The risk associated with incomplete coverage in our search results may increase if we see lower user interest in accommodation at hotels, for example as a result of any travel restrictions or because user preferences shift away from hotels to alternative accommodation. In addition, consolidation among advertisers, which may occur at increasing levels because of the general global economic situation, or a change to more coordinated or centralized marketing activities within OTA groups and hotel chains, could reduce the number of offers we have available in our marketplace for each hotel. The realization of any of these risks could make us less popular to our users and reduce the revenue we generate from referrals.

Several of our product features depend, in part, on our relationship with third parties to provide us with content and services.

We currently license, and incorporate into our websites, content and technology services from third parties. As we continue to improve the overall quality of our products, we may introduce new features that require us to incorporate new content or services, and this may require us to license additional rights. We cannot be sure that such technology will be available on commercially reasonable terms, if at all. In particular, certain third parties provide us with map products, content such as consumer reviews that we provide to our users along with our proprietary rating scores and hotel related data and information. If any of our third-party data providers terminate their relationships with us, the information that we provide to users may be limited or the quality of the information may suffer, which may negatively affect the implementation of our strategic initiatives, users' perception of the value of our product and our reputation.

Many events beyond our control, including geopolitical events, may adversely affect the travel industry.

Many events beyond our control can adversely affect the travel industry, with a corresponding negative impact on our business and results of operations. Natural disasters, including hurricanes, tsunamis, earthquakes or volcanic eruptions, and other natural phenomena, public health threats, such as outbreaks of the Zika virus, the Ebola virus, avian flu and, most recently, COVID-19, as well as other pandemics and epidemics, have disrupted normal travel patterns and levels in the past. The COVID-19 pandemic has had a significant negative impact on our global business volumes, particularly in 2020 and 2021 and a severe outbreak of new (vaccine-resistant) variants of these viruses, other airborne contagious diseases or another pandemic, may result in governmental authorities imposing or re-imposing restrictions and recommending precautions to mitigate the health crisis. The travel industry is also sensitive to other events that may discourage travel, such as work stoppages or labor unrest, political instability, regional hostilities. Any change in the global geopolitical environment, including any escalation or unexpected change in circumstances in the ongoing military conflict between Russia and Ukraine or the ongoing conflict affecting the Middle Eastern region, may have a negative impact on our business. We do not have insurance coverage against loss or business interruption resulting from war and terrorism, and we may be unable to fully recover any losses we sustain due to other factors beyond our control under our existing insurance coverage. The occurrence of any of the foregoing events may have a material adverse effect on our business, results of operations, financial condition and prospects.

Our global operations expose us to risks associated with currency fluctuations, which may adversely affect our business.

Our platform is available in a large number of jurisdictions outside the Eurozone. As a result, we face exposure to movements in currency exchange rates around the world. Changes in foreign exchange rates can amplify or reduce changes in the underlying trends in our Advertising Spend and revenue. A large portion of our advertising expenses are incurred in the local currency of the particular geographic market in which we advertise, with a significant amount incurred in U.S. dollar. Although we largely denominate our CPCs in euro and have relatively little direct foreign currency translation with respect to our revenue, we believe that our advertisers' decisions on the share of their booking revenue they are willing to pay to us are based on the currency in which the hotels being booked are priced. Accordingly, we have observed that advertisers tend to adjust their CPC bidding based on the relative strengthening or weakening of the euro as compared to the local functional currency in which the booking with our advertisers is denominated. Currency exchange-related exposures also include but are not limited to re-measurement gains and losses from changes in the value of foreign denominated monetary assets and liabilities; translation gains and losses on foreign subsidiary financial results that are translated into euro upon consolidation; fluctuations in hotel revenue and planning risk related to changes in exchange rates between the time we prepare our annual and quarterly forecasts and when actual results occur.

We do not currently hedge our foreign exchange exposure. Depending on the size of the exposures and the relative movements of exchange rates, if we choose not to hedge or fail to hedge effectively our exposure, we could experience a material adverse effect on our financial statements and financial condition. As we have seen in some recent periods, in the event of severe volatility in foreign exchange rates, these exposures can increase, and the impact on our results of operations can be more pronounced. In addition, the current environment and the global nature of our business have made hedging these exposures more complex.

We are subject to counterparty default risks.

We are subject to the risk that a counterparty to one or more of our customer arrangements will default on its performance obligations. A counterparty may fail to comply with its commercial commitments, which could then lead it to default on its obligations with little or no notice to us. This could limit our ability to take action to mitigate

our exposure. Additionally, our ability to mitigate our exposures may be constrained by the terms of our commercial arrangements or because market conditions prevent us from taking effective action. In addition, our ability to recover any funds from financially distressed or insolvent counterparties is limited, and our recovery rates in such instances have historically been very low. Because a majority of our accounts receivable are owed by Booking Holdings and Expedia Group, delays or a failure to pay by any of these advertisers could result in a significant increase in our credit losses, and we may be unable to fund our operations. Counterparties may also be located in countries where enforcement of our creditors' rights is more difficult than in the countries where our major OTA advertisers are located. If one of our counterparties becomes insolvent or files for bankruptcy, our ability to recover any losses suffered as a result of that counterparty's default may be limited by the liquidity of the counterparty or the applicable laws governing the bankruptcy proceedings, and in any event, the customers of that counterparty may seek redress from us, even though the booking with that counterparty was not conducted on our platform. In addition, almost all of our agreements with OTAs, hotel chains and independent hotels may be terminated at will or upon prior notice of thirty days or less by either party. In the event of such default or termination, we could incur significant losses or reduced revenue, which could adversely impact our business, results of operations, financial condition and prospects.

Climate change may have an adverse impact on our business.

Our businesses may also be negatively impacted by the direct and indirect impacts of climate change. Direct impacts include, amongst other factors, disruptions to travel resulting from more frequent or severe weather-related incidents. Indirect impacts may include, amongst other factors, a change in consumer preferences, which we may not successfully adapt to, or the general harm to our business resulting from the perception of travel as an environmental harm. These and other climate change related impacts could have a significant adverse impact on our business in both the short, medium, and long term. Further, the dynamic regulatory environment surrounding accounting standards and climate-related disclosures associated with emerging laws and reporting requirements and the related costs to comply with these emerging regulations could be significant.

Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/ EU, as regards corporate sustainability reporting (the "CSRD"), which entered into force on January 5, 2023 and which will apply to our reporting as of financial year 2025, strengthens the rules regarding social and environmental information that is required to be reported. trivago is currently in the process of determining how trivago will be reporting in accordance with the CSRD. The CSRD further makes it mandatory to have a review of the sustainability information. If our disclosure metrics relating to climate change and other sustainability topics are lower than those of our peers in the industry, this may lead to reputational risk which may lead to onward financial repercussions such as a decrease in share price or difficulty in raising capital.

4.2.3. Legal and regulatory risks

We are involved in various legal proceedings and may experience unfavorable outcomes, which could adversely affect our reputation, business and financial condition.

We are involved in various legal proceedings and disputes involving alleged infringement of third-party intellectual property rights, competition and consumer protection laws, including, but not limited to, the legal proceedings described in the following risk factor and in section 2.4.14. *Legal proceedings*. These matters may involve claims for substantial amounts of money or for other relief that might necessitate changes to our business or operations. The defense of these actions has been, and will likely continue to be, both time consuming and expensive and the outcomes of these actions cannot be predicted with certainty. Determining provisions for pending litigation is a complex, fact-intensive process that requires significant legal judgment. It is possible that unfavorable outcomes in one or more such proceedings could result in substantial payments that would adversely affect our business, consolidated financial position, results of operations, reputation or cash flows in a particular period.

Regulators' continued focus on the consumer-facing business practices of online travel companies may adversely affect our business, financial performance, results of operations or business growth.

A number of regulatory authorities in Europe, Australia and elsewhere have initiated litigation and/or market studies, inquiries or investigations relating to online marketplaces and how information is presented to consumers using those marketplaces, including practices such as search results rankings and algorithms, discount claims, disclosure of charges, and availability and similar messaging. For example, on January 20, 2020, the Australian Federal Court issued a judgment in the Australian Competition and Consumer Commission's (ACCC) case against us regarding our advertising and website display practices in Australia. On

April 22, 2022, the Australian Federal Court issued a judgment ordering us to pay a penalty of AUD 44.7 million. We paid the penalty balance of €29.6 million (AUD 44.7 million) in the second quarter of 2022 and costs arising from the proceedings. Parts of the court's opinions included views that differed significantly from those of other national regulators and raised concerns about the function of our marketplace and the adequacy of disclosures to consumers regarding how advertisers that pay higher CPCs generally receive better advertising placement on our website. Since then, two purported class actions have been filed in Israel and Ontario, Canada, making allegations about our advertising and/or display practices broadly similar to aspects of the case brought by the ACCC. Plaintiffs' motion for class certification in the Ontario action was denied on November 28, 2022. Plaintiffs have since filed a notice of appeal asking that the motion for class certification be granted. A hearing regarding that appeal took place on November 17, 2023, and a decision rejecting the appeal was announced on March 21, 2024. The plaintiffs filed a motion for leave to appeal on April 4, 2024. A case management hearing in the class action was filed in Israel. The matter remains at a relatively early stage.

Should other national courts or regulators take a similar view of our business model to that of the Australian Federal Court and the ACCC, or should changes in our business practices or those prevalent in our sector following the attention brought on by this litigation or other regulatory matters reduce the attractiveness, competitiveness or functionality of our platform and the services we offer, or should our reputation or that of our sector continue to suffer, or should we have to pay substantial amounts due to any such regulatory action or proceeding, our business, results of operations, financial condition and prospects could be adversely affected.

In addition, many governmental authorities in the markets in which we operate are also considering additional and potentially diverging legislative and regulatory proposals that would increase the level and complexity of regulation of Internet display, disclosure and advertising activities. There also are, and will likely continue to be, an increasing number of laws and regulations pertaining to the Internet and online commerce that may relate to liability for information retrieved from, transmitted over or displayed on the Internet, display of certain taxes, charges and fees, online editorial, user-generated or other third-party content, user or other third-party privacy, data security, behavioral targeting and online advertising, taxation, liability for third-party activities and the quality of services.

We process, store and use user and employee personal data, which entails reputational, litigation and liability risks associated to any actual or perceived potential failure to comply with relevant legal obligations and regulatory guidance, which are constantly evolving.

Personal data information is increasingly subject to legislation and regulations, and the enforcement thereof, in numerous jurisdictions around the world. We are in particular subject to the EU (European Union) General Data Protection Regulation 2016/679 or "GDPR", in effect since May 25, 2018, as well as the ePrivacy Directive (and local laws implementing the ePrivacy Directive) regarding the use of cookies and similar technologies. Both of these pieces of legislation have recently led to the imposition of significant fines on various companies by EU data protection authorities and/or similar enforcement actions. Due to the global nature of our operations, we are subject to an ever changing and growing patchwork of privacy laws, including the UK GDPR and the UK Data Protection Act 2018, the Brazilian General Data Protection Law, the Canadian Personal Information Protection and Electronic Documents Act, India's Digital Personal Data Protection Act, U.S. state privacy laws and others.

A number of these data protection laws (including the GDPR and the UK GDPR) contain restrictions on processing of personal data, including lawful processing ground, cross-border transfers of personal data, mandatory breach reporting to regulators and, under certain circumstances, to the individuals whose personal data was compromised in the breach.

Many other jurisdictions have adopted or are in the process of adopting data protection regulations, which are sometimes inconsistent or conflicting. While we strive to monitor and comply with this complex and ever-changing patchwork of laws, a failure or perceived or alleged failure by us or our third party providers to comply with data privacy requirements in one of the jurisdictions where we operate or target users may significantly harm our businesses, including by subjecting us to regulatory investigations or enforcement, lawsuits (including class actions), fines, sanctions or other penalties that could negatively affect our reputation, business, financial condition and results of operations. In general, negative publicity we might receive regarding any actual or perceived violations of consumer privacy rights, including fines and enforcement actions against us or other similarly placed businesses, may also impair consumers' trust in our privacy practices and make them reluctant to give their consent to share their data with us. In addition, we could be adversely affected if data privacy regulations are expanded (through new regulation or through legal rulings) to require major changes in our business practices and we may incur substantial compliance-related costs and expenses that are likely to increase over time. Implementation of and compliance with these laws and regulations may be more costly or take longer than we anticipate, or could otherwise adversely affect our business operations, including by causing us to divert resources from other initiatives and projects to address these evolving compliance and operational requirements, all of which could negatively impact our financial position or cash flows.

Changes in, and continued implementation and enforcement of, international trade and anti-corruption laws and regulations could affect our ability to remain in compliance with such laws and regulations and could have a materially adverse effect on our business, results of operations, financial condition and prospects.

The United States (acting through, among other government agencies, the SEC, the U.S. Department of Justice and the U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC)), as well as foreign authorities of other jurisdictions, such as the United Kingdom and the European Union, continue to be focused on the implementation and enforcement of economic and trade and anti-corruption laws and regulations, across industries. For example, U.S. sanctions broadly prohibit transactions conducted within U.S. jurisdiction in, with, involving or relating to certain countries and territories subject to comprehensive sanctions, including, currently, the Crimea, Donetsk, and Luhansk regions of Ukraine, Cuba, Iran, North Korea and Syria, and certain specifically designated individuals and entities (including the Government of Venezuela and those individuals and entities listed on OFAC's Specially Designated Nationals and Blocked Persons List), as well as parties owned (and with respect to the Government of Venezuela, owned or controlled) by such sanctioned individuals and entities. In addition, as a result of Russia's invasion of Ukraine, governmental authorities in the United States, the European Union, and the United Kingdom, among others, launched an expansion of coordinated sanctions and export control measures, including targeted sanctions against certain individuals and entities and prohibitions or restrictions on new investments and other financial, commercial, or trade-based activities. We believe that our activities comply with applicable trade and anti-corruption laws and regulations, including the laws and regulations administered and enforced by OFAC, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. As applicable laws and regulations are enacted or amended, often with little or no advance notice, and the interpretations of those laws and regulations may evolve or come into conflict with other jurisdictions, we cannot guarantee that our programs and policies will be deemed compliant by all applicable regulatory authorities or at all times. In the event that our controls should fail or are found not to be in compliance for any reasons, including as a result of changes to our products and services or the behavior of our advertisers, we could be subject to monetary damages, civil and criminal penalties or other regulatory action, litigation and damage to our reputation and the value of our brand.

We may not be able to adequately protect our intellectual property, which could harm the value of our brand and adversely affect our business.

We regard our intellectual property, including our business processes and other proprietary information, as critical to our success, and we rely on trademark, copyright and trade secret laws, domain name registration, confidentiality and non-disclosure procedures and contractual provisions and license agreements, where applicable, to protect our proprietary rights. If we are not successful in protecting our intellectual property, it could have a material adverse effect on our business, results of operations, financial condition and prospects.

Effective trademark and service mark protection may not be available in every country in which our services are provided. The laws of certain countries do not protect proprietary rights, such as trade secrets, to the same extent as the laws of the United States or Europe and, therefore, in certain jurisdictions, we may be unable to protect our proprietary technology adequately against unauthorized third-party copying or use, which could adversely affect our competitive position. In case of the introduction of new trademarks or logos, there is a risk of third parties with older, allegedly similar trademarks challenging the new brand. In addition, certain characteristics of the Internet, in particular the anonymity, may make the protection and enforcement of our intellectual property difficult and in some cases, even impossible. We have licensed in the past, and expect to license in the future, certain of our proprietary rights, such as trademarks, to third parties. These licensees may take actions that might diminish the value of our proprietary rights or harm our reputation, even if we have agreements prohibiting such activity. Moreover, we utilize intellectual property and technology developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties at all or on reasonable terms. Also, to the extent that third parties are obligated to indemnify us for breaches of our intellectual property rights, these third parties may be unable to meet these obligations. Any of these events may have a material adverse effect on our business, results of operations, financial condition and prospects.

We have registered domain names for websites that we use in our business, such as www.trivago.com, www.trivago.de and www.trivago.co.uk. Our competitors could attempt to capitalize on our brand recognition by using domain names similar to ours. Domain names similar to ours have been registered in the United States and elsewhere, and in some countries the domain name "trivago," or spelling variations of it, may be owned by other parties. We may be unable to prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of, our brand or our trademarks or service marks. Protecting and enforcing our rights to our domain names and determining the rights of others may require litigation, which,

whether or not successful, could result in substantial costs and diversion of management attention, as well as a loss in customer trust in the brand.

We are, and may in the future be, subject to legal claims alleging that we infringe, misappropriate or otherwise violate the intellectual property rights of third parties.

Our commercial success depends on our ability to conduct our business without infringing, misappropriating or otherwise violating any intellectual property owned by third parties. We may be subject to liability if our products, services, software or other technology, or the operations of our business infringe, misappropriate or otherwise violate the patents, copyrights, trademarks or other intellectual property rights of third parties. Intellectual property challenges have been increasingly brought against members of the travel industry, and third parties may bring legal claims, or threaten to bring legal claims, that their intellectual property rights are being infringed, misappropriated or otherwise violated by us, including by means of counterclaims against us as a result of the assertion of our intellectual property rights. Further, the use of AI/ML technologies in our operations may result in claims by third parties of infringement, misappropriation or other violations of intellectual property, including based on the use of large datasets to train the AI/ML technologies, or the use of output generated by AI/ML technologies, in either case which may contain or be substantially similar to third-party material protected by intellectual property, including patents, copyrights or trademarks.

We do currently, and could in the future, face claims that we have infringed the intellectual property rights of others. Legal proceedings involving intellectual property rights are highly uncertain and can involve complex legal and scientific questions, and any claims against us or such providers could require us to spend significant time and money in litigation or pay damages. Such claims could also delay or prohibit the use of existing, or the release of new, products, services or processes, and the development of new technology or intellectual property. We cannot assure you that we will achieve a favorable outcome for any such claims, and any such actual or threatened claims (whether or not valid) could adversely impact our reputation and result in direct and indirect costs, all of which may have an adverse impact on our operations and financial performance. Even if we believe such third party claims are without merit, a court may hold that we have infringed, misappropriated or otherwise violated such intellectual property rights or we may settle claims to avoid the cost and uncertainty of litigation. If we were to be found liable for any such infringement, misappropriation or other violation, we could be required to rebrand, redesign, reengineer or modify our products and services (including our platform), pay substantial monetary damages, including possible treble damages and attorneys' fees, or royalties and enter into costly license agreements (if available at all) to obtain the rights to use necessary technology, and we could be subject to injunctions preventing us from using some or all of our products, services or technology. Any payments we are required to make and any injunctions with which we are required to comply as a result of infringement claims could be costly.

Even if intellectual property claims brought by or against us are settled or resolved in our favor, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential or proprietary information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our securities.

Any of the foregoing could divert management's attention and materially and adversely affect our business, financial condition, results of operations and cash flows.

Regulations and expectations relating to environmental, social, and governance ("ESG") considerations could expose us to potential liabilities, increased costs, and reputational harm.

The current global regulatory landscape regarding climate change and other ESG-related matters is evolving at a pace, and is likely to continue to develop in ways, that require our business to adapt and invest in measures that do not directly enhance our core products and services and would require us to make certain disclosures regarding our operations and commitment as they pertain to ESG. Along with the regulatory changes, stakeholder (individuals, investors, employees, consumers and others) expectations and our efforts and ability to respond to and manage these expectations, establish and meet appropriate goals, commitments, and targets present numerous operational, regulatory, reputational, financial, legal, and other risks, which may be outside of our control or could have a material adverse impact on our business, including on our reputation and stock price. We also expect to incur additional costs and require additional resources to monitor, report, and comply with our various ESG reporting obligations and commitments.

4.2.4. Operational risks

The competition for highly skilled personnel, including senior management and technology professionals is intense. If we are unable to retain or motivate key personnel or hire, retain, and motivate qualified personnel, especially as the broader job market undergoes structural changes that increase our costs, our business would be harmed.

We believe our success has depended, and continues to depend, on the efforts and talents of our senior management and our highly skilled team members, including our software engineers and other technology professionals who are key to designing code and algorithms necessary to our business. Our workforce has declined from 1,247 on December 31, 2019 to 651 as of December 31, 2023. This reduction in workforce has resulted in the loss of institutional knowledge, relationships or expertise for critical roles. This reduction may also have a negative impact on employee morale and productivity, and could make it more difficult to retain valuable key employees, divert attention from operating our business, create personnel capacity constraints and hamper our ability to grow, develop innovative products and compete, any of which could impede our ability to operate or meet strategic objectives.

We continue to face intense competition for new talent as the broader job market appears to undergo structural changes that have further exacerbated the competitive environment. We compete with companies that have far greater financial resources than we do as well as companies that promise short-term growth opportunities and/or other benefits. These companies may be able to provide attractive offers to employees in critical roles who have gained valuable and marketable experience in our flat organizational structure. The competition for talent in our industry has in the past and may in the future increase our personnel expenses, which may adversely affect our results of operations. We have experienced changes to our senior management during 2023. We may be unable to hire or retain certain high-performing employees, including senior management, when the price of our ADSs is low, as a significant portion of the compensation they receive consists of equity grants. If we do not succeed in attracting well-qualified employees, or retaining or motivating existing employees, including senior management, our business would be adversely affected. The loss of the services of any key individual could negatively affect our business.

We are dependent upon the quality of traffic in our network to provide value to our advertisers, and any failure in our ability to deliver quality traffic and/or the metrics to demonstrate the value of the traffic could have a material and adverse impact on the value of our websites to our advertisers and adversely affect our revenue.

We use technology and processes to monitor the quality of the internet traffic that we deliver to our advertisers and have identified metrics to demonstrate the quality of that traffic and identify low quality clicks such as non-human processes, including robots, spiders, the mechanical automation of clicking and other types of invalid clicks or click fraud. Even with such monitoring in place, there is a risk that a certain amount of low-quality traffic will be delivered to such online advertisers. Such low-quality or invalid traffic may be detrimental to our relationships with advertisers and could adversely affect our advertising pricing and revenue.

We rely on assumptions, estimates and data to make decisions about our business, and any inaccuracies in, or misinterpretation of, such information could negatively impact our business.

We take a data-driven, testing-based approach to managing our business, where we use our proprietary tools and processes to measure and optimize end-to-end performance of our platform. Our ability to analyze and rapidly respond to the internal data we track enables us to improve our platform and make decisions about allocating marketing spend and ultimately convert any improvements into increased revenue. While the internal data we use to judge the effectiveness of changes to our platform and to make improvements to how we make decisions about allocating Advertising Spend are based on what we believe to be reasonable assumptions and estimates, our internal tools are not independently verified by a third-party and have a number of limitations. We only have access to limited information about user behavior compared to many of our competitors that in many cases can record detailed information about users who log onto their websites or who complete a booking or other transaction with them.

In addition, our ability to track user behavior is also subject to considerable limitations, for example, relating to our ability to use cookies and browser extensions to analyze behavior over time, and to difficulties pertaining to users who use multiple devices to conduct their search for accommodation. In particular, users can block or delete cookies through their browsers or “ad-blocking” software or apps. The most common Internet browsers allow users to modify their browser settings to prevent cookies from being accepted by their browsers or are set to block third-party cookies by default. At least one major browser has introduced extensive privacy features, including the imposition of a strict time limit on tracking tools' lifespans. Another major browser provider has announced a phase-out of third-party cookies for all users by the end of the second half of 2024. Further, the

mobile app ecosystem is constantly evolving, in particular with how the operating systems handle third party data tracking and usage. Changes in these technologies or developments further limiting data availability may inhibit our ability to use user and web analytics data to better understand and track our users' preferences. We use this information to improve our platform, to optimize our marketing campaigns and our advertisers' campaigns and to detect and prevent fraudulent activities, which all may be adversely affected. We believe that many of our competitors, in particular Google, have substantial advantages compared to us in their ability to understand and track users' behavior. In addition, we are to a significant extent dependent upon certain advertisers for specific types of user information, including, for example, as to whether a user ultimately completed a booking. Our or our advertisers' methodologies for tracking this information may change over time. Some countries have already adopted digital services tax, or other taxes of a similar nature, while other countries may also adopt such taxes in the future. In addition to increasing our operational expenses, digital services tax or other taxes of a similar nature make it more difficult for us to measure the marginal efficiency of our Advertising Spend among marketing channels as such taxes affect not only how we allocate our spend but also how these marketing channels and our advertisers make decisions about their businesses. Additionally, our use of such tracking tools may be subject to regulation by certain data protection laws.

Furthermore, we incorporate AI into certain of our offerings. The use of AI presents risks and challenges, including that algorithms may be flawed, datasets may be insufficient, erroneous, stale, or contain biased information, or content chosen for display to users by AI systems may be discriminatory, offensive, illegal, or otherwise harmful. These deficiencies and other failures of AI systems could subject us to competitive harm, regulatory action, legal liability, and brand or reputational harm. In addition, AI's sophistication in mimicking human behavior can also make it more difficult to detect fraudulent activities, such as click fraud and fake reviews, thereby potentially jeopardizing our reputation and relationships with advertisers. See also – *“Any use of artificial intelligence/machine learning (AI/ML) technologies in our operations may present additional legal, regulatory, and social risks, which could lead to additional costs and impact our competitive position.”*

If the internal tools we use to judge the effectiveness of changes to our platform produce or are based on information that is incomplete or inaccurate, or we do not have access to important information, or if we are not sufficiently rigorous in our analysis of that information, or if such information is the result of algorithm or other technical or methodological errors, the decisions we make relating to our website, marketplace and allocation of marketing spend may not result in the positive effects in terms of profitability, revenue and user experience that we expect, which may negatively impact our business, results of operations, financial condition and prospects.

In the past, we identified a material weakness in our internal control over financial reporting. If the measures we have implemented, including internal controls, fail to be effective in the future, any such failure could result in material misstatements of our financial statements, cause investors to lose confidence in our reported financial and other public information, harm our business and adversely impact the trading price of our ADSs.

Our management is responsible for establishing and maintaining internal controls over financial reporting, disclosure controls, and compliance with other requirements of the Sarbanes-Oxley Act and the rules promulgated by the SEC thereunder. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. GAAP. In addition, our independent registered public accounting firm is required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act. Satisfying these requirements requires us to dedicate a significant amount of time and resources, including for the development, implementation, evaluation and testing of our internal controls over financial reporting. Although no material weaknesses were identified in connection with the attestation of the effectiveness of our internal control over financial reporting as of December 31, 2023 or 2022, our management cannot guarantee that our internal controls and disclosure controls will prevent all possible errors or fraud. In addition, the internal controls that we have implemented could fail to be effective in the future. This failure could result in material misstatements in our financial statements, result in the loss of investor confidence in the reliability of our financial statements and subject us to regulatory scrutiny and sanctions. This could, in turn, harm our business and the market value of our ADSs. In addition, we may be required to incur costs in improving our internal controls system and the hiring of additional personnel.

We may experience difficulties in implementing new business and financial systems.

We continue to transition certain business and financial systems to systems that reflect the size, scope and complexity of our operations, such as an internally developed tool to manage the invoicing process and additional third-party tools which assist us with system integration and financial management. The process of migrating our legacy systems could disrupt our ability to timely and accurately process and report key aspects of our financial statements as we will rely on these systems for information that is included in or otherwise relevant

for our financial statements. As of January 1, 2024, trivago migrated to a new enterprise resource planning (ERP) system to continue replacing legacy systems. While the implementation of these systems is intended to increase accuracy of financial reporting and reduce our reliance on manual procedures and actions, the transition may affect the accuracy of reporting as we align some of our processes. With respect to these systems, certain additional financial controls and processes will be required and may result in changes to the current control environment. These changes will need to be assessed for effective implementation and effectiveness in mitigating inherent risk in these processes. This evaluation could result in deficiencies in our internal control over financial reporting, including material weaknesses, in future periods. Any difficulties in implementing the new software or related failures of our internal control over financial reporting could adversely affect our business, results of operations, financial condition and prospects, and could cause harm to our reputation. Furthermore, there is a risk that the implemented systems may fail during their initial implementation phases, which could have a further operational impact if the legacy systems are discontinued.

Increased computer circumvention capabilities could result in security breaches in our information systems, which may significantly harm our business.

The risk of a cybersecurity-related attack by bad actors or third parties seeking unauthorized access to our data or users' data, or to disrupt our ability to provide service, is persistent. An increasing number of companies, including those with significant online operations, such as us, have increasingly become susceptible to breaches of their security, some of which have involved sophisticated tactics and techniques. While we take measures to guard against the type of activity that can lead to data breaches, the techniques used by bad actors to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are unknown until launched against a target. As such, we may be unable to anticipate these tactics and techniques or to implement adequate preventative measures.

We cannot guarantee that our security measures or the security measures of external service providers will prevent all security breaches, intrusions or attacks, as computer circumvention tools and techniques become more advanced. A party that is able to circumvent our security systems or the systems of an external service provider could improperly obtain confidential information or cause significant disruptions to our operations. Further, despite the data recovery abilities covering the data hosted by cloud-hosted services, any breaches to our systems may leave us vulnerable to service outages, disruptions in access to our services or loss of ours or customers' material data which we may be unable to recover. In the past, we have experienced cyber-related fraud and "denial-of-service" type of attacks on our system, which have made portions of our website unavailable for periods of time. Any actions that impact the availability of our website or apps could cause a loss of substantial business volume during the occurrence of any such incident and such risks are likely to increase as the tools to carry out such actions become more advanced and sophisticated.

Cybersecurity threats may also be amplified by improper use of AI in addition to other related technologies, which may further increase our exposure to security breaches, intrusions or attacks and other cybersecurity risks, as attackers harness its capabilities to launch more complex, automated, and targeted attacks and may require us to spend additional resources to further strengthen our defenses against such threats. In addition to the considerable resources needed to address or mitigate their effects, security breaches could result in reputational harm and negative publicity with users and advertisers whether existing or potential, losing confidence in the security of our systems. Security breaches could also expose us to risk of loss, possible liability, and subject us to regulatory or criminal penalties and sanctions as well as civil litigation, including under various complex and evolving data protection and cybersecurity laws.

Any significant disruption in service on our websites and apps or in our computer systems, most of which are currently hosted by third-party providers, could damage our reputation and result in a loss of users, which would harm our business and results of operations.

Our brand, reputation and ability to attract and retain users to use our websites and apps depend upon the reliable performance of our network infrastructure and content delivery processes. We have experienced interruptions in these systems in the past, including server failures that temporarily slowed down the performance of our websites and apps, in particular as we opted to use more cloud-based services. We may experience service interruptions in the future. Interruptions in these systems, whether due to system failures, computer viruses or physical or electronic break-ins, could affect the security or availability of our services on our websites and apps and prevent or inhibit the ability of users to access our service, which, in turn, can have a material adverse effect on our financial condition, business and results of operation. Problems with the reliability or security of our systems could harm our reputation. Damage to our reputation and the cost of remedying these problems could negatively affect our business, financial condition and results of operations.

While we still lease or own servers for internal communication and services, our systems mostly rely on cloud-hosted services. We are therefore reliant upon external providers, including Amazon Web Services and Google Cloud Platform, to provide us with cloud computing infrastructure. Any disruption to our use of services furnished by these providers or an unanticipated increase in costs from using those services could negatively impact our business operations. Our systems and operations are vulnerable to damage or interruption from fire, flood, power loss, telecommunications failure, terrorist attacks, acts of war, electronic and physical break-ins, computer viruses, earthquakes and similar events. The occurrence of any of the foregoing events could result in damage to our systems or could cause them to fail completely, and our insurance may not cover such events or may be insufficient to compensate us for losses that may occur.

Our systems are not completely redundant worldwide, so a failure of our system at one site could result in reduced functionality for our users, and a total failure of our systems could cause our websites or apps to be inaccessible to our users. Problems faced by our third-party service providers with the telecommunications network providers with which they contract or with the systems by which they allocate capacity among their users, including us, could adversely affect the experience of our users. Our third-party service providers could decide to close their facilities without adequate notice. Any financial difficulties, such as bankruptcy or reorganization, faced by our third-party service providers or any of the service providers with whom they contract may have negative effects on our business, the nature and extent of which are difficult to predict. If our third-party service providers are unable to keep up with our growing needs for capacity, this could have an adverse effect on our business, results of operations, financial condition and prospects. Any errors, defects, disruptions or other performance problems with our services could harm our reputation and may have a material adverse effect on our business, results of operations, financial condition and prospects.

We rely on information technology to operate our business and maintain our competitiveness, and any failure to invest in and adapt to technological developments and industry trends could harm our business.

We depend on the use of sophisticated information technologies and systems, including technology and systems used for websites and apps, customer service, supplier connectivity, communications, fraud detection and administration. As our operations grow in size, scope and complexity, we need to continuously improve and upgrade our systems and infrastructure to offer an increasing number of user-enhanced services, features and functionalities, while maintaining or improving the reliability and integrity of our systems and infrastructure. In addition, we may not be able to maintain our existing systems or replace or introduce new technologies and systems as quickly as we would like or need in a cost-effective manner. If these changes result in our infrastructure being unreliable or if they do not result in the benefits we anticipate, our business, results of operations, financial condition and prospects could be adversely affected.

Any use of artificial intelligence/machine learning (AI/ML) technologies in our operations may present additional legal, regulatory, and social risks, which could lead to additional costs and impact our competitive position.

Because AI/ML is a developing technology in its nascency, legal frameworks for AI/ML governance are unsettled, quickly developing, and unpredictable. The misuse of AI raises new ethical issues and poses a number of risks that cannot be fully mitigated. Using AI/ML while the technology is still developing may expose us to additional liability, reputational harm, and threats of litigation, particularly if the AI/ML we adopt produces errors, bias, hallucinations, harmful content, discrimination, intellectual property infringement or misappropriation, data privacy or cybersecurity issues, or otherwise does not function as intended. For example, AI/ML technologies are highly reliant on the collection and analysis of large amounts of data and complex algorithms, which may be overbroad, insufficient, or contain biased information. Moreover, with the use of AI/ML technologies, there often exists a lack of transparency of the sources of data used to train or develop the AI technologies or how inputs are converted to outputs and we cannot fully validate this process and its accuracy. The accuracy of such inputs and the resulting impacts on the results of AI/ML technologies cannot be verified and could result in outputs that may include or be derived from inaccurate or erroneous information.

The emergence of increasingly sophisticated AI/ML models in recent years has also prompted lawmakers around the world to consider regulation of AI. These regulations are in effect or under consideration in several jurisdictions where we do business. Moreover, regulations relating to AI/ML technologies may also impose certain obligations on organizations, and the costs of monitoring and responding to such regulations, as well as the consequences of non-compliance, could have an adverse effect on our operations or financial condition. For example, in February 2024, representatives of European Union Member States reached agreement on the proposed text of the EU's Artificial Intelligence Act (EU AI Act), one of the first comprehensive regulations on AI. While the legislative text of the EU AI Act has yet to be formally approved by the European Parliament, the proposed text introduces a risk-based framework for regulating AI systems and models. Based on the proposed

text, non-compliance with the EU AI Act's strictest prohibitions may lead to fines of up to €35 million, or 7% of a group's total worldwide annual turnover, whichever is higher. If adopted, the EU AI Act is expected to apply after a transitional period of two years after its entry into force (although certain rules may come into effect at an earlier time). Other substantial markets, like the U.S. and the U.K., are also in the process of considering AI-specific regulation. For example, the White House's Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence devises a framework for the U.S. government, among other things, to regulate private sector use and development of certain foundation models. The legal landscape surrounding AI therefore remains uncertain and will require close monitoring in the coming years, as trivago increasingly applies AI technologies.

The use of AI/ML, including potential inadvertent disclosure of personally identifiable information, could also lead to legal and regulatory investigations and enforcement actions, or may give rise to specific obligations, including required notices, consents and opt-outs, under various data privacy, protection and cybersecurity laws and regulations in a number of jurisdictions. Further, despite our ongoing investment in AI/ML, there is no assurance that new laws and regulations will not restrict the ways we can use the AI/ML we have adopted, including by limiting or changing global AI/ML adoption trends that may impede our strategy. Unfavorable legal and regulatory developments could also impact our vendors, suppliers and industry as a whole, and we may be exposed to increased risk of liability, reputational harm, and other significant costs if we need to make business and operational changes in response to such developments. Our failure, or perceived failure, to comply fully with developing interpretations of AI/ML laws and regulations, or meet evolving and varied stakeholder expectations and industry standards, could harm our business, reputation, financial condition, and operating results.

Our brand is subject to reputational risks and impairment.

We have developed our trivago brand through extensive marketing campaigns, website promotions, customer referrals and the use of a dedicated sales force. We cannot guarantee that our brand will not be damaged by circumstances that are outside our control or by third parties, such as hackers, or interfaces with their clients, such as subcontractors' employees or sales forces, with a resulting negative impact on our activities. For example, we may be subject to negative press accounts or other negative publicity regarding our product, brand or business practices, which may, among other things, cause us reputational harm. Such negative publicity may become more prevalent as a result of announced or future regulatory investigations or litigation relating to practices in our marketplace and related online travel-related market segments. We believe this occurred when the Australian Federal Court issued a judgment finding that we had engaged in conduct in breach of the Australian Consumer Law. Social media's reach may magnify any negative publicity and messages can "go viral" necessitating effective crisis response in real time. A failure on our part to protect our image, reputation and the brand under which we market our products and services may have a material adverse effect on our business, results of operations, financial condition and prospects.

We are subject to risks associated with a corporate culture that promotes entrepreneurialism among our employees and continuous learning.

We have delegated considerable operational autonomy and responsibility to our employees, including allowing our employees flexible working hours that allow them to determine when, where and for how long they work. We also often make changes to our internal organizational structure to support operational autonomy and individual advancement. Consequently, people in key positions may have less experience in the relevant operational areas. As our employees have significant autonomy and may lack experience when performing new operational roles, this could result in poor decision-making. We have also implemented remote working for our employees since the COVID-19 pandemic but have since limited the number of days that employees may work remotely. Our competitors may offer more operational autonomy and flexibility regarding remote work, which may, in turn, make it difficult for us to retain and motivate our employees. The realization of any of these risks could have a material adverse effect on our business, results of operations, financial condition and prospects.

Integration of acquired assets and businesses could result in operating difficulties and other harmful consequences.

We have made small strategic acquisitions in the past. We expect to continue to evaluate a wide array of potential strategic transactions. We could enter into transactions that could be material to our financial condition and results of operations. The process of integrating an acquired company, business or technology may create unforeseen operating difficulties and expenditures. The areas where we face risks in respect of acquisitions include:

- diversion of management time and focus from operating our business to acquisition diligence, negotiation and closing processes, as well as post-closing integration challenges;
- implementation or remediation of controls, procedures and policies at the acquired company;
- coordination of product, engineering and sales and marketing functions;
- retention of key employees from the businesses we acquire;
- responsibility for liabilities or obligations associated with activities of the acquired company before the acquisition;
- litigation or other claims in connection with the acquired company; and
- in the case of foreign acquisitions, the need to integrate operations across different geographies, cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries.

Furthermore, companies that we have acquired, and that we may acquire in the future, may employ security and networking standards at levels we find unsatisfactory. The process of enhancing infrastructure to improve security and network standards may be time-consuming and expensive and may require resources and expertise that are difficult to obtain. Acquisitions could also increase the number of potential vulnerabilities and could cause delays in detection of a security breach, or the timeliness of recovery from a breach. Failure to adequately protect against attacks or intrusions could expose us to security breaches of, among other things, personal user data and credit card information that may have a material adverse effect on our business, results of operations, financial condition and prospects.

Our failure to address these risks or other problems encountered in connection with our past or future acquisitions and investments could delay or eliminate any anticipated benefits of such acquisitions or investments, incur unanticipated liabilities and may have a material adverse effect on our business, results of operations, financial condition and prospects.

4.2.5. Risks related to our ongoing relationship with our shareholders

Expedia Group controls our company and has the ability to control the direction of our business.

As of December 31, 2023, Expedia Group owned Class B shares representing 60.0% of our issued shares and 84.1% of the voting power in us. As long as Expedia Group owns a majority of the voting power in us, Expedia Group will be able to control many corporate actions that require a shareholder vote.

This voting control limits the ability of other shareholders to influence corporate matters and, as a result, we may take actions that shareholders other than Expedia Group do not view as beneficial. This voting control may also discourage transactions involving a change of control of our company, including transactions in which you as a holder of ADSs (representing our Class A shares) might otherwise receive a premium for your shares. Furthermore, Expedia Group generally has the right at any time to sell or otherwise dispose of any Class A shares and Class B shares that it owns, including the ability to transfer a controlling interest in us to a third party, without the approval of the holders of our Class A shares and without providing for the purchase of Class A shares.

Expedia Group's interests may conflict with our interests, the interests of the Founders and the interests of our shareholders, and conflicts of interest among Expedia Group and us could be resolved in a manner unfavorable to us and our shareholders.

Various conflicts of interest among us and Expedia Group could arise. Ownership interests of directors or officers of Expedia Group in our shares, and ownership interests of members of our management board and supervisory board in the stock of Expedia Group, or a person's service as either a director or officer of both companies, could

create or appear to create potential conflicts of interest, including when those directors and officers are faced with decisions relating to our company. In recent years, Expedia Group, and brands affiliated with it, consistently accounted for a substantial portion of our revenue.

Potential conflicts of interest could also arise if we decide to enter into any new commercial arrangements with Expedia Group's businesses in the future or in connection with Expedia Group's desire to enter into new commercial arrangements with third parties. Expedia Group has the right to separately pursue acquisitions of businesses that we may also be interested in acquiring, or companies that may directly compete with us. Expedia Group may choose to pursue these corporate opportunities directly rather than through trivago.

Furthermore, disputes may arise between Expedia Group and us relating to our past and ongoing relationships, and these potential conflicts of interest may make it more difficult for us to favorably resolve such disputes, including those related to:

- tax, employee benefit, indemnification and other matters;
- the nature, quality and pricing of services Expedia Group agrees to provide to us;
- sales, other disposals, purchases or other acquisitions by Expedia Group of shares in us (including when our share price is lower than in comparable prior periods); and
- business combinations involving us.

We may not be able to resolve any potential conflicts, and even if we do, the resolution may be less favorable to us than if we were dealing with an unaffiliated party. While we are controlled by Expedia Group, we may not have the leverage to negotiate amendments to these agreements, if required, on terms as favorable to us as those we would negotiate directly with an unaffiliated third party.

4.2.6. Risks related to ownership of our Class A shares and ADSs

You may not be able to exercise your right to vote the Class A shares underlying your ADSs.

Holders of ADSs may exercise voting rights with respect to the Class A shares represented by their ADSs only in accordance with the provisions of the deposit agreement. The deposit agreement provides that, upon receipt of notice of any meeting of holders of our Class A shares, including any general meeting of our shareholders, the depository will, as soon as practicable thereafter, fix a record date for the determination of ADS holders who shall be entitled to give instructions for the exercise of voting rights. Upon timely receipt of notice from us, the depository shall distribute to the holders as of the record date (i) the notice of the meeting or solicitation of consent or proxy sent by us, (ii) a statement that such holder will be entitled to give the depository instructions and a statement that such holder may be deemed, if the depository has appointed a proxy bank as set forth in the deposit agreement, to have instructed the depository to give a proxy to the proxy bank to vote the Class A shares underlying the ADSs in accordance with the recommendations of the proxy bank and (iii) a statement as to the manner in which instructions may be given by the holders.

You may instruct the depository of your ADSs to vote the Class A shares underlying your ADSs. Otherwise, you will not be able to exercise your right to vote unless you withdraw our Class A shares underlying the ADSs you hold. However, you may not know about the meeting far enough in advance to withdraw those Class A shares. The depository, upon timely notice from us, will notify you of the upcoming vote and arrange to deliver voting materials to you. We cannot guarantee that you will receive the voting materials in time to ensure that you can instruct the depository to vote the Class A shares underlying your ADSs. In addition, the depository and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise your right to vote, and there may be nothing you can do if the Class A shares underlying your ADSs are not voted as you had requested.

Under the deposit agreement for the ADSs, we may choose to appoint a proxy bank. In this event, the depository will be deemed to have been instructed to give a proxy to the proxy bank to vote the Class A shares underlying your ADSs at shareholders' meetings if you do not vote in a timely fashion and in the manner specified by the depository.

The effect of this proxy is that you cannot prevent the Class A shares representing your ADSs from being voted, and it may make it more difficult for shareholders to exercise influence over our company, which could adversely affect your interests. Direct holders of our Class A shares are not subject to this proxy.

You may not receive distributions on the Class A shares represented by our ADSs or any value for them if it is illegal or impractical to make them available to holders of ADSs.

The depository of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our Class A shares after deducting its fees and expenses. You will receive these distributions in proportion to the number of our Class A shares your ADSs represent. However, the depository is not responsible if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. We have no obligation to take any other action to permit the distribution to any holders of our ADSs or Class A shares. This means that you may not receive the distributions we make on our Class A shares or any value from them if it is illegal or impractical for us to make them available to you. These restrictions may have a material adverse effect on the value of your ADSs.

You may be subject to limitations on the transfer of your ADSs.

Your ADSs, which may be evidenced by American Depositary Receipts, are transferable on the books of the depository. However, the depository may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depository may refuse to deliver, transfer or register transfers of your ADSs generally when our books or the books of the depository are closed, or at any time if we or the depository think it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, or for any other reason.

We may not pay any dividends for the foreseeable future.

The continued operation of, and strategic initiatives for, our business will require substantial cash. Accordingly, although we paid an extraordinary dividend in 2023, we may not pay any other dividends on our ADSs for the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our management board and will depend upon our results of operations, financial condition, contractual restrictions relating to indebtedness we may incur, restrictions imposed by applicable law and other factors our management board deems relevant.

4.2.7. Risks related to our corporate structure

The rights of shareholders in companies subject to Dutch corporate law differ in material respects from the rights of shareholders of corporations incorporated in the United States.

We are a Dutch public company with limited liability (*naamloze vennootschap*). Our corporate affairs are governed by our articles of association, the rules of our management board and our supervisory board, our other internal rules and policies and by Dutch law. The rights of shareholders and the responsibilities of members of our management board and supervisory board may be different from the rights and obligations of shareholders in companies governed by the laws of U.S. jurisdictions. In the performance of their duties, our management board and supervisory board are required by Dutch law to consider the interests of our company, its shareholders, its employees and other stakeholders, in all cases with due regard to the principles of reasonableness and fairness. It is possible that some of these parties will have interests that are different from, or in addition to, your interests as a holder of ADSs representing our Class A shares.

We are not obligated to and do not comply with all the best practice provisions of the Dutch Corporate Governance Code (or the DCGC). This may affect your rights as a shareholder.

We are a Dutch public company with limited liability (*naamloze vennootschap*) and are subject to the DCGC. The DCGC contains both principles and best practice provisions for management boards, supervisory boards, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards. The DCGC applies to all Dutch companies listed on a government-recognized stock exchange, whether in the Netherlands or elsewhere, including Nasdaq.

The DCGC is based on a “comply or explain” principle. Accordingly, companies are required to disclose in their annual reports filed in the Netherlands whether they comply with the provisions of the DCGC. If they do not comply with those provisions (e.g., because of a conflicting U.S. requirement), the company is required to give the reasons for such non-compliance. We do not comply with all the best practice provisions of the DCGC. This may affect your rights as a shareholder and you may not have the same level of protection as a shareholder in a Dutch company that fully complies with the DCGC.

Our dual-class share structure with different voting rights limit your ability as a holder of Class A shares to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A shares may view as beneficial.

We have a dual-class share structure such that our share capital consists of Class A shares and Class B shares. In respect of matters requiring the votes of shareholders, based on our dual-class share structure, holders of Class A shares are entitled to one vote per share, while holders of Class B shares are entitled to ten votes per share. Each Class B share is convertible into one Class A share at any time by the holder thereof, while Class A shares are not convertible into Class B shares under any circumstances. Each of our ADSs represents five Class A shares.

As of December 31, 2023, Expedia Group owned Class B shares representing 60.0% of our issued shares and 84.1% of the voting power in us, and Rolf Schrömgens, one of our founders and a member of our supervisory board, owned Class B shares representing 8.2% of our issued shares and 11.5% of the voting power in us due to the disparate voting powers associated with our dual-class share structure. Mr. Schrömgens also holds Class A shares representing approximately 9.9% of our issued shares. As a result of the dual-class share structure and the concentration of ownership, Expedia Group has considerable influence over matters such as decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, appointment and dismissal of management board members and supervisory board members and other significant corporate actions. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could have the effect of depriving the holders of ADSs (representing Class A shares) of the opportunity to receive a premium for their shares as part of a sale of our company and may reduce the price of our Class A shares. This concentrated control limits your ability to influence corporate matters that holders of Class A shares may view as beneficial.

German and European insolvency laws are substantially different from U.S. insolvency laws and may offer our shareholders less protection than they would have under U.S. insolvency laws.

As a company with its registered office in Germany, we are subject to German insolvency laws in the event any insolvency proceedings are initiated against us including, among other laws and regulations, the German Insolvency Code (*Insolvenzordnung*) and Regulation (EU) 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings. Should a court in another Member State of the European Union determine that our center of main interests (COMI) is situated in that Member State, the courts in that Member State will in principle have jurisdiction over the insolvency proceedings initiated against us and the insolvency laws of that Member State will in principle apply to us, in accordance with and subject to such the aforementioned Regulation and the rules promulgated thereunder. Insolvency laws in Germany or the relevant other Member State of the European Union, as applicable, may offer our shareholders less protection than they would have under U.S. insolvency laws and make it more difficult for them to recover the amount they could expect to recover in a liquidation or restructuring under U.S. insolvency laws.

Dutch law and our articles of association may contain provisions that may discourage a takeover attempt.

Dutch law and provisions of our articles of association may in the future impose various procedural and other requirements that would make it more difficult for shareholders to effect certain corporate actions and would make it more difficult for a third-party to acquire control of us or to effect a change in the composition of our management board and supervisory board. For example, such provisions include our dual-class share structure that gives greater voting power to the Class B shares owned by Expedia Group and Mr. Schrömgens the binding nomination structure for the appointment of our management board members and supervisory board members, and the provision in our articles of association which provides that certain shareholder decisions can only be passed if proposed by our management board.

Dutch law also allows for staggered multi-year terms of our managing directors and supervisory board members, as a result of which only part of our managing directors and supervisory board members may be subject to appointment or re-appointment in any given year.

Furthermore, in accordance with the DCGC, shareholders who have the right to put an item on the agenda for our general meeting or to request the convening of a general meeting shall not exercise such rights until after they have consulted our management board. If exercising such rights may result in a change in our strategy (for example, through the dismissal of one or more of our managing directors or supervisory board members), our management board must be given the opportunity to invoke a reasonable period of up to 180 days to respond to the shareholders' intentions. If invoked, our management board must use such response period for further deliberation and constructive consultation, in any event with the shareholder(s) concerned, exploring alternatives. At the end of the response time, our management board, supervised by our supervisory board, shall

report on this consultation and the exploration of alternatives to our general meeting. The response period may be invoked only once for any given general meeting and shall not apply (i) in respect of a matter for which either a response period or a statutory cooling-off period (as discussed below) has been previously invoked or (ii) in situations where a shareholder holds at least 75% of our issued share capital as a consequence of a successful public bid.

Moreover, our management board, with the approval of our supervisory board, can invoke a cooling-off period of up to 250 days when shareholders, using their right to have items added to the agenda for a general meeting or their right to request a general meeting, propose an agenda item for our general meeting to dismiss, suspend or appoint one or more managing directors or supervisory board members (or to amend any provision in our articles of association dealing with those matters) or when a public offer for our company is made or announced without our support, provided, in each case, that our management board believes that such proposal or offer materially conflicts with the interests of our company and its business. During a cooling-off period, our general meeting cannot dismiss, suspend or appoint managing directors and supervisory board members (or amend the provisions in our articles of association dealing with those matters) except at the proposal of our management board. During a cooling-off period, our management board must gather all relevant information necessary for a careful decision-making process and at least consult with shareholders representing 3% or more of our issued share capital at the time the cooling-off period was invoked, as well as with our Dutch works council (if we or, under certain circumstances, any of our subsidiaries would have one). Formal statements expressed by these stakeholders during such consultations must be published on our website to the extent these stakeholders have approved that publication. Ultimately one week following the last day of the cooling-off period, our management board must publish a report in respect of its policy and conduct of affairs during the cooling-off period on our website. This report must remain available for inspection by shareholders and others with meeting rights under Dutch law at our office and must be tabled for discussion at the next general meeting. Shareholders representing at least 3% of our issued share capital may request the Enterprise Chamber of the Amsterdam Court of Appeal, or the Enterprise Chamber (*Ondernemingskamer*), for early termination of the cooling-off period. The Enterprise Chamber must rule in favor of the request if the shareholders can demonstrate that:

- our management board, in light of the circumstances at hand when the cooling-off period was invoked, could not reasonably have concluded that the relevant proposal or hostile offer constituted a material conflict with the interests of our company and its business;
- our management board cannot reasonably believe that a continuation of the cooling-off period would contribute to careful policy-making; or
- other defensive measures, having the same purpose, nature and scope as the cooling-off period, have been activated during the cooling-off period and have not since been terminated or suspended within a reasonable period at the relevant shareholders' request (i.e., no 'stacking' of defensive measures).

U.S. investors may have difficulty enforcing civil liabilities against us or members of our management board and supervisory board.

We are organized and existing under the laws of the Netherlands, and, as such, under Dutch private international law rules the rights and obligations of our shareholders vis-à-vis the Company arising from Dutch corporate law and our articles of association, and the civil liability of our directors and executive officers is governed in certain respects by the laws of the Netherlands. We are not domiciled in the United States and most members of our management board and supervisory board are also non-residents of the United States. As a result, depending on the subject matter of the action brought against us and/or our officers, shareholders in certain jurisdictions other than the Netherlands, such as the United States, may have difficulty bringing an action against us. If a Dutch court has jurisdiction with respect to such action, that court will apply Dutch procedural law and Dutch private international law to determine the law applicable to that action. Depending on the subject matter of the relevant action, a competent Dutch court may apply a law other than the laws of the United States. It is unclear whether a Dutch court would impose civil liability on us or any of our directors and executive officers in an original action based solely on the federal securities laws of the United States brought in a court of competent jurisdiction in the Netherlands.

In addition, substantially all of our assets are located outside of the United States, and as such, it may not be possible to effect service of process within the United States on us or our directors and executive officers or to enforce judgements against us or them in U.S. courts, including judgements predicated upon civil liability provisions of the federal securities laws of the United States.

As of the date of this annual report, (i) there is no treaty in force between the United States and the Netherlands providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters and (ii) both the Hague Convention on Choice of Court Agreements (2005) and the Hague Judgments Convention (2019) have entered into force in the Netherlands, but have not entered into force in the

United States. Consequently, a judgment rendered by a court in the United States will not automatically be recognized and enforced by the competent Dutch courts. However, if a person has obtained a judgment rendered by a court in the United States that is enforceable under the laws of the United States and files a claim with the competent Dutch court, the Dutch court will in principle give binding effect to that United States judgment if (i) the jurisdiction of the United States court was based on a ground of jurisdiction that is generally acceptable according to international standards, (ii) the judgment by the United States court was rendered in legal proceedings that comply with the Dutch standards of proper administration of justice including sufficient safeguards (*behoorlijke rechtspleging*), (iii) binding effect of such United States judgment is not contrary to Dutch public order (*openbare orde*) and (iv) the judgment by the United States court is not incompatible with a decision rendered between the same parties by a Dutch court, or with a previous decision rendered between the same parties by a foreign court in a dispute that concerns the same subject and is based on the same cause, provided that the previous decision qualifies for recognition in the Netherlands. Even if such a United States judgment is given binding effect, a claim based thereon may, however, still be rejected if the United States judgment is not or no longer formally enforceable. Moreover, if the United States judgment is not final (for instance when appeal is possible or pending) a competent Dutch court may (i) postpone recognition until the United States judgment has become final, (ii) refuse recognition under the understanding that recognition can be asked again once the United States judgment has become final, or (iii) impose as a condition for recognition that security is posted.

A competent Dutch court may deny the recognition and enforcement of punitive damages or other awards. Moreover, a competent Dutch court may reduce the amount of damages granted by a United States court and recognize damages only to the extent that they are necessary to compensate actual losses or damages. Finally, there may be specific other instances, including pursuant to anti-boycott rules and regulations, where Dutch law prohibits the recognition and enforcement of a United States judgment. Thus, United States investors may not be able, or experience difficulty, to enforce a judgment obtained in a United States court against us or our officers.

We rely on the foreign private issuer and controlled company exemptions from certain corporate governance requirements under Nasdaq rules.

As a foreign private issuer whose ADSs are listed on Nasdaq, we are permitted to follow certain home country corporate governance practices pursuant to exemptions under Nasdaq rules. A foreign private issuer must disclose in its annual reports filed with the SEC each requirement under Nasdaq rules with which it does not comply, followed by a description of its applicable home country practice. Our Dutch home country practices may afford less protection to holders of our ADSs. We follow in certain cases our home country practices and rely on certain exemptions provided by Nasdaq rules to foreign private issuers, including, among others, an exemption from the requirement to hold an annual meeting of shareholders no later than one year after an issuer's fiscal year end, exemptions from the requirement that a board of directors be comprised of a majority of independent directors, exemptions from the requirements that an issuer's compensation committee should be comprised solely of independent directors, and exemptions from the requirement that share incentive plans be approved by shareholders. See section 5. *Corporate Governance* for more information on the significant differences between our corporate governance practices and those followed by U.S. companies under Nasdaq rules. As a result of our reliance on the corporate governance exemptions available to foreign private issuers, you will not have the same protection afforded to shareholders of companies that are subject to all of Nasdaq's corporate governance requirements.

In addition to the exemptions we rely on as a foreign private issuer, we also rely on the "controlled company" exemption under Nasdaq corporate governance rules. A "controlled company" under Nasdaq corporate governance rules is a company of which more than 50% of the voting power is held by an individual, group or another company. Our principal shareholder, Expedia Group, controls a majority of the combined voting power of our outstanding shares, making us a "controlled company" within the meaning of Nasdaq corporate governance rules. As a controlled company, we have elected not to comply with certain corporate governance standards, including the requirement that a majority of our supervisory board members are independent and the requirement that our compensation committee consist entirely of independent directors.

4.2.8. Risks related to taxation

We may become taxable in a jurisdiction other than Germany, and this may increase the aggregate tax burden on us.

Since our incorporation, we have had, on a continuous basis, our place of effective management in Germany. Therefore, we believe that we are a tax resident of Germany under German national tax laws. As an entity incorporated under Dutch law, however, we also qualify as a tax resident of the Netherlands under Dutch national tax laws. However, given that substantially all of our operations (along with all employees, management board members and fixed assets) are in Germany, based on current tax laws of the United States, Germany and

the Netherlands, as well as applicable income tax treaties, and current interpretations thereof, we believe that we are tax resident solely in Germany for the purposes of the 2012 convention between the Federal Republic of Germany and the Netherlands for the avoidance of double taxation with respect to taxes on income. Our sole tax residency in Germany for purposes of the above-mentioned tax treaty is subject to the application of the provisions on tax residency as stipulated in such treaty as amended from time to time. The MLI, Germany and the Netherlands entered into, among other countries, should not, as of this date, affect such tax treaty's rules regarding tax residency.

The applicable tax laws, tax treaties or interpretations thereof may change, including the MLI choices and reservation. Furthermore, whether we have our place of effective management in Germany and are as such solely tax resident in Germany is largely a question of fact and degree based on all the circumstances, rather than a question of law, which facts and degree may also change. Changes to applicable tax laws, tax treaties or interpretations thereof and changes to applicable facts and circumstances (e.g., a change of board members or the place where board meetings take place), or changes to applicable income tax treaties, including a change to Multilateral Instrument (MLI) choices and reservation, may result in us also becoming a tax resident of the Netherlands or another jurisdiction (other than Germany), potentially also triggering an exit tax liability in Germany or the Netherlands. As a consequence, our overall effective income tax rate and income tax expense could materially increase, which could have a material adverse effect on our business, results of operations, financial condition and prospects, which could cause our ADS price and trading volume to decline.

Application of existing tax laws, rules or regulations are subject to interpretation by taxing authorities.

The application of various national and international income and non-income tax laws, rules and regulations to our historical and new services is subject to interpretation by the applicable taxing authorities. These taxing authorities have become more aggressive in their interpretation and enforcement of such laws, rules and regulations over time, as governments are increasingly focused on ways to increase revenue. This has contributed to an increase in the audit activity and harsher stances taken by tax authorities. As such, additional taxes or other assessments may be in excess of our current tax reserves or may require us to modify our business practices to reduce our exposure to additional taxes going forward, any of which may have a material adverse effect on our business, results of operations, financial condition and prospects.

Significant degrees of judgment and estimation are required in determining our worldwide tax liabilities. In the ordinary course of our business, there are transactions and calculations, including intercompany transactions and cross-jurisdictional transfer pricing for which the ultimate tax determination is uncertain or otherwise subject to interpretation. Tax authorities may disagree with our intercompany charges, including the amount of or basis for such charges, cross-jurisdictional transfer pricing or other matters and assess additional taxes. Although we believe our tax estimates are reasonable, the final determination of tax audits could be materially different from our historical income tax provisions and accruals in which case we may be subject to additional tax liabilities, possibly including interest and penalties, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Amendments to existing tax laws, rules or regulations or enactment of new unfavorable tax laws, rules or regulations could have an adverse effect on our business and financial performance.

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

In addition, in the past, Germany and foreign governments have introduced proposals for tax legislation, or have adopted tax laws, that could have a significant adverse effect on our tax rate, or increase our tax liabilities, the carrying value of deferred tax assets, or our deferred tax liabilities. For example, pursuant to the release of "base erosion and profit shifting" (BEPS) final Action Plans, and its implementation through the MLI, several countries including the countries in which we operate, have begun implementing the adopted MLI positions. Further, the Organisation for Economic Co-operation and Development's (OECD) work on a two pillar solution to address the tax challenges arising from the digitalization of the economy is expected to result in new legislation in various countries. In particular, in many countries new legislation is already applicable, or is in the process of being adopted, regarding the so-called OECD Pillar 2 initiative, which provides for a global minimum tax for multinational groups with an annual revenue of above €750 million. Germany and the Netherlands have adopted

a new Minimum Tax Act (*Mindeststeuergesetz* in Germany and *Wet minimumbelasting 2024* in the Netherlands) implementing the OECD Pillar 2 rules and transposing the European Union's directive on Pillar 2 (Council Directive (EU) 2022/2523 of December 14, 2022). Generally, the Pillar 2 rules are effective for business years starting after December 30, 2023. We and our subsidiaries would not be in scope of the Pillar 2 rules on a standalone basis, but certain Pillar 2 rules may nevertheless apply to us given our consolidation within the Expedia Group. It should also be noted that the United States has not yet introduced legislation to comply with the OECD Pillar 2 rules, which gives rise to certain complexities in the application of the Pillar 2 rules in countries where they are already applicable. We continue to assess the Pillar 2 tax and compliance consequences. Moreover, several countries have unilaterally adopted digital services taxes or other similar taxes, while some other countries may adopt such taxes in the future. All ongoing developments mentioned above and other new initiatives could result, depending on how they are ultimately implemented, in incremental taxes and costly compliance requirements, and thus may adversely impact our business, results of operations, financial condition and prospects.

We are constantly exploring changes to our business structures to support our operations while managing operational and financial risk for ourselves and our shareholders and to make our services more financially attractive to our customers. Though these changes would be undertaken to manage operational and financial risk, we may experience unanticipated material tax liabilities which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our effective tax rate in the future could also be adversely affected by changes to our operating structure, changes in the mix of earnings in countries with differing statutory tax rates, or changes in the deferred tax assets and liabilities position.

We may be classified as a passive foreign investment company, or PFIC, which could result in adverse U.S. federal income tax consequences to U.S. Holders of the ADSs.

Based on the market price of our ADSs and the composition of our income, assets and operations, we do not believe that we should be treated as a PFIC for U.S. federal income tax purposes for the taxable year ended December 31, 2023. However, the application of the PFIC rules to us is subject to certain ambiguity. In addition, this is a factual determination that must be made annually after the close of each taxable year based on the composition of our income and assets as well as the trading price of our ADSs. Because the value of our assets, including goodwill, for purposes of the asset test may be determined by reference to the market price of our ADSs, fluctuations in the market price of the ADSs may cause us to become a PFIC. Therefore, there can be no assurance that we will not be classified as a PFIC for any future taxable year. We would be classified as a PFIC if, after the application of certain look-through rules, either: (1) 75% or more of our gross income for such year is "passive income" (as defined in the relevant provisions of the Internal Revenue Code of 1986, as amended), or (2) 50% or more of the value of our assets (determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. Certain adverse U.S. federal income tax consequences could apply to a U.S. Holder if we are treated as a PFIC for any taxable year during which such U.S. Holder holds ADSs.

Certain of our ADS holders may be unable to claim tax credits to reduce German withholding tax applicable to the payment of dividends.

Although we are a Dutch-incorporated company with German tax residency, if we pay dividends, such dividends will be subject to German (and potentially Dutch) withholding tax. Currently, the applicable German withholding tax rate is 26.375% of the gross dividend. This German tax can be reduced to the applicable double tax treaty rate, however, by an application filed by the tax payer for a specific German tax certificate with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). If a tax certificate cannot be delivered to the ADS holder due to applicable settlement mechanics or lack of information regarding the ADS holder, holders of the shares or ADSs of a German tax resident company may be unable to benefit from any available double tax treaty relief while they may be unable to file for a credit of such withholding tax in its jurisdiction of residence. Further, the payment made to the ADS holder equal to the net dividend may, under the tax law applicable to the ADS holder, qualify as taxable income that is in turn subject to tax, which could mean that a dividend is effectively taxed twice. Our ADSs have been issued by a depository with a direct link to the U.S. Depository Trust Company, or DTC, which should reduce the risk that the applicable German withholding tax certificate cannot be delivered to the ADS holder. However, there can be no guarantee that the information delivery requirement can be satisfied in all cases, which could result in adverse tax consequences for affected ADS holders.

Investors should note that the interpretation circular (*Besteuerung von American Depositary Receipts (ADR) auf inländische Aktien*) issued by the German Federal Ministry of Finance (*Bundesministerium der Finanzen*) dated May 24, 2013 (reference number IV C 1-S2204/12/10003), or ADR Tax Circular, is not binding for German courts

and it is not clear whether or not a German tax court will follow the ADR Tax Circular in determining the German tax treatment of our specific ADSs. Further concerns regarding the applicability of the ADR Tax Circular may arise due to the fact that the ADR Tax Circular refers only to German stock and not to shares in a Dutch N.V. If the ADSs are determined not to fall within the scope of application of the ADR Tax Circular, and thus profit distributions made with respect to the ADSs are not treated as a dividend for German tax purposes, the ADS holder would not be entitled to a refund of any taxes withheld on the dividends under German tax law.

If we pay dividends on our ADSs, we may need to withhold tax on such dividends payable to holders of our ADSs in both Germany and the Netherlands.

If we pay dividends on our ADSs, we may need to withhold tax on such dividends both in Germany and the Netherlands. As an entity incorporated under Dutch law, any dividends distributed by us are subject to Dutch dividend withholding tax on the basis of Dutch domestic law. However, on the basis of the double tax treaty between Germany and the Netherlands, the Netherlands will be restricted in imposing these taxes if we continue to be a tax resident of Germany and our place of effective management is in Germany. However, Dutch dividend withholding tax is still required to be withheld from dividends if and when paid to Dutch resident holders of our ADSs (and non-Dutch resident holders of our ADSs that have a permanent establishment in the Netherlands to which their shareholding is attributable). As a result, upon a payment (or deemed payment) of dividends, we will be required to identify our shareholders and/or ADS holders in order to assess whether there are Dutch residents (or non-Dutch residents with a permanent establishment in the Netherlands to which the shares are attributable) in respect of which Dutch dividend tax has to be withheld. Such identification may not always be possible in practice. If the identity of our shareholders and/or ADS holders cannot be determined, withholding of both German and Dutch dividend tax from such dividend may occur upon a payment of dividends.

Furthermore, the withholding tax restriction referred to above is based on the current choices and reservation of Germany under the MLI with respect to the dual resident entities. If Germany changes its choices and reservation on the MLI, we may not be entitled to any benefits of the double tax treaty between Germany and the Netherlands, including the withholding tax restriction, as long as Germany and the Netherlands do not reach an agreement on our tax residency for purposes of the double tax treaty between Germany and the Netherlands, except to the extent and in such manner as may be agreed upon by the authorities. As a result, any dividends distributed by us during the period till when no such agreement has been reached between Germany and the Netherlands, may be subject to withholding tax both in Germany and the Netherlands.

4.2.9. General risk factors

Our share price may be volatile or may decline regardless of our operating performance.

The market price for our ADSs has been, and will likely continue to, be volatile, and there continues to be relatively few ADSs outstanding, resulting in relatively low liquidity in our ADSs. Our results of operations are also subject to material quarterly fluctuations that may affect the volatility of our ADSs. In addition, the market price of our ADSs may fluctuate significantly in response to a number of factors, most of which we cannot control, including:

- actual or anticipated fluctuations in our results of operations;
- extraordinary dividends or equity restructurings;
- variance in our financial performance from the expectations of market analysts or from the financial guidance that we have communicated;
- announcements by us or our competitors of significant business developments, acquisitions or expansion plans;
- changes in the prices of our competitors or those paid to us by our customers;
- our involvement in litigation or regulatory investigations;
- our sale of ADSs or other securities in the future;
- a sale of ADSs by our major shareholders in the future;
- market conditions in our industry;
- changes in key personnel;
- the trading volume of our ADSs;
- changes in the estimation of the future size and growth rate of our markets; and

- general economic and market conditions.

The stock markets, including Nasdaq, have in the past experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many Internet and technology companies.

Future sales and/or issues of our ADSs, or the perception in the public markets that such sales may occur, may depress our ADS price.

Sales of a substantial number of our ADSs in the public market, or the perception that these sales could occur, could adversely affect the price of our ADSs and could impair our ability to raise capital through the sale of additional ADSs. Rolf Schrömgens, one of our founders and a member of our supervisory board, continues to hold a significant shareholding in us and has made sales of ADSs in recent years. Mr. Schrömgens may conduct further significant sales of ADSs in the future. The ADSs are freely tradable without restriction under the Securities Act, except for any of our ADSs that may be held or acquired by our management board members, supervisory board members, executive officers and other affiliates, as that term is defined in the Securities Act or ADSs sold in transactions not subject to the registration requirements of the Securities Act, which will in each case be restricted securities under the Securities Act. Restricted securities may not be sold in the public market unless the sale is registered under the Securities Act or an exemption from registration is available.

Our Class B shares are convertible into Class A shares, which may be sold subject to certain restrictions in the Amended and Restated Shareholders' Agreement.

In the future, we may also issue our securities in connection with investments or acquisitions. The amount of ADSs issued in connection with an investment or acquisition could constitute a material portion of our then-outstanding ADSs. Any issuance of additional securities in connection with investments or acquisitions may result in additional dilution to you.

If securities or industry analysts publish inaccurate or unfavorable research about our business, our ADS price could decline.

The trading market for our ADSs depends in part on the research and reports that securities or industry analysts publish about us or our business. If securities or industry analyst coverage results in downgrades of our ADSs or publishes inaccurate or unfavorable research about our business, our ADS price would likely decline.

5. Corporate Governance

5.1. Dutch Corporate Governance Code

The Dutch Corporate Governance Code 2022 ("DCGC") applies to trivago. The text of the DCGC is publicly available on the website of the Monitoring Committee Corporate Governance Code:

<http://www.mccg.nl>.

We acknowledge the importance of good corporate governance. However, at this stage, we do not comply with all the provisions of the DCGC, to a large extent because such provisions conflict with or are inconsistent with the corporate governance rules of Nasdaq and U.S. securities laws that apply to us, or because such provisions do not reflect best practices of international companies listed on Nasdaq.

The best practice provisions we do not apply include the following. We may deviate from additional best practice provisions in the future. Such deviations will be disclosed in our Dutch statutory board report.

In order to safeguard independence of the supervisory board, the DCGC recommends that:

- for each ten percent shareholder or group of affiliated shareholders, there is at most one supervisory board member who can be considered to be a shareholder representative;
- there is at most one non-independent supervisory board member who cannot be considered as independent due to circumstances other than being a shareholder representative; and
- the total number of non-independent supervisory board members should account for less than half of the total number of supervisory board members.

Half of our supervisory board members are independent. It is our view that given the nature of our business and the practice in our industry and considering our shareholder structure, it is justified that only 4 supervisory board members will be independent. We may need to deviate from the DCGC's independence definition for supervisory board members either because such provisions conflict with or are inconsistent with the corporate governance rules of Nasdaq and U.S. securities laws that apply to us, or because such provisions do not reflect best practices of global companies listed on Nasdaq. We may need to further deviate from the DCGC's independence definition for supervisory board members when looking for the most suitable candidates. For example, a future supervisory board candidate may have particular knowledge of, or experience in our industry, but may not meet the definition of independence in the DCGC. As such background is very important to the efficacy of our supervisory board, our supervisory board may decide to nominate candidates for appointment who do not fully comply with the criteria as listed under best practice provision 2.1.8 of the DCGC.

The DCGC recommends that our supervisory board establish a selection and appointment committee. Because we are a "controlled company" within the meaning of the corporate governance standards of The NASDAQ Global Select Market, we do not believe that a selection and appointment committee will be beneficial for our governance structure. We have not established and do not intend to establish a selection and appointment committee.

Consistent with corporate practice for non-executive members of a board in the United States, currently the terms of office of up to half of our supervisory board members run and end simultaneously. Our supervisory board continuously monitors succession of its members as well as the members of the management board. Under our articles of association, members of the management board and the supervisory board shall be appointed on the basis of a binding nomination prepared by the supervisory board. This means that the nominee shall be appointed to the management board or supervisory board, as the case may be, unless the general meeting of shareholders strips the binding nature of the nomination (in which case a new nomination shall be prepared for a subsequent general meeting of shareholders). Our articles of association will provide that the general meeting of shareholders can only pass such resolution by a two-thirds majority representing at least half of the issued share capital. However, the DCGC recommends that the general meeting can pass such resolution by simple majority, representing no more than one-third of the issued share capital.

Under our articles of association, members of the management board and the supervisory board can only be dismissed by the general meeting of shareholders by simple majority, provided that the supervisory board proposes the dismissal. In other cases, the general meeting can only pass such resolution by a two-thirds majority of the votes cast, representing at least half of the issued share capital. Similar to what has been described above, the DCGC recommends that the general meeting of shareholders can pass a resolution to dismiss a member of the management board or supervisory board by simple majority, representing no more than one-third of the issued share capital.

The DCGC recommends against providing equity awards as part of the compensation of a supervisory board member. However, we may wish to deviate from this recommendation and grant equity awards to its supervisory board members.

The DCGC further recommends that the management board appoints the senior internal auditor and the company secretary, subject to approval by the supervisory board. We have simplified this process as our CFO appoints the senior internal auditor and the company secretary, and allow the audit committee to express its views regarding the senior internal auditor.

The DCGC suggests that our annual statements include a (separate) report by the supervisory board. For purposes of consistency with our US annual report, our Dutch annual report does not include a separate supervisory report. However, the elements that the DCGC recommends to be covered by the (separate) supervisory board report are covered throughout the Dutch annual report, which is signed by each of our supervisory board members.

The DCGC recommends that the compensation report includes, among other things, statements on (i) scenario analyses that are carried out relating to director compensation, (ii) pay ratios between management and an average or median employee salary within the company and (iii) the relationship between the variable part of a director's compensation and the contribution of such compensation to long-term value creation. Our supervisory board has deemed it more suitable to base management board compensation on a qualitative evaluation, which is in line with corporate practice for non-executive members of a board in the U.S., where the Company has its listing. As the management board compensation is not based on the factors stated above, the Company has not included the relevant disclosure in this report.

The DCGC recommends that the management board develops a view on sustainable long-term value creation by the company and its affiliated enterprise and formulate a strategy in line with this. The management board should formulate specific objectives in this regard. Consistent with this recommendation the DCGC requires our annual report to contain information on our vision to sustainable long-term value creation, our strategy to realize this and the objectives formulated to that end, the effects of the company on people and the environment, how the interests of stakeholders have been taken into account and the extent to which the stated objectives have been achieved. In addition the DCGC recommends to provide information on how the culture, the underlying values and conduct promoted within the company contribute to sustainable long-term value creation. In order to safeguard the clarity and consistency of the reporting and to achieve a clear transition to reporting in accordance with the future reporting requirements under the CSRD, trivago has made the well-considered decision to deviate from these recommendations, and it is currently in the process of determining how trivago will comply with these recommendations and how it will be reporting in accordance with the CSRD starting from financial year 2025.

The DCGC suggests that the management board should evaluate its own functioning as a whole and that of the individual management board members at least once per year. All of our existing managing directors have been appointed during 2023 and 2024, and therefore we do not currently have an established self-evaluation procedure for the members of the management board. We do however intend to introduce such a procedure in the future.

The DCGC recommends that the supervisory board should, at least once per year, evaluate its own functioning as a whole and that of the individual supervisory board members, and that periodically such evaluation should take place under the supervision of an external expert. Further, the DCGC suggests that the supervisory board's report should state how the evaluation of the supervisory board, the various committees and the individual supervisory board members has been carried out, the main findings and conclusions of the evaluations and what has been or will be done with the conclusions from the evaluations. At present, the evaluation of the supervisory board's performance is organized internally, and the respective findings and conclusions are not being reported. The Company intends to review and revisit its current approach in the future.

In 2022, the supervisory board has, set a target that over a period of the upcoming four years (i.e., 2023 through 2026) the supervisory board shall consist of at least two women and at least two men, with the objective that following our annual general meeting in 2026, the supervisory board shall consist of at least one-third of women and at least one-third of men. Separately, our target is for the management board and our senior management (together: our Leadership Team), to consist of at least two women and at least two men. In its current composition, the Leadership Team consists of one female member and three male members, which means that the target figures have not yet been met. In line with our diversity policy, at the time any vacancy within the supervisory board and/or our Leadership Team arises, we may take various measures, such as amending the profile for its directors, setting up a transparent recruitment and selection process and/or further developing and explaining its policy. We recognize and welcome the value of diversity in various aspects for the supervisory board and the Leadership Team and continuously strive to meet the targets. We therefore continue to improve the diversity among our supervisory board and our Leadership Team and aim to meet the targets within the set timeframe.

5.2. Other Codes of Conduct or Corporate Governance Practices

In addition to the DCGC, trivago is subject to and complies with its code of business conduct and ethics. The text of trivago's Code of business conduct and ethics is publicly available on our website:

<http://ir.trivago.com/phoenix.zhtml?c=254450&p=irol-govHighlights>

The values included in our code of business conduct and ethics contribute to sustainable long-term value creation for the Company and its stakeholders.

We encourage our employees to raise any concerns they may have, whether they related to accounting, auditing or financial reporting issues or actual or alleged violations of law, regulation or our policies through a whistleblower process. As a result, management considers this code to be effective.

The Company has adopted a bilateral dialogue policy with the Company's shareholders which covers the manner of dialogue between us on the one hand and one or more of our shareholders on the other hand. Our bilateral dialogue policy can be accessed at: <https://ir.trivago.com/corporate-governance?c=254450&p=irol-govHighlights>

5.3 Risk management and control systems

See chapter 4.1 *Risk management, risk appetite and control systems* of this report for an overview of the main characteristics of the Company's risk management and control systems relating to the process of financial reporting by the Company and the Company's group companies whose financial information is included in the Consolidated Financial Statements.

5.4. General meeting of shareholders

The general meeting may be held in Amsterdam, Arnhem, Assen, The Hague, Haarlem, 's-Hertogenbosch, Groningen, Leeuwarden, Lelystad, Maastricht, Middelburg, Rotterdam, Schiphol (Haarlemmermeer), Utrecht or Zwolle, the Netherlands.

The Company must hold at least one general meeting each year, to be held within six months after the end of our fiscal year. This annual general meeting shall be called by the management board and/or the supervisory board in accordance with applicable law. In addition, a general meeting must also be held within three months if our management board has determined it to be likely that the Company's equity has decreased to an amount equal to or lower than half of its paid up and called up capital. If the management board and/or the supervisory board has/have failed to ensure that a general meeting as referred to in the preceding sentences is held in a timely fashion, each shareholder and other person entitled to attend general meetings may be authorized by the Dutch court to convene the general meeting.

Our management board and/or supervisory board may convene extraordinary general meetings whenever they so decide. One or more shareholders and/or others entitled to attend general meetings, alone or jointly representing at least 10% of our issued share capital, may on their application, be authorized by the Dutch court to convene a general meeting. The Dutch court will disallow the application if it does not appear that the applicants have previously requested the management board and the supervisory board to convene a general meeting and that neither the management board nor the supervisory board has taken the necessary steps so that such general meeting could be held within six weeks after the request.

General meetings are convened in the manner and with reference to applicable law and stock exchange requirements, with due observance of a convening notice of at least 15 days, by a notice which includes (i) the subjects to be discussed, (ii) the place and time of the general meeting, (iii) the procedures for participation in the general meeting and the exercise of voting rights in person or by proxy, and (iv) such other items as must be included in the notice pursuant to applicable law and stock exchange rules. One or more shareholders and/or others entitled to attend general meetings, alone or jointly representing at least 3% of the issued share capital, have the right to request the inclusion of additional items on the agenda of general meetings. Such requests must be made in writing, substantiated and received by us no later than on the 60th day before the day of the relevant general meeting. No resolutions are to be adopted on items other than those which have been included on the agenda as voting items.

Furthermore, in accordance with the DCGC, shareholders who have the right to put an item on the agenda for our general meeting or to request the convening of a general meeting shall not exercise such rights until after they have consulted our management board. If exercising such rights may result in a change in our strategy (for example, through the dismissal of one or more of our managing directors or supervisory directors), our management board must be given the opportunity to invoke a reasonable period of up to 180 days to respond to the shareholders' intentions. If invoked, our management board must use such response period for further

deliberation and constructive consultation, in any event with the shareholder(s) concerned and exploring alternatives. At the end of the response time, our management board, supervised by our supervisory board, shall report on this consultation and the exploration of alternatives to our general meeting. The response period may be invoked only once for any given general meeting and shall not apply (i) in respect of a matter for which either a response period or a statutory cooling-off period (as discussed below) has been previously invoked or (ii) in situations where a shareholder holds at least 75% of our issued share capital as a consequence of a successful public bid.

Moreover, our management board, with the approval of our supervisory board, can invoke a cooling-off period of up to 250 days when shareholders, using their right to have items added to the agenda for a general meeting or their right to request a general meeting, propose an agenda item for our general meeting to dismiss, suspend or appoint one or more managing directors or supervisory directors (or to amend any provision in our articles of association dealing with those matters) or when a public offer for our company is made or announced without our support, provided, in each case, that our management board believes that such proposal or offer materially conflicts with the interests of our company and its business. During a cooling-off period, our general meeting cannot dismiss, suspend or appoint managing directors and supervisory directors (or amend the provisions in our articles of association dealing with those matters) except at the proposal of our management board. During a cooling-off period, our management board must gather all relevant information necessary for a careful decision-making process and at least consult with shareholders representing 3% or more of our issued share capital at the time the cooling-off period was invoked, as well as with our Dutch works council (if we or, under certain circumstances, any of our subsidiaries would have one). Formal statements expressed by these stakeholders during such consultations must be published on our website to the extent these stakeholders have approved that publication. Ultimately one week following the last day of the cooling-off period, our management board must publish a report in respect of its policy and conduct of affairs during the cooling-off period on our website. This report must remain available for inspection by shareholders and others with meeting rights under Dutch law at our office and must be tabled for discussion at the next general meeting. Shareholders representing at least 3% of our issued share capital may request the Enterprise Chamber of the Amsterdam Court of Appeal, or the Enterprise Chamber (*Ondernemingskamer*), for early termination of the cooling-off period. The Enterprise Chamber must rule in favor of the request if the shareholders can demonstrate that:

- our management board, in light of the circumstances at hand when the cooling-off period was invoked, could not reasonably have concluded that the relevant proposal or hostile offer constituted a material conflict with the interests of our company and its business;
- our management board cannot reasonably believe that a continuation of the cooling-off period would contribute to careful policy-making; or
- other defensive measures, having the same purpose, nature and scope as the cooling-off period, have been activated during the cooling-off period and have not since been terminated or suspended within a reasonable period at the relevant shareholders' request (i.e., no 'stacking' of defensive measures).

Shareholders as well as others entitled to attend general meetings, are entitled, in person or by proxy, to address the general meeting and, to the extent that they have such right, to vote at the general meeting, in each case provided that such shareholder or other person has notified the Company of his intention to attend the general meeting no later than seven days before the day of the meeting, unless the convening notice indicates otherwise.

Unless otherwise provided for by the management board or applicable law, and regardless of who would be entitled to attend the general meeting in the absence of a record date as set forth in the applicable provisions of the Dutch Civil Code, persons entitled to attend the general meeting are those who, on the record date (if determined by the management board), have voting rights and/or meeting rights and have been registered as such in a register designated by the management board for that purpose. The record date (if determined by the management board) must be the 28th day prior to that of the general meeting concerned.

Our articles of association do not attribute specific powers to the general meeting, in addition to those which follow from Dutch law.

5.5. Management Board

Name	Age	Position	Year of initial appointment	Expiration of current term
Johannes Thomas	36	Managing Director for Communication, Strategy, Partnerships and Talents and Culture (Chief Executive Officer)	2023	2027
Jasmine Ezz	32	Managing Director for Marketing (Chief Marketing Officer)	2023	2027
Andrej Lehnert	55	Managing Director for Product (Chief Product Officer)	2023	2027
Robin Harries	42	Chief Financial Officer	2024	2024

The following paragraphs set forth biographical information regarding our management board members.

Johannes Thomas currently serves as a managing director and chief executive officer. Prior to joining trivago, Mr. Thomas was Managing Director of ColQ.capital an investment fund that leverages collective intelligence to make investment decisions. Prior to joining ColQ, he was Managing Director and Chief Revenue Officer at trivago. Mr. Thomas joined us in 2011 to build up the Performance Marketing Department and then steered the path of the advertiser relations unit. Mr. Thomas also headed up the Business Operations and Strategy Department, which was responsible for running strategic projects and acquisitions within trivago for several years.

Jasmine Ezz currently serves as managing director and chief marketing officer. Prior to her return to trivago in 2023, she served as co-founder and Managing Director of Grid GmbH, an event and nightlife app, which allowed users to buy tickets, order in-app and pay on a cashless basis. From 2014 to 2020, she held various positions at trivago, most recently as Head of Media Buying. Ms. Ezz holds a master's degree in international management from the Rotterdam School of Management, Erasmus University and a bachelor's degree in international business from Maastricht University.

Andrej Lehnert currently serves as managing director and chief product officer. Prior to his return to trivago in 2023, Mr. Lehnert served as Managing Director of ColQ.capital, an investment fund that leverages collective intelligence to make investment decisions. Prior to joining ColQ in 2020, he most recently served as Managing Director and Chief Marketing Officer of trivago, which he initially joined in 2011. Before that, Mr. Lehnert led his own Internet venture from 2008 to 2011, after having been with the William Wrigley Jr. Company from 2001 to 2008, in the role of Director, Global Market Intelligence. Mr. Lehnert holds a degree of business administration from University Erlangen-Nuremberg.

Robin Harries currently serves as chief financial officer. Prior to his return to trivago in 2024, Mr. Harries served as a member of the board at 1&1 Telecommunication SE, a major German telecom provider, where he boosted their consumer business growth. From 2012 and 2018, he held various positions at trivago and led the company's successful Nasdaq initial public offering in 2016. Mr. Harries has been designated as temporary member of the management board as of April 1, 2024, pending his appointment by the general meeting of shareholders.

The size and composition of our management board and the combined experience and expertise of its members should reflect the best fit for trivago's profile and strategy, irrespective of gender. This aim for the best fit, in combination with the availability of qualifying candidates, has resulted in trivago, as of the date of this board report, having a management board in which both members are male.

Changes to our management board

- On May 9, 2023 Axel Hefer resigned as chief executive officer and managing director. On the same day, the supervisory board designated Johannes Thomas as temporary member of the management board and as chief executive officer.
- On June 30, 2023, Johannes Thomas, Andrej Lehnert and Jasmine Ezz were appointed as managing directors at our annual general meeting of shareholders with a term expiring at our annual general meeting of shareholders to be held in 2027.
- On June 30, 2023, Matthias Tillmann was re-appointed as managing director and chief financial officer at our annual general meeting of shareholders with a term expiring at our annual general meeting of shareholders to be held in 2024. On December 31, 2023, Matthias Tillmann resigned as managing director and chief financial officer.
- The supervisory board appointed Kevin Hu, our head of finance, as interim chief financial officer for a period from January 1 to March 31, 2024.
- With an effective date of April 1, 2024, the supervisory board has designated Robin Harries as temporary member of the management board and chief financial officer, pending his appointment at our annual general meeting of shareholders.

5.6. Supervisory Board

Name	Age	Gender	Nationality	First appointment	Term of office	Attendance rate SB meetings
Joana Breidenbach	59	F	German	June 30, 2021	2024 AGM	100%
Robert Dzielak	53	M	USA	June 8, 2018	2024 AGM	100%
Eric Hart (Chairman)	48	M	USA	February 25, 2021	2024 AGM	100%
Peter M. Kern	56	M	USA	December 16, 2016	2025 AGM	100%
Hiren Mankodi	50	M	USA	June 28, 2019	2025 AGM	100%
Mieke De Schepper	48	F	Dutch	March 1, 2022	2025 AGM	100%
Niklas Östberg	44	M	Swedish	December 8, 2016	2025 AGM	25%
Rolf Schrömgens	47	M	German	June 30, 2023	2026 AGM	100%

The following is a brief summary of the business experience of our supervisory board members.

Joana Breidenbach is an internet entrepreneur, author and anthropologist. She is a member of the supervisory board of gut.org gAG, co-founder of the donation platform betterplace.org and founder of the think tank betterplace lab. Ms. Breidenbach holds a PhD degree from the Ludwig Maximilians University in Munich.

Robert J. Dzielak has served as Expedia Group's Chief Legal Officer and Secretary since March 2018, previously serving as its Executive Vice President, General Counsel and Secretary since April 2012. Mr. Dzielak had previously served as Senior Vice President and acting General Counsel since October 2011. Since joining the Expedia Group as Assistant General Counsel in April 2006 and through his service as Vice President and Associate General Counsel between February 2007 and October 2011, Mr. Dzielak held primary responsibility for the worldwide litigation portfolio of Expedia Group and its brands. Prior to joining Expedia Group, Mr. Dzielak was a partner at the law firm of Preston, Gates and Ellis, LLP (now K&L Gates LLP), where his practice focused on commercial and intellectual property litigation. Mr. Dzielak received his J.D. from The John Marshall Law School.

Eric M. Hart currently serves as chairman of the supervisory board of trivago. Since October 2023 he served as Chief Financial Officer of Plaid. Mr. Hart previously served as the Chief Financial Officer of Expedia Group from April 2020 until October 2022, overseeing Expedia Group's accounting, financial reporting and analysis, investor relations, treasury, internal audit, tax, and real estate teams. Mr. Hart served as acting Chief Financial Officer of Expedia Group after the departure of the former Chief Financial Officer in December of 2019. Mr. Hart also served as Expedia Group's Chief Strategy Officer with responsibility for Expedia Group's strategy and business development, as well as global M&A and investments. Prior to assuming the Chief Strategy Officer position, Mr. Hart served as the General Manager of Expedia Group's CarRentals.com brand for nearly three years. Prior to that, he oversaw corporate strategy for the Expedia Group, leading some of Expedia Group's largest acquisitions. Before joining Expedia Group, Mr. Hart spent time as a Vice President at Lake Capital, as a Project Leader at Boston Consulting Group, and as a Consultant at Accenture. Mr. Hart holds a bachelor's degree from Georgia State University and a Master's in Business Administration from University of Chicago Booth School of Business.

Peter M. Kern has been a director of Expedia Group since 2005, has served as Vice Chairman of Expedia Group since June 2018, and has served as Chief Executive Officer of Expedia Group since April 2020. Mr. Kern served on the board of directors of Tribune Media Company from October 2016 through the completion of Tribune Media's merger with Nextstar Media Group, Inc. in 2019, and served as Tribune Media's Chief Executive Officer from 2017 through 2019. Mr. Kern also served as a Managing Partner of InterMedia Partners VII, LP, a private equity firm, from 2005 through 2023. Prior to joining InterMedia, Mr. Kern was Senior Managing Director and Principal of Alpine Capital LLC. Prior to Alpine Capital, Mr. Kern founded Gemini Associates in 1996 and served as President from its inception through its merger with Alpine Capital in 2001. Prior to founding Gemini Associates, Mr. Kern was at the Home Shopping Network and Whittle Communications. Mr. Kern also served as the Chairman of the supervisory board of trivago N.V. from 2016 through 2022, and as Chairman of the board of directors of Hemisphere Media Group, Inc., a publicly-traded Spanish-language media company, from 2019 through 2022. Mr. Kern holds a B.S. degree from the Wharton School at the University of Pennsylvania.

Hiren Mankodi currently serves as Managing Director for Charlesbank Capital Partners, leading the firm's technology investing efforts. Previously he was a co-founding partner at Pamplona TMT, a private equity firm focusing on the technology, media and telecom private equity sector. Prior to that, he was a Managing Director at Audax Private Equity where he led the firm's technology investing efforts. He has over 20 years of private equity and venture capital investing experience, including investments in the enterprise software, infrastructure software, digital media, healthcare IT, technology-enabled services, and industrial technology sectors.

Mieke De Schepper currently serves as Chief Commercial Officer of Trustpilot. She previously served as Executive Vice President, Online Travel and Managing Director Asia Pacific, Amadeus IT Group until April 2022. Before Amadeus, Mieke worked for Expedia Group, where she held the role of Senior Vice President and Chief Commercial Officer of Egencia and as Vice President of Expedia Group's Lodging Partner Solutions Asia Pacific. Prior to Expedia Group, she spent 10 years with Phillips Electronics having held various global, regional and local leadership roles in product, marketing and sales. She started her professional career with McKinsey. Mieke serves as a member of the Supervisory board of trivago N.V. and JustEat Takeaway.com N.V. Since May 2024, Mieke serves as a Chief Executive Officer of Sunweb Group Holding B.V. Mieke holds an MBA from INSEAD and an MSc in Industrial Design Engineering from the Delft University of Technology.

Niklas Östberg is the co-founder of Delivery Hero SE and has served as its Chief Executive Officer since May 2011. He also served as director of the board until its public offering in July 2017. Prior to this, Mr. Östberg was co-founder and chairman of the board of Online Pizza Norden AB from 2008 and May 2011. Mr. Östberg holds a Master's degree from the Royal Institute of Technology in Stockholm, Sweden.

Rolf Schrömgens is the co-founder of leadership.sprouts, an organization that aims to evolve leadership into the digital age. He also is the co-founder of brafe.space, a movement to create a space for entrepreneurs and activists to evolve themselves and their organizations. Until the end of 2019, Mr. Schrömgens was Chief Executive Officer of trivago. He was previously a member of our supervisory board in 2020 and 2021. Prior to founding trivago GmbH, Mr. Schrömgens was founder and VP at ciao.com, a consumer review website, from 1999 to 2001. Mr. Schrömgens holds a diploma in management from Leipzig Graduate School of Management (HHL).

Changes to our supervisory board

- On June 30, 2023, Rolf Schrömgens - following a binding nomination of our supervisory board - was appointed as supervisory board member for a period expiring at our annual general meeting of shareholders to be held in 2026.

The following members, including the chairman, of the supervisory board are, given their respective positions within the Expedia Group, materially not independent for purposes of the DCGC: Mr. Kern, Mr. Dzielak and Mr. Hart. For more information on our corporate governance structure, see section 7. *Related Party Disclosures*.

The size and composition of our supervisory board and the combined experience and expertise of its members should reflect the best fit for trivago's profile and strategy, irrespective of gender. This aim for the best fit, in combination with the availability of qualifying candidates, has resulted in trivago, as of the date of this board report, having two female members.

5.7. Diversity and inclusion Disclosures

The Company is committed to supporting, valuing and leveraging the value of diversity, but also believes that there is a fine line between diversity and unintentional discrimination. For that reason, the importance of diversity, in and of itself, should not set aside the overriding principle that someone should be recommended, nominated and appointed for being "the right person for the job".

The Company believes that it is important for the management board, the supervisory board and senior management to represent a diverse composite mix of personal backgrounds, experiences, qualifications, knowledge, abilities and viewpoints. The Company seeks to combine the skills and experience of long-standing members of the management board, the supervisory board and senior management with the fresh perspectives, insights, skills and experiences of new members.

To further increase the range of viewpoints, perspectives, talents and experience within the management board, the supervisory board and senior management, the Company strives for a mix of ages in the composition of those bodies. With a view to the existing composition of the supervisory board and the term of appointment of its members, the Company targets that over a period of the upcoming four years, the supervisory board shall consist of at least two women and at least two men, with the objective that following the Company's annual general shareholder meeting in 2026, the supervisory board shall consist for at least one-third of women and at least one third of men (in each case rounded up to the nearest integer). Separately, with a view to the existing composition of the management board and the Company's senior management, the Company targets that the management board and the Company's senior management shall consist of at least two women and at least two men.

In order to reach such target, at the time any vacancy within the management board, supervisory board and/or the Company's senior management arises, the Company may take various measures, such as amending the profile for its directors and officers, setting up a transparent recruitment and selection process and/or further develop and explain its policy.

The size and composition of our management board, supervisory board and senior management and the combined experience and expertise of its members should reflect the best fit for the Company's profile and strategy. In order to increase gender diversity, we pay close attention to gender diversity in the process of recruiting and appointing new management and supervisory board candidates as well as new members of senior management.

The following information was provided by the members of our supervisory board members on a voluntary basis.

Board Diversity Matrix (As of December 31, 2023)

Country of Principal Executive Offices	Germany			
Foreign Private Issuer	Yes			
Disclosure Prohibited Under Home Country Law	No			
Total Number of Directors	8			
	Female	Male	Non-Binary	Did not disclose
Part I: Gender Identity				
Directors	2	6	0	0
Part II: Demographic Background				
Underrepresented Individual in Home Country	2			
LGBTQ+	0			
Did Not Disclose Demographic Background	1			

In addition, as of December 31, 2023, there are two men and one women serving on the management board, and one man serving in another senior management position.

Our approach to Diversity and Inclusion is based on our purpose to “Empower people to get more out of life”. With people, we refer to everyone. As a metasearch, we empower a broad range of travelers to find their ideal accommodation and representing the diversity of our users around the world in our talent force enables us to create a meaningful product. Offering an inclusive environment to our talents maximizes our potential for innovation and value creation. We believe in building the best teams, and we know the best teams are diverse.

Since its foundation in 2006, trivago grew from being a German travel community website to a global hotel and accommodation search platform. trivago's expansion over the years has been largely due to the internationalization and localization of its products (websites and apps). To provide our website to users worldwide in their languages, we started to hire international talents very early, in preparation of the launch of our first international websites in 2007 which established the base for a diverse and inclusive mindset at trivago.

Based on trivago's historical development through a majority share of international talents, we've worked on several initiatives to empower a diverse workforce over the years. For example, the practice of self-determined vacation days was initiated as early as 2011 and allows employees to take more holidays than the contractual 25 vacation days per year. We believe that flexibility is key in supporting a diverse workforce and have also further evolved our practices. Following the pandemic, we have adopted a hybrid working model and are providing the chance to work remotely in certain circumstances.

In 2019, trivago talents came together to organize trivago's participation in the Cologne, Germany Pride event. The motto for this event was "We are All-Inclusive". The meaning of "We are All-Inclusive" is two-fold: On one side, it means that we commit to provide an inclusive experience to all talents regardless of nationality, ethnicity, gender, sexual orientation, beliefs, age, abilities, or backgrounds. On the other side, it means that we aim to have an approach to Diversity & Inclusion embracing all aspects of a talent's experience based on three drivers: cultivating an inclusive mindset, embedding D&I in our daily practices and processes and finally, and recognizing and addressing differences. Since then, this motto has shaped our overall approach to Diversity and Inclusion which has become more conscious and strategic inside the Talents & Culture department in the past few years.

In 2022, we shared our goals to reach a gender balance of 40%-60% among trivago's team leads and a minimum of 30% female talents across tech teams by end 2024. In 2023, the share of female leads was of 35% and the share of female tech talents was of 30%, compared 27% and 26% in 2022, respectively. Supportive to these goals, we formed the F.A.M.E group (Female Ambassadors and Mentors in Engineering) in April 2022. The group's mission is to serve as role models by sharing their expertise and experiences to inspire, empower and attract women in tech. In 2023, the group continued to expand its activities by participating to various conferences, panels, talks and online activities. Also in 2023, our "Women & Allies" Employee Resource Group organized 10 different events from webinars to a gender bias workshop including career roundtables and talks to raise awareness about gender equality, enable learning and foster exchanges. Lastly we developed further as a family-friendly employer in the last year as this is a key enabler of gender equality. We opened a child-friendly co-working space on our campus where parents can work with their children. We also started our partnership with a family support portal which provides both child and elderly care. In 2024, we will continue our efforts in recruiting and employer branding to attract more female candidates in the tech field and support the development of more female leadership.

We also participated in the 2023 Pride event in Düsseldorf, showing a renewed strong presence together with our "LGTBQ+ & Allies" Employee Resource Group. This participation also included an educational session open to all our employees.

In 2023, our talents base was comprised of 82 nationalities, with the vast majority being international. We recognize and celebrate the different cultures of our talents at several occasions. We also educate our talents with dedicated training about unconscious bias and inclusive language.

5.8. Activities of and evaluation by the Supervisory Board

Supervisory board

Our supervisory board is responsible for supervising the conduct of and providing advice to our management board and for supervising our business generally, subject to our articles of association and the internal rules of our supervisory board (which we refer to as Supervisory Board Rules). Our supervisory board also has the authority to, at its own initiative, provide our management board with advice and may request any information from our management board that it deems appropriate. In performing its duties, our supervisory board is required to take into account the interests of our business as a whole.

Our supervisory board is comprised of eight members. Pursuant to the Amended and Restated Shareholders' Agreement, four supervisory board members were selected by Expedia Group, three supervisory board members were selected by the Founders, and one was nominated by the supervisory board in accordance with our articles of association. Each supervisory board member was appointed for a term of three years. On November 1, 2022, we agreed to purchase from Peter Vinnemeier, one of our Founders, 20,000,000 Class A shares, representing 5.5% of our total common shares outstanding, for an aggregate price of €19.3 million (USD 20.0 million). The transaction closed on November 9, 2022, at which time the Founders shareholdings fell below the 15% "Percentage Interest" threshold in the Amended and Restated Shareholders' Agreement required for supervisory board nominations by the Founders. As a result, the Founders are no longer entitled to designate members of our supervisory board for binding nomination. As of the date hereof, the three supervisory board members who had been selected by the Founders continue to serve in that capacity.

Our current supervisory board members were appointed at our general meetings of shareholders upon the binding nomination by our supervisory board. A supervisory board member may, subject to compliance with certain Dutch statutory procedures, be removed with or without cause by a shareholder resolution passed by a majority of at least a two thirds of the votes cast by those present in person or by proxy at a meeting and who are entitled to vote, provided such majority represents more than half of the issued share capital, unless the proposal was made by the supervisory board in which case a simple majority of the votes cast is sufficient.

The supervisory board met four times in 2023 and discussed, among other topics, the Company's brand marketing strategy, the continuous development of the Company's core product and the Company's financial results and public disclosures.

During the fiscal year to which this report relates, the supervisory board has evaluated its own functioning, the functioning of the committees of the supervisory board and that of the individual members of the supervisory board on the basis of self-evaluation form distributed to, and completed by, the supervisory board members. As part of these evaluations, the supervisory board has considered (i) substantive aspects, mutual interaction and the interaction between the supervisory board and the management board, (ii) events that occurred in practice from which lessons may be learned and (iii) the desired profile, composition, competencies and expertise of the supervisory board. These evaluations are intended to facilitate an examination and discussion by the management board and the supervisory board of their effectiveness and areas for improvement. On the basis of these evaluations, the supervisory board has concluded that the management board and the supervisory board are functioning properly.

5.9. Committees

5.9.1. Introduction

Our supervisory board has established two committees: the Audit Committee and the Compensation Committee.

As at December 31, 2023, the committees were composed as follows:

Name	Compensation Committee (and attendance rate)	Audit committee (and attendance rate)
Hiren Mankodi*	N/A	X (80% attendance)
Niklas Östberg	N/A	X (80% attendance)
Mieke De Schepper	N/A	X (100% attendance)
Bob Dzielak**	X (100% attendance)	N/A
Eric Hart	X (80% attendance)	N/A

* Chairman of the Audit Committee.

**Chairman of the Compensation Committee.

Copies of the committee charters of trivago are available on trivago's website at <http://ir.trivago.com/phoenix.zhtml?c=254450&p=irol-govHighlights> or in print to shareholders upon request, addressed to trivago N.V.'s Corporate Secretary at Kesselstraße 5 - 7, 40221 Düsseldorf, Germany.

5.9.2. Audit Committee and Audit Committee Financial Expert

The Audit Committee currently consists of Mr. Mankodi, Ms. De Schepper and Mr. Östberg and assists the supervisory board in overseeing our accounting, financial and sustainability reporting processes and the audits of our financial statements. Mr. Mankodi serves as chairman of the committee. The Audit Committee consists exclusively of members of our supervisory board who are financially literate and qualify as independent under the independence criteria of the DCGC, and Mr. Mankodi is considered an "audit committee financial expert" as defined by the SEC. Our supervisory board has made an affirmative determination that each of our Audit Committee members is independent under Nasdaq rules and Rule 10A-3 of the Exchange Act. The Audit Committee is governed by a charter that complies with Nasdaq rules.

The Audit Committee is responsible for:

- the appointment, compensation, retention and oversight of the work of, and the relationship with, the independent registered public accounting firm;
- the appointment, compensation, retention and oversight of any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit services;
- pre-approving the audit services and non-audit services to be provided by our independent auditor before the auditor is engaged to render such services;
- evaluating the independent auditor's qualifications, performance and independence, and presenting its conclusions to the full supervisory board on at least an annual basis;
- reviewing and discussing with the management board and the independent auditor our annual audited financial statements and quarterly financial statements prior to the filing of the respective annual and quarterly reports;
- reviewing our compliance with laws and regulations, including major legal and regulatory initiatives and also reviewing any major litigation or investigations against us that may have a material impact on our financial statements; and
- approving or ratifying any related person transaction (as defined in our related person transaction policy) in accordance with our related person transaction policy.

The Audit Committee will meet as often as one or more members of the Audit Committee deem necessary, but in any event will meet at least four times per year. The Audit Committee will meet at least once per year with our independent auditor, without members of our management board being present.

During the fiscal year to which this report relates, the Audit Committee met five times in order to carry out its responsibilities. The main items discussed at those meetings included the Company's financial results, public disclosures, internal control over financial reporting, and the status of the annual audit of the company's financial statements.

5.9.3. Compensation Committee

The Compensation Committee currently consists of Mr. Dzielak and Mr. Hart, and assists the supervisory board in determining the compensation of the management board and the supervisory board, in accordance with the remuneration policy that has been determined by the general meeting of shareholders. Mr. Dzielak serves as chairman of the Compensation Committee. Under SEC and Nasdaq rules, there are heightened independence standards for members of the Compensation Committee, including a prohibition against the receipt of any compensation from us other than standard supervisory board member compensation. Pursuant to exemptions from such independence standards as a result of being a controlled company, the members of our Compensation Committee may not be independent under such standards.

The Compensation Committee is responsible for:

- recommending each managing director's compensation to the supervisory board and recommending to the supervisory board regarding compensation for supervisory board members;
- identifying, reviewing and approving corporate goals and objectives relevant to management and supervisory board compensation;
- reviewing and approving or making recommendations regarding our incentive compensation and equity-based plans and arrangements;
- reviewing and discussing with management the compensation disclosures to be included in filings and submissions with the SEC;
- preparing an annual compensation committee report; and
- reporting regularly to the supervisory board regarding its activities.

During the fiscal year to which this report relates, the Compensation Committee met five times in order to carry out its responsibilities. The main items discussed at those meetings included the Company's compensation policy, the Omnibus Incentive Plan and executive compensation.

6. Compensation Report

6.1. Compensation policy

Pursuant to Section 2:135(1) DCC, our general meeting has adopted a compensation policy for our management board members. The Compensation Policy is designed to:

- attract, retain and motivate management board members with the leadership qualities, skills and experience needed to support and promote the growth and sustainable success of the Company and its business;
- drive strong business performance, promote accountability, give management board members the incentive to achieve short and sustainable long-term performance targets with the objective of substantially increasing the Company's equity value;
- assure that the interests of the management board members are closely aligned to those of the Company, its business and its stakeholders; and
- ensure the overall market competitiveness of the compensation packages which may be granted to the management board members, while providing the supervisory board sufficient flexibility to tailor the Company's compensation practices on a case-by-case basis, depending on the market conditions from time to time.

We believe that this approach and philosophy will benefit the realization our long-term objectives while keeping with our risk profile.

The supervisory board is currently not contemplating to propose any change to the Compensation Policy or the implementation thereof in the upcoming fiscal years.

Compensation principles

Senior management

The primary objective of our senior management's compensation program is to attract, motivate, reward and retain the managerial talent needed to achieve our business objectives and drive sustainable business performance. We have mandated an external compensation specialist to benchmark our management's compensation, both in terms of their base cash compensation, cash bonus and equity incentive award, against that of the management of similarly situated companies in the United States and Europe including companies with a similar financial profile or those in the same sector (e.g., technology and online travel).

Guided by market research provided by the compensation specialist, we slightly decreased the base salary of our management joining in 2023 and provided equity awards that vest over a longer period of time and have a strong performance element. For Mr. Tillmann, we increased the base salary in order to incentivize retention.

The cash and any bonus payments and any equity award compensation are proposed by the CEO to our Compensation Committee. The proposal is then discussed (and amended, if needed) by the committee. The amount of compensation of the management board and those executives reporting to the CEO is then determined at the discretion of our supervisory board.

Employees

We believe in cultivating an inspiring environment where our employees can thrive and feel empowered to do their best. Our aim is to attract intrinsically motivated individuals, and nurture and retain the most capable and driven of them to support our culture of learning, authenticity and entrepreneurship.

Our remuneration policy is designed to attract and retain employees, and reward them for achieving our goals and objectives as a business, and working productively together in line with our corporate culture.

We use an individualized approach to compensation that reflects the value contribution of each employee to our organization. We believe that employees who contribute significantly to our success should receive increased compensation and measures should be taken to retain them, for example through the award of equity. The unique context of the position profile - in particular in relation to similar roles both at trivago and externally - as well as the scope of responsibilities taken on by that employee are other important factors for the development of employee compensation.

Salaried employees are rewarded on a total rewards basis, which includes fixed income and may include performance awards, such as cash bonus payments or restricted stock units. Compensation is awarded on a fixed rather than variable basis in order to emphasize intrinsic (rather than extrinsic) motivation. We aim to ensure that each employee's compensation is fair and is aligned to the scope and breadth of his or her activities as well as to the value that person creates. At trivago, we generally review our compensation decisions on a yearly basis. Additionally, we adopted an approach to enable a more fluid adjustment of compensation for

employees who have been promoted or have had a significant increase in their scope of work. We believe that fairness is created by analyzing compensation at one point in time for all our employees. Rather than negotiating salary increases, we aim to run a fair, objective and merit-based process for compensation decisions.

6.2. Compensation of managing directors

See note 11 in the Notes to the Consolidated Financial Statements (section 9).

6.3. Compensation of supervisory board members

See note 11 in the Notes to the Consolidated Financial Statements (section 9).

7. Related Party Disclosures

For related party transactions that occurred in 2023, see *Note 11 - Related Party Disclosures* in the Notes to the Consolidated Financial Statements (section 9). Best practice provision 2.7.5 of the DCGC, has been observed with regard to such transactions. No transactions of significance in which members of our management board or our supervisory board had a conflict of interest, occurred in 2023.

7.1. Amended and Restated Shareholders' Agreement of trivago N.V.

In connection with our IPO, travel B.V. (which subsequently converted into trivago N.V.), trivago GmbH, the Founders, Expedia Lodging Partner Services S.à.r.l. (ELPS) and certain other Expedia Group parties entered into an amended and restated shareholders' agreement, which we refer to as the Amended and Restated Shareholders' Agreement. On August 22, 2017, the parties thereto amended the Amended and Restated Shareholders' Agreement to make a technical correction to the definition of "Secondary Shares" in the agreement. On February 7, 2019, the parties thereto amended the Amended and Restated Shareholders' Agreement to reflect the change in number of members of the management board and the number of members of the Compensation Committee. On May 18, 2022, the parties entered into a third amendment of the Amended and Restated Shareholders' Agreement, whereby the parties agreed to lower the minimum number of management board members to two.

On November 1, 2022, we agreed to purchase from Peter Vinnemeier, one of our Founders, 20,000,000 Class A shares, representing 5.5% of our total common shares outstanding, for an aggregate price of €19.3 million (USD \$20.0 million). The transaction closed on November 9, 2022, at which time, the Founders and their affiliates collectively held less than 15% of the total number outstanding of Class A and Class B shares (the "15% threshold"), including any securities convertible into or exchangeable for, or any option, warrant, or other right to purchase or otherwise acquire, any Class A or Class B share (calculated as if all such securities had been converted, exercised or exchanged), and as a result, the rights and obligations of the Founders under the Amended and Restated Shareholders' Agreement terminated, including the right to designate members of our supervisory board for binding nomination. Pursuant to the terms of the Amended and Restated Shareholders' Agreement, certain provisions in the Amended and Restated Shareholders' Agreement, including certain restrictive covenants, registration rights and transfer restrictions, continue to apply to the Founders.

On November 14, 2022, the parties also executed a joinder, whereby ELPS ultimately transferred its shares to Expedia, Inc., thereby replacing ELPS as a party in the Amended and Restated Shareholders' Agreement.

Agreements regarding the supervisory board

The internal rules of our supervisory board (which we refer to as the "Supervisory Board Rules") provide that our supervisory board be comprised of seven members who will each serve for a three year term. In connection with the shareholdings of the Founders falling below the 15% threshold (see above), the Founders are no longer entitled to designate members of our supervisory board for binding nomination.

Our articles of association, as well as the Supervisory Board Rules set forth agreements regarding the committees of the supervisory board and the rules of procedure.

Our supervisory board members were appointed by our shareholders acting at a general meeting of shareholders upon a binding nomination by the supervisory board as described in "5. Corporate Governance."

Registration and other rights

Pursuant to the Amended and Restated Shareholders' Agreement, Expedia, Inc. and the Founders continue to have certain demand registration rights, short-form registration rights and piggyback registration rights in respect of any Class A shares and Class B shares, and related indemnification rights from the company, subject to customary restrictions and exceptions. All fees, costs and expenses of registrations, other than underwriting discounts and commissions, are expected to be borne by us.

The Amended and Restated Shareholders' Agreement also grants appropriate information rights to Expedia, Inc. and the Founders. Expedia, Inc. and the Founders also agreed in the Amended and Restated Shareholders' Agreement that certain resolutions of the general meeting of shareholders require the consent of one Founder. These information and consent rights terminated in respect of the Founders upon their shareholdings having fell below the 15% threshold (see above).

Share transfer restrictions

The Amended and Restated Shareholders' Agreement provides certain restrictions on the transferability of the Class A shares and Class B shares held by Expedia, Inc. and the Founders, including prohibitions on transfers by the Founders to our competitors. The Founders have tag-along rights on transfers of Class A or Class B

shares to certain specified parties, and based on certain conditions. Expedia, Inc. has the right to drag the Founders in connection with a sale of all of its Class A shares and Class B shares. Expedia and the Founders agreed to grant each other a right of first offer on any transfers of Class A shares or Class B shares to a third party. These transfer restrictions continue to apply to the Founders after their shareholdings fell below the 15% threshold (see above).

7.2. Contribution Agreement

On August 21/22, 2017, the Founders, ELPS, trivago GmbH, trivago N.V. and certain other Expedia Group parties entered into a contribution agreement with respect to potential tax liability arising out of the cross-border merger, which we refer to as the contribution agreement. Following our IPO, we requested binding tax rulings from the German tax authorities regarding the tax neutrality to trivago GmbH, trivago N.V. and the Founders of the cross-border merger. Under the rulings, the German tax authorities have taken the opinion that trivago GmbH is liable for an immaterial tax amount. Under the contribution agreement, ELPS undertook, subject to the occurrence of a final, non-appealable and unchangeable tax assessment notice issued to us, to make an informal immaterial capital contribution (*informele kapitaalstorting*) on the Class B shares in cash in the amount of any (a) German Corporate Income Tax (*Körperschaftsteuer*), (b) German solidarity surcharge (*Solidaritätszuschlag*) thereon, and (c) German Trade Tax (*Gewerbesteuer*) that would not be made in exchange for any shares issued by us. In accordance with the terms and conditions of the contribution agreement, we and ELPS acknowledged that this contribution would be treated as share premium (*agio*) attached to the Class B shares and that the amount of this contribution would be attributed to our share premium reserve (*agioreserve*) attached to the Class B shares. The parties to the contribution agreement agreed that this contribution by ELPS shall be treated as a tax neutral shareholder contribution (*verdeckte Einlage*) at the trivago N.V. level for corporate tax purposes to the greatest extent possible. If and to the extent that German tax authorities challenge the neutral treatment of the contribution amount at the trivago N.V. level for corporate tax purposes, ELPS will contribute to us, in addition to the contribution amount referenced above, such additional amount as is necessary to ensure that the net amount actually received by us (after taking into account the payment by us of corporate taxes imposed on the contribution amount and any additional amounts payable to us pursuant the requiring payment of such additional amounts) that equals the full amount that we would have received had no such corporate taxes been imposed on the contribution amount.

7.3. Services Agreement

On May 1, 2013, we entered into an Asset Purchase Agreement, pursuant to which Expedia Group purchased certain computer hardware and software from us, and a Data Hosting Services Agreement, pursuant to which Expedia Group provides us with certain data hosting services relating to all of the servers we use that are located within the United States. Either party may terminate the Data Hosting Services Agreement upon 30 days' prior written notice. We have not incurred material expenses under this agreement.

7.4. Services and Support Agreement

On September 1, 2016, we entered into a Services and Support Agreement, pursuant to which Expedia Group agreed to provide us with certain services in connection with localizing content on our websites, such as translation services. This agreement was terminated on October 31, 2023 and a new agreement was effective as of November 1, 2023 with Expedia Group International Holdings III, LLC, ("EGIH3"). EGIH3 agreed to provide us with certain services in connection with localizing content on our websites, such as translation services. Either party may terminate the Services and Support Agreement upon 30 days prior notice.

Effective January 1, 2023, we entered into a Management Services Agreement with Expedia, Inc., pursuant to which Expedia, Inc. agreed to provide us with certain services in connection with tax, accounting, finance, legal, operations, administrative and similarly related functions. Either party may terminate the Management Services Agreement upon 30 days prior notice.

7.5. Commercial relationships

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 are arrangements terminable at will or upon fourteen to thirty days' prior notice by either party and on customary commercial terms that enable Expedia Group's brands to advertise on our platform, and we receive payment for users we refer to them. In 2020, we and Expedia Partner Solutions ("EPS") entered into an additional agreement pursuant to which EPS powers our platform with a template (hotels.com for partners). Expedia Group and its brands' related party revenue represented 36%, 32%, and 25% of our total revenue for the years ended December 31, 2023, 2022 and 2021, respectively.

7.6. Agreements with management board or supervisory board members

For a description of our agreements with our management board and supervisory board members, please see section 5.5. *Management Board* and 5.6. *Supervisory Board*.

7.7. Transactions with Shareholders

In November 2022, we purchased 20,000,000 Class A shares from Peter Vinnemeier, one of our founders, for €19.3 million (USD 1.00 per share). The purchase of shares was funded from available working capital. For more information see *Note 9.5.7. Equity* to the audited consolidated financial statements included elsewhere in this annual report.

A one-time extraordinary dividend totaling €184.4 million was distributed to Class A and Class B shareholders of record on November 3, 2023. Of the total amount, €15.1 million has been distributed to Rolf Schrömgens and €110.6 million was distributed to Expedia Group based on their share ownership on the date of record.

7.8. UBIO Limited

On April 28, 2022, 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. For more information see *Note 9.2. Investment in associates* to the audited consolidated financial statements included elsewhere in this annual report.

On November 28, 2022, we entered into a commercial arrangement with UBIO to increase the number of directly bookable rates available on our website for an initial term of 12 months. This agreement was terminated in the last quarter of 2023 by providing a 90 days written notice ahead of the contract renewal date. Effective January 11, 2024, we entered into a new commercial agreement with UBIO Limited. See *Note 9.11 Related Party Disclosures* for further details.

For the year ended December 31, 2023, our operating expenses include €1.5 million related to this commercial agreement.

7.9. Indemnification agreements

We have entered into indemnification agreements with members of our management board and our supervisory board. Our articles of association require us to indemnify our management board members and supervisory board members to the fullest extent permitted by law.

8. Protective Measures

Dutch law allows Dutch companies to have certain protective measures in place, in order to safeguard the interests of a company, its business and its stakeholders. Reference is made to *Dutch law and our articles of association may contain provisions that may discourage a takeover attempt* in section 4.2 *Risk Factors*. Our articles of association include certain provisions that may discourage a potential bidder and may be perceived as protective measures.

- The authorized share capital of the Company includes and the Company has issued class B shares, which are not listed and carry ten votes in the general meeting each, whereas a class A shares (represented by the Nasdaq listed American Depositary Shares) carry only one vote in the general meeting each.
- Management board members and supervisory board members can be appointed only pursuant to a binding nomination prepared by the supervisory board. This means that the nominee shall be appointed to the management board or supervisory board, as the case may be, unless the general meeting strips the binding nature of the nomination, which requires a resolution by a two thirds majority representing at least half of the issued share capital.
- Certain material resolutions can only be adopted by the general meeting at the proposal of the management board subject to the approval of the supervisory board. These resolutions include the resolutions to issue shares, to exclude preemption rights, to decrease the issued share capital, to amend the articles of association, to enter into a merger or demerger or to liquidate the company.
- Dutch law also allows for staggered multi-year terms of our managing directors and supervisory directors, as a result of which only part of our managing directors and supervisory directors may be subject to appointment or re-appointment in any given year.

9. trivago N.V.
Consolidated Financial Statements
as of December 31, 2023

trivago N.V.

trivago N.V.
Consolidated Statement of Profit or Loss
for the year ended December 31, 2023

		<u>2023</u>	<u>2022</u>
		€000	€000
	Notes		
Revenue from contracts with customers	4.1	485,031	535,005
Cost of sales	4.2	(11,883)	(12,686)
Gross profit		473,148	522,319
Other operating income	4.6	5,368	624
Selling and distribution expenses	4.3	(345,317)	(341,628)
Technology and content expenses	4.4	(48,141)	(54,133)
General and administrative expenses	4.5	(38,042)	(41,054)
Other operating expense	4.6	(631)	(558)
Operating profit		46,385	85,570
Finance expense	4.9	(1,637)	(1,738)
Share of loss of an associate		(221)	(401)
Profit before taxes		44,527	83,431
Income taxes expense	4.10	(15,991)	(31,585)
Profit for the year		28,536	51,846
Earnings per share			
Basic, profit for the year attributable to ordinary equity holders of the parent	4.11	0.08	0.15
Diluted, profit for the year attributable to ordinary equity holders of the parent	4.11	0.08	0.14

trivago N.V.**Consolidated Statement of Other Comprehensive Income or Loss
for the year ended December 31, 2023**

	<u>2023</u>	<u>2022</u>
	€000	€000
	Notes	
Profit for the year	28,536	51,846
Other comprehensive income		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	1.3 21	18
Other comprehensive income for the year	21	18
Total comprehensive income for the year	<u>28,557</u>	<u>51,864</u>

trivago N.V.
Consolidated Statement of Financial Position
as at December 31, 2023

		2023	2022
		€000	€000
	Notes		
Property, plant and equipment	5.2	4,532	7,657
Goodwill	5.1	7,092	7,092
Intangible assets	5.1	5,753	5,751
Right-of-use assets	5.9	43,823	47,210
Investment in associates	2.0	5,329	5,551
Other assets	5.5	2,314	2,303
Non-current assets		68,843	75,564
Trade receivables	5.3	21,789	23,878
Trade receivables, related parties	5.4	19,094	24,432
Short-term investments	6.0	25,225	45,000
Other assets	5.5	12,880	11,078
Income tax receivables	4.10, 5.5	6,774	498
Cash and cash equivalents	5.6	101,847	248,584
Current assets		187,609	353,470
Assets		256,452	429,034
Common stock A shares	5.7	6,655	7,458
Common stock B shares	5.7	142,486	142,486
Treasury stock at cost	5.7	—	(19,960)
Other capital reserves	5.7	196	186,304
Contribution from Parent	5.7	122,307	122,307
Accumulated deficit		(105,784)	(115,560)
Accumulated other comprehensive income	5.7	118	97
Total stockholder's equity		165,978	323,132
Lease liabilities	5.9	43,148	45,599
Other liabilities	5.8	732	217
Deferred tax liabilities	4.10	1,063	965
Non-current liabilities		44,943	46,781
Lease liabilities	5.9	2,609	4,819
Trade payables	5.8	17,930	19,941
Income tax liabilities	4.10	10,639	21,563
Other liabilities	5.8	14,353	12,798
Current liabilities		45,531	59,121
Equity and liabilities		256,452	429,034

trivago N.V.
Consolidated Statement of Changes of Equity
for the year ended December 31, 2023

		Common stock A shares	Common stock B shares	Treasury stock	Other capital reserves	Contribution from Parent	Retained earnings (accumulated deficit)	Accumulated other comprehensive income	Total equity
		€000	€000	€000	€000	€000	€000	€000	€000
	Notes								
January 1, 2022		5,802	157,178	—	158,514	122,307	(167,406)	79	276,474
Profit for the year		—	—	—	—	—	51,846	—	51,846
Other comprehensive income		—	—	—	—	—	—	18	18
Total comprehensive income		—	—	—	—	—	51,846	18	51,864
Share-based compensation expense	8.0	—	—	—	14,984	—	—	—	14,984
Issued capital, options exercised, net	8.0	187	—	—	(118)	—	—	—	69
Conversion of Class B shares	5.7	1,469	(14,692)	—	13,223	—	—	—	—
Repurchase of common stock	5.7	—	—	(20,259)	—	—	—	—	(20,259)
Reissuance of treasury stock		—	—	299	(299)	—	—	—	—
December 31, 2022		7,458	142,486	(19,960)	186,304	122,307	(115,560)	97	323,132
January 1, 2023		7,458	142,486	(19,960)	186,304	122,307	(115,560)	97	323,132
Profit for the year		—	—	—	—	—	28,536	—	28,536
Other comprehensive income		—	—	—	—	—	—	21	21
Total comprehensive income		—	—	—	—	—	28,536	21	28,557
Share-based compensation expense	8.0	—	—	—	7,084	—	—	—	7,084
Issued capital, options exercised, net	8.0	397	—	—	(327)	—	—	—	70
Withholding taxes on net share settlements of equity awards	8.0	—	—	—	(6,456)	—	—	—	(6,456)
Treasury stock retirement	5.7	(1,200)	—	19,960	—	—	(18,760)	—	—
Dividend paid to shareholders	5.7	—	—	—	(184,381)	—	—	—	(184,381)
Reclassification of share-based compensation expense from equity to liability	8.0	—	—	—	(2,028)	—	—	—	(2,028)
December 31, 2023		6,655	142,486	—	196	122,307	(105,784)	118	165,978

trivago N.V.
Consolidated Statement of Cash Flows
for the year ended December 31, 2023

		2023	2022
		€000	€000
	Notes		
Operating activities			
Profit for the year		28,536	51,846
Adjustments to reconcile profit to net cash flows:			
Finance expense	4.9	1,637	1,738
Interest income	4.6	(5,214)	(624)
Deferred income taxes	4.10	—	10,237
Foreign exchange loss	7.0	632	228
Bad debt expense		640	228
Depreciation of property, plant and equipment and right-of-use assets	5.2, 5.9	4,832	5,589
Amortization and impairment of intangible assets	5.1	3,224	5,180
Share-based payment expense	8.0	7,084	14,984
Share of loss of an associate	2.0	221	401
Gain on disposal of property, plant and equipment		(18)	(6)
Gain from lease termination and modification, net	5.9	—	(30)
		<u>41,574</u>	<u>89,771</u>
Working capital adjustments:			
Change in Accounts receivable, including related party		6,672	(9,675)
Change in Other assets		(1,869)	1,559
Change in Accounts payable		(2,393)	5,292
Change in Accrued expenses and other liabilities		(18)	(29,176)
Change in Taxes payable/receivable, net		(49,979)	2,541
		<u>(47,587)</u>	<u>(29,459)</u>
Income tax paid, net of (refunds)		32,895	9,436
Net cash flows from operating activities		<u>26,882</u>	<u>69,748</u>
Investing activities			
Purchase of property, plant and equipment	5.2	(289)	(559)
Purchase and development of intangible assets	5.1	(3,226)	(3,424)
Proceeds from sales and maturities of investments	6.0	45,000	5,000
Purchase of financial instruments	6.0	(25,225)	(50,000)
Interest received		5,271	397
Investment in equity-method investees	2.0	—	(5,951)
Proceeds from the sale of property, plant and equipment and intangible assets	5.1, 5.2	28	17
Net cash flows from/(used in) investing activities		<u>21,559</u>	<u>(54,520)</u>
Financing activities			
Payment of principal portion of lease liability	5.9	(2,579)	(2,252)
Interest paid	5.9	(1,630)	(1,731)
Proceeds from exercise of option awards	8.0	70	118
Payment of withholding taxes on net share settlements of equity awards		(6,380)	—
Dividend paid to shareholders		(184,381)	—
Purchases of treasury stock	5.7	—	(19,627)
Net cash flows used in financing activities		<u>(194,900)</u>	<u>(23,492)</u>
Net foreign exchange difference		(278)	470
Net decrease in cash and cash equivalents		<u>(146,737)</u>	<u>(7,794)</u>
Cash and cash equivalents at the beginning of the period		248,584	256,378
Cash and cash equivalents at the end of the period	5.6	<u>101,847</u>	<u>248,584</u>

Notes to the Consolidated Financial Statements

1. General Information

1.1. Corporate Information

The corporate seat of trivago N.V. ("trivago", the "trivago Group," the "Company," "us", "we" and "our") is in Amsterdam, the Netherlands, and the registered office of the Company is at Kesselstraße 5 - 7, 40221 Düsseldorf, Germany. We are registered with the trade register (*handelsregister*) of the Chamber of Commerce (*Kamer van Koophandel*) in the Netherlands under number 67222927.

trivago also prepares financial statements under U.S. GAAP which are included in the consolidated financial statements of the Expedia Group, Inc. (the "Parent" or "Expedia Group"). During 2013, Expedia Group completed the purchase of a controlling interest in the Company. As of December 31, 2023, Expedia Group's ownership interest and voting interest in trivago N.V. is 60.0% and 84.1%, respectively, and 61.2% and 84.3%, respectively, as of December 31, 2022.

trivago 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 or a 'cost-per-acquisition' (or "CPA") pricing structure, whereby an advertiser pays us a percentage of the booking revenues that ultimately result from a referral.

The supervisory board authorized the consolidated financial statements of trivago for the year ended December 31, 2023 for issuance in accordance with a resolution of the directors on May 22, 2024.

1.2 Basis of preparation

The consolidated financial statements of trivago have been prepared in accordance with International Financial Reporting Standards "IFRS EU" or "IFRS" as issued by the International Accounting Standards Board (IASB) and adopted by the EU and Part 9 of Book 2 Dutch Civil Code.

The financial statements have been prepared on the basis that trivago will continue to operate as a going concern.

General presentation

The consolidated statement of financial position is classified using the current/non-current distinction. trivago classifies assets as current if they are expected to be realized within twelve months after the end of the reporting period. Liabilities are classified as current if trivago is contractually required or has a constructive obligation to settle them within twelve months after the end of the reporting period.

The consolidated financial statements comprise the financial statements of trivago and its subsidiaries as at December 31, 2023. The financial statements of all entities included in these consolidated financial statements have been prepared as of the same date as these consolidated financial statements.

Measurement bases

Assets and liabilities are generally measured on the basis of historical cost. Financial instruments recorded at fair value through profit or loss represent an exception, as they are measured at fair value.

Estimation uncertainty and management judgment

In the preparation of financial statements in accordance with IFRS as adopted in the EU, management exercises judgment in making appropriate estimates and assumptions affecting the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual amounts may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. We based our assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond our control. Such changes are reflected in the assumptions when they occur.

Estimates and the basis on which assumptions are made are reviewed regularly. Changes in estimates are recognized in the period in which the changes are made as well as in all subsequent periods affected by the changes.

The following significant issues are subject to estimation uncertainty with respect to the application of accounting policies and management judgment:

- identification of cash-generating units and determination of recoverable amounts for purposes of impairment tests of goodwill and non-current assets, (Reference is made to Note 5.1 of the Financial Statements),
- income taxes and the assessment of the recoverability of deferred tax assets (Reference is made to Note 4.10 of the Financial Statements),
- share-based payments (Reference is made to Note 8 of the Financial Statements),
- determining the lease term of contracts with renewal and termination options (Reference is made to Note 9.1.3.6 *Leases* of the Financial Statements).

With regard to climate-related matters, the Company constantly monitors the latest government legislation to assess its potential impact on trivago. The dynamic regulatory environment surrounding accounting standards and climate-related disclosures associated with emerging laws and reporting requirements and the related costs to comply with these emerging regulations could be significant. However, at the current time, no legislation has been passed that would directly affect our operations. Moreover, our businesses may also be negatively impacted by the direct and indirect impacts of climate change. Direct impacts include, amongst other factors, disruptions to travel resulting from more frequent or severe weather-related incidents. Indirect impacts may include, amongst other factors, a change in consumer preferences, which we may not successfully adapt to, or the general harm to our business resulting from the perception of travel as an environmental harm. These and other climate change related impacts could have a significant adverse impact on our business in both the short, medium, and long term. However, at this stage we cannot reliably estimate the future financial impact and thus no impact has been recognized in the current financial statements. The Company will adjust its key valuation assumptions and sensitivity to changes in assumptions should a change be required in future periods.

1.3 Summary of material accounting policies

The accounting policies set out below have been applied consistently by all trivago entities for all periods presented in these consolidated financial statements.

Consolidation principles

The consolidated financial statements comprise the financial statements of trivago N.V and its subsidiaries as at December 31, 2023. Control is achieved when we are exposed, or have rights, to variable returns from our involvement with the investee and have the ability to affect those returns through its power over the investee.

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when we have less than a majority of the voting or similar rights of an investee, we consider all relevant facts and circumstances in assessing whether we have the power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

We re-assesses whether or not we control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when we obtain control over the subsidiary and ceases when we lose control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date we gain control until the date we cease to control the subsidiary.

Profit or loss and each component of OCI are attributed to our equity holders. All intercompany assets and liabilities, equity, income, expenses and cash flows are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If we lose control over a subsidiary, we derecognize the related assets (including goodwill), liabilities, and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

As at December 31, 2023 the consolidated financial statements of trivago include:

Name	Principle activities	Country of incorporation	Equity interest
base7booking.com S.á.r.l. (in liquidation)	Software Development	Switzerland	100 %
base7Germany GmbH	Software Development	Germany	100 %
TGO (Thailand) Ltd. (in liquidation)	Sales and Marketing	Thailand	100 %
trivago Hong Kong Ltd.	Sales and Marketing	Hong Kong	100 %
trivago Hotel Relations GmbH	Sales and Marketing	Germany	100 %
Trivago Hotel Relations Spain S.L.U	Software Development	Spain	100 %
trivago Service B.V.	Corporate Administration	Netherlands	100 %
trivago Services US LLC	Data Hosting Services	United States	100 %
weekengo GmbH	Sales and Marketing	Germany	100 %

As at December 31, 2022 the consolidated financial statements of trivago include:

Name	Principle activities	Country of incorporation	Equity interest
base7booking.com S.á.r.l. (in liquidation)	Software Development	Switzerland	100 %
base7Germany GmbH	Software Development	Germany	100 %
Stichting trivago Warehousing	Share Foundation	Netherlands	100 %
TGO (Thailand) Ltd. (in liquidation)	Sales and Marketing	Thailand	100 %
trivago Hong Kong Ltd.	Sales and Marketing	Hong Kong	100 %
trivago Hotel Relations GmbH	Sales and Marketing	Germany	100 %
Trivago Hotel Relations Spain S.L.U	Software Development	Spain	100 %
trivago Service B.V.	Corporate Administration	Netherlands	100 %
trivago Services US LLC	Data Hosting Services	United States	100 %
weekengo GmbH	Sales and Marketing	Germany	100 %

Stichting trivago Warehousing was dissolved subsequent to a resolution passed by the management board on October 30, 2023. There was no resulting gain or loss recognized.

Foreign currency translation

Foreign currency transactions

Transactions in foreign currencies are initially recorded at their respective functional currency spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign entities

We present our financial statements in Euros, our functional currency. Assets and liabilities of subsidiaries whose functional currency is not the Euro are translated at the spot rate at the end of the reporting period. The components of equity are translated at historical rates, and items in the consolidated financial profit or loss are translated at the weighted average rate for each reporting period. The resulting translation differences are recognized in OCI and reported in accumulated other comprehensive income. The impact of currency translation recognized in shareholders' equity is reversed to profit or loss when consolidation of the subsidiary ceases.

Items in the consolidated statement of cash flows are translated at the weighted average exchange rate for the period except for cash and cash equivalents, which are translated at the spot rate at the end of the reporting period.

The exchange rates of major currencies developed as follows:

	Closing rate		Average rate	
	12/31/2023	12/31/2022	2023	2022
U.S. dollar	1.1050	1.0666	1.0813	1.0530
British Pound (GBP)	0.8691	0.8860	0.8698	0.8527

Property, plant, and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, trivago recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are the profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

A summary of the policies applied to trivago's property, plant and equipment is as follows:

	Amortization method used	Useful life
Computer equipment	straight line	3-8
Furniture and fixtures	straight line	3-8
Leasehold Improvements	straight line	Lesser of useful life or lease term (1 - 20 years)

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leases

trivago as a Lessee

We assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

We apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. trivago recognizes lease liabilities for future lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

Right-of-use assets are recognized at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and decommissioning costs.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets, as follows:

Leased asset	Amortization method used	Useful life	Remaining useful life at December 31, 2023
Office space	straight line	Lesser of useful life or lease term	1 - 14 years
Office equipment	straight line	Lesser of useful life or lease term	Less than 1 year

If ownership of the leased asset transfers to trivago at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, we recognize lease liabilities measured at the present value of lease payments to be made over the lease term. We determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable
- variable lease payments that depend on an index or a rate
- amounts expected to be paid under residual value guarantees
- the exercise price of a purchase option reasonably certain to be exercised by trivago
- payments of penalties for terminating the lease, if the lease term reflects the trivago exercising the option to terminate

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

We use our estimated incremental borrowing rate ("IBR") as the discount rate in measuring the present value of lease payments given the rate implicit in our leases is not typically readily determinable. The IBR is the rate of interest that we would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Estimating the IBR requires assessing a number of inputs including; an estimated synthetic credit rating, collateral adjustments, and interest rates. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

We apply the short-term lease recognition exemption to our short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). We also apply the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

trivago as a Lessor

Leases in which trivago does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Cash and cash equivalents

Our cash and cash equivalents include cash and liquid financial instruments, consisting of time deposit investments, with original maturities of three months or less when purchased.

Short-term investments

Our short-term investments consist of term deposit accounts and government bonds with original maturities of more than three but fewer than 12 months. These investments are initially recognized at fair value and are subsequently measured at amortized cost, as they are held solely to collect contractual cash flows and meet the liquidity requirements of the Company.

Share-based payment transactions

Share-based compensation expense relates to stock awards granted in connection with the Omnibus Incentive Plan, as further discussed in Note 8. *Share-based Payment Plans*.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black-Scholes option pricing model or for awards which contain market-based vesting conditions, the Monte Carlo simulation pricing model. The expected volatility is based on historical volatility of our common stock. The expected term assumptions are based on the terms and conditions of the employee share option agreements, and scheduled exercise windows.

In addition to share options, we also grant Restricted Stock Units ("RSUs"), which are stock awards entitling the holder to shares of common stock as the award vests. For RSU awards with only service-based vesting conditions, we measure the fair value based on the quoted price of our common stock at the date of grant. For RSU awards which contain market conditions, we estimate the fair value using the Monte Carlo simulation model.

That cost is recognized in employee benefits expense, together with a corresponding increase in equity, over the period in which the service conditions and, where applicable, the performance conditions are fulfilled (the vesting period). Certain awards granted contain market conditions which vest upon achievement of certain market-based targets, in addition to containing service conditions.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and our best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of our best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. We recognize the effect of forfeitures in the period that the award was forfeited.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is canceled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. The majority of share options and units vest between one and three years and have contractual terms that align with prescribed liquidation windows.

Cash-settled transactions

A liability is recognized for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognized in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability.

Revenue from contracts with customers

We recognize revenues when control of promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. We have generally concluded that we are the principal in our revenue arrangements because we typically control the services before transferring them to the customer.

We derive our revenues from the following streams:

Referral Revenue

We earn Referral Revenue using cost-per-click ("CPC") and cost-per-acquisition ("CPA") models. Both relate to fees earned on the display of a customer's (advertiser's) link on the trivago website.

CPC revenue is recognized after the traveler makes the click-through to the related advertiser's website. Control is deemed to have transferred at a point in time, being when the link or advertisement has been displayed and the click-through to the customer's website has occurred.

CPA revenue is recognized when the click-through to the related advertiser's website results in a booking, as control is deemed to have transferred at that point in time. We consider the performance obligation to be satisfied when the booking has occurred. The price that an advertiser pays for a click that results in a booking is based on a percentage of the booking revenue.

The prices per click for CPC & CPA advertising campaigns, are negotiated in advance, thus, the amount to be recognized as revenue for the respective click is fixed and determinable when the performance obligation has been satisfied.

Most of our revenue is invoiced on a monthly basis after the performance obligation has been satisfied with payment terms between 10 to 30 days. For some advertisers we require prepayments.

Other Revenue

Revenue from subscription services is recognized ratably over the contract term, which is generally 12 months or less from the subscription commencement date. This revenue is recognized when trivago Business Studio Pro Apps Package services are performed over the subscription period with contract liabilities recognized upon receipt of payment in advance of revenue recognition. Customers may choose to be billed annually or monthly via Single Euro Payments Area ("SEPA") or credit card. The price per subscription is fixed and determinable when the contract commences. This revenue is generated through subscription-based services earned through trivago Business Studio Pro Apps Package.

We also earn revenue by offering our advertisers business-to-business (B2B) solutions including: display advertisements, which are recognized as services are provided; access services, which are recognized based on the volume usage; and white label services, which are predominately recognized in accordance with CPC revenue. These revenue streams do not represent a significant portion of our revenue.

A trade receivable represents trivago's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date in the countries where we operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

For leases, we consider the right-of-use asset and lease liability recognized at the commencement of a lease as a single transaction that gives rise to both a taxable temporary difference (on the asset) and a deductible temporary difference (on the liability).

Deferred tax assets are recognized for the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences. The carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized
- Deferred tax assets are recognized only if it is probable that sufficient taxable profit will be available to allow the deductible temporary difference to be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority or different entities that intend to realize the asset and settle the liability at the same time.

Current and deferred tax is recognized in profit or loss.

Treasury stock

We record 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 is not considered outstanding for share count purposes, therefore is excluded from average common shares outstanding for basic and diluted earnings per share.

Treasury stock is held for the purpose of reissuance under share-based compensation plans or capital reduction (retirement). When treasury stock is reissued, any gains are included as part of additional paid-in capital. Losses upon reissuance or retirement reduce additional paid-in capital to the extent that previous net gains from the same class of stock have been recognized and any losses above that are recognized as part of retained earnings (accumulated deficit). We use the first-in-first-out purchase cost to determine the cost of the treasury stock that is reissued. If treasury stock is retired, any cost in excess of par value will be recorded to retained earnings (accumulated deficit).

Investment in associates

We account for investments in associates which we exercise significant influence over 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, changes in the investee's other comprehensive income and impairments. Investees' accounting policies are adjusted to align with those used by the whole Company. Losses are limited to the extent of the Company's investment in, advances to and commitments for the investee.

On an annual basis, we perform an assessment of impairment indicators to evaluate whether these investments are impaired. The impairment indicators considered include industry and market conditions, financial performance, business prospects, and other relevant events and factors. When our assessment indicates that an impairment exists, we write down our equity investments to their recoverable amount.

As at December 31, 2023 the following investment is accounted for as an equity method investment:

Name	Principle activities	Country of incorporation	Equity interest
UBIO Limited	Software Development	England and Wales	20.8 %

1.4 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of our consolidated financial statements, and that are expected to have an impact on our consolidated financial position or performance, are disclosed below. We have not early adopted these new or amended standards in preparing these consolidated financial statements and intends to adopt these standards, if applicable, when they become effective.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback (Adopted by the EU)

The amendments to IFRS 16 Leases explain how a company accounts for a sale and leaseback after the date of the transaction.

IFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, IFRS 16 had not specified how to measure the transaction when reporting after that date. The issued amendments add to the sale and leaseback requirements in IFRS 16, thereby supporting the consistent application of the Accounting Standard. These amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted. As of December 31, 2023, these amendments are not expected to have a significant impact on our consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current (Adopted by the EU)

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting period beginning on or after January 1, 2024 and must be applied retrospectively. As of December 31, 2023, these amendments are not expected to have a significant impact on our consolidated financial statements.

1.5 Changes in accounting policies and disclosures

Amended Standards and Interpretations Effective in 2023

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

The amendments apply for annual reporting periods beginning on or after January 1, 2023. The amendments had no impact on trivago's consolidated financial statements as of December 31, 2023.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments did not have an impact on our consolidated financial statements as of December 31, 2023.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. We have applied the guidance in the amendment to our accounting policy disclosures in *Note 1.3* as of December 31, 2023.

Other standards

The following standards applied for the first time in 2023 did not have an impact on our consolidated financial statements:

- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts (Adopted by the EU).
- International Tax report - Pillar Two Model Rules - Amendments to IAS 12

2. Investment in associates

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.

For the years ended December 31, 2023 and 2022 the Company's share of UBIO's losses amounted to €0.2 million and €0.4 million, respectively.

3. Segment information

According to IFRS 8, the identification of operating segments to be included in the reporting process is based on the so-called management approach. External reporting should therefore be based on our internal organization and management structure, as well as internal financial reporting to the Chief Operating Decision Maker who at trivago, are the managing directors. They are responsible for assessing and controlling the success of the various segments.

The managing directors focus on managing the business to reflect unique market opportunities and competitive dynamics inherent in the business within each of the operating segments. They identified the following three operating segments:

- Americas
- Developed Europe
- Rest of World

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. Rest of World segment represents all regions outside of the Americas and Developed Europe.

The managing directors mainly monitor the operating segments on the basis of key earning figures, with performance primarily being measured on Return on Advertising Spend (“ROAS”), which compares Referral Revenue to advertising spend. ROAS includes the allocation of revenue by operating segment 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.

Our financing (including finance expenses and finance income) and income taxes are not managed on an operating segment level.

Corporate and Eliminations also includes all corporate functions and expenses except for direct advertising. In addition, amortization of intangible assets and any related impairment, as well as share-based compensation expense, restructuring and related reorganization charges, legal reserves, occupancy tax and other, and other items excluded from segment operating performance were recorded in Corporate and Eliminations.

The following tables present the segment information:

Year ended December 31, 2023	Developed Europe	Americas	Rest of World	Corporate and Eliminations	Total
	€000	€000	€000	€000	€000
Referral revenue	215,687	176,404	84,749	—	476,840
Other revenue	—	—	—	8,191	8,191
Total revenue	215,687	176,404	84,749	8,191	485,031
Advertising Spend	(147,713)	(118,965)	(56,469)	—	(323,147)
ROAS contribution	67,974	57,439	28,280	8,191	161,884

Year ended December 31, 2022	Developed Europe	Americas	Rest of World	Corporate and Eliminations	Total
	€000	€000	€000	€000	€000
Referral revenue	237,692	216,407	67,692	—	521,791
Other revenue	—	—	—	13,214	13,214
Total revenue	237,692	216,407	67,692	13,214	535,005
Advertising Spend	(149,823)	(131,638)	(35,862)	—	(317,323)
ROAS contribution	87,869	84,769	31,830	13,214	217,682

In 2023 and 2022 we generated revenue of €386.4 million and €435.7 million, respectively, from the top three key customers, representing approximately 80% and 81%, respectively, of total revenue. Segment revenue is comprised entirely of Referral Revenue. The Referral Revenue contribution from the top three key customers to our total revenue, in terms of amounts and percentages based on operating segments is as follows:

- Developed Europe (2023: €164.7 million and 76%, 2022: €189.5 million and 80%)
- Americas (2023: €152.0 million and 86%, 2022: €191.8 million and 89%)
- Rest of World (2023: €69.7 million and 82%, 2022: €54.4 million and 80%)

Refer to *Note 9.7. Financial risk management - Credit risk* for additional discussion on trivago's top customers.

The following table shows the reconciliation from ROAS contribution to profit for the year:

	2023	2022
	€000	€000
Referral revenue	476,840	521,791
Other revenue	8,191	13,214
Total sales	485,031	535,005
Advertising Spend	(323,147)	(317,323)
ROAS contribution	161,884	217,682
Other operating income	5,368	624
Cost of sales	(11,883)	(12,686)
Other selling and marketing	(22,170)	(24,305)
Technology and content	(48,141)	(54,133)
General and administrative expenses	(38,042)	(41,054)
Other operating expense	(631)	(558)
Operating profit	46,385	85,570
Finance expense	(1,637)	(1,738)
Share of loss of an associate	(221)	(401)
Profit before taxes	44,527	83,431
Income taxes expense	(15,991)	(31,585)
Profit for the year	28,536	51,846

The following table shows non-current assets by geographic area:

	2023	2022
	€000	€000
Property, plant and equipment	4,532	7,657
Intangible assets	5,753	5,751
Investment in associates	5,329	5,551
Right-of-use assets	43,823	47,210
Other assets	2,314	2,303
Total	61,751	68,472
<i>thereof: Germany</i>	61,599	68,237
<i>thereof: All other countries</i>	152	235

4. Notes to the statement of profit or loss

4.1. Revenue from contracts with customers

	2023	2022
	€000	€000
Referral revenue	476,840	521,791
Other revenue	8,191	13,214
Total	485,031	535,005

Referral Revenue for the year ended December 31, 2023 was €476.8 million, representing a decrease of €45.0 million or 9%, compared to the year ended December 31, 2022. This decrease was primarily driven by softer bidding dynamics on our platform compared to the year ended December 31, 2022, when we had benefited from a strong auction. It was further driven by lower traffic volumes from increased competition in performance marketing channels and a negative foreign exchange rate impact due to the strengthening of the euro against foreign currencies, compared to the year ended December 31, 2022. The decrease was partly offset by higher average booking values and better booking conversion compared to the same period in 2022.

Other revenue is mainly related to offering our advertisers B2B solutions, such as display advertisements, access services, white label services, and subscription fees earned from advertisers for the trivago Business Studio Pro Apps Package, which is sold on a subscription basis and allows hotels to enhance their profile with more advanced features and functionalities. Other revenue for the year ended December 31, 2023 was €8.2 million, representing a decrease of €5.0 million or 38%, compared to the year ended December 31, 2022.

The following table presents revenue by geographic area. Referral sales were allocated by country using the same methodology as the allocation of segment sales, while non-referral sales were allocated based upon the location of the customer using the service.

	2023	2022
	€000	€000
United States	106,032	139,885
Germany	45,209	52,789
United Kingdom	55,867	68,554
Canada	29,240	31,899
Japan	39,016	19,200
All other countries	209,667	222,678
Total	485,031	535,005

4.2. Cost of sales

Cost of sales consists of expenses that are directly or closely correlated to sales generation, including third-party cloud-related service provider expenses and third-party data center expenses, depreciation expense for self owned data center, personnel-related expenses and share-based compensation for our infrastructure operations staff and our customer service team.

Cost of sales for the year ended December 31, 2023 decreased by €0.8 million, or 6%, compared to the same period in 2022. The decrease was primarily driven by lower data center and cloud-related service provider costs.

Cost of sales for the year ended December 31, 2023 includes share-based compensation expenses in the amount of €0.1 million as compared to €0.2 million for the year ended December 31, 2022. For further explanation see *Note 8. Share-based Payment Plans*.

4.3. Selling and distribution expenses

Selling and distribution costs consists of all selling and marketing related costs and is divided into advertising expense and other selling and marketing expenses, as well as share-based compensation expense.

Advertising expense consists of fees that we pay for our various marketing channels like TV, search engine marketing, display and affiliate marketing, email marketing, online video, app marketing, content marketing, and sponsorship and endorsement.

Other selling and marketing expenses include personnel-related expenses for our marketing, sales and account management teams, as well as production costs for our TV spots and other marketing material, and other professional fees such as market research costs.

	<u>2023</u>	<u>2022</u>
	<u>€000</u>	<u>€000</u>
Advertising expenses	323,147	317,323
Other selling and marketing expenses	22,170	24,305
<i>thereof: Share-based compensation</i>	350	550
Total	<u>345,317</u>	<u>341,628</u>

Selling and distribution expenses for the year ended December 31, 2023 increased by €3.7 million, or 1% compared to the year ended December 31, 2022, primarily driven by the increase in Advertising Spend in the Rest of World segment.

Advertising Spend increased by €5.8 million, or 2%, for the year ended December 31, 2023, compared to the same period in 2022. Advertising Spend increased by €20.6 million to €56.5 million in Rest of World, while it decreased by €12.6 million and €2.1 million to €119.0 million and €147.7 million in Americas and Developed Europe, respectively, compared to the year ended December 31, 2022. The overall increase in Advertising Spend was driven by higher brand investments and was partly offset by lower performance marketing spend.

Other selling and marketing expenses excluding share-based compensation for the year ended December 31, 2023 decreased by €1.9 million, or 8%, compared to the same period in 2022. The decrease was primarily driven by lower expenses incurred to acquire traffic, and lower personnel-related costs from a lower headcount following the discontinuation of certain products and projects in the prior year and as a result of an internal reorganization of existing teams to achieve efficiencies in 2022. The decrease was further driven by cancellation fees incurred in the prior year for contracts related to discontinued products, and was partly offset by higher television advertisement production costs.

4.4. Technology and content expenses

Technology and content expense consists primarily of expenses for technology development, product development and hotel search personnel and overhead, depreciation and amortization of technology assets including hardware, purchased and internally developed software and other professional fees (primarily licensing and maintenance expense), including share-based compensation expense.

	<u>2023</u>	<u>2022</u>
	<u>€000</u>	<u>€000</u>
Personnel costs	26,653	30,916
Share-based compensation	715	2,505
Depreciation and amortization	5,765	7,174
Other	15,008	13,538
Total	<u>48,141</u>	<u>54,133</u>

Technology and content expense for the year ended December 31, 2023 decreased by €6.0 million, or 11%, compared to the same period in 2022, mainly due to lower personnel-related costs, lower share-based compensation and depreciation expense, partly offset by higher professional fees and other expenses.

Personnel expenses for the year ended December 31, 2023 decreased by €4.3 million, or 14%, mainly due a lower headcount following an internal reorganization of existing teams to achieve efficiencies through attrition and headcount reductions as a result of the discontinuation of certain products and projects in 2022. The decrease was further driven by lower severance payments compared to the year ended December 31, 2022.

Depreciation expense decreased by €1.4 million, or 21%, mainly due to lower underlying capitalized software and software development cost assets that are typically depreciated over a three year useful life.

Professional fees and other expenses increased by €1.5 million, or 11%, mainly due to higher cloud-related service provider costs and continuous investments to improve our platform. These were partly offset by the non-recurrence of an impairment of capitalized software assets related to discontinued products and projects recognized in the prior year.

4.5. General and administrative expenses

General and administrative expense consists primarily of personnel-related costs including those of our executive leadership, finance, legal and human resource functions, as well as professional fees for external services including legal, tax and accounting. It also includes other overhead costs, depreciation and share-based compensation.

	2023	2022
	€000	€000
Personnel costs	15,816	13,075
Share-based compensation	5,923	11,725
Professional fees and other	16,303	16,254
Total	38,042	41,054

General and administrative expense for the year ended December 31, 2023 decreased by €3.1 million, or 8%, compared to the same period in 2022, mainly due to lower share-based compensation expense, partly offset by higher personnel-related costs.

Share-based compensation decreased by €5.8 million, or 50%, for the year ended December 31, 2023, which was mainly driven by higher forfeitures as a result of the leadership team transition.

Personnel-related costs for the year ended December 31, 2023 increased by €2.7 million, or 21%, mainly due to an increase in compensation costs compared to the same period in 2022.

4.6. Other operating income and other operating expense

Other operating income is mainly comprised of interest income. For the year ended December 31, 2023, interest income was €5.2 million, compared to €0.6 million in the same period in 2022, mainly due to higher interest rates on our bank accounts and term deposits held with financial institutions in the current year.

Other operating expense is mainly comprised of foreign exchange rate loss. For the year ended December 31, 2023 foreign exchange loss was €0.6 million, compared to the loss of €0.2 million in the same period in 2022.

4.7. Personnel expenses

Personnel expenses are divided among the various cost types as follows:

	2023	2022
	€000	€000
Wages and salaries	52,980	62,127
Social security costs	7,253	8,409
Pension expenses	60	81
Termination benefits	575	902
Total	60,868	71,519

We only have defined contribution plans. trivago pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. There are no other benefit obligations for trivago after payment of the contributions. The current contribution payments are disclosed as expenses in the respective year. For further explanation of share-based compensation see Note 8. "Share-based payment plan".

The number of employees decreased from 709 in the prior year to 651 at the end of the reporting period. The average number of employees in the fiscal year 2023 amounted to 680 compared to 759 in the prior year, of which 671, compared to 749 in the prior year, were employed in Germany and 1, compared to 3 in the prior year, was employed in the Netherlands.

Personnel expenses are divided among the various divisions as follows:

	<u>2023</u>	<u>2022</u>
	<u>€000</u>	<u>€000</u>
Cost of sales	3,565	3,554
Selling and distribution expenses	8,196	9,744
Technology and content	27,368	33,421
General and administrative expenses	21,739	24,800
Total	<u>60,868</u>	<u>71,519</u>

4.8. Depreciation and amortization

	<u>2023</u>	<u>2022</u>
	<u>€000</u>	<u>€000</u>
Cost of sales	293	370
Selling and distribution	835	954
Technology and content	5,765	7,174
General and administrative	1,164	1,378
Total	<u>8,057</u>	<u>9,876</u>

4.9. Finance expense

	<u>2023</u>	<u>2022</u>
	<u>€000</u>	<u>€000</u>
Interest on lease liabilities (Note 5.9)	1,637	1,738
Total	<u>1,637</u>	<u>1,738</u>

4.10. Income taxes

trivago N.V. is a Dutch listed entity, however has its tax residency in Germany. We are subject to unlimited tax liability for German corporate income tax (Körperschaftsteuer) and trade tax (Gewerbesteuer) purposes due to its effective place of management in Germany and notwithstanding the fact that it is incorporated in the Netherlands.

The rate of the corporate income tax is the standard 15% for both distributed and retained earnings, plus a solidarity surcharge (Solidarit tzuschlag) amounting to 5.5% on the corporate income tax (*i.e.* 15.825% in total). Trade tax is levied on a company's taxable income adjusted for certain revenues which are not subject to such tax and for certain expenses which are not deductible for purposes of trade tax. The effective trade tax rate depends on the municipality in which the company operates. The trade tax rate in fiscal year 2023 amounts to approximately 15.4% as compared to 15.4% in 2022. The statutory tax rate corresponds to the tax rate of the parent company, trivago N.V., which is a German tax resident.

	<u>2023</u>	<u>2022</u>
	<u>€000</u>	<u>€000</u>
Current income tax	15,892	26,301
Deferred taxes	99	5,284
Total	<u>15,991</u>	<u>31,585</u>

Deferred tax expense relates to the origination and reversal of temporary differences. Deferred taxes result from the following items:

	2023	2022
	€000	€000
Intangible assets	180	—
Other receivables and assets	431	—
Trade payables and other liabilities	263	—
Lease liabilities	16,229	13,842
Other	43	—
Deferred tax assets	17,146	13,842
Intangible assets	—	1,954
Property and equipment	2,107	—
Other receivables and assets	338	—
Cash and cash equivalents	—	51
Right-of-use assets	15,587	12,787
Other	177	16
Deferred tax liabilities	18,209	14,808
Net deferred tax liability in financial position	(1,063)	(965)
Amount recognized in profit and loss	99	5,284

As at December 31, 2023, we did not record deferred tax assets resulting from net operating loss carryforwards (“NOLs”).

As at December 31, 2023, deferred tax assets of €1.3 million for accumulated tax loss carryforwards of domestic and foreign subsidiaries, of which €1.2 million do not expire due to local tax laws where the tax losses were generated, were not recognized as we have considered these tax loss carryforwards as not realizable.

The total cumulative amount of undistributed earnings related to investments in certain foreign subsidiaries where the foreign subsidiary has or will invest undistributed earnings indefinitely was €1.8 million as at December 31, 2023. In terms of undistributed earnings of domestic investments, we have recognized deferred income taxes on taxable temporary difference of €18 thousand, as only 5% refer to a taxable temporary difference under German tax law. Any capital gains on the sale of participation would be 95% exempt under German tax law.

The aggregate tax rate is reconciled to the effective tax rate as follows:

	2023	2022
	€000	€000
Result before income tax	44,527	83,431
Group tax rate	31.23 %	31.23 %
Income taxes based on group statutory tax rate	13,906	26,056
Foreign rate differential	(1)	175
Non-deductible share-based compensation	1,981	4,679
Deductible share-based compensation liability awards	(401)	—
Non-deductible corporate costs	1,013	234
Changes in uncertain tax positions	(700)	400
Losses for which no deferred tax is recognized	—	(57)
Other differences	193	98
Effective tax expenses as per income statement	15,991	31,585
Effective tax rate	35.9%	37.9%

The uncertain tax positions as at December 31, 2023 and 2022 were as follows:

	2023	2022
	€000	€000
Balance, beginning of year	9,238	8,850
Increases to tax positions related to the current year	—	366
Decreases to tax positions related to prior years	(720)	—
Interest and penalties	34	22
Balance, end of year	8,552	9,238

4.11. Earnings per Share

Basic and diluted earnings per share of Class A and Class B common stock is computed by dividing profit for the year 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:

<i>(in thousands, except per share amounts)</i>	2023	2022
Earnings per share attributable to trivago N.V. available to Class A and Class B common stockholders:		
Basic	0.08	0.15
Diluted	0.08	0.14
Weighted average number of outstanding shares in units		
Weighted average shares of Class A and Class B common stock outstanding - basic	344,937	357,551
Weighted average shares of Class A and Class B common stock outstanding - diluted	354,242	367,827

5. Notes to the statement of financial position

5.1 Goodwill and intangible assets

	Goodwill	Capitalized Software	Other Intangibles	Total
	€000	€000	€000	€000
Historical cost				
As at 01/01/2022	7,092	29,499	1,141	37,732
Additions	—	3,428	—	3,428
Disposals	—	(24)	—	(24)
As at 12/31/2022	7,092	32,903	1,141	41,136
As at 01/01/2023	7,092	32,903	1,141	41,136
Additions	—	3,226	—	3,226
Disposals	—	(2,585)	—	(2,585)
As at 12/31/2023	7,092	33,544	1,141	41,777
Accumulated amortization				
As at 01/01/2022	—	(22,577)	(556)	(23,133)
Additions	—	(4,156)	(135)	(4,291)
Impairments	—	(893)	—	(893)
Disposals	—	24	—	24
As at 12/31/2022	—	(27,602)	(691)	(28,293)
As at 01/01/2023	—	(27,602)	(691)	(28,293)
Additions	—	(3,089)	(135)	(3,224)
Disposals	—	2,585	—	2,585
As at 12/31/2023	—	(28,106)	(826)	(28,932)
Net carrying amount as at 1/1/2022	7,092	6,922	585	14,599
Net carrying amount as at 12/31/2022	7,092	5,301	450	12,843
Net carrying amount as at 12/31/2023	7,092	5,438	315	12,845

Intangible assets

Certain direct development costs associated with website and internal-use software are capitalized during the application development stage. Capitalized costs include external direct costs of services and payroll costs. The payroll costs are for employees devoting time to the software development projects principally related to website and mobile app development, including support systems, software coding, designing system interfaces and installation and testing of the software. These costs are generally amortized over a period of three years beginning when the asset is ready for use. Costs incurred that are expected to result in additional features or functionality are capitalized and amortized over the estimated useful life of the enhancements, which is generally a period of three years. Costs incurred during the preliminary project stage, as well as maintenance and training costs, are expensed as incurred.

During the years ended December 31, 2023 and 2022, we recorded impairment of nil and €0.9 million, respectively, related to acquired software and internally capitalized software development costs. We recognized the loss on impairment within our operating expenses.

Goodwill

Goodwill is allocated for impairment test purposes to cash-generating units ("CGUs"), which corresponds to our three operating segments of Developed Europe, Americas and Rest of World.

Carrying amount of goodwill allocated to each CGU as at December 31:

	2023	2022
	€000	€000
Americas	2,600	2,600
Developed Europe	3,900	3,900
Rest of World	592	592
Total	7,092	7,092

We performed our annual impairment test of goodwill as at September 30, 2023 and determined there was no impairment at that time for trivago's goodwill balance as the recoverable amount for each of the three CGUs was in excess of its respective carrying amounts.

The recoverable amounts of the CGUs were determined to be their value in use during the annual impairment test. The value in use estimates for all CGUs were based on a blended analysis of the present value of future discounted cash flows and market value approach using Level 3 inputs covering a five-year period. The significant estimates used in the discounted cash flows model included our weighted average cost of capital, revenue growth rates, profitability of the business, and long-term rate of growth. Our significant estimates in the market approach model 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.

Within the scope of the impairment test, sensitivity analyses were considered in relation to the main value drivers. For this purpose, we performed alternative calculations and noted that a reasonably possible change in the key assumptions will not result in an impairment.

The key assumptions by CGU used in the impairment test were as follows:

	Weighted Average Cost of Capital		Long-term growth rate	
	2023	2022	2023	2022
Americas	26.5 %	25.5 %	2.0 %	2.0 %
Developed Europe	24.5 %	23.0 %	1.5 %	1.5 %
Rest of World	25.5 %	24.5 %	2.5 %	2.5 %

5.2 Property, plant and equipment

	Computer equipment	Furniture and fixtures	Leasehold improvements	Total
	€000	€000	€000	€000
Historical cost				
As at 01/01/2022	15,831	2,991	6,733	25,555
Additions	519	19	—	538
Disposals	(398)	—	—	(398)
As at 12/31/2022	15,952	3,010	6,733	25,695
As at 01/01/2023				
As at 01/01/2023	15,952	3,010	6,733	25,695
Additions	230	59	—	289
Disposals	(771)	(104)	(2,748)	(3,623)
As at 12/31/2023	15,411	2,965	3,985	22,361
Accumulated depreciation				
As at 01/01/2022	(14,073)	(1,503)	(1,120)	(16,696)
Additions	(1,008)	(371)	(359)	(1,738)
Disposals	396	—	—	396
As at 12/31/2022	(14,685)	(1,874)	(1,479)	(18,038)
As at 01/01/2023				
As at 01/01/2023	(14,685)	(1,874)	(1,479)	(18,038)
Additions	(651)	(351)	(277)	(1,279)
Disposals	763	66	659	1,488
As at 12/31/2023	(14,573)	(2,159)	(1,097)	(17,829)
Net carrying amount as at 12/31/2022	1,267	1,136	5,254	7,657
Net carrying amount as at 12/31/2023	838	806	2,888	4,532

Pursuant to the amendment of the operating lease agreement for office space signed in January 2021, the Company sold and transferred long-lived assets with a net book value of €2.1 million to the landlord in the quarter ended June 30, 2023. This transaction is offset by the lease termination penalty payment to the landlord of €2.3 million. The net amount is recorded in other current liabilities in the consolidated balance sheet as at December 31, 2023. There was no significant gain/loss recorded on the sale of these fixed assets. See 5.9 Leases for additional details on the transaction.

5.3 Trade receivables

	2023	2022
	€000	€000
Trade receivables (gross)	22,725	24,296
Expected credit losses	(936)	(418)
Trade receivables (net)	21,789	23,878

The development of allowance for expected credit losses can be seen below:

	2023	2022
	€000	€000
As at January 1	418	658
Additions	640	227
Utilisation	(122)	(467)
As at December 31	936	418

Set out below is the information about the credit risk exposure on trade receivables using a provision matrix:

	Days past due				Total
	Current or less than 30 days	Between 31 and 90 days	Between 91 and 180 days	More than 180 days	
	€000	€000	€000	€000	€000
Trade receivables as at 12/31/2022	23,864	263	169	—	24,296
Expected credit loss rate	0.8 %	31.2 %	82.8 %	— %	1.7 %
Estimated total gross carrying amount at default	196	82	140	—	418
Trade receivables as at 12/31/2023	21,357	173	1,195	—	22,725
Expected credit loss rate	1.1 %	33.0 %	54.8 %	— %	4.1 %
Estimated total gross carrying amount at default	224	57	655	—	936

As of the reporting date, all receivables are due within one year, and the carrying value approximates the fair value as further disclosed in *Note 6. Financial instruments*.

5.4 Trade receivables, related parties

	2023	2022
	€000	€000
Trade receivables (gross)	19,094	24,432
Expected credit losses	—	—
Trade receivables (net)	19,094	24,432

We believe that the credit quality of trade receivables from related parties that are not past due or impaired are not of a high risk as their credit risk is considered to be very low. Consequently, as none of the trade receivables from related parties are past due at period end, there is no material expected credit loss expected on these receivables. The carrying value for the trade receivables from related parties approximates the fair value as further disclosed in *Note 6. Financial instruments*.

5.5 Other assets

Other financial assets

	2023			2022		
	Current	Non-current	Total financial assets	Current	Non-current	Total financial assets
	€000	€000	€000	€000	€000	€000
Restricted cash	342	1,351	1,693	342	1,351	1,693
Creditors with debit balances	106	—	106	52	—	52
Non-trade receivables	1,649	—	1,649	1,718	—	1,718
Deposits	—	85	85	—	83	83
Total	2,097	1,436	3,533	2,112	1,434	3,546

Other non-financial assets

	2023			2022		
	Current	Non-current	Total assets	Current	Non-current	Total assets
	€000	€000	€000	€000	€000	€000
Prepaid expenses	3,997	—	3,997	2,222	—	2,222
Advance payments	6,433	878	7,311	6,289	869	7,158
Income tax receivable	6,774	—	6,774	498	—	498
VAT	353	—	353	455	—	455
Total	17,557	878	18,435	9,464	869	10,333

Restricted cash primarily consists of funds held as a guarantee in connection with our corporate lease. The carrying value of restricted cash approximates its fair value.

As at December 31, 2023 and December 31, 2022 no other financial assets and other assets are overdue. No significant impairment allowances for other financial assets and other assets were recognized.

5.6 Cash and cash equivalents

Cash and cash equivalents consists of cash at banks, time deposits with original maturities of three months or less when purchased and cash on hand amounting to €101.8 million as at December 31, 2023 and €248.6 million as at December 31, 2022. The development and application of cash and cash equivalents is stated in the consolidated statement of cash flows.

5.7 Equity

Class A and Class B common stock

As at December 31, 2023, we had ADSs representing 700,000,000 Class A shares authorized and 110,919,270 Class A shares outstanding. As at December 31, 2023, we had ADSs representing 320,000,000 Class B shares authorized and 237,476,895 Class B shares outstanding. Class A and Class B common stock has a par value of €0.06 and €0.60, respectively. Class B shares are entitled to ten votes per share, and holders of our Class A shares are entitled to one vote per share. All other terms and preferences of Class A and Class B common stock are the same. Each Class B share is convertible into one Class A share at any time by the holder. During the years ended December 31, 2023 and 2022, nil and 24,485,793 Class B shares were converted into Class A shares, respectively.

As at December 31, 2023, Class B shares of trivago N.V. are only held by Expedia Group and Rolf Schrömgens, one of our founders and a member of our supervisory board. The Class B shares held by Mr. Schrömgens as at December 31, 2023 had an ownership interest and voting interest of 8.2% and 11.5%, respectively. Class B shares held as at December 31, 2022 by Mr. Schrömgens had an ownership interest and voting interest of 8.3% and 11.5%, respectively.

In October 2023, the management board approved a change in the ratio of the Company's ADS program, comprising a change in the ratio of ADSs to Class A shares ("shares") from one ADS representing one share, to one ADS representing five shares. The ratio change was effective as of November 17, 2023.

Dividend

In 2023, the Company paid a one-time extraordinary dividend totaling €184.4 million (€0.529228 per each Class A and B share) to shareholders of record on November 3, 2023. The dividend was paid to holders of Class A and B shares on November 6, 2023 and was distributed to holders of our ADSs on November 13, 2023.

Treasury Stock

As at December 31, 2023 and December 31, 2022, nil and 20,000,000, respectively, of our issued shares were treasury shares.

In November 2022, the Company acquired 20,000,000 Class A shares from Peter Vinnemeier valued at €19.9 million which were classified as treasury stock until they were retired in September 2023. As a result, the treasury stock balance of €19.9 million was eliminated and Class A common stock was reduced by €1.2 million representing the par value of the retired shares. The difference of €18.7 million was recognized in accumulated deficit.

On March 1, 2022, the 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 program. On May 31, 2022, the Company entered into another stock repurchase program which expired on July 29, 2022. As at December 31, 2022, the Company reacquired 205,457 Class A common shares on the open market at fair market value. The shares of stock purchased under the buyback program were held as treasury shares until they were all reissued to settle RSU awards vesting from our share-based compensation awards during the fourth quarter of 2022.

Other capital reserves

Other capital reserves primarily represents share premium as result of the corporate reorganization and IPO. Further effects to the other capital reserves are due to the merger of trivago GmbH with and into trivago N.V. in 2017, dividends paid to shareholders, taxes withheld on net share settlements of equity awards, current period share-based compensation expense, impact of reclassification of share-based compensation expense from equity to liability, exercises of employee stock options, the effect of the conversion of Class B shares to Class A shares, and the reissuance of treasury stock.

Accumulated other comprehensive income

Accumulated other comprehensive income represents foreign currency translation adjustments for our subsidiaries in foreign locations. As at December 31, 2023, we do not expect to reclassify any amounts included in accumulated other comprehensive income into earnings during the next 12 months.

Contribution from Parent

The beginning contribution from Parent balance relates to corporate expenses allocated to trivago by the Expedia Group.

5.8 Trade payables and other liabilities

Trade payables recognized at the reporting date are non-interest bearing and are settled within one month. The fair value therefore corresponds to the carrying amount.

As at December 31, trade payables and other liabilities consisted of the following:

	2023			2022		
	Current	Non-current	Total	Current	Non-current	Total
	€000	€000	€000	€000	€000	€000
Trade payables	17,930	—	17,930	19,941	—	19,941
Other financial liabilities	8,684	525	9,209	5,392	15	5,407
Other non-financial liabilities	5,669	207	5,876	7,406	202	7,608
Total	32,283	732	33,015	32,739	217	32,956

Other financial liabilities as at December 31, 2023 consisted primarily of various outstanding invoices in the amount of €5.9 million (2022: €3.5 million), payroll-related liabilities amounting to €2.4 million (2022: €0.6 million) and received deposits of €0.7 million (2022: €0.7 million). The increase in payroll-related liabilities is mainly due to accrual of short-term and long-term liabilities, amounting to €1.2 million and €0.5 million, respectively, incurred in connection with the Compensation Committee resolution to provide a fixed cash payment of €0.53 per award for certain options and RSUs vested on or after November 2, 2023. See 9.8 *Share-based payment plan* for additional detail.

Other non-financial liabilities is primarily comprised of €1.5 million current contract liabilities (2022: €2.0 million) from subscription-based services earned through trivago Hotel Manager Pro applications, and other tax liabilities of €3.1 million (2022: €4.1 million). Revenue from subscription services is recognized ratably over the contract term, which is generally 12 months or less from the subscription commencement date.

5.9 Leases

trivago as lessee

For the year ended December 31, 2023, we have leases for office space and office equipment. Our leases have remaining terms of less than two years to 14 years, inclusive of options to extend the lease for up to ten years.

The Company has sublease agreement for office space in Barcelona. Sublease income from this agreement was €0.1 million for the years ended December 31, 2023 and 2022.

On January 29, 2021, we entered into an amendment to the lease agreement for office space in our corporate headquarters, whereby the landlord agreed to grant us partial termination of the lease related to certain floor spaces. We surrendered the remainder of the leased space subject to the termination on May 31, 2023 for a €2.3 million penalty payment to the landlord. The penalty is offset by a sale of long-lived assets which were transferred to the landlord as a part of this transaction, see 5.2 *Property, plant and equipment* for additional details.

On September 1, 2022, the rent to our corporate headquarters increased due to a change in the Consumer Price Index. The change in lease payments was treated as a trigger to remeasure our lease asset and liability balance with an effective date of September 1, 2022. As a result, we increased our lease liability and right-of-use assets by €5.2 million and €5.1 million, respectively.

The changes in the net book value of the Company's right-of-use assets, during the years ended December 31, 2022 and 2023, respectively, were as follows:

	Office Space €000	Office Equipment €000	Total €000
Cost			
As at January 1, 2022	49,427	843	50,270
Derecognitions, remeasurements and other items	5,081	(596)	4,485
As at December 31, 2022	54,508	247	54,755
Cost			
As at January 1, 2023	54,508	247	54,755
Additions	—	172	172
Derecognitions, remeasurements and other items	(2,277)	(247)	(2,524)
As at December 31, 2023	52,231	172	52,403
Accumulated depreciation			
As at January 1, 2022	(3,463)	(684)	(4,147)
Additions	(3,755)	(128)	(3,883)
Derecognitions, remeasurements and other items	(108)	593	485
As at December 31, 2022	(7,326)	(219)	(7,545)
Accumulated depreciation			
As at January 1, 2023	(7,326)	(219)	(7,545)
Additions	(3,508)	(46)	(3,554)
Derecognitions, remeasurements and other items	2,276	243	2,519
As at December 31, 2023	(8,558)	(22)	(8,580)
Net book value			
As at January 1, 2022	45,964	159	46,123
As at December 31, 2022	47,182	28	47,210
As at December 31, 2023	43,673	150	43,823

The following are the amounts recognized in profit or loss:

	2023 €000	2022 €000
Depreciation expense	3,555	3,860
Interest expense on lease liabilities	1,615	1,832
Amounts expensed in profit or loss	5,170	5,692

Below are the carrying amounts of lease liabilities and the movements during the period as at December 31:

	2023	2022
	€000	€000
Balance, beginning of year	50,418	47,672
Additions	171	—
Derecognitions, remeasurements and other items	(2,241)	5,210
Accretion of interest	1,615	1,619
Payments	(4,206)	(4,083)
Balance, end of year	45,757	50,418
Of which:		
Current	2,609	4,819
Non-current	43,148	45,599

The required lease payments of the lease liability are as follows as at the year ended December 31:

	2023
	€000
2024	4,131
2025	4,114
2026	4,034
2027	4,010
2028	3,987
2029 and thereafter	37,542
Total lease payments	57,818
Less: imputed interest	(12,061)
Total	45,757

The total cash outflow for leases in 2023 was €4.2 million and €4.1 million in 2022, which includes redemptions of principal and interest payments.

6. Financial instruments

The carrying amounts and fair values of financial instruments by class of the consolidated statement of financial position and by category per IFRS 7.25 are summarized below. No financial instruments were reclassified between categories.

	2023		
	Amount recognized in balance sheet according to IFRS 9		
	Carrying amount	Amortized cost	Fair value
	€000	€000	€000
Financial Assets			
Trade receivables	21,789	21,789	21,789
Trade receivables, related parties	19,094	19,094	19,094
Other financial assets	3,533	3,533	3,533
Short-term investments	25,225	25,225	25,225
Cash and cash equivalents	101,847	101,847	101,847
Financial Liabilities			
Trade payables	17,930	17,930	17,930
Other financial liabilities	9,209	9,209	9,209

	2022		
	Amount recognized in balance sheet according to IFRS 9		
	Carrying amount	Amortized cost	Fair value
	€000	€000	€000
Financial Assets			
Trade receivables	23,878	23,878	23,878
Trade receivables, related parties	24,432	24,432	24,432
Other financial assets	3,546	3,546	3,546
Short-term investments	45,000	45,000	45,000
Cash and cash equivalents	248,584	248,584	248,584
Financial Liabilities			
Trade payables	19,941	19,941	19,941
Other financial liabilities	5,407	5,407	5,407

Financial assets include non-current assets amounting to €1.4 million as at December 31, 2023 and €1.5 million as at December 31, 2022.

Cash and cash equivalents, other financial assets as well as trade receivables have short remaining maturities. For this reason, their carrying amounts at the reporting date approximate their fair values. Trade payables and other financial liabilities have short terms. Their carrying values on the reporting date are thus similar to fair value. The same applies to current liabilities due to banks.

We use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

Fair value measurement hierarchy for assets as at December 31 are as follows:

	2023
	Level 2
	€000
Other Assets	
Term deposits	1,351
Cash equivalents	
Term deposits	64,123
Short-term investments	
Term deposits	25,225
Total	90,699
	2022
	Level 2
	€000
Other Assets	
Term deposits	1,351
Cash equivalents	
Term deposits	159,000
Short-term investments	
Term deposits	45,000
Total	205,351

Net gains and losses by category of financial instruments in accordance with IFRS 7.20 are as follows as at December 31:

	2023			
	From subsequent measurement			
	From interest	Currency translation	Impairment	Net result
	€000	€000	€000	€000
Financial Assets	—	(631)	(640)	(1,271)
Financial Liabilities	1,636	—	—	1,636
Total	1,636	(631)	(640)	365
	2022			
	From subsequent measurement			
	From interest	Currency translation	Impairment	Net result
	€000	€000	€000	€000
Financial Assets	—	(229)	(227)	(456)
Financial Liabilities	1,739	—	—	1,739
Total	1,739	(229)	(227)	1,283

The components of the net result are recognized as finance income or finance expenses, except for impairments on trade receivables, which are reported under other operating expenses. Currency gains and losses in connection with trade receivables and trade payables, are reported under other operating expense.

The interest result from financial liabilities primarily consists of interest expenses.

7. Financial risk management

We are exposed to a variety of risks. Management is aware of both the risks and the opportunities and deploys suitable measures to manage them so as to be able to react quickly to changes in the competitive environment and the general market environment.

Market risk is the potential loss from adverse changes in interest rates, foreign exchange rates, and market prices. Our exposure to market risk includes cash, accounts receivable, intercompany receivables, investments, and accounts payable. We manage our exposure to these risks through established policies and procedures. Our objective is to mitigate potential income statement, cash flow and market exposures from changes in interest and foreign exchange rates.

Liquidity risks

Our liquidity risk consists of being unable to meet existing or future payment obligations due to insufficient availability of funds. Limiting and managing the liquidity risk is among the primary tasks for the leadership team. We monitor the current liquidity situation on a daily basis. In order to manage future liquidity requirements, monthly liquidity planning is used. In addition, management continually evaluates key financial figures. Our financial liabilities mature within one year.

All instruments held as of the reporting date and for which payments were already contractually agreed were included. Planning data for future new liabilities is not included. Amounts in foreign currencies were translated at the year-end spot rate. Variable interest payments arising from the financial instruments were calculated using the most recent interest rates fixed before the reporting date. Financial liabilities that can be repaid at any time are always assigned to the earliest possible time period.

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. The maximum exposure to credit risk is the carrying amounts of financial assets.

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 and affiliates represented 36% of our total revenue for the year ended December 31, 2023 and 45% of total accounts receivable as at December 31, 2023. Booking Holdings and its affiliates represented 43% of our revenue for the year ended December 31, 2023 and 25% of total accounts receivable as at December 31, 2023.

Interest rate risk

At present, our investments consist primarily of cash and cash equivalents in short-term deposits. The primary objective of our investment activities is to preserve our capital to fund our operations. Our investments are exposed to market risk due to fluctuation in interest rates, which may affect our interest income and the fair market value of our investments, if any. We manage this exposure by performing ongoing evaluations of our investments. Due to the short-term maturities our investments, their carrying value approximates their fair value.

We did not experience any significant impact from changes in interest rates and had no outstanding loans during the year ended December 31, 2023.

Foreign currency risk

We conduct business in many countries throughout the world. Because we operate in markets globally, we have exposure to different economic climates, political arenas, tax systems and regulations that could affect foreign exchange rates. Our primary exposure to foreign currency risk relates to transacting in foreign currency and recording the activity in euro. A large portion of our advertising expenses are incurred in the local currency of the particular geographic market in which we advertise, with a significant amount incurred in U.S. dollar. The vast majority of our revenue is denominated in euro. Changes in exchange rates between the functional currency of our consolidated entities and these other currencies will result in transaction gains or losses, which we recognize

in our consolidated statements of operations. Our foreign exchange risk relates primarily to the exchange rate between the U.S. dollar and the euro.

Changes in foreign exchange rates can amplify or reduce changes in the underlying trends in our revenue. Although we have relatively little direct foreign currency translation with respect to our revenue, we believe that our advertisers' decisions on the share of their booking revenue they are willing to pay to us are based on the currency in which the hotels being booked are priced. Accordingly, we have observed that advertisers tend to adjust their CPC bidding based on the relative strengthening or weakening of the euro as compared to the local functional currency of the advertiser placing the booking in which the booking with our advertisers is denominated.

Future net transaction gains and losses are inherently difficult to predict as they are reliant on how the multiple currencies in which we transact fluctuate in relation to the functional currency of our consolidated entities, the relative composition and denomination of current assets and liabilities for each period, and our effectiveness at forecasting and managing, through balance sheet netting, such exposures. As an example, if the foreign currencies in which we hold net asset balances were to depreciate by 10% against the euro and other currencies in which we hold net liability balances were to appreciate by 10% against the euro, we would recognize foreign exchange losses of €0.5 million based on the net asset or liability balances of our foreign denominated cash, accounts receivable and accounts payable balances as at December 31, 2023. As the net composition of these balances fluctuate frequently, even daily, as do foreign exchange rates, the example loss could be compounded or reduced significantly within a given period.

During the year ended December 31, 2023 we had net foreign exchange rate losses of €0.6 million compared to losses of €0.2 million in the year ended December 31, 2022.

8. Share-based Payment Plans

2016 Omnibus Incentive Plan

In connection with our IPO, we established the trivago N.V. 2016 Omnibus Incentive Plan, which we refer to as the 2016 Plan, with the purpose of giving us a competitive advantage in attracting, retaining and motivating officers, employees, management board members, supervisory board members, and/or consultants by providing them incentives directly linked to shareholder value. The maximum number of Class A shares available for issuance under the 2016 Plan as at December 31, 2023 are 59,635,698 Class A shares, which does not include any Class B share conversions. Class A shares issuable under the 2016 Plan are represented by ADSs for such Class A shares.

The 2016 Plan is administered by a committee of at least two members of our supervisory board, which we refer to as the plan committee. The plan committee must approve all awards to directors. Our management board may approve awards to eligible recipients other than directors, subject to annual aggregate and individual limits as may be agreed by the supervisory board. Subject to applicable law or the listing standards of the applicable exchange, the plan committee may delegate to other appropriate persons the authority to grant equity awards under the 2016 Plan to eligible award recipients. Management board members, supervisory board members, officers, employees and consultants of the company or any of our subsidiaries or affiliates, and any prospective directors, officers, employees and consultants of the company who have accepted offers of employment or consultancy from the company or our subsidiaries or affiliates are eligible for awards under the 2016 Plan.

Awards include options, performance-based stock options, share appreciation rights, restricted stock units, performance-based stock units and other share-based and cash-based awards. Awards may be settled in stock or cash. The option exercise price for options under the 2016 Plan can be less than the fair market value of a Class A share as defined in the 2016 Plan on the relevant grant date. To the extent that listing standards of the applicable exchange require the company's shareholders to approve any repricing of options, options may not be repriced without shareholder approval.

Options and share appreciation rights shall vest and become exercisable at such time and pursuant to such conditions as determined by the plan committee and as may be specified in an individual grant agreement. The plan committee may at any time accelerate the exercisability of any option or share appreciation right. Restricted shares may vest based on continued service, attainment of performance goals or both continued service and performance goals. The plan committee at any time may waive any of these vesting conditions.

Options and share appreciation rights will have a term of not more than ten years. The 2016 Plan has a ten year term, although awards outstanding on the date the 2016 Plan terminates will not be affected by the termination of the 2016 Plan.

We issue new shares or reissue treasury shares to satisfy the exercise or release of share-based awards. The contractual term of the share options is seven years and there are no cash settlement alternatives. trivago does not have a past practice of cash settlement for these awards.

The expense recognized for employee services received during the year is shown in the following table:

	2023	2022
	€000	€000
Expense arising from equity-settled share-based payment transactions	5,056	14,984
Expense arising from cash-settled share-based payment transactions	2,028	—
Total expense arising from share-based payment transactions	7,084	14,984

The following table presents a summary of our share option activity during the year:

	Number	Weighted average exercise prices	Remaining contractual life (years)	Aggregate intrinsic value
Balance as at January 1, 2022	23,827,946			
Granted	9,393,407	0.20		
Exercised	1,946,023	0.06		
Cancelled	3,917,532	1.13		
Balance as at December 31, 2022	27,357,798	2.30	10	23,179
Granted	20,879,816	0.63		
Exercised ⁽¹⁾	12,276,176	0.06		
Cancelled	5,043,983	0.76		
Balance as at December 31, 2023	30,917,455	2.25	7	3,074
Exercisable as at December 31, 2023	7,978,490	7	9	377

⁽¹⁾ Inclusive of 6,407,312 options withheld due to net share settlements to satisfy required employee tax withholding requirements. Potential shares which had been convertible under options that were withheld under net share settlements remain in the authorized but unissued pool under the 2016 Omnibus Incentive Plan and can be issued by the Company. Total payments for the employees' tax obligations to the taxing authorities due to net share settlements are reflected as a financing activity within the consolidated statements of cash flows.

The following table summarizes information about share options vested and expected to vest as at December 31, 2022:

	Options	Weighted average exercise price	Remaining contractual life	Aggregate intrinsic value
Fully Vested and Expected to Vest		(in €)	(in years)	(€ in thousands)
Outstanding	22,757,455	2.83	7	2,294
Currently Exercisable	7,978,490	7	9	377

The range of exercise prices for options outstanding at the end of years 2023 and 2022 was €15.16 to €0.06.

On May 9, 2023, 8,160,000 market-based and 12,240,000 service-based options were granted to the new Managing Directors appointed at the annual general meeting of shareholders held on June 30, 2023. The market-based awards cliff vest at the end of the performance period on June 30, 2027. The market condition is based upon trivago's volume-weighted average share price, which determines the number of shares earned. The service-based options vest annually over three years beginning on June 30, 2024 in equal increments.

On November 2, 2023, the Compensation Committee resolved to modify certain awards pursuant to the authority granted to it under the 2016 Plan to make adjustments in the event of an extraordinary dividend, as further described in Note 5.7 - Equity. The modifications included reductions to the strike price of certain options by €0.53 (USD 0.57) (the rounded per share amount of the dividend in U.S. dollars) per Class A settled option and also to provide holders of certain other options and RSUs with a fixed cash payment of €0.53 per Class A settled award that vests on or after November 2, 2023. As a result of the strike price modifications, no additional incremental share-based compensation expense was recorded. For the awards eligible for the fixed cash payment, an equity to liability modification resulted in a portion of share-based compensation expense previously recorded in equity to be reclassified as a liability. As at December 31, 2023, €1.5 million and €0.5 million of the amounts previously recognized in additional paid-in-capital for these awards were reclassified to payroll liabilities

and other non-current liabilities, respectively, on the consolidated balance sheet. The carrying amount of the total liability at December 31, 2023 was €1.7 million.

The following table presents a summary of our restricted stock units (RSUs):

	RSUs	Weighted average grant date fair value	Remaining contractual life in years
Balance as at January 1, 2022	1,366,123	2.92	6
Granted	3,730,412	1.94	
Vested	1,400,669	2.43	
Cancelled	723,842	2.56	
Balance as at December 31, 2022	2,972,024	1.94	6
Granted	1,446,392	1.57	
Vested ⁽¹⁾	1,092,205	1.85	
Cancelled	1,123,436	1.69	
Balance as at December 31, 2023	2,202,775	1.79	6

⁽¹⁾ Inclusive of 310,268 RSUs withheld due to net share settlements to satisfy required employee tax withholding requirements. Potential shares which had been convertible under RSUs that were withheld under net share settlements remain in the authorized but unissued pool under the 2016 Omnibus Incentive Plan and can be issued by the Company. Total payments for the employees' tax obligations to the taxing authorities due to net share settlements are reflected as a financing activity within the consolidated statements of cash flows.

The RSUs are service-based awards which generally vest between one and three years. The fair value of the RSUs granted are based on the stock price on the day of grant.

Cash received from share-based award exercises for both the years ended December 31, 2023 and 2022 was €0.1 million.

The fair value of share awards granted during the years ended December 31, 2023 and 2022 were estimated at the date of grant using appropriate valuation techniques, including the Black-Scholes and Monte Carlo simulation pricing models, assuming the following weighted average assumptions:

	2023	2022
Weighted average fair values at the measurement date (€)	1	1
Dividend yield (%)	— %	— %
Expected volatility (%)	68 %	69 %
Risk-free interest rate (%)	3.31 %	1.04 %
Expected life of share options (years)	4.96	4.31
Weighted average share price (US \$)	1.20	1.46
Models used	Black-Scholes and Monte Carlo	Black-Scholes

The Monte Carlo simulation model, which simulated the probabilities of the potential outcomes of future stock prices of the Company over the performance period, was used to calculate the grant-date fair value for awards with market conditions.

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome either.

9. Commitments and Contingencies

We have purchase obligations, which could potentially require our payment in the event of demands by third parties or contingent events.

The below table presents the nominal value of future minimum purchase obligations as at December 31:

	<u>2023</u>	<u>2022</u>
	<u>€000</u>	<u>€000</u>
Remaining term of up to 1 year	14,539	22,402
Remaining term of more than 1 year and up to 5 years	12,306	26,060
Total	<u>26,845</u>	<u>48,462</u>

The purchase obligations represent minimum obligations under agreements with certain of vendors and marketing partners. These minimum obligations are less than our projected use for those periods. Payments may be more than the minimum obligations based on actual use.

The Company assessed its contingencies and concluded there were no other contingencies that management expects to have a material adverse effect on trivago's financial position as at December 31, 2023. A further description is included in section 2.4.14 *Legal proceedings*.

Legal proceedings

A number of regulatory authorities in Europe, Australia, and elsewhere have initiated litigation and/or market studies, inquiries or investigations relating to online marketplaces and how information is presented to consumers using those marketplaces, including practices such as search results rankings and algorithms, discount claims, disclosure of charges and availability and similar messaging.

For example, 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. The court also ordered us to cover the ACCC's costs arising from the proceeding and enjoined us from engaging in misleading conduct of the type found by the Australian Federal Court to be in contravention of the ACL. We paid the penalty balance of €29.6 million (AUD 44.7 million) in the second quarter of 2022 and costs arising from the proceedings.

In addition, two purported class actions have been filed in Israel and Ontario, Canada, making allegations about our advertising and/or display practices, such as search results rankings and algorithms, and discount claims. Plaintiffs' motion for class certification in the Ontario action was denied on November 28, 2022. Plaintiffs have since filed a notice of appeal asking that the motion for class certification be granted. A hearing regarding that appeal took place on November 17, 2023, and a decision rejecting the appeal was announced on March 21, 2024. The plaintiffs filed a motion for leave to appeal on April 4, 2024. A case management hearing in the class action was filed in Israel. The matter remains at a relatively early stage.

10. Cash Flow Statement

The cash flow statement was prepared in accordance with IAS 7 and classifies cash flow into operating, investing, and financing activities. Cash flow from operating activities was determined using the indirect method, whereas cash flow from investing activities was calculated on the basis of the direct method. Investing activities relate to the acquisition and disposal of non-current assets that are not included in cash equivalents. Cash flow from financing activities is also determined using the direct method. Financing activities that affect the extent and composition of equity items.

11. Related Party Disclosures

The subsidiaries of trivago are listed in *Note 1.3 Summary of significant accounting policies*.

Related party transaction - management

As at December 31, 2023 the following members of the management board, whom we consider as "key management", were related parties within the meaning of IAS 24:

- Johannes Thomas
- Jasmine Ezz
- Andrej Lehnert
- Matthias Tillmann

We provided our management board with the following cash compensation during the fiscal year 2023:

	Ezz ⁽¹⁾	Hefer ⁽²⁾	Lehnert ⁽¹⁾	Thomas ⁽¹⁾	Tillmann ⁽³⁾
	€000	€000	€000	€000	€000
Periodically-paid remuneration (base salary)	290	179	290	290	1,800
Signing bonus	100	—	250	250	—
Benefits in kind	—	—	—	28	—
Total cash compensation	390	179	540	568	1,800

(1) On May 9, 2023, the supervisory board appointed Johannes Thomas as executive officer and temporary member of our management board. On the same date, Jasmine Ezz and Andrej Lehnert were appointed executive officers, pending their appointment to the management board. On June 30, 2023, Mr. Thomas, Ms. Ezz and Mr. Lehnert were appointed to our management board at our annual general meeting of shareholders. The periodically-paid remuneration amounts presented reflect cash compensation for the period as a member of our management board and, in the case of Ms. Ezz and Mr. Lehnert, include compensation for the period of time when they served as executive officers and were not yet members of the management board.

(2) Axel Hefer ceased to be a member of our management board upon his resignation on May 9, 2023.

(3) On June 30, 2023, Matthias Tillmann was re-appointed as managing director and chief financial officer at our annual general meeting of shareholders with a term expiring at our annual general meeting of shareholders to be held in 2024. On December 31, 2023, Matthias Tillmann resigned as managing director and chief financial officer.

Consistent with prior year, the cash compensation does not contain a cash bonus portion. As at December 31, 2023, we had nothing set aside or accrued to provide pension, retirement or similar benefits to our management board members.

In 2023, Mr. Tillmann exercised options at a strike price of €0.06 to receive 671,503 Class A shares (converted to ADSs at the appropriate ratio). Of this amount, 607,931 were subsequently sold pursuant to a trading plan established pursuant to Rule 10b5-1 of the Exchange Act.

We provided our management board with the following cash compensation during the fiscal year 2022:

	Hefer	Tillmann
	€000	€000
Periodically-paid remuneration (base salary)	500	500
Profit Participation	31	—
Total cash compensation	531	500

For 2022, the Compensation Committee proposed a change of the cash compensation of our management board, which had been approved by the supervisory board. Compared to prior years, the cash compensation does not contain a cash bonus portion. In lieu of this, the management board's base salary has been increased. As at December 31, 2022, we had nothing set aside or accrued to provide pension, retirement or similar benefits to our management board members.

In 2022, Mr. Hefer exercised options at a strike price of €0.06 to receive 149,258 Class A shares (converted to ADS at the appropriate ratio) that were subsequently sold pursuant to a trading plan established pursuant to Rule 10b5-1 of the Exchange Act. In 2022, Mr. Tillmann exercised options at a strike price of €0.06 to receive 100,000 Class A shares (converted to ADSs at the appropriate ratio) that were subsequently sold pursuant to a trading plan established pursuant to Rule 10b5-1 of the Exchange Act.

Our management board held the following Class A share options (both vested and unvested) during the fiscal year 2023 for which there were remaining options outstanding as at December 31, 2023:

Beneficiary	Grant date	Vesting date	Number of options outstanding	Strike price	Expiration date ⁽¹⁾
Ezz	May 9, 2023	June 30, 2024, 2025, 2026	1,020,000	€0.06	June 30, 2030
	May 9, 2023	June 30, 2024, 2025, 2026 ⁽²⁾	3,060,000	\$0.93	June 30, 2030
	May 9, 2023	June 30, 2027 ⁽²⁾⁽³⁾	2,040,000	\$0.93	June 30, 2030
	May 9, 2023	June 30, 2027 ⁽³⁾	680,000	€0.06	June 30, 2030
Hefer⁽⁷⁾	Sept 23, 2016	May 1, 2017, 2018, 2019	153,192	€11.75	None
	Mar 6, 2017	Jan 3, 2018, 2019, 2020	600,000	\$12.14	Mar 6, 2024
	Mar 6, 2017	Jan 2, 2019, 2020, 2021	224,000	\$7.17	Mar 6, 2024
	Dec 20, 2017	Jan 2, 2019, 2020, 2021	1,276,000	\$7.17	Mar 31, 2024
	Dec 20, 2017	Jul 2, 2020, Jan 2, 2023	1,500,000	\$7.17	Mar 31, 2024
	Mar 2, 2021	Three Year Vest ⁽⁴⁾	—	€0.06	Mar 31, 2024
	Jul 11, 2022	Three Year vest ⁽⁶⁾	218,135	€0.06	Mar 31, 2024
Lehnert	May 9, 2023	June 30, 2024, 2025, 2026	1,020,000	€0.06	June 30, 2030
	May 9, 2023	June 30, 2024, 2025, 2026 ⁽²⁾	3,060,000	\$0.93	June 30, 2030
	May 9, 2023	June 30, 2027 ⁽²⁾⁽³⁾	2,040,000	\$0.93	June 30, 2030
	May 9, 2023	June 30, 2027 ⁽³⁾	680,000	€0.06	June 30, 2030
Thomas	May 9, 2023	June 30, 2024, 2025, 2026	1,020,000	€0.06	June 30, 2030
	May 9, 2023	June 30, 2024, 2025, 2026 ⁽²⁾	3,060,000	\$0.93	June 30, 2030
	May 9, 2023	June 30, 2027 ⁽²⁾⁽³⁾	2,040,000	\$0.93	June 30, 2030
	May 9, 2023	June 30, 2027 ⁽³⁾	680,000	€0.06	June 30, 2030
Tillmann⁽⁸⁾	Mar 6, 2017	Jan. 3, 2018, 2019, 2020	40,000	\$12.14	Mar 6, 2024
	Mar 21, 2018	Jan. 2, 2019, 2020, 2021	100,000	\$7.01	Mar 21, 2025
	Mar 2, 2021	Three Year Vest ⁽⁴⁾	—	€0.06	Mar 2, 2028
	Mar 2, 2021	Three Year Vest ⁽⁵⁾	34,675	€0.06	Mar 2, 2028
	July 11, 2022	Three Year vest ⁽⁶⁾	425,365	€0.06	July 11, 2029
	July 11, 2022	Feb. 15, 2023, 2024, 2025	567,150	€0.06	July 11, 2029

(1) Unvested options lapse when the beneficiary leaves the company.

(2) On November 2, 2023, the Compensation Committee resolved to modify this award pursuant to the authority granted to it under the 2016 Omnibus Incentive Plan to make adjustments in the event of an extraordinary dividend. The strike price decreased by the per-Class A share amount of the dividend converted into U.S. Dollars, from \$1.50 to \$0.93 per share.

(3) This award fully vests on June 30, 2027. The award contains a performance condition that will determine the number of shares earned at the end of the performance period. The performance condition is based upon trivago's adjusted share price where the adjusted share price is the sum of the adjusted closing price on the measurement date and the aggregate value of any dividends or distributions on the shares during the performance period. The adjusted closing price is the volume-weighted average price per share for the six or twelve month period ending on the measurement date, whichever is higher, and adjusted to eliminate the effect of any stock split, stock dividend, reverse stock split, consolidation or similar corporate action during the performance period. Potential award levels range from 25-125% of the grant quantity depending on the achievement of an adjusted share price ranging from \$2.50-\$5.50 on the measurement date. The performance period is from June 30, 2023 to June 30, 2027, which is also the measurement date.

(4) This award vested 1/3rd on January 2, 2022, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting dates. The awards were not exercisable until the completion of the performance period. The award contains performance conditions that will determine the number of shares earned at the end of the performance period pursuant to the respective vested stock options. The performance condition is based upon the three-year compound annual growth rate (CAGR) of trivago's share price. Potential award levels range from 0-200% of the grant depending on the achievement of a share price CAGR ranging from 10-20% over a three-year period (sliding scale). The start and end stock price is based on the 30-day trailing volume-weighted average share price. On December 31, 2023 it was determined that 0% of the options granted are still outstanding based on the CAGR at the end of the performance measurement period.

(5) This award vests as follows: 1/3rd vested on January 2, 2022, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting dates.

(6) This award vests as follows: 16.6% vested on August 15, 2022, and an additional 8.3% will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting dates.

(7) On May 9, 2023, Mr. Hefer resigned and signed an agreement to provide substantive consultancy services. As a result, a modification was made to the vesting conditions for the outstanding market-based and service-based options because there was a mutual understanding reached on the agreement date that Mr. Hefer's equity awards will continue to vest until the end of his consultancy period.

(8) On October 3, 2023, Mr. Tillmann signed an agreement to provide substantive consultancy services subsequent to his termination date of December 31, 2023. As a result, a modification was made to the vesting conditions for the outstanding market-based and service-based

options because there was a mutual understanding reached on the agreement date that Mr. Tillmann's equity awards will continue to vest until the end of his consultancy period.

Our management board held the following Class A share options (both vested and unvested) as at December 31, 2022:

Beneficiary	Grant date	Vesting date	Number of options outstanding ⁽¹⁾	Strike price	Expiration date ⁽²⁾
Hefer	Sept 23, 2016	May 1, 2017, 2018, 2019	45,830	€0.12	None
	Sept 23, 2016	May 1, 2017, 2018, 2019	153,192	€11.75	None
	Mar 6, 2017	Jan 3, 2018, 2019, 2020	600,000	\$12.14	Mar 6, 2024
	Mar 6, 2017	Jan 2, 2019, 2020, 2021	224,000	\$7.17	Mar 6, 2024
	Dec 20, 2017	Jan 2, 2019, 2020, 2021	1,276,000	\$7.17	Dec 20, 2024
	Dec 20, 2017	Jul 2, 2020, Jan 2, 2023	1,500,000	\$7.17	Dec 20, 2024
	Jun 28, 2019	Three Year Vest ⁽³⁾	618,348	€0.06	Jun 28, 2026
	Mar 11, 2020	Three Year Vest ⁽⁴⁾	387,673	€0.06	Mar 11, 2027
	Mar 11, 2020	Three Year Vest ⁽⁵⁾	863,601	€0.06	Mar 11, 2027
	Mar 2, 2021	Three Year Vest ⁽⁶⁾	698,376	€0.06	Mar 2, 2028
	Mar 2, 2021	Three Year Vest ⁽⁷⁾	917,372	€0.06	Mar 2, 2028
	Jul 11, 2022	Three Year Vest ⁽⁸⁾	2,617,629	€0.06	Jul 11, 2029
	Jul 11, 2022	Feb 15, 2023, 2024, 2025	2,617,629	€0.06	Jul 11, 2029
Tillmann	Mar 6, 2017	Jan 3, 2018, 2019, 2020	40,000	\$12.14	Mar 6, 2024
	Mar 21, 2018	Jan 2, 2019, 2020, 2021	100,000	\$7.01	Mar 21, 2025
	Mar 11, 2020	Three Year Vest ⁽⁴⁾	57,591	€0.06	Mar 11, 2027
	Mar 11, 2020	Three Year Vest ⁽⁵⁾	326,174	€0.06	Mar 11, 2027
	Mar 2, 2021	Three Year Vest ⁽⁶⁾	110,101	€0.06	Mar 2, 2028
	Mar 2, 2021	Three Year Vest ⁽⁷⁾	420,311	€0.06	Mar 2, 2028
	Jul 11, 2022	Three Year Vest ⁽⁸⁾	850,729	€0.06	Jul 11, 2029
	Jul 11, 2022	Feb 15, 2023, 2024, 2025	850,729	€0.06	Jul 11, 2029

(1) Share options granted before our IPO are calculated by converting options relating to units of trivago GmbH into options relating to shares of trivago N.V. by using the following conversion method (simplified): numbers of options were multiplied by the multiplier ratio 8,510.66824 used for purposes of our IPO. In case of trivago GmbH class B options, the result was divided by 1,000. Holders of trivago GmbH class A options with a former strike price of € 1.00 additionally received a portion of trivago N.V. options as compensation for the requirement of a higher strike price for trivago N.V. options due to corporate law requirements. In case the numbers relate to the time before the completion of our IPO, they are for illustrative purposes only and calculated using the method described above, as the actual option grants and exercises took place on the trivago GmbH level. Minor deviations can occur due to rounding.

(2) Unvested options lapse when the beneficiary leaves the Company.

(3) This award vests as follows: 1/3rd vested on January 2, 2020, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting dates.

(4) This award vested 1/3rd on January 2, 2021, and an additional 1/12th vested quarterly thereafter until the award was fully vested, subject to continued service on such vesting dates. The awards were not exercisable until the completion of the performance period. The award contains performance conditions which determined the number of shares earned at the end of the performance period pursuant to the respective vested stock options or restricted share units. The performance condition is based upon the two-year and three month compound annual growth rate (CAGR) of trivago's share price. Potential award levels range from 50-150% of the grant depending on the achievement of a share price CAGR ranging from ≥ 10 -20% over a two-year and three month period (sliding scale). The start and end stock price is based on the 30-day trailing volume-weighted average share price. The initial performance measurement period at grant was January 2, 2020 to December 31, 2022. On October 22, 2020, the performance measurement start date was subsequently modified to October 2, 2020, which resulted in a lower anchor stock price and a shorter performance period to be used in determining the CAGR at the end of the performance period. On December 31, 2022 it was determined that 50% of the options granted are still outstanding based on the CAGR at the end of the performance measurement period.

(5) This award vests as follows: 1/3rd vested on January 2, 2021, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting dates.

(6) This award vested 1/3rd on January 2, 2022, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting dates. The awards are not exercisable until the completion of the performance period. The award contains performance conditions which will determine the number of shares earned at the end of the performance period pursuant to the respective vested stock options or restricted share units. The performance condition is based upon the three-year compound annual growth rate (CAGR) of trivago's share price. Potential award levels range from 0-200% of the grant depending on the achievement of a share price CAGR ranging from 10-20% over a three-year period (sliding scale). The start and end stock price is based on the 30-day trailing volume-weighted average share price.

(7) This award vests as follows: 1/3rd vested on January 2, 2022, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting dates.

(8) This award vests as follows: 16.6% vested on August 15, 2022 and an additional 8.3% will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting dates.

In connection with the share options and units granted to our management board above, we incurred the following expenses under IFRS in the fiscal years indicated:

	2023	2022
	€000	€000
Thomas	1,274	—
Ezz	1,274	—
Lehnert	1,274	—
Hefer ⁽¹⁾	(139)	6,396
Tillmann	1,066	1,908

(1) On May 9, 2023 Mr. Hefer resigned as chief executive officer and managing director. Expense recognized in prior periods for which the share options did not ultimately vest due to award forfeiture was reversed in 2023.

The primary objective of our senior management's compensation program is described in the *Compensation Principles - Senior management* section below.

Related party transaction - supervisory board

The amount of compensation, including benefits in kind, accrued or paid to our supervisory board members with respect to the year ended December 31, 2023 is described in the tables below. Our supervisory board received the following cash compensation with respect to service in the fiscal year 2023:

	Breidenbach	De Schepper	Hart	Mankodi	Östberg
	\$000	\$000	€000	\$000	\$000
Periodically-paid remuneration (base salary)	45	45	250	45	45
Total cash compensation	45	45	250	45	45

Mr. Dzielak, Mr. Kern and Mr. Schrömgens were not provided with any cash or equity compensation for their service on our supervisory board for the year ended December 31, 2023. On September 14, 2022, the supervisory board approved annual cash compensation of €250,000 for Eric Hart, followed by the approval of the payment of this amount during our annual general meeting of shareholders on June 30, 2023.

Our supervisory board held the following Class A share options and/or restricted stock units (RSUs) (both vested and unvested) during the fiscal year 2023 for which there were remaining options and/or RSUs outstanding as at December 31, 2023:

Options

Beneficiary	Grant date	Vesting date	Number of options outstanding	Strike price	Expiration date
Breidenbach	Jul 22, 2021	Three Year Vest ⁽¹⁾	9,855	€0.06	Jul 22, 2028
	Mar 1, 2022	Three Year Vest ⁽²⁾	46,510	€0.06	Mar 1, 2029
	May 23, 2023	Three Year Vest ⁽⁷⁾	139,630	€0.06	May 23, 2030
De Schepper	Mar 1, 2022	Three Year Vest ⁽²⁾	41,665	€0.06	Mar 1, 2029
	May 23, 2023	Three Year Vest ⁽⁷⁾	150,100	€0.06	May 23, 2030
Hart	Sept 14, 2022	Three Year Vest ⁽³⁾	1,000,000	\$0.95	Sept 14, 2029
Kern	Mar 6, 2017	Jan 3, 2018, 2019, 2020	74,135	\$12.14	Mar 6, 2024
	Dec 20, 2017	Jan 2, 2019, 2020, 2021	125,520	\$7.17	Dec 20, 2024
Mankodi	Aug 17, 2018	Jul 2, 2019, 2020, 2021 ⁽⁸⁾	90,408	\$3.85	Aug 17, 2025
Östberg	Mar 6, 2017	Jan 3, 2018, 2019, 2020	70,840	\$12.14	Mar 6, 2024
	Dec 20, 2017	Jan 2, 2019, 2020, 2021	119,944	\$7.17	Dec 20, 2024
	June 28, 2019	Three Year Vest ⁽⁶⁾	58,117	€0.06	Jun 28, 2026
	Mar 11, 2020	Three Year Vest ⁽⁴⁾	95,982	€0.06	Mar 11, 2027
	Mar 2, 2021	Three Year Vest ⁽⁵⁾	71,429	€0.06	Mar 2, 2028
	Mar 1, 2022	Three Year Vest ⁽²⁾	100,000	€0.06	Mar 1, 2029
	May 23, 2023	Three Year Vest ⁽⁷⁾	163,745	€0.06	May 23, 2030

Restricted Stock Units

Beneficiary	Grant date	Vesting date	Number of RSUs outstanding
Mankodi	Mar 2, 2021	Three Year Vest ⁽⁵⁾	6,170
	Mar 1, 2022	Three Year Vest ⁽²⁾	52,325
	May 23, 2023	Three Year Vest ⁽⁷⁾	157,080

(1) This award vests as follows: 1/3rd vests on July 1, 2023, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting date.

(2) This award vests as follows: 1/12 vested on May 15, 2022, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting date.

(3) This award vests as follows: 1/4 vests on June 30, 2023, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting date. On November 2, 2023, the Compensation Committee resolved to modify this award pursuant to the authority granted to it under the 2016 Omnibus Incentive Plan to make adjustments in the event of an extraordinary dividend. The strike price decreased by the per-Class A share amount of the dividend converted into U.S. Dollars, from \$1.52 to \$0.95 per share.

(4) This award vests as follows: 1/3rd vested on January 2, 2021, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting date.

(5) This award vests as follows: 1/3rd vested on January 2, 2022, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting date.

(6) This award vests as follows: 1/3rd vested on January 2, 2020, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting date.

(7) This award vests as follows: 1/12 vested on August 15, 2023, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting date.

(8) On November 2, 2023, the Compensation Committee resolved to modify this award pursuant to the authority granted to it under the 2016 Omnibus Incentive Plan to make adjustments in the event of an extraordinary dividend. The strike price decreased by the per-Class A share amount of the dividend converted into U.S. Dollars, from \$4.42 to \$3.85 per share.

As at December 31, 2023, we had nothing set aside or accrued to provide pension, retirement or similar benefits to our supervisory board members.

In 2023, Ms. De Schepper and Ms. Breidenbach exercised options at a strike price of €0.06 to receive 83,625 and 51,870 Class A shares, respectively, which were converted to ADSs at the appropriate ratio. In 2023, Mr. Kern and Mr. Mankodi received vested RSUs of 1,535 and 12,935, respectively, representing Class A shares that were converted to ADSs at the appropriate ratio.

The amount of compensation, including benefits in kind, accrued or paid to our supervisory board members with respect to the year ended December 31, 2022 is described in the tables below. Our supervisory board received the following cash compensation with respect to service in the fiscal year 2022:

	Breidenbach	De Schepper	Hart	Mankodi	Östberg
	\$000	\$000	€000	\$000	\$000
Periodically-paid remuneration (base salary)	45	38	83	45	45
Total cash compensation	45	38	83	45	45

Our supervisory board held the following options and/or restricted stock units (RSUs) (both vested and unvested) as at December 31, 2022:

Options

Beneficiary	Grant date	Vesting date	Number of options outstanding	Strike price	Expiration date
Breidenbach	Jul 22, 2021	Three Year Vest ⁽¹⁾	39,820	€0.06	Jul 22, 2028
	Mar 1, 2022	Three Year Vest ⁽²⁾	93,203	€0.06	Mar 1, 2029
Hart	Sept 14, 2022	Three Year Vest ⁽³⁾	1,000,000	\$1.52	Sept 14, 2029
Kern	Mar 6, 2017	Jan 3, 2018, 2019, 2020	74,135	\$12.14	Mar 6, 2024
	Dec 20, 2017	Jan 2, 2019, 2020, 2021	125,520	\$7.17	Dec 20, 2024
Mankodi	Aug 17, 2018	Jul 2, 2019, 2020, 2021	90,408	4.42	Aug 17, 2025
Östberg	Mar 6, 2017	Jan 3, 2018, 2019, 2020	70,840	\$12.14	Mar 6, 2024
	Dec 20, 2017	Jan 2, 2019, 2020, 2021	119,944	\$7.17	Dec 20, 2024
	Jun 28, 2019	Three Year Vest ⁽⁶⁾	58,117	€0.06	Jun 28, 2026
	Mar 11, 2020	Three Year Vest ⁽⁴⁾	95,982	€0.06	Mar 11, 2027
	Mar 2, 2021	Three Year Vest ⁽⁵⁾	71,429	€0.06	Mar 2, 2028
	Mar 1, 2022	Three Year Vest ⁽²⁾	100,000	€0.06	Mar 1, 2029
De Schepper	Mar 1, 2022	Three Year Vest ⁽²⁾	83,333	€0.06	Mar 1, 2029

Restricted Stock Units

Beneficiary	Grant date	Vesting date	Number of RSUs outstanding
Mankodi	Mar 11, 2020	Three Year Vest ⁽⁴⁾	8,287
	Mar 2, 2021	Three Year Vest ⁽⁵⁾	30,835
	Mar 1, 2022	Three Year Vest ⁽²⁾	78,488
Kern	Mar 11, 2020	Three Year Vest ⁽⁴⁾	2,254

(1) This award vests as follows: 1/3rd vests on July 1, 2023, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting date.

(2) This award vests as follows: 1/12 vested on May 15, 2022, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting date.

(3) This award vests as follows: 1/4 vests on June 30, 2023, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting date. Payment of this amount is pending the approval of trivago's annual general meeting of shareholders.

(4) This award vests as follows: 1/3rd vested on January 2, 2021, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting date.

(5) This award vests as follows: 1/3rd vested on January 2, 2022, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting date.

(6) This award vests as follows: 1/3rd vested on January 2, 2020, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting date.

As at December 31, 2022, we had nothing set aside or accrued to provide pension, retirement or similar benefits to our supervisory board members. In the year 2022, none of our supervisory board members exercised any options in trivago N.V. In 2022, 11,771 and 106,325 of Mr. Kern's and Mr. Mankodi's RSUs vested, respectively.

In connection with the share options and units granted to our supervisory board above, we incurred the following expenses under IFRS in the fiscal years indicated:

	2023	2022
	€000	€000
Breidenbach	146	158
De Schepper	132	—
Hart	474	193
Mankodi	176	214
Östberg	162	199
Kern	—	3

Compensation principles

Senior management

The primary objective of our senior management's compensation program is to attract, motivate, reward and retain the managerial talent needed to achieve our business objectives and drive sustainable business performance. We have mandated an external compensation specialist to benchmark our management's compensation, both in terms of their base cash compensation, cash bonus and equity incentive award, against that of the management of similarly situated companies in the United States and Europe including companies with a similar financial profile or those in the same sector (e.g., technology and online travel).

Guided by market research provided by the compensation specialist, we slightly decreased the base salary of our management joining in 2023 and provided equity awards that vest over a longer period of time and have a strong performance element. For Mr. Tillmann, we increased the base salary in order to incentivize retention.

The cash and any bonus payments and any equity award compensation are proposed by the CEO to our Compensation Committee. The proposal is then discussed (and amended, if needed) by the committee. The amount of compensation of the management board and those executives reporting to the CEO is then determined at the discretion of our supervisory board.

Employees

We believe in cultivating an inspiring environment where our employees can thrive and feel empowered to do their best. Our aim is to attract intrinsically motivated individuals, and nurture and retain the most capable and driven of them to support our culture of learning, authenticity and entrepreneurship.

Our remuneration policy is designed to attract and retain employees, and reward them for achieving our goals and objectives as a business, and working productively together in line with our corporate culture (see above "*Item 2: Company and Business Overview - 2.4. Business Overview - 2.4.9. Our employees and culture*").

We use an individualized approach to compensation that reflects the value contribution of each employee to our organization. We believe that employees who contribute significantly to our success should receive increased compensation and measures should be taken to retain them, for example through the award of stock options. The unique context of the position profile - in particular in relation to similar roles both at trivago and externally - as well as the scope of responsibilities taken on by that employee are other important factors for the development of employee compensation.

Salaried employees are rewarded on a total rewards basis, which includes fixed income and may include long-term incentive awards, such as stock options or restricted stock units. Compensation is awarded on a fixed rather than variable basis in order to emphasize intrinsic (rather than extrinsic) motivation. We aim to ensure that each employee's compensation is fair and is aligned to the scope and breadth of his or her activities as well as to the value that person creates. At trivago, we generally review our compensation decisions on a yearly basis. Additionally, we adopted an approach this year to enable a more fluid adjustment of compensation for employees who have been promoted or have had a significant increase in their scope of work. We believe that fairness is created by analyzing compensation at one point in time for all our employees. Rather than negotiating salary increases, we aim to run a fair, objective and merit-based process for compensation decisions.

Related party transactions - Expedia

Expedia Group Inc., the controlling shareholder, indirectly through its subsidiary Expedia, Inc., owns 60.0% of the shares. The Company and Expedia, Inc. are party to the Amended and Restated Shareholders' Agreement.

In 2013, Expedia Group completed the purchase of a 63% equity interest in the company, purchasing all outstanding equity not held by the Founders or employees for €477 million. During the second quarter of 2016,

Expedia Group exercised its call right on certain shares held by non-Founder employees of the company, which were originally awarded in the form of stock options pursuant to the trivago employee stock option plan and subsequently exercised by such employees, and elected to do so at a premium to fair value resulting in a 63.5% ownership by Expedia Group.

A one-time extraordinary dividend totaling €184.4 million was distributed to Class A and Class B shareholders of record on November 3, 2023. Of the total amount, €110.6 million has been distributed to Expedia Group based on their share ownership on the date of record.

Amended and Restated Shareholders' Agreement of trivago N.V.

In connection with our IPO, travel B.V. (which subsequently converted into trivago N.V.), trivago GmbH, the Founders, Expedia Lodging Partner Services S.à.r.l. (ELPS) and certain other Expedia Group parties entered into an amended and restated shareholders' agreement, which we refer to as the Amended and Restated Shareholders' Agreement. On August 22, 2017, the parties thereto amended the Amended and Restated Shareholders' Agreement to make a technical correction to the definition of "Secondary Shares" in the agreement. On February 7, 2019, the parties thereto amended the Amended and Restated Shareholders' Agreement to reflect the change in number of members of the management board and the number of members of the Compensation Committee. On May 18, 2022, the parties entered into a third amendment of the Amended and Restated Shareholders' Agreement, whereby the parties agreed to lower the minimum number of management board members to two.

As of December 31, 2022, the Founders and their affiliates collectively held less than 15% of the total number outstanding of Class A and Class B shares (the "15% threshold"), including any securities convertible into or exchangeable for, or any option, warrant, or other right to purchase or otherwise acquire, any Class A or Class B share (calculated as if all such securities had been converted, exercised or exchanged), and as a result, the rights and obligations of the Founders under the Amended and Restated Shareholders' Agreement terminated, including the right to designate members of our supervisory board for binding nomination. Pursuant to the terms of the Amended and Restated Shareholders' Agreement, certain provisions in the Amended and Restated Shareholders' Agreement, including certain restrictive covenants, registration rights and transfer restrictions, continue to apply to the Founders.

On November 14, 2022, the parties also executed a joinder, whereby ELPS ultimately transferred its shares to Expedia, Inc., thereby replacing ELPS as a party in the Amended and Restated Shareholders' Agreement.

Transactions with shareholders

In November 2022, we purchased 20,000,000 Class A shares from Peter Vinnemeier, one of our founders, for €19.3 million (USD 1.00 per share). The purchase of shares was funded from available working capital. Following this share purchase, transactions with Mr. Vinnemeier are no longer related party transactions.

A one-time extraordinary dividend totaling €184.4 million was distributed to Class A and Class B shareholders of record on November 3, 2023. Of the total amount, €15.1 million has been distributed to Rolf Schrömgens, one of our founders and a member of our supervisory board, based on his share ownership on the date of record.

Agreements regarding the supervisory board

The internal rules of our supervisory board (which we refer to as the "Supervisory Board Rules") provide that our supervisory board be comprised of seven members who will each serve for a three year term. In connection with the shareholdings of the Founders falling below the 15% threshold (see above), the Founders are no longer entitled to designate members of our supervisory board for binding nomination.

Our articles of association, as well as the Supervisory Board Rules set forth agreements regarding the committees of the supervisory board and the rules of procedure.

Our supervisory board members were appointed by our shareholders acting at a general meeting of shareholders upon a binding nomination by the supervisory board as described in "5. Corporate Governance."

Registration and other rights

Pursuant to the Amended and Restated Shareholders' Agreement, Expedia, Inc. and the Founders continue to have certain demand registration rights, short-form registration rights and piggyback registration rights in respect of any Class A shares and Class B shares, and related indemnification rights from the company, subject to customary restrictions and exceptions. All fees, costs and expenses of registrations, other than underwriting discounts and commissions, are expected to be borne by us.

The Amended and Restated Shareholders' Agreement also grants appropriate information rights to Expedia, Inc. and the Founders. Expedia, Inc. and the Founders also agreed in the Amended and Restated Shareholders' Agreement that certain resolutions of the general meeting of shareholders require the consent of one Founder.

These information and consent rights terminated in respect of the Founders upon their shareholdings having fell below the 15% threshold (see above).

Share transfer restrictions

The Amended and Restated Shareholders' Agreement provides certain restrictions on the transferability of the Class A shares and Class B shares held by Expedia, Inc. and the Founders, including prohibitions on transfers by the Founders to our competitors. The Founders have tag-along rights on transfers of Class A or Class B shares to certain specified parties, and based on certain conditions. Expedia, Inc. has the right to drag the Founders in connection with a sale of all of its Class A shares and Class B shares. Expedia and the Founders agreed to grant each other a right of first offer on any transfers of Class A shares or Class B shares to a third party. These transfer restrictions continue to apply to the Founders after their shareholdings fell below the 15% threshold (see above).

Contribution Agreement

On August 21/22, 2017, the Founders, ELPS, trivago GmbH, trivago N.V. and certain other Expedia Group parties entered into a contribution agreement with respect to potential tax liability arising out of the cross-border merger, which we refer to as the contribution agreement. Following our IPO, we requested binding tax rulings from the German tax authorities regarding the tax neutrality to trivago GmbH, trivago N.V. and the Founders of the cross-border merger. Under the rulings, the German tax authorities have taken the opinion that trivago GmbH is liable for an immaterial tax amount. Under the contribution agreement, ELPS undertook, subject to the occurrence of a final, non-appealable and unchangeable tax assessment notice issued to us, to make an informal immaterial capital contribution (*informele kapitaalstorting*) on the Class B shares in cash in the amount of any (a) German Corporate Income Tax (*Körperschaftsteuer*), (b) German solidarity surcharge (*Solidaritätszuschlag*) thereon, and (c) German Trade Tax (*Gewerbesteuer*) that would not be made in exchange for any shares issued by us. In accordance with the terms and conditions of the contribution agreement, we and ELPS acknowledged that this contribution would be treated as share premium (*agio*) attached to the Class B shares and that the amount of this contribution would be attributed to our share premium reserve (*agioreserve*) attached to the Class B shares. The parties to the contribution agreement agreed that this contribution by ELPS shall be treated as a tax neutral shareholder contribution (*verdeckte Einlage*) at the trivago N.V. level for corporate tax purposes to the greatest extent possible. If and to the extent that German tax authorities challenge the neutral treatment of the contribution amount at the trivago N.V. level for corporate tax purposes, ELPS will contribute to us, in addition to the contribution amount referenced above, such additional amount as is necessary to ensure that the net amount actually received by us (after taking into account the payment by us of corporate taxes imposed on the contribution amount and any additional amounts payable to us pursuant the requiring payment of such additional amounts) that equals the full amount that we would have received had no such corporate taxes been imposed on the contribution amount.

Operating business

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 are arrangements terminable at will or upon fourteen to thirty days' prior notice by either party and on customary commercial terms that enable Expedia Group's brands to advertise on our platform, and we receive payment for users we refer to them. In 2020, we and Expedia Partner Solutions ("EPS") entered into an additional agreement pursuant to which EPS powers our platform with a template (hotels.com for partners). For the years ended December 31, 2023 and 2022, Expedia Group and its brands in each of the years accounted for €172.5 million, or 36% and €173.3 million, or 32% of our total revenues, respectively.

Service agreements

On May 1, 2013, we entered into an Assets Purchase Agreement, pursuant to which Expedia Group purchased certain computer hardware and software from us, and a Data Hosting Services Agreement, pursuant to which Expedia Group provides us with certain data hosting services relating to all of the servers we use that are located within the United States. Either party may terminate the Data Hosting Services Agreement upon 30 days prior written notice. During the years ended December 31, 2023 and 2022, we did not utilize this service agreement.

Services and Support Agreement

On September 1, 2016, we entered into a Services and Support Agreement, pursuant to which Expedia Group agreed to provide us with certain services in connection with localizing content on our websites, such as translation services. This agreement was terminated on October 31, 2023 and a new agreement was effective as of November 1, 2023 with Expedia Group International Holdings III, LLC, ("EGIH3"). EGIH3 agreed to provide us with certain services in connection with localizing content on our websites, such as translation services. Either party may terminate the Services and Support Agreement upon 30 days prior notice.

Effective January 1, 2023, we entered into a Management Services Agreement with Expedia, Inc., pursuant to which Expedia, Inc. agreed to provide us with certain services in connection with tax, accounting, finance, legal, operations, administrative and similarly related functions. Either party may terminate the Management Services Agreement upon 30 days prior notice.

For the years ended December 31, 2023 and 2022, our operating expenses include €0.2 million each period of related party shared services fees and amounts related to the services and support agreements detailed above.

Related party transactions - other

UBIO Limited

On April 28, 2022, 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.

On November 28, 2022, we entered into a commercial arrangement with UBIO to increase the number of directly bookable rates available on our website for an initial term of 12 months. This agreement was terminated in the last quarter of 2023 by providing a 90 days written notice ahead of the contract renewal date. For the years ended December 31, 2023 and 2022, our operating expenses include €1.5 million and €0.5 million related to the original commercial agreement.

Effective January 11, 2024, we entered into a new commercial agreement with UBIO Limited, an equity method investment, to further increase the number of directly bookable rates available on our website for a term of 12 months with subsequent 12 month periods, unless it is terminated by either party with 90 days prior notice at the end of each period. The agreement includes an annual minimum commitment of €1.3 million (GBP 1.1 million).

12. Capital Management

The primary objective of our capital management activities is to ensure that the Company can discharge all of its financial obligations in the future and secure trivago as a going concern. trivago's capital management activities cover the whole Group. Policies for steering and optimizing the existing financing structure are based on earnings and cash flow developments.

trivago operated without any loans or borrowings for the years ended December 31, 2023 and 2022.

	2023	2022
	€000	€000
Interest-bearing loans and borrowings	—	—
Less: Cash and cash equivalents	(101,847)	(248,584)
Net debt	(101,847)	(248,584)
Equity	165,978	323,132
Total capital	165,978	323,132
Capital and net debt	64,131	74,548

13. Auditors' Fees

The following expenses incurred for services provided by the auditors and related companies of the auditors:

	2023	2022
	€000	€000
Audit fees*	2,437	2,347
Total	2,437	2,347

* Thereof related to the audit of the financial statements included in the annual report by Ernst & Young Accountants LLP: €0.1 million (2022: €0.1 million).

14. Events after the Reporting Date

Subsequent to the date of the balance sheet through the date of issuance of these consolidated financial statements, 981,145 Class A shares were issued as a result of options exercised and RSUs released.

Effective January 11, 2024, we entered into a new commercial agreement with UBIO Limited, an equity method investment, to further increase the number of directly bookable rates available on our website for a term of 12 months with subsequent 12 month periods, unless it is terminated by either party with 90 days prior notice at the end of each period. The agreement includes an annual minimum commitment of €1.3 million (GBP 1.1 million).

The German federal parliament passed legislation on December 14, 2019 which permits certain research and development projects to be eligible for refundable tax credits. In February 2024 we received a certificate from *Bescheinigungsstelle Forschungszulage* (BSFZ), the certification center for research grants in Germany, in response to our application filed in April 2023. Certain development costs associated with our website and internal-use software that were capitalized during the development stage between 2020 to 2022 were deemed eligible by BSFZ. We intend to apply for the tax credits in the coming months. The German tax authority may still reject or materially alter the claim. Accordingly, we will not recognize the benefit of the claim amount until the amount is realizable.

On April 1, 2024, 2,720,000 market-based and 4,080,000 service-based Class A share options were granted to the new Chief Financial Officer. The market-based awards cliff vest at the end of the performance period on April 1, 2028. The market condition is based upon trivago's volume-weighted average share price that determines the number of shares earned. The service-based options vest annually over three years beginning on April 1, 2025 in equal increments.

Also on April 1, 2024, a modification was made to the options originally granted to the Managing Directors on May 9, 2023 and subsequently modified on November 2, 2023. The strike price for 6,120,000 market-based and 9,180,000 service-based Class A share options was further reduced from the reduction made on November 2, 2023 as a result of the extraordinary dividend paid in 2023. Additionally, there were updates made to the market condition that determines the number of shares earned.

10. trivago N.V.
Company Financial Statements
as of December 31, 2023

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trivago N.V.
Company Financial Statements
Statement of Profit or Loss
for the period from January 1 to December 31

		<u>2023</u>	<u>2022</u>
		€000	€000
	Notes		
Loss from affiliated companies after taxation	1	(197)	(1,254)
Other income after taxation	2	28,733	53,100
Profit for the year after taxation		<u>28,536</u>	<u>51,846</u>

trivago N.V.
Company Financial Statements
Statement of Financial Position
before appropriation of results as at December 31

		2023	2022
		€000	€000
	Notes		
Fixed assets			
Intangibles			
Intangible assets	3	5,753	5,752
Goodwill	3	6,867	6,867
Total intangibles		12,620	12,619
Tangible fixed assets	4	4,493	7,594
Right-of-use assets		43,671	46,975
Financial fixed assets			
Participation in group companies	5	4,302	9,604
Investment in associates	5	5,329	5,551
Other long term receivables	5	3,014	2,898
Total financial fixed assets		12,645	18,053
Non-current assets		73,429	85,241
Trade receivables		21,789	23,846
Trade receivables, related parties		19,094	24,432
Income tax receivables		6,741	483
Other assets		12,858	11,056
Short-term investments		25,225	45,000
Cash and cash equivalents	6	97,008	237,762
Current assets		182,715	342,579
Assets		256,144	427,820
Common stock A shares	7	6,655	7,458
Common stock B shares	7	142,486	142,486
Treasury stock at cost	7	—	(19,960)
Other reserves	7	(5,121)	181,107
Legal reserves	7	5,435	5,294
Share premium	7	122,307	122,307
Undistributed loss	7	(134,320)	(167,406)
Profit for the period	7	28,536	51,846
Total equity		165,978	323,132
Deferred tax liabilities	8	1,063	965
Provisions		1,063	965
Lease liabilities	9	43,077	45,443
Other liabilities		717	202
Non-current liabilities		43,794	45,645
Trade payables		18,009	20,025
Income tax liabilities		10,630	20,952
Lease liabilities	9	2,524	4,735
Other liabilities	10	14,146	12,366
Current liabilities		45,309	58,078
Equity and liabilities		256,144	427,820

Notes to the Company Financial Statements

General information & basis of preparation

The description of the activities and the structure of trivago N.V ("the Company" "we" or "trivago") as included in the notes to the consolidated financial statements also apply to the Company Financial Statements.

The financial statements of trivago N.V included in this section are prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. Section 2:362 (8) of the Dutch Civil Code, allows companies that apply IFRS as endorsed by the European Union in their consolidated financial statements to use the same measurement principles in their company financial statements. We have prepared these Company financial statements using this provision.

The accounting policies are described in the Summary of significant accounting policies of the consolidated financial statements and are deemed incorporated and repeated herein by reference.

In the company financial statements we apply section 2:402 of the Dutch Civil Code and will present the abridged statement of profit and loss. This is applied because the company only accounts have been processed in the consolidated financial statements.

In case single balance sheet line items and profit and loss accounts are not further disclosed in the company financial statements, we refer to the disclosure to the consolidated financial statements.

Summary of significant accounting policies

The accounting policies as included in the notes to the consolidated financial statements also apply to the company financial statements.

Investment in group companies

Investments in subsidiaries refers to contractual and non-contractual involvement that exposes an entity to variability of returns from the performance of the other entity. An investment in subsidiaries can be evidenced by, but is not limited to, the holding of equity or debt instruments as well as other forms of involvement such as the provision of funding, liquidity support, credit enhancement and guarantees. It includes the means by which an entity has control or joint control of, or significant influence over, another entity. An entity does not necessarily have an interest in another entity solely because of a typical customer supplier relationship.

Investments in subsidiaries are accounted at equity method. For an overview of subsidiaries refer to the consolidated financial statements.

Expected credit losses

Expected credit losses on intercompany receivables are eliminated against the intercompany receivables themselves.

Notes to the statement of Profit or Loss

1. Profit from affiliated companies after taxation

	<u>2023</u>	<u>2022</u>
	<u>€000</u>	<u>€000</u>
Profit/(loss) other affiliated companies	(197)	(1,254)
Total	(197)	(1,254)

2. Other income and losses after taxation

With regard to company pension plans, we only have defined contribution plans. We pay contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. There are no other benefit obligations for trivago N.V. after payment of the contributions. The current contribution payments are disclosed as an expense in the respective year.

The number of employees as of reporting date is included in the consolidated financial statements.

For the remuneration of the members of both the management board and the supervisory board, please refer to note 11. *Related Party Disclosures* in the consolidated financial statements which is deemed incorporated and repeated herein by reference.

Notes to the statement of Financial Position

3. Goodwill and intangible assets

Disclosures related to the nature of the intangible assets as well as changes in the carrying amount during the period is included in *Note 5.1 Goodwill and intangible assets* in the consolidated accounts.

The consolidated goodwill balance is fully comprised of trivago N.V. and further disclosures related to changes in the carrying amount of goodwill during the period is included in *Note 5.1 Goodwill and intangible assets* in the consolidated accounts.

4. Property, plant and equipment

	Computer equipment	Furniture and fixtures	Leasehold improvements	Total
	€000	€000	€000	€000
Historical cost				
As at 01/01/2022	15,674	2,989	6,624	25,287
Additions	519	56	—	575
Disposals	(433)	—	—	(433)
As at 12/31/2022	15,760	3,045	6,624	25,429
As at 01/01/2023	15,760	3,045	6,624	25,429
Additions	230	59	0	289
Disposals	(622)	(104)	(2,748)	(3,474)
As at 12/31/2023	15,368	3,000	3,876	22,244
Accumulated depreciation				
As at 01/01/2022	(13,919)	(1,503)	(1,093)	(16,515)
Additions	(1,006)	(405)	(339)	(1,750)
Disposals	430	—	—	430
As at 12/31/2022	(14,495)	(1,908)	(1,432)	(17,835)
As at 01/01/2023	(14,495)	(1,908)	(1,432)	(17,835)
Additions	(648)	(351)	(255)	(1,254)
Disposals	613	66	659	1,338
As at 12/31/2023	(14,530)	(2,193)	(1,028)	(17,751)
Net carrying amount as at 01/01/2022	1,755	1,486	5,531	8,772
Net carrying amount as at 12/31/2022	1,265	1,137	5,192	7,594
Net carrying amount as at 12/31/2023	838	807	2,848	4,493

Pursuant to the amendment of the operating lease agreement for office space signed in January 2021, the Company sold and transferred long-lived assets with a net book value of €2.1 million to the landlord in the quarter ended June 30, 2023. This transaction is offset by the lease termination penalty payment to the landlord of €2.3 million. The net amount is recorded in other current liabilities in the consolidated balance sheet as at December 31, 2023. There was no significant gain/loss recorded on the sale of these fixed assets.

5. Financial fixed assets

As at December 31, 2023 trivago holds the following direct and indirect participating interests in subsidiaries:

Name, location	Interest in %
<i>Fully consolidated</i>	
base7booking.com S.à.r.l. (in liquidation)	Switzerland 100 %
base7Germany GmbH	Germany 100 %
TGO (Thailand) Ltd. (in liquidation)	Thailand 100 %
trivago Hong Kong Ltd.	Hong Kong 100 %
trivago Hotel Relations GmbH	Germany 100 %
Trivago Hotel Relations Spain S.L.U	Spain 100 %
trivago Service B.V.	The Netherlands 100 %
trivago Services US LLC	United States 100 %
weekengo GmbH	Germany 100 %

Stichting trivago Warehousing was dissolved subsequent to a resolution passed by the management board on October 30, 2023, and is no longer included on the list of the Company's consolidated subsidiaries for the period ended December 31, 2023.

On April 28, 2022, trivago entered into an investment for a 20.8% (15.5% fully-diluted by share options) ownership interest in UBIO Limited ("UBIO") accounted for as an equity method investee.

	€000
Opening balance 1 January 2023	5,551
Results from associate	(222)
Investments, ending balance 31 December 2023	5,329

For all consolidated subsidiaries trivago operates and controls all of the business and affairs of the subsidiary and its respective subsidiaries.

	€000
Opening balance 1 January 2022	9,125
Capital transactions	1,277
Results from subsidiaries	(798)
Investments, ending balance 31 December 2022	9,604
Opening balance 1 January 2023	9,604
Capital transactions	(5,348)
Results from subsidiaries	46
Investments, ending balance 31 December 2023	4,302

Other long term receivables

	€000
Opening balance January 1, 2022:	3,337
Decrease various	(439)
Balance as at December 31, 2022:	2,898
Opening balance January 1, 2023:	2,898
Increase various	116
Balance as at December 31, 2023:	3,014

For the year ended December 31, 2023, there were no impairment charges or revaluations charges related to investments in subsidiaries. Accumulated impairment charges on investments in subsidiaries totaled €1.1 million as at December 31, 2023 and December 31, 2022.

Deferred Tax Asset

	€000
Opening balance January 1, 2022:	10,238
Additions/(Reductions)	(10,238)
Balance as at December 31, 2022:	—

There were no movements during the year ended December 31, 2023 or deferred tax asset as at December 31, 2023.

6. Cash and cash equivalents

	As at December 31,	
	2023	2022
	€000	€000
Cash	32,886	78,762
Cash equivalents	64,122	159,000
Total	97,008	237,762

Our cash and cash equivalents include cash and liquid financial instruments, consisting of time deposit investments, with original maturities of three months or less when purchased. All cash at banks and on hand is available for immediate use, without any restrictions.

7. Equity

	Issued capital	Other reserves	Legal reserves	Profit for the period	Undistributed loss	Share premium	Total equity
	€000	€000	€000	€000	€000	€000	€000
January 1, 2022	162,980	152,268	6,325	(9,367)	(158,039)	122,307	276,474
Appropriation of prior year's result				9,367	(9,367)		—
Other comprehensive income (net of tax)		18					18
Share-based compensation expense NV level		14,984					14,984
Conversion of Class B shares	(13,223)	13,223					—
Issued capital, options exercised, net	187	(118)					69
Repurchase of common stock	(20,259)						(20,259)
Reissuance of treasury stock	299	(299)					—
Transfer of reserves to legal reserve		1,031	(1,031)				—
Net profit				51,846			51,846
December 31, 2022	129,984	181,107	5,294	51,846	(167,406)	122,307	323,132
January 1, 2023	129,984	181,107	5,294	51,846	(167,406)	122,307	323,132
Appropriation of prior year's result				(51,846)	51,846		—
Other comprehensive income (net of tax)		21					21
Share-based compensation expense NV level		7,084					7,084
Issued capital, options exercised, net	397	(327)					70
Withholding taxes on net share settlements of equity awards		(6,456)					(6,456)
Treasury stock retirement	18,760				(18,760)		—
Dividend paid to shareholders		(184,381)					(184,381)
Reclassification of share-based compensation expense from equity to liability		(2,028)					(2,028)
Transfer of reserves to legal reserve		(141)	141				—
Net profit				28,536			28,536
December 31, 2023	149,141	(5,121)	5,435	28,536	(134,320)	122,307	165,978

Capital stock

As at December 31, 2023, we had 110,919,270 Class A shares outstanding, 237,476,895 Class B shares outstanding. As at December 31, 2022, we had 104,305,225 Class A shares outstanding, 237,476,895 Class B shares outstanding.

Class A and Class B common stock has a par value of €0.06 and €0.60, respectively. Class B shares are entitled to ten votes per share, and holders of our Class A shares are entitled to one vote per share. All other terms and preferences of Class A and Class B common stock are the same. Each Class B share is convertible into one Class A share at anytime by the holder. During the years ended December 31, 2023 and 2022, nil and 24,485,793 Class B shares were converted into Class A shares, respectively.

Treasury Stock

As at December 31, 2023 and December 31, 2022, nil and 20,000,000, respectively, of our issued shares were treasury shares.

In November 2022, the Company acquired 20,000,000 Class A shares from Peter Vinnemeier valued at €19.9 million which were classified as treasury stock until they were retired in September 2023. As a result, the treasury stock balance of €19.9 million was eliminated and Class A common stock was reduced by €1.2 million representing the par value of the retired shares. The difference of €18.7 million was recognized in accumulated deficit.

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 program. On May 31, 2022, the Company entered into another stock repurchase program which expired on July 29, 2022. As at December 31, 2022, the Company reacquired 205,457 Class A common shares on the open market at fair market value. The shares of stock purchased under the buyback program were held as treasury shares until they were all reissued to settle RSU awards vesting from our share-based compensation awards during the fourth quarter of 2022.

Dividend

In 2023, the Company paid a one-time extraordinary dividend totaling €184.4 million (€0.529228 per each Class A and B share) to shareholders of record on November 3, 2023. The dividend was paid to holders of Class A and B shares on November 6, 2023 and was distributed to holders of our ADSs on November 13, 2023.

Legal reserves

A legal reserve is included for internally developed capitalized software which is included in trivago N.V. as December 31, 2023.

Profit for the period

An unappropriated profit of €28.5 million and €51.8 million exists for the years ended December 31, 2023 and December 31, 2022, respectively.

We propose to add our profit for the year to undistributed loss.

Share premium

The beginning contribution from Parent balance relates to corporate expenses allocated to trivago by the Expedia Group.

8. Provisions

As at December 31, 2023 and December 31, 2022, provisions consisted of deferred tax liabilities in the amount of €1.1 million and €1.0 million, respectively.

9. Leases

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023	2022
	€000	€000
Balance, beginning of year	50,178	47,348
Additions	172	—
Derecognitions and other items	(2,251)	4,997
Accretion of interest	1,612	1,828
Payments	(4,110)	(3,995)
Balance, end of year	45,601	50,178
Of which:		
Current	2,524	4,735
Non-current	43,077	45,443

10. Other liabilities

Other liabilities in the amount of €14.1 million as at December 31, 2023 and €12.4 million as at December 31, 2022 consist of both financial liabilities and non-financial liabilities which are specified in the table below.

Other current financial liabilities

	<u>2023</u>	<u>2022</u>
	<u>€000</u>	<u>€000</u>
Deposit	719	724
Liabilities to employees	1,888	558
Invoices to be received	5,859	3,594
Other	137	449
Total	<u>8,603</u>	<u>5,325</u>

Other current non-financial liabilities

	<u>2023</u>	<u>2022</u>
	<u>€000</u>	<u>€000</u>
Deferred income	1,531	1,982
Other taxes liabilities	3,046	4,079
Liabilities to employees	471	531
Other	495	449
Total	<u>5,543</u>	<u>7,041</u>

11. Auditors' Fees

For the auditors' fees for the year refer to the consolidated financial statements.

12. Events after reporting date

For the events after the reporting date refer to the consolidated financial statements.

Düsseldorf, Germany May 22, 2024.

Management Board

/s/ T.J. Thomas

/s/ J. Ezz

/s/ A. Lehnert

/s/ R. Harries

Supervisory Board

/s/ R. Dzielak

/s/ E. Hart

/s/ L.N. Östberg

/s/ H. Mankodi

/s/ M. De Schepper

/s/ R.T.J. Schrömgens

/s/ J. Breidenbach

11. Other Information

11.1. Profit appropriation

Under the articles of association, subject to applicable law, the profits shown in the Company's annual accounts in respect of any fiscal year shall be appropriated as follows, and in the following order of priority:

- a. subject to the approval of the supervisory board, the management board shall determine which part of the profits shall be added to the Company's reserves; and
- b. any remaining profits shall be at the disposal of the general meeting for distribution on the class A shares and the class B shares as if they are shares of the same class.

We plan to add our income to retained earnings.

11.2. Special rights of control under the articles of association

As indicated in section 7 of the financial statements, the authorized share capital of the Company includes and the Company has issued class B shares, which are not listed and carry ten votes in the general meeting each, whereas a class A shares (represented by the Nasdaq listed American Depositary Shares) carry only one vote in the general meeting each. As at December 31, 2023, majority of class B shares were held by Expedia, Inc. and the minority of class B shares was held by Rolf Schrömgens.

As of December 31, 2023, Class B shares of trivago N.V. are only held by Expedia Group and Rolf Schrömgens, one of our founders and a member of our supervisory board. Expedia Group's ownership interest and voting interest in trivago N.V. is 60.0% and 84.1%, respectively. The Class B shares held by Mr. Schrömgens as of December 31, 2023 had an ownership interest and voting interest of 8.2% and 11.5%, respectively. Mr. Schrömgens also holds Class A shares (approximately 9.9% of our share capital as of December 31, 2023) in addition to the Class B shares held. The additional ownership of Class A shares by the Founders would not significantly change ownership or voting interest.

Other than the class B shares, the articles of association do not grant any party special rights of control (*zeggenschap*) in respect of the Company.

11.3. Non-voting shares and shares carrying limited economic entitlement

Not applicable. The Company has not issued non-voting shares and all class A shares and all class B shares rank *pari passu* in respect of their economic entitlements.

11.4. Other establishments

We do not have any other establishments in addition to the Company's office in Düsseldorf, Germany.

11.5. Independent Auditor's Report

Independent auditor's report

To: the shareholders and supervisory board of trivago N.V.

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended December 31, 2023 of trivago N.V. based in Amsterdam, the Netherlands. The financial statements comprise the consolidated and company financial statements.

In our opinion:

- ▶ The accompanying consolidated financial statements give a true and fair view of the financial position of trivago N.V. as at December 31, 2023 and of its result and its cash flows for 2023 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) and with Part 9 of Book 2 of the Dutch Civil Code
- ▶ The accompanying company financial statements give a true and fair view of the financial position of trivago N.V. as at December 31, 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- ▶ The consolidated statement of financial position as at December 31, 2023
- ▶ The following statements for the year ended December 31, 2023: the consolidated statements of profit or loss, other comprehensive income or loss, changes of equity and cash flows
- ▶ The notes comprising material accounting policy information and other explanatory information

The company financial statements comprise:

- ▶ The statement of financial position as at December 31, 2023
- ▶ The statement of profit or loss for the period from January 1 to December 31, 2023
- ▶ The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of trivago N.V. (the company) in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

trivago N.V. and its subsidiaries offer online meta-search for hotel and accommodation, generally employing a “cost-per-click” pricing structure. The group is structured in components and we tailored our group audit approach accordingly. We paid specific attention in our audit to a number of areas driven by the operations of the group and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€3,600,000 (2022: €4,000,000)
Benchmark applied	0.75% of revenue from contracts with customers (2022: 0.75% of revenue)
Explanation	Based on our professional judgment we have considered an activity-based measure as the appropriate benchmark to determine materiality. We consider revenue from contracts with customers to be the most relevant measure given the nature of the business, the strategy of the company and the expected focus of the users of the financial statements.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of €180,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

trivago N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

As processes at trivago N.V. are centralized, we have applied a centralized audit approach together with EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft. Our audit mainly focused on the statutory entity trivago N.V., as the majority of the operations of the group take place within that entity.

Our audit coverage for total revenues and for total assets can be summarized as follows:

- ▶ For revenue from contracts with customers, our audit procedures achieved a coverage of 99%
- ▶ For (total) assets, our audit procedures achieved a coverage of 99%

By performing the procedures mentioned above at components of the group, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Teaming and use of specialists

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a listed client in the technology industry. We included specialists in the areas of IT audit and income tax.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and the management board's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes. We refer to section 4 of the Dutch Statutory Board Report for the management board's (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of business conduct and ethics, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all companies. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in "Estimation uncertainty and management judgment" of note 1.2 to the consolidated financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

When identifying and assessing fraud risks, we presumed that there are risks of fraud in revenue recognition. We evaluated that potential inappropriate modifications in the process of identifying and excluding invalid clicks from cost-per-click revenues in particular give rise to such a risk. We describe the audit procedures responsive to the presumed risk of fraud in revenue recognition in the description of our audit approach for the key audit matter "Revenue recognition (cost-per-click)".

We considered available information and made enquiries of relevant executives, directors, internal audit, legal, compliance and the supervisory board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, inspection of internal audit and compliance reports and performing substantive tests of details of classes of transactions, account balances or disclosures. We refer to Note 9 to the consolidated financial statements under "Legal proceedings" and section 2.4.14 of the Dutch Statutory Board Report.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit in particular relating to compliance of (international) advertisement practices with national consumer laws and privacy. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section Basis of Preparation in Note 1.2 to the consolidated financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the management board made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the next twelve months.

We discussed and evaluated the specific assessment with the management board exercising professional judgment and maintaining professional skepticism.

We considered whether the management board's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the supervisory board. The key audit matter is not a comprehensive reflection of all matters discussed.

In comparison with previous year, our key audit matter did not change.

Revenue recognition (cost-per-click)	
Risk	<p>Revenue from contracts with customers (hereinafter: revenue) is one of the key indicators of the company's performance and considered a main focus of the users of the financial statements.</p> <p>We refer to section 1.3 under "Revenue from contracts with customers" and Note 4.1 "Revenue from contracts with customers" to the consolidated financial statements. Cost-per-click (CPC) revenue accounts for the majority of the company's revenue, which is driven by each user's click on an offer in the search results.</p> <p>CPC revenue is recognized at a point in time, which relates to the moment when the user clicks on an advertisement and is referred to one of the advertisers. CPC revenue is processed within underlying IT systems at the company.</p> <p>As mentioned in the above section Our audit response related to fraud risks, we presumed that there are risks of fraud in revenue recognition. Given the main focus of users of the financial statements, the presumed fraud risk and the importance and complexity of the underlying IT systems for processing the CPC revenue, we identified revenue recognition as a key audit matter.</p>
Our audit approach	<p>Our audit procedures included an evaluation of the appropriateness of company's revenue recognition policies in accordance with IFRS 15 "Revenue from Contracts with Customers" and understanding of the internal (IT) control environment with evaluation of design and testing of control effectiveness in the area of CPC revenue recognition.</p> <p>In addition, we performed a combination of substantive audit procedures to address the risk relating to revenue recognition. Our procedures included confirming clicks and revenue with key advertisers, testing of changes made to the process of identifying and excluding invalid clicks, analytical</p>

Revenue recognition (cost-per-click)	
	<p>procedures, inquiring of account managers, inspection of new contracts with customers and analyzing entries including credit notes on specific accounts.</p> <p>Finally, we evaluated the adequacy of the disclosures.</p>
Key observations	<p>Based on the audit procedures performed, we did not identify any material misstatements in the revenue reported and conclude that the related disclosures in the financial statements are adequate.</p>

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- ▶ Is consistent with the financial statements and does not contain material misstatements
- ▶ Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the supervisory board as auditor of trivago N.V. on February 21, 2017, as of the audit for the year 2016 and have operated as statutory auditor ever since that date.

Description of responsibilities regarding the financial statements

Responsibilities of the management board and the supervisory board for the financial statements

The management board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRSs and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the management board is responsible for such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the management board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting

framework mentioned, the management board should prepare the financial statements using the going concern basis of accounting unless the management board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The management board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- ▶ Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- ▶ Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these

matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Eindhoven, May 22, 2024

Ernst & Young Accountants LLP

signed by J.R. Frenz