



Annual Report 2021

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Form 20-F

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
 ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2021
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
 SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-37959

trivago N.V.

(Exact name of Registrant as specified in its charter)

trivago Corporation

(Translation of Registrant's name into English)

The Netherlands

(Jurisdiction of incorporation or organization)

Kesselstraße 5 - 7, 40221 Düsseldorf, Federal Republic of Germany

(Address of principal executive offices)

Axel Hefer, +49 211 3876840000, Kesselstraße 5 - 7, 40221 Düsseldorf, Federal Republic of Germany

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

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

<u>Title of each class</u>	<u>Trading symbol</u>	<u>Name of each exchange on which registered</u>
American Depositary Shares, each representing one Class A share, nominal value €0.06 per share	TRVG	The NASDAQ Stock Market LLC
Class A shares, nominal value €0.06 per share*		The NASDAQ Stock Market LLC*

* Not for trading, but only in connection with the registration of the American Depositary Shares.

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

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

96,704,815 Class A shares

261,962,688 Class B shares

(as of December 31, 2021)

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a "large accelerated filer," an "accelerated filer," a "non-accelerated filer" or an "emerging growth company."

Large accelerated filer Accelerated filer Non-accelerated filer Emerging growth company

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

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

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

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

U.S. GAAP

International Financial Reporting Standards as issued by the
International Accounting Standards Board

Other

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

Item 17 Item 18

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

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General

As used herein, references to “we,” “us,” the “company,” or “trivago,” or similar terms in this Annual Report on Form 20-F 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.

Our financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles, or U.S. GAAP. 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.

Special note regarding forward-looking statements

This annual report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, 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 continued material adverse impact of the COVID-19 pandemic on the global and local economy, the travel industry and our business and financial performance;
- any acceleration of long-term changes to consumer behavior and industry structure arising from the COVID-19 pandemic that may continue to have a significant adverse effect on our future competitiveness and profitability;
- any additional impairment of goodwill;
- our continued dependence on a small number of advertisers for our revenue and adverse impacts that could result from their reduced spending or changes in their cost-per-click, or CPC, bidding strategy;
- our ability to generate referrals, customers, bookings or revenue and profit for our advertisers on a basis they deem to be cost-effective;
- factors that contribute to our period-over-period volatility in our financial condition and result of operations;
- our dependence on general economic conditions and adverse impacts that could result from declines in travel or discretionary spending;
- the decreased effectiveness of our Advertising Spend as a result of an almost complete stop to television advertising in 2020, resuming only at reduced levels in 2021, which may continue to have a negative impact on the effectiveness of our advertising in coming years;
- our ability to implement our strategic initiatives;
- increasing competition in our industry;
- our ability to innovate and provide tools and services that are useful to our users and advertisers;

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

You should refer to the section of this annual report titled "*Item 3: Key information - D. Risk factors*" for a discussion of important 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 annual report and the documents that we reference in this annual report and have filed as exhibits to 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.

Summary of our risk factors

Our business is subject to numerous risks that you should be aware of before making an investment decision. These risks are described more fully in "Item 3: Key information - D. Risk factors". These risks include, among others:

Risks related to COVID-19, the travel industry and our business

- The COVID-19 pandemic has had, and is expected to continue to have, a material adverse impact on the travel industry and our business, financial performance and liquidity position. Our ultimate financial performance will depend on a number of factors relating to the world's continued emergence from the COVID-19 pandemic, including the threat of future variants of the virus that could prove deadlier or more contagious, requiring governments to again implement travel and mobility restrictions. Should our recovery from the pandemic progress more slowly than we have assumed or we suffer greater setbacks, this will likely have a significant adverse effect on our future financial performance.
- We derive a large portion of our revenue from a relatively small number of advertisers and we have become increasingly reliant on one advertiser since the start of the COVID-19 pandemic. Any further reduction in spending or any additional 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.
- As a result of the COVID-19 pandemic, we have experienced and may in the future experience an impairment of goodwill.
- We are dependent on general economic conditions, and declines in travel or discretionary spending has reduced and in the future, could reduce the demand for our services.
- We expect that an almost complete stop to television advertising in 2020, resuming only at reduced levels in 2021, will continue to have a negative impact on the effectiveness of our advertising in coming years, impairing our ability to maintain and increase brand awareness. Our financial performance is dependent on the effectiveness of our Advertising Spend. Any inability to execute our advertising strategy could harm our business and negatively affect our financial condition and results of operations.
- 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 rely on search engines, particularly Google, to drive a substantial amount of traffic to our platform. If 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, our business, financial performance and prospects may be negatively impacted.
- If we are unable to implement our strategic plans successfully, we may be unable to achieve our objectives, or we may incur further losses, and our business, results of operations, financial condition and prospects may be materially and adversely affected.

- If we do not continue to innovate and provide tools and services that are 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.

Legal and regulatory risks

- We are involved in various legal proceedings and may experience unfavorable outcomes, which could adversely affect our business and financial condition.
- The litigation in Australia could increase our expenses and will subject us to significant monetary penalties.
- 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 potential failure to protect such data from breaches or to comply with relevant legal obligations, which are constantly evolving.

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, our business would be harmed.
- We are dependent upon the quality of traffic in our network to provide value to our travel partners, 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 travel partners 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.
- 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.
- The Founders have contractual rights to exert control over certain aspects 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, the Founders and us could be resolved in a manner unfavorable to us and our shareholders.

PART I

Item 1: Identity of directors, senior management and advisers

Not applicable.

Item 2: Offer statistics and expected timetable

Not applicable.

Item 3: Key information

A. Selected financial data

Not required.

B. Capitalization and indebtedness

Not applicable.

C. Reasons for the offer and use of proceeds

Not applicable.

D. Risk factors

Our business faces significant risks. You should carefully consider all of the information set forth in this annual report and in our other filings with the United States Securities and Exchange Commission, or the SEC, including the following risks that 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 annual 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 annual report and our other SEC filings. See "Special note regarding forward-looking statements" above. For a summary of these risk factors, see "Summary of our risk factors" above.

Risks related to COVID-19, the travel industry and our business

The COVID-19 pandemic has had, and is expected to continue to have, a material adverse impact on the travel industry and our business, financial performance and liquidity position.

The continued impact of the COVID-19 pandemic has severely restricted the level of economic activity around the world and is having an unprecedented effect on the global travel industry. In response to the pandemic and the various waves of infection caused by it, the governments of many countries, states, cities and other geographic regions have implemented in the past, and continue to implement, containment measures, such as imposing travel restrictions, curfews, quarantine requirements, social-distancing, adjusted business operations and vaccination mandates, which tend to adversely affect the ability of businesses to operate in the manner they had prior to the COVID-19 pandemic. Individuals' ability to travel has been curtailed through border closures, mandated travel restrictions and limited operations of hotels and airlines and may be further limited through additional voluntary or mandated closures of travel-related businesses. The measures implemented to contain the COVID-19 pandemic have had, and are expected to continue to have, a significant negative effect on our business, financial condition, results of operations, cash flows and liquidity position.

Despite the continued progress made in respect of vaccination programs against COVID-19 in Europe and North America, spikes in cases have occurred globally with particular severity in the winter of 2021 with the emergence of the Omicron variant. It appears, however, that even with the substantial uptick in cases, the COVID-19 virus has mutated in such a way that it is causing less severe infections, resulting in the imposition of less restrictive measures than had been in place in the winter of 2020. We expect the COVID-19 pandemic and its effects to continue to have a significant adverse impact on our business going forward. Our ultimate financial performance will depend on a number of factors relating to the world's continued emergence from the COVID-19 pandemic, including the threat of future variants of the virus that could prove deadlier or more contagious, requiring governments to again implement travel and mobility restrictions. Should our recovery from the pandemic progress more slowly than we have assumed or we suffer greater setbacks, this will likely have a significant adverse effect on our future financial performance.

We are unable to estimate the extent to which consumers will resume travel activities at the same level or in the same manner as was the case prior to the COVID-19 pandemic. The pandemic appears to have accelerated long-term changes to industry structure that may have a significant adverse effect on our future competitiveness and profitability. Google has continued to expand its presence in the online travel industry and competition has increased more generally, the number of first time users of online travel services continues to decline changing the type of users we are able to refer to our largest online travel agency or OTA advertisers. Other changes prompted by the pandemic may persist, relating to travelers' increased preference for destinations (e.g., those other than cities) or accommodation types that we have historically been less well able to monetize or the fact that certain kinds of travel (e.g., business travel) may recover very slowly or not at all. The realization of any of these risks could have a material adverse effect on our business, results of operations, financial condition and prospects.

We derive a large portion of our revenue from a relatively small number of advertisers and we have become increasingly reliant on one advertiser since the start of the COVID-19 pandemic. Any further reduction in spending or any additional 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, to an increasing extent since the start of the pandemic, brands affiliated with Booking Holdings, such as Booking.com and Agoda, 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. We experienced a significant reduction in revenue in 2020 when advertisers reduced their spend on our platform or deactivated their campaigns entirely. In 2021 our major advertisers resumed marketing activities on our platform but at levels significantly below those in 2019. We believe our relative share of the advertising budgets of our major advertisers has declined compared to that period.

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, including the effect of the COVID-19 pandemic on the travel industry in general.

Even if we improve our product and deliver value to our advertisers, the fact that a 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 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 also change their CPC bidding on our marketplace in response to changes we may make to our sorting and ranking algorithm, 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 2020 and 2021 as a result of the COVID-19 pandemic. 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 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. In particular, 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. If changes in large advertisers' strategies on our marketplace were to cause us to spend significantly less on these marketing channels, we would also generate fewer Qualified Referrals, and as a result, our revenues and results of operations would be adversely affected. Such advertisers may also

experience improvements in their competitiveness on these marketing channels, providing them with additional financial benefits from pursuing such a strategy.

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. 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. 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.

As a result of the COVID-19 pandemic, we have experienced and may in the future experience an impairment of goodwill.

As a result of the continued deterioration of our business due to the COVID-19 outbreak, we performed a goodwill impairment analysis during the first quarter of 2020, as a result of which we recorded an impairment charge of €207.6 million. While we have not recorded an impairment charge in 2021, we may record further impairment charges in the future due to the long-term economic or financial impacts of the COVID-19 pandemic on us and our advertisers.

We are dependent on general economic conditions, and declines in travel or discretionary spending has reduced and in the future, 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. Travel, including hotel room reservations, is dependent on personal and business discretionary spending levels, which are directly affected by perceived or actual adverse economic conditions. Conditions such as slowing or negative economic growth, high unemployment rates and inflation, and government responses to such issues such as raised taxes or increased interest rates, have impaired, and could continue to impair, consumer discretionary spending. Any significant decline in travel, consumer discretionary spending or the occurrence of any of the foregoing conditions may reduce demand for our services. They can also cause advertisers to become financially distressed, insolvent or fail to pay us for services we have already provided. The occurrence of any of the above could have a material adverse effect on our business, results of operations, financial condition and prospects, especially when considered together with the inherent attributes of our business discussed above that also contribute to period-to-period volatility in our financial results.

We expect that an almost complete stop to television advertising in 2020, resuming only at reduced levels in 2021, will continue to have a negative impact on the effectiveness of our advertising in coming years, impairing our ability to maintain and increase brand awareness. Our financial performance is dependent on the effectiveness of our Advertising Spend. Any inability to execute our advertising strategy could harm our business and negatively affect our financial condition and results of operations.

We rely heavily on the trivago brand. Awareness, perceived quality and perceived differentiated attributes of our brand are important aspects of our efforts to attract and expand the number of users of our websites and apps. We significantly reduced our advertising budgets as a result of the COVID-19 pandemic and have seen many of our competitors do the same. We believe our prior television advertising campaigns continued to have a significant positive effect on direct traffic volumes, even in periods after the advertising was aired. As we almost completely ceased advertising on television in 2020 and resumed such advertising at reduced levels in 2021, we anticipate that we will not benefit in the same way from prior campaigns in the next years as had been the case in the past. Once we eventually resume significant marketing activities (particularly on TV), it will be difficult for us to predict our future marginal returns on Advertising Spend. In any event, we anticipate that we would need to invest in television advertising campaigns in the next years to rebuild our pre-pandemic direct traffic baseline.

In the future, our competitors may 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. We may face this difficulty even if we make substantial investments in innovative technologies and concepts in our advertising. Increased advertising spend by our competitors, many of which have more resources than we do to promote their brands and services, could also result in significant increases in the pricing of one or more of our marketing and advertising channels, which could increase our costs for advertising (which already consume most of our revenue) or cause us to choose less costly but less effective marketing and advertising channels.

Television advertising has historically accounted for a large percentage of our Advertising Spend, and often has higher costs than other channels. We expect to continue to invest in television marketing campaigns, including in geographies where our brand is less well-known. As we make these 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. In order to maintain or increase the effectiveness of our television advertisements, we have needed to develop new creative concepts in our advertisements, many of which are in a testing phase, and it may be that these advertisements may not be as effective in terms of Return on Advertising Spend as those we have used in the past. We have historically placed orders for television advertising in advance of the campaign season. In the event travel demand is lower than we anticipated at the time we booked that advertising, we could suffer losses if we are unable to cut planned spending.

We believe the COVID-19 pandemic has accelerated the shift from linear TV to digital formats and expect this trend to continue beyond the COVID-19 pandemic. As a result of the downward trend of conventional television viewership in favor of streaming platforms and online video, we have begun investing in other channels that could potentially have a lower marginal Return on Advertising Spend. For example, in order to maintain our brand awareness, we have begun investing in other advertising formats, such as online video, with which we have less experience and which may prove less effective than TV advertising in the long run. If we are unable to maintain or enhance consumer awareness of our brand or to generate demand in a cost-effective manner, it may have a material adverse effect on our business, results of operations, financial condition and prospects.

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 Qunar, OTAs, such as Booking.com, Ctrip, trip.com and Brand Expedia, alternative accommodation websites, such as Airbnb and Vrbo (previously HomeAway), 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, its "Book on Google" reservation functionality, Google Travel, a planning tool that aggregates its flight, 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. Competition 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. In addition, the competitive structure of the online travel industry has changed significantly as a result of the COVID-19 pandemic, which may make it difficult to regain our pre-pandemic market share. If fewer advertisers choose to advertise on our website, we will have less information available to display, which already appeared to be the case in 2021, which makes our services less valuable to users.

We rely on search engines, particularly Google, to drive a substantial amount of traffic to our platform. If 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, our business, financial performance and prospects may be negatively impacted.

We rely on Bing, Google, Naver, 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 is displayed on search engine pages. 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, or if competitive dynamics impact the costs or effectiveness of search engine optimization, search engine marketing or other traffic generating arrangements in a negative manner, it may have a material adverse effect on our business, results of operations, financial condition and prospects. In addition, if search engines, especially smaller players, decline in popularity, we may see adverse impacts as they provide us with fewer relevant leads or even shut down their services completely, resulting in even less competition in general search. In some instances, 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 "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 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.

If we are unable to implement our strategic plans successfully, we may be unable to achieve our objectives, or we may incur further losses, and our business, results of operations, financial condition and prospects may be materially and adversely affected.

We have begun to explore potential ways that we can expand our value proposition beyond our historical focus on accommodation search. In 2022, we plan to continue to focus on, in addition to improving our core product of accommodation search, offering inspiration through upper-funnel products and launching and scaling new business-to-business (B2B) solutions, such as offering white label services to partners. Many of our competitors, including the large OTAs, have substantially more experience with respect to monetizing content and offering various industry participants B2B solutions and have access to more content to promote user interaction with an inspirational product. If our efforts to improve our product, to enhance customers' experience and retention, to monetize additional lines of B2B solutions and to create more inspirational content are unsuccessful, or if our competitors can provide more attractive advertising terms or products to potential advertisers or more attractive content to users, we may be unable to improve our financial performance to the same extent as we plan or at all. As we begin to launch and scale B2B solutions that will refer traffic to our advertisers from more diverse sources, we may be unable to monetize traffic at levels we have achieved in the past. The materialization of any of these risks may have a material adverse effect on our business, results of operations, financial condition and prospects.

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

Our success depends on continued innovation to provide features and services that make our websites and apps useful for users. In addition, our competitors are constantly innovating in online hotel-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 the emergence of niche competitors who may be able to optimize services or strategies such platforms 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 maintain competitive. Some of the changes we are implementing may prioritize the quality of user experience over short-term monetization. These strategies and services may not succeed, and, even if successful, our revenue may not increase. In addition, we may fail to adopt and adapt to new technology, especially as Internet search, including through Google and Amazon, potentially moves from a text to voice interface 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 search results and a broad range of offers across price ranges. To do so, we maintain relationships with OTAs, hotel chains and independent hotels to include their data in our search results. Although we maintain a very large searchable database of hotels 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. In addition, consolidation among advertisers, which may occur at increasing levels because of the COVID-19 pandemic, 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. In recent periods, the large OTAs have moderated their performance marketing spend and have publicly emphasized their desire to increase the efficiency of their performance marketing spend. The reduced participation by existing advertisers in our marketplace or our inability to continue to add more accommodation inventory to our platform may reduce the comprehensiveness of our search results, which could reduce user confidence in the search results we provide, making us less popular and could, because there are fewer offers made on our marketplace, enable advertisers to bid less for offers.

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 that 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 consumer reviews that we provide to our users along with our proprietary rating scores. 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, as well as other natural phenomena, 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 in 2020 and 2021. The travel industry is also sensitive to events that may discourage travel, such as work stoppages or labor unrest, political instability, regional hostilities, increases in fuel prices, imposition of taxes or surcharges by regulatory authorities, travel-related accidents and terrorist attacks or threats. The recent action of the Russian military forces and support personnel against Ukraine has escalated tensions between Russia and the United States, NATO, the EU and the United Kingdom. Should tensions continue to escalate, travel activity levels, particularly in Europe, may be negatively affected. 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 mute changes in the underlying trends in our Advertising Spend, revenue and Revenue per Qualified Referral. 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. These 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 three to seven days' prior notice 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.

Legal and regulatory risks

We are involved in various legal proceedings and may experience unfavorable outcomes, which could adversely affect our 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 Item 8A under "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, or cash flows in a particular period.

The litigation in Australia could increase our expenses and will subject us to significant monetary penalties.

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. In its submissions, the ACCC proposed a penalty of at least AUD90 million and an injunction restraining us from engaging in misleading conduct of the type found by the Australian Federal Court to be in contravention of the ACL. trivago submitted that an appropriate penalty for the court to impose would be in the order of up to AUD15 million. The court's decision will be forthcoming.

Management recorded a provision of AUD15 million for the probable and currently estimable loss in connection with these proceedings within current other liabilities. The ultimate penalty amount could substantially exceed the level of provision that we established for this litigation. In establishing a provision in respect of the ACCC matter, management took into account the information currently available, including judicial precedents. However, there is considerable uncertainty regarding how the Australian Federal Court would calculate the penalties that will be ultimately assessed on us. In particular, the Australian Federal Court determined that we engaged in certain conduct after September 1, 2018 that will result in the applicability of the new penalty regime under the ACL, which significantly increased the maximum penalty applicable to parts of our conduct. Only a few cases have been decided so far assessing penalties for contraventions of the ACL under the new regime. In cases involving conduct before and after September 1, 2018, the Australian Federal Court in each case did not allocate the total penalty imposed between the old and new penalty regime. When assessing penalties, the Court does not apply any mathematical formula, but rather considers and weighs "all relevant matters". Certain statutory maximum penalties serve, when balanced with all other relevant factors, as a yardstick for the court to assess penalties. In order to determine such maximum penalties under the new penalty regime, the court will need to consider whether the "value of the benefit received" by us can be determined and, if so, multiply it by three. Should the court determine that such benefit is not ascertainable, we would be subject to a maximum penalty per contravention equaling 10% of the turnover of the "body corporate", and any related body corporate, for the preceding 12 months. It is unclear how a court might interpret these statutory provisions or how the court might otherwise exercise its considerable discretion in respect of these matters. Any penalty amount could substantially exceed the level of provision that we established

for this litigation. The ultimate penalties assessed in this case could have a material adverse effect on our business, results of operations, financial condition and prospects.

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 ACCC's case against us regarding our advertising and website display practices in Australia. Parts of the court's opinion 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 presented by the ACCC.

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 brought about by 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 in respect or as a result of 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 on Internet display, disclosure and advertising activities. For example, the national competent authorities of the EU and EEA countries have coordinated their actions, through the Consumer Protection Cooperation (CPC) network, in order to address potential infringements of consumer protection legislation. EU regulators have also been cooperating with international counterparts on consumer protection issues internationally, such as within the International Consumer Protection and Enforcement Network. This and possible future related studies and inquiries may adversely affect the way trivago monetizes its offers on its sites. 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 potential failure to protect such data from breaches or to comply with relevant legal obligations, which are constantly evolving.

Personal data information is increasingly subject to legislation and regulations in numerous jurisdictions around the world. We are in particular affected by the EU General Data Protection Regulation 2016/679 ("GDPR"), in effect since May 18, 2018, which has recently led to the imposition of significant fines on various companies by EU data protection authorities. The invalidation of the EU-U.S. Privacy Shield and increase in focus and enforcement action from EU data protection authorities in relation to cross-border transfers of personal data, could have a significant adverse effect on our ability to engage with certain third party service providers where that would require a transfer of personal data outside of the EEA.

Furthermore, several EU data protection authorities have issued new or additional guidance concerning the ePrivacy Directive's requirements regarding the use of cookies and similar technologies, and have in some cases brought (and may seek to bring in the future) enforcement action in relation to those requirements.

Following the UK's exit from the European Union, the UK Government has transposed the GDPR into UK national law, creating the "UK GDPR", which is complemented by the Data Protection Act 2018. The UK is in the process of developing a separate set of Standard Contractual Clauses for transfers from the UK to third countries.

The Brazilian General Data Protection Law (LGPD), Federal Law no. 13,709/2018, is in force since September 18, 2020 and its penalties are enforceable since August 2021. The California Consumer Privacy Act of 2018 (CCPA) became effective in January 2020 and is substantially amended by the California Consumer Privacy Rights Acts, which will become operative in January 2023 and will impose new privacy requirements and rights for consumers in California.

A number of data protection laws (including the GDPR, the UK GDPR and the CCPA) have introduced mandatory breach reporting to regulators and, under certain circumstances, to the individuals whose personal data was compromised in the breach.

Many other jurisdictions are considering or are about to adopt 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 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.

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 other foreign authorities, such as the United Kingdom, 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 generally 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 region of the Ukraine, Cuba, Iran, North Korea and Syria, and certain specifically designated individuals and entities (including those individuals and entities listed on OFAC's Specially Designated Nationals and Blocked Persons List), as well as parties owned by such designated individuals and entities. 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, and the interpretations of those laws and regulations evolve, we cannot guarantee that our programs and policies will be deemed compliant by all applicable regulatory authorities. In the event that our controls should fail or are found to be not 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, 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 as critical to our success, and we rely on trademark and confidentiality and license agreements 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 to the same extent as the laws of the United States 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 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, www.trivago.co.uk and weekend.com. 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 top-level 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.

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, 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. In 2020, we implemented significant headcount reductions and in 2021, we undertook a reorganization to streamline our business (see "*Item 4: Information on the company - C. Organizational structure*" for further information on the reorganization). The reduction in workforce in 2020 resulted in the loss of institutional knowledge, relationships or expertise for critical roles. The reorganization 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.

As travel further recovers from the COVID-19 pandemic, we may need to hire qualified individuals, which is typically a time-consuming process. We believe our competitors are in a similar situation and we are therefore facing intense competition for new talent. 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. In addition, we may be unable to hire or retain certain high-performing employees 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 travel partners, 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 travel partners and adversely affect our revenue.

We use technology and processes to monitor the quality of the internet traffic that we deliver to our travel partners 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 travel partners 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. Any of these developments may inhibit our ability to use cookies to better understand and track our users' preferences to improve our platform, to optimize our marketing campaigns and our advertisers' campaigns and to detect and prevent fraudulent activities. 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, with other countries planning to 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.

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, 2019, 2020 or 2021, 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. These systems include an internally developed tool to manage our invoicing and various third-party developed tools to assist us with internal 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. In addition, 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.

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

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. 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. 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 and possible liability and subject us to regulatory or criminal penalties and sanctions as well as civil litigation, including under various data protection 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 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.

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, the independent actors we have relied on in various countries where we advertise have come to represent our brand, such as "Mr. trivago" in the United States and "the trivago girl" in Australia. The actions of such actors are not in our control, and negative publicity about such actors may have affected our brand image. 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. As a consequence, 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 during the COVID-19 pandemic and plan to permit employees flexibility in this regard going forward. Our remote working arrangements may result in a less cohesive corporate culture, thereby negatively affecting our operations. In addition, our competitors may offer more operational autonomy and flexibility in regard to 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 such as the recent acquisition of weekengo GmbH ("Weekengo") in 2021, which operates the online travel search website "weekend.com" and specializes in optimizing the delivery of search results for direct flights and hotel packages with a short-trip focus. 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 such as that of Weekengo and subsequent integrations 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.

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, 2021, Expedia Group owned Class B shares representing 58.3% of our issued share capital and 76.9% of the voting power in us. As long as Expedia Group owns a majority of the voting power in us, and pursuant to certain rights it has under the Amended and Restated Shareholders' Agreement, 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.

The Founders have contractual rights to exert control over certain aspects of our business.

Pursuant to the Amended and Restated Shareholder's Agreement, the Founders have contractual rights to exert control over certain aspects of our business. For example, subject to certain exceptions, as long as the Founders collectively maintain holdings of at least 15% of our outstanding Class A shares and Class B shares (taking into account, for purposes of determining such percentage, each security convertible into or exchangeable for, and any option, warrant, or other right to purchase or otherwise acquire, any share), they (i) have the right to nominate three members of the supervisory board, and (ii) a Founder must consent to certain corporate matters. This second requirement limits the ability of ELPS to control certain corporate matters and, as a result, we may fail to take actions that other shareholders may view as beneficial. This contractual control may also discourage transactions involving a change of control or sale of substantially all assets 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 or dividend of proceeds representing a premium price for such assets.

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, the Founders and us could be resolved in a manner unfavorable to us and our shareholders.

Various conflicts of interest among us, the Founders 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 revenues.

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.

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 depositary 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 depositary 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 depositary instructions and a statement that such holder may be deemed, if the depositary has appointed a proxy bank as set forth in the deposit agreement, to have instructed the depositary 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 depositary 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 depositary, 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 depositary to vote the Class A shares underlying your ADSs. In addition, the depositary 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 depositary 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 depositary.

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 depositary 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 do not expect to pay any dividends for the foreseeable future.

The continued operation of, and strategic initiatives for, our business will require substantial cash. Accordingly, we do not anticipate that we will pay any 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.

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 and by the laws governing companies incorporated in the Netherlands. 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. 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, and certain provisions in the Amended and Restated Shareholders' Agreement, 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 one Class A share.

As of December 31, 2021, Expedia Group owned Class B shares representing 58.3% of our share capital and 76.9% of the voting power in us, and the Founders owned Class B shares representing 14.8% of our share capital and 19.5% of the voting power in us due to the disparate voting powers associated with our dual-class share structure. The Founders also hold Class A shares representing 6.4% of our share capital. See “*Item 7: Major shareholders and related party transactions*”. As a result of the dual-class share structure and the concentration of ownership, as well as the terms of the Amended and Restated Shareholders' Agreement, Expedia Group (through ELPS) and the Founders have 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 things, directive (EU) 2019/1023 of the European Parliament and of the Council of June 20, 2019 on insolvency proceedings). Should courts in another EU jurisdiction determine that the insolvency laws of that EU jurisdiction apply to us in accordance with and subject to such EU regulations, the courts in that country could have jurisdiction over the insolvency proceedings initiated against us. Insolvency laws in Germany or the relevant other European country, if any, 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 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 our Founders, 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. 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 trivago 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.

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 of our shareholders and the civil liability of our directors and executive officers are governed in certain respects by the laws of the Netherlands. Most members of our management board and supervisory board are non-residents of the United States. The ability of our shareholders in certain countries other than the Netherlands to bring an action against us, our directors and executive officers may be limited under applicable law. In addition, substantially all of our assets are located outside the United States.

As a result, it may not be possible for shareholders to effect service of process within the United States upon us or our directors and executive officers or to enforce judgments against us or them in U.S. courts, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States. In addition, it is not clear whether a Dutch court would impose civil liability on us or any of our directors and executive officers in an original action based solely upon the federal securities laws of the United States brought in a court of competent jurisdiction in the Netherlands.

As of the date of this annual report, the United States and the Netherlands do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. With respect to choice of court agreements in civil or commercial matters, it is noted that the Hague Convention on Choice of Court Agreements entered into force for the Netherlands, but has not entered into force for the United States. Accordingly, a judgment rendered by a court in the United States, whether or not predicated solely upon U.S. securities laws, would 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 a foreign judgment if (i) the jurisdiction of the foreign court was based on a ground of jurisdiction that is generally acceptable according to international standards, (ii) the judgment by the foreign 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 foreign judgment is not contrary to Dutch public order (*openbare orde*) and (iv) the judgment by the foreign 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 foreign judgement is given binding effect, a claim based thereon may, however, still be rejected if the foreign judgment is not or no longer formally enforceable. Dutch courts may deny the recognition and enforcement of punitive damages or other awards. Moreover, a Dutch court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages. Enforcement and recognition of judgments of U.S. courts in the Netherlands are solely governed by the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*).

Based on the lack of a treaty as described above, U.S. investors may not be able to enforce against us or our directors, representatives or certain experts named herein who are residents of the Netherlands or countries other than the United States any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the U.S. federal securities laws.

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 "*Item 16G: 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.

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.

The applicable tax laws, tax treaties or interpretations thereof may change. Furthermore, whether we have our place of effective management in Germany and are as such wholly 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 MLI tie-breaker reservation, may result in our 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 in October 2015, and its implementation through the MLI, several countries including the countries in which we operate, have begun implementing the adopted MLI positions. By December 2021, 96 member countries of the OECD/G20 Inclusive Framework of BEPS (“IF member countries”), including Germany, have signed the MLI. Out of these 96 countries, 68 including Germany have ratified the MLI. Germany has ratified the MLI in December 2020 and it subsequently entered into force in April 2021. Further, in October 2021, the OECD released a statement on a two pillar solution to address the tax challenges arising from the digitalization of the economy, to which 137 IF member countries have agreed. Several countries have unilaterally

adopted digital services taxes or other similar taxes, while some other countries are planning to adopt such taxes in the future. Such ongoing developments and other new initiatives could result, depending on how they are ultimately implemented, in incremental taxes, 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, 2021 or in the foreseeable future. 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. Therefore, there can be no assurance that we will not be classified as a PFIC for the taxable year ended December 31, 2021 or for any future taxable year. We would be classified as a PFIC for any taxable year 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 (as defined in “*Item 10: Additional information - E. Taxation - Material U.S. federal income tax considerations*”) 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.

We do not anticipate paying dividends on our ADSs for the foreseeable future. As a Dutch-incorporated but German tax resident company, however, 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. See “*Item 10: Additional information - E. Taxation - German taxation of ADS holders*”).

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

We do not intend to pay any dividends to holders of ADSs. However, if we do pay dividends, 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 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 reservation of Germany under the MLI with respect to the dual resident entities. If Germany changes its MLI reservation on Article 4 of 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.

In addition, a proposed law is currently pending before the Dutch parliament, namely the Emergency act conditional exit dividend tax (*Spoedwet conditionele eindafrekening dividendbelasting*) which would, if enacted, impose a dividend withholding (exit) tax on certain deemed distributions if we cease to be a Dutch tax resident and become a tax resident of a jurisdiction that is not a member of the EU or the EEA, when such jurisdiction does not satisfy certain conditions. In some cases, we would have a right to recover the amount of tax from our shareholders when such shareholder is not entitled to an exemption. If enacted in the form in which it is presently pending before the Dutch parliament, the proposed law will have retroactive effect to December 8, 2021.

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;
- 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 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. Our Founders continue to hold a significant shareholding in us, and one of them has made significant sales of ADSs in recent years. Our Founders may conduct further significant sales of ADSs in the future. See "*Item 7: Major shareholders and related party transactions - A. Major Shareholders*" for more information. 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.

Our global operations involve additional risks.

Our platform is available in a number of jurisdictions. We face complex, dynamic and varied risk landscapes in the jurisdictions in which our platform is available. We must tailor our services and business models to the unique circumstances of each of the many countries and markets in which our platform is available. This can be complex, difficult, costly and divert management and personnel resources. In addition, we may face competition in other countries from companies that may have more experience with operations in such countries or with global operations in general. Laws and business practices that favor local competitors or prohibit or limit foreign ownership of certain businesses or our failure to adapt our practices, systems, processes and business models effectively to the user and supplier preferences in each country in which our platform is available, could slow our growth. Certain markets in which we operate are characterized by lower margins in our business and related businesses than is the case in more mature markets, which could have a negative impact on our overall margins as our revenue from these markets grows over time.

In addition to the risks outlined elsewhere in this section, our global operations are subject to a number of other risks, including:

- changing political conditions, including risk of rising protectionism, restrictions on immigration or imposition of new trade barriers;
- local political or labor conditions, including being individually targeted by local regulators or being adversely affected by national labor strikes;
- compliance with various regulatory laws and requirements relating to anti-corruption, antitrust or competition, economic sanctions, data content and privacy, consumer protection, employment and labor laws, health and safety, and advertising and promotions;
- differences, inconsistent interpretations and changes in various laws and regulations, including international, national and local tax laws;
- weaker or uncertain enforcement of our contractual and intellectual property rights;
- preferences by local populations for local providers;
- slower adoption of the Internet as an advertising, broadcast and commerce medium and the lack of appropriate infrastructure to support widespread Internet usage in those markets;
- our ability to support new technologies that may be more prevalent in certain local markets; and
- uncertainty regarding liability for services and content, including uncertainty as a result of local laws and lack of precedent.

Item 4: Information on the company

A. History and development of the company

trivago was conceived by graduate school friends Rolf Schrömgens, Peter Vinnemeier and Stephan Stubner, who initially operated trivago out of a garage in Düsseldorf, Germany. trivago GmbH was incorporated in 2005, and its business eventually developed into a leading global hotel and accommodation search platform. Mr. Stubner left the company in 2006 and another graduate school friend, Malte Siewert, joined the founding team.

Between 2006 and 2008, several investors invested €1.4 million in trivago. In 2010, Insight Venture Partners acquired 27.3% of the equity ownership of trivago for €42.5 million. Expedia Group acquired 63.0% of the equity ownership in trivago in 2013, purchasing all outstanding equity from non-Founders and some outstanding equity from the Founders and subscribing for a certain number of newly issued shares for a total of €477 million. Expedia Group subsequently increased its shareholdings slightly in the second and fourth quarter of 2016 through the purchase of shares held by certain employees who had previously exercised stock options.

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.

Our agent in the United States is Cogency Global Inc., and its address is 122 East 42nd Street, 18th Floor, New York, NY 10168.

Principal capital expenditures and divestitures

For information on our principal capital expenditures and divestitures, see *Note 3 - Acquisitions and divestitures*.

Public takeover offers

Since January 1, 2020, there have been no public takeover offers by third parties with respect to our shares, and we have not made any public takeover offers in respect of any other company's shares.

Segment reporting

Management has identified three reportable segments, which correspond to our three operating segments: the Americas, Developed Europe and Rest of World. Our Americas segment is comprised of Argentina, Barbados, Brazil, Canada, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, Puerto Rico, the United States and Uruguay. Our Developed Europe segment is comprised of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. Our Rest of World segment is comprised of all other countries, the most significant by revenue of which are Australia, Turkey, Japan, Israel and India. Other revenue is included in Corporate and eliminations, along with all corporate functions and expenses, excluding direct advertising.

We determined our operating segments based on how our chief operating decision makers manage our business and evaluate operating performance. Our primary operating metric is Return on Advertising Spend, or ROAS, for each of our segments, which compares Referral Revenue to Advertising Spend.

For additional information relating to the development of our company, see “*Item 4: Information on the company - B. Business overview.*”

B. Business overview

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, 2021, we had 282.2 million Qualified Referrals and, as of that date, 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. See “*Item 5: Operating and financial review and prospects*” for a further description of Qualified Referrals.

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 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, 2021, we generated revenue of €361.4 million, net income of €10.7 million, and Adjusted EBITDA of €34.6 million. See “*Item 5: Operating and financial review and prospects - Results of Operations - Revenue*” for Referral Revenue by segment, representing a breakdown according to principal geographic markets. See “*Item 5: Operating and financial review and prospects - H. Non-GAAP financial measures*” for an additional description of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income/(loss).

trivago's search platform

Our accommodation search platform forms the core of our user experience. As we provide a search website, 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, 2021, our database included more than 5.0 million (2020: 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, 2021, we offered access on our search platform to more than 3.8 million (2020: 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 "*Marketplace*" below.

Our products are accessible anytime and anywhere, online and on mobile devices. We provide our services through mobile websites and apps. m.trivago.com (or its localized versions) is our mobile-optimized website available on mobile device browsers, and our full-featured native mobile app is available on iPhone, iPad, Android Phone, Android Tablet and HarmonyOS.

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 partners 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.

Sales

Our sales team seeks to provide tailored advice to each of our existing and prospective OTAs, providers of alternative accommodation, hotel chains and independent hotel advertisers. We have dedicated sales teams that manage the process of onboarding advertisers, maintain ongoing relationships with advertisers, work with advertisers to help them optimize their outcomes from the trivago platform and provide guidance on additional tools and features that could further enhance advertisers' experience. We aim to remain in close dialogue with OTAs and hotel chains to better understand each advertiser's specific needs and objectives in order to offer optimal solutions through our marketplace.

Relationship building with smaller advertisers, including some independent hotels, differs from those with OTAs and sophisticated hotel chains, as they are often less familiar with CPC bidding models and online advertising more broadly. This typically ensures a longer sales cycle where the starting point can be building awareness of the relevance of our marketplace or, articulating the opportunities that our platform offers. It often requires onboarding by encouraging the optimization of such advertisers' information and profiles on our site, offering products to further enhance their profiles, and encouragement to start running a CPC or CPA campaign directly on our marketplace. This often multi-stage process requires our sales team to develop close relationships with each accommodation provider.

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, including the subscription-based trivago Business Studio Pro Apps Package, 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.

Marketplace

We design our algorithm to showcase the hotel room and other accommodation rate offers that we believe will be of most interest to our users, emphasizing those offers that 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 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 each user click on 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 daily - 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.

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

Beginning in 2020, we began to 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 revenues 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 likely booking conversion 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 conversion generated by a Qualified 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.

Our strategy

Our mission is "to be your companion to experience our world." We seek to enable people to navigate the world of travel and experiences through products that make the vast number of available options accessible and comparable for our users and offer inspiration. To fulfill our mission and successfully support our customers and partners, our strategy is focused on continuous improvement of our existing products, as well as enhancing our value proposition to serve our customers across a broader spectrum of their travel and leisure needs.

Our core travel search product is tailored towards users that have a very specific trip or experience in mind and are searching for the best way to fulfill their needs. With a comprehensive coverage of accommodation options across markets, accommodation categories and rate options, we strive to continue to serve a key need of our users and believe this ability has built our position as a leading global accommodation search platform. We intend to enhance our core offering while assessing which complementary search services are beneficial to our users to help improve their overall search experience.

In addition to consumer products, we have started to develop B2B solutions that build upon our core capabilities and assets as an accommodation search platform with global scale. Such products include, for example, white label accommodation meta search solutions for integration into our partners' websites.

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 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 26% of our Referral Revenue for the year ended December 31, 2021. Booking Holdings and its affiliated brands, including Booking.com, Agoda and priceline.com, accounted for 55% of our Referral Revenue for the year ended December 31, 2021.

Nearly all of our agreements with advertisers, including our agreements with our largest advertisers, may be terminated at will or upon three to seven days' prior notice by either party. For more information on risks related to the concentration of our revenue and our relationship with our largest advertisers, see "*Item 3: Key information - D. Risk factors*".

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, Qunar, Skyscanner , 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, Ctrip, 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 Kayak, Qunar, Skycanner, TripAdvisor and Google Hotel Ads;
- Social networking services, such as Facebook and Twitter;
- Websites offering display advertising;
- Email marketing software and tools;
- Online video channels, such as YouTube; and
- Mobile app marketing.

Our employees and culture

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. Our employees operate as entrepreneurs in their areas of responsibility, continuously striving for innovation and improvement. We encourage our employees to take on new challenges within the company regularly, to broaden their perspective, accelerate their learning, ensure a high level of motivation and foster communication. Cultural fit is a key part of our recruiting process, as we seek to hire individuals comfortable working in a flat organizational structure that rewards those who take initiative and continuously seek to understand and learn, take risks and innovate. We regard failure as an opportunity to learn and improve approaches going forward.

Internally, we distill our values into six core qualities:

- *Trust:* We want to build an environment in which mutual trust can develop to give us the comfort and safety to discuss matters openly and to act freely.
- *Authenticity:* We aim to be authentic by staying true to ourselves and welcoming discussion and controversy as we believe that there is no progress without friction.
- *Entrepreneurial Passion:* We aim to be passionate drivers of change, motivated to question the status quo - for both the organization and ourselves. We believe intrinsic motivation empowers us to take on ownership, to take appropriate risks and to be confident to make decisions.
- *Power of Proof:* We believe empirical data enables us to make sensible decisions. We want to explore and understand the driving forces behind why our projects succeed or fail.
- *Unwavering Focus:* We are focused on providing our users with an amazing, five-star experience. We aim to set our priorities based on the added value we believe is generated for trivago. We believe that multiple small, incremental improvements towards this goal add up to long-term success.
- *Fanatic Learning:* We aim to improve our competitive position by reacting quickly to findings based on our collective experiences, successes and failures. We strongly believe that power comes from sharing knowledge, not from keeping it to ourselves. We are open to continuously changing our beliefs and processes based on changing evidence. We see change as an opportunity to improve.

We consider these values as the foundations of our corporate culture and encourage our employees through regular feedback processes to act and work in accordance with such values.

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. It is difficult to forecast the seasonality for future periods, given the uncertainty related to the duration of the impact from COVID-19 and the shape and timing of any sustained recovery.

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. 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, our "WABI" trivago logo and our trivago logo. These trademarks are registered in various jurisdictions.

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.

Following the UK's exit from the European Union, the UK Government has transposed the GDPR into UK national law, creating the "UK GDPR", which is complemented by the Data Protection Act 2018. The Brazilian General Data Protection Law (LGPD), Federal Law no. 13,709/2018, is in force since September 18, 2020 and its penalties are enforceable since August 2021. The California Consumer Privacy Act of 2018 (CCPA) became effective in January 2020 and is substantially amended by the California Consumer Privacy Rights Acts, which will become operative in January 2023 and will impose new privacy requirements and rights for consumers in California.

Other substantial markets consider or are about to adopt data protection regulations, which risk being 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 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 2020, the European Court of Justice ("CJEU"), invalidated the EU-U.S. Privacy

Shield framework, which provided companies with a mechanism to comply with data protection requirements when transferring personal data from the EU to the United States. At present, companies can rely on the European Commission's Standard Contractual Clauses, provided that certain requirements are met, including carrying out of a "transfer impact assessment". The Standard Contractual Clauses which were significantly updated in September 2021 in the aftermath of the above-mentioned CJEU ruling, to lawfully 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. This requires review of existing contractual arrangements for potential changes. Given this, we have no warranty as to the future viability of these updated Standard Contractual Clauses as a sufficient transfer mechanism for transfers to the US.

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 on Internet display, disclosure and advertising activities (for example, the Omnibus Directive and the Unfair Commercial Practices Directive in the European Union's New Deal for Consumers, The EU's Data Governance Act, The EU's Digital Markets Act, The EU's Digital Services Act, ePrivacy Regulation and the European Commission's proposal Artificial Intelligence Act to regulate the development and commercial use of AI).

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.

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

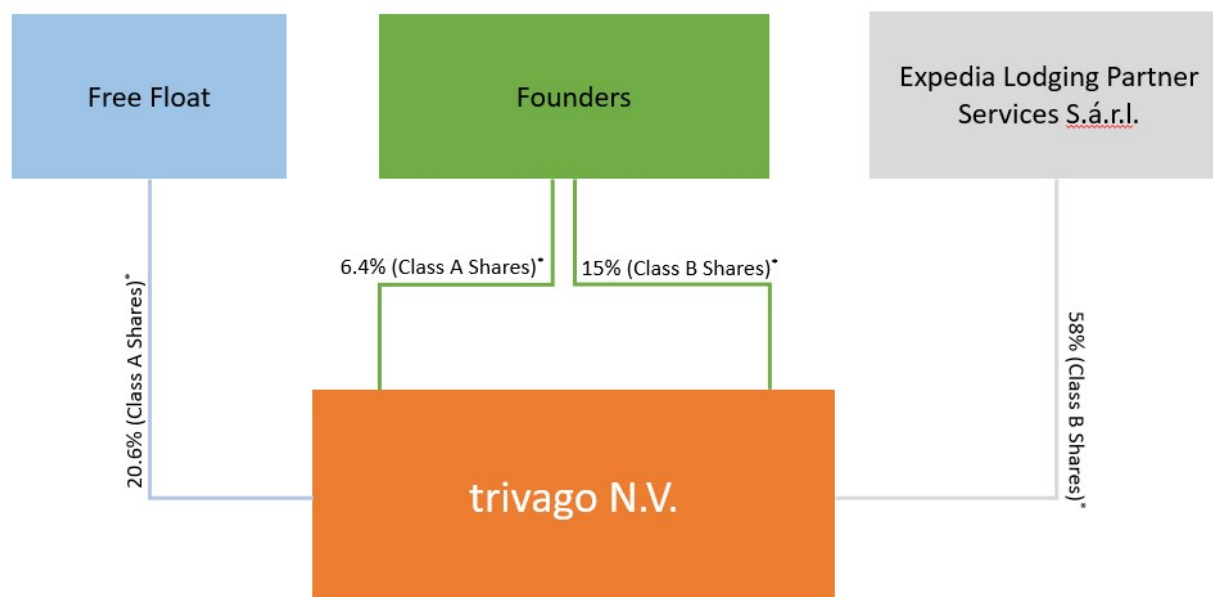
We host our platform at three different locations in Germany, the United States and Hong Kong, while also leveraging cloud-hosted services, which we believe offers us secure and scalable storage and processing power at manageable incremental expense. While much of the data we receive and capture is not sensitive, our data centers are compliant with the highest security standards. Where required, our data centers 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.

C. 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, 2021:



* 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. For more information about the voting rights of our Class A and Class B shares, see Exhibit 2.6 hereto. 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. The chart above includes a number of Class A shares held by Rolf Schrömgens based solely on the Schedule 13D/A that he filed on February 16, 2022. For more information on shareholding, please see Item 7A. Major Shareholders.

trivago N.V. is the direct or indirect holding company of our subsidiaries. As of December 31, 2021, we do not own, directly or indirectly, any subsidiaries that we consider to be "significant".

D. Property, plant and equipment

In June 2018, we moved into our headquarters located in Düsseldorf's media harbor. We currently occupy 21,258 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. Please refer to *Item 5A Operating Revenue - "Costs across multiple categories"* below and *Note 7 - Leases* in the notes to our consolidated financial statements for further details.

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

Item 4A: Unresolved staff comments

None.

Item 5: Operating and financial review and prospects

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and related notes appearing elsewhere in this annual report. In addition to historical information, this discussion contains forward-looking statements based on our current expectations that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in "Item 3: Key information - D. Risk factors" and "Special note regarding forward-looking statements" sections and elsewhere in this annual report.

For a discussion of the year ended December 31, 2020 compared to December 31, 2019, refer to the section contained in our Annual Report on Form 20-F for the fiscal year ended December 31, 2020, "Item 5: Operating and financial review and prospects."

A. Operating results

Overview

Our total revenue for the years ended December 31, 2020 and 2021 was €248.9 million and €361.4 million, respectively, representing an increase of 45%. Our Referral Revenue for the years ended December 31, 2020 and 2021 was €238.4 million and €349.4 million, respectively, representing an increase of 47%.

In the year ended December 31, 2021, Referral Revenue increased on a year-over-year basis by 57% and 59% in Americas and Developed Europe, respectively, while it decreased by 1% in Rest of World compared to the same period in 2020.

We recorded a net loss for the year ended December 31, 2020 of €245.4 million, compared to net income for the year ended December 31, 2021 of €10.7 million, representing an increase of €256.1 million from 2020 to 2021.

Adjusted EBITDA for the years ended December 31, 2020 and 2021 was €(12.3) million and €34.6 million, respectively.

Key factors affecting our financial condition and results of operations

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 "Item 4: Information on the company - B. Business overview - Marketplace."

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

Key metrics we use to monitor our revenue include the number of Qualified Referrals we make, the revenue we earn for each Qualified Referral, or RPQR, and our Return on Advertising Spend, or ROAS.

Qualified 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.

Since a visitor may generate several referrals on the same day, but typically intends to only make one booking on a given day, we track and monitor the number of Qualified Referrals from our platform. We define a "Qualified Referral" as a unique visitor per day that generates at least one referral. For example, if a single visitor clicks on multiple accommodation offers in our search results in a given day, they count as multiple referrals, but as only one Qualified Referral. While we charge advertisers for every referral, we believe that the Qualified Referral metric is a helpful proxy for the number of unique visitors to our site with booking intent, which is the type of visitor our advertisers are interested in and which we believe supports bidding levels in our marketplace.

We believe the primary factors that drive changes in our Qualified Referral levels are the number of visits to our websites and apps, the booking intent of our visitors, 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. In the short term, our Qualified Referral levels are also heavily impacted by changes in our investment in Advertising Spend, as we rely on advertisements to attract users to our platform. Ultimately, we aim to increase the number and booking conversion of Qualified Referrals we generate by focusing on making incremental improvements to each of these parameters. In addition to continuously seeking to expand our network in hotel advertisers and alternative accommodations, we partner with such hotels or service providers to improve content, and we 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.

The following table sets forth the number of Qualified Referrals for our reportable segments for the periods indicated:

(in millions) (unaudited)	Year ended December 31,		% Change
	2020	2021	2021 vs 2020
Americas	70.5	82.6	17.2 %
Developed Europe	90.9	119.6	31.6 %
Rest of World	79.2	80.0	1.0 %
Total	240.5	282.2	17.3 %

Revenue per Qualified Referral (RPQR)

We use average Revenue per Qualified Referral, or RPQR, to measure how effectively we convert Qualified Referrals to revenue. RPQR is calculated as Referral Revenue divided by the total number of Qualified Referrals in a given period. Alternatively, RPQR can be separated into its price and volume components and calculated as follows:

$$RPQR = RPR \times \text{click-out rate}$$

where

$$RPR = \text{revenue per referral}$$

$$\text{click-out rate} = \text{referrals} / \text{Qualified Referrals}$$

RPQR is determined by the CPC bids or CPA targets 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. Accordingly, the bidding behavior of our advertisers is influenced by the rate at which our Qualified Referrals result in bookings on their websites, or booking conversion, and the amount our advertisers obtain from Qualified 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. Assuming unchanged dynamics in the market beyond our marketplace, we would expect that the higher the potential booking value or conversion generated by a Qualified Referral and the more competitive the bidding, the more an advertiser is willing to bid for a hotel advertisement on our marketplace. 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.

RPQR is a key financial metric that indicates the quality of our referrals, the efficiency of our marketplace and, as a consequence, how effectively we monetize the referrals we provide our advertisers. Furthermore, we use RPQR to help us detect and analyze changes in market dynamics.

The following table sets forth the RPQR for our reportable segments for the periods indicated (based on Referral Revenue):

RPQR in € (unaudited)	Year ended December 31,		% Change
	2020	2021	2021 vs 2020
Americas	1.27	1.70	33.9%
Developed Europe	1.13	1.37	21.2%
Rest of World	0.58	0.57	(1.7)%
Total	0.99	1.24	25.3%

The following tables set forth the percentage change year-over-year in each of the components of RPQR 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 in RPR (unaudited)	Year ended December 31,
	2021 vs 2020
Americas	37.9 %
Developed Europe	25.4 %
Rest of World	0.0 %
Total	27.5 %

% increase in number of referrals (unaudited)	Year ended December 31,
	2021 vs 2020
Americas	14.1 %
Developed Europe	26.8 %
Rest of World	(0.1)%
Total	13.9 %

% increase in Qualified Referrals (unaudited)	Year ended December 31,	
	2021 vs 2020	
Americas	17.2 %	
Developed Europe	31.6 %	
Rest of World	1.0 %	
Total	17.3 %	

% decrease in click-out (unaudited)	Year ended December 31,	
	2021 vs 2020	
Americas	(2.6)%	
Developed Europe	(3.6)%	
Rest of World	(1.0)%	
Total	(3.1)%	

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. We believe the development of our ROAS among the reportable segments is primarily related to the different stages of development of our markets. For example, in Developed Europe, where we have operated the longest on average, we have historically experienced the highest average ROAS. Our ROAS in the Rest of World segment, where we have the lowest average ROAS, is also impacted significantly by the number of markets in the segment, including markets that have the lowest brand awareness.

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, 2020 and 2021 was as follows:

ROAS by segment (unaudited)	Year ended December 31,	
	2020	2021
Americas	156.8%	148.9%
Developed Europe	169.3%	153.0%
Rest of World	143.2%	202.9%
Consolidated ROAS	158.9%	156.3%

In the year ended December 31, 2021, consolidated ROAS decreased to 156.3% compared to 158.9% in the same period in 2020. ROAS decreased by 7.9ppts and 16.3ppts in Americas and Developed Europe, respectively, while it increased by 59.7ppts in RoW, compared to the same period in 2020.

The decreases in ROAS in Americas and Developed Europe were mainly driven by significant increases in Advertising Spend in response to increased travel demand. The increase in ROAS in RoW was driven by a reduction in Advertising Spend in 2021 that more than offset the declines in Qualified Referrals and RPQR, particularly in Asia, where many markets continue to be subject to significant mobility restrictions as a result of the COVID-19 pandemic. Advertising Spend increased by 65.1% and 76.0% in Americas and Developed Europe, respectively, while it decreased by 30.1% in RoW, compared to the same period in 2020.

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 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.

COVID-19 Pandemic

Our business and operating results for 2021 continued to be negatively impacted by the COVID-19 pandemic, with travel to and within many countries, particularly in Europe, being heavily restricted for a significant part of 2021. Despite the emergence of new variants of the COVID-19 virus and the increasing uncertainty around the effectiveness of vaccines against variants that appear to be more contagious, Referral Revenue, Qualified Referrals and Revenue per Qualified Referrals in 2021 increased significantly compared to 2020, although our business levels in 2021 were significantly below 2019 levels.

Spikes in COVID-19 cases have occurred globally with particular severity in the winter of 2021-22 with the emergence of the Omicron variant. It appears however, that even with the substantial uptick in cases, the COVID-19 virus has mutated in such a way that it is causing less severe infections, resulting in the imposition of fewer restrictive measures than had been in place in the winter of 2020-21. Many governments are moving towards accepting COVID-19 as endemic, and we expect them to continue to gradually lighten the restrictive measures that remain in place. However, some parts of our business, such as business travel and city trips, continue to be substantially below pre-pandemic levels.

The unprecedented impact of the COVID-19 pandemic has helped us better understand our brand marketing performance. As we almost completely ceased advertising on television in 2020 and resumed such advertising at reduced levels in 2021, we anticipate that we will not benefit in the same way in terms of direct traffic to our website from prior campaigns in the next years as had been the case in the past. As a result, we anticipate that we would need to invest in television advertising campaigns in the next years to rebuild our pre-pandemic direct traffic baseline.

Our ultimate financial performance will depend on a number of factors relating to the world's continued emergence from the COVID-19 pandemic, including the threat of future variants of the virus that could prove deadlier or more contagious. Should our recovery from the pandemic progress more slowly than we have assumed or we suffer greater setbacks, this will likely have a significant adverse effect on our future financial performance.

In particular, there is considerable uncertainty to what extent and when our largest advertisers will resume advertising on our platform in the future at levels similar to (or approaching) those preceding the pandemic. Our recovery after the COVID-19 pandemic may be affected by a number of factors including:

- our advertisers' future willingness to emphasize us as a traffic acquisition channel and to increase their bids on our marketplace to pre-pandemic levels;
- our future marginal returns on Advertising Spend once we resume significant marketing activities (particularly on TV);
- the effect on our advertising strategy as a result of the accelerated shift from linear TV to digital formats;
- travelers' preferences for types of destinations (e.g., cities) or accommodation types that we have historically been better able to monetize but have had a declining share during the pandemic;
- the timing of the recovery, if any, of certain kinds of travel (e.g., business travel) as a result of the pandemic;
- further industry consolidation;
- the continued effect of competition on us, particularly from Google Hotel Ads; and
- the continued declining share of first-time users that we can deliver to our largest OTA advertisers, which may have been accelerated by the pandemic and may, in turn, negatively affect RPQR.

Restructuring and management of operational expenditures

In response to this challenging environment due to the COVID-19 outbreak, we successfully implemented restructuring measures in 2020 to maintain our cash liquidity and reduce our operating expenses. No restructuring costs were incurred in the year ended December 31, 2021. See *Note 9 - Restructuring* in the notes to our consolidated financial statements for further details.

In 2021, we continued to be disciplined with our operational expenditures, decreasing our total costs and expenses (excluding Advertising Spend and impairment of goodwill) by €16.1 million or 11.2% in 2021, compared to 2020.

Government subsidy program

We took advantage of a COVID-19 subsidy program and received a €12.0 million payment from the German government in the fourth quarter of 2021 recognized as other income. The German government provided this assistance to compensate for losses incurred in the fourth quarter of 2020 and the first half in 2021 as a result of the pandemic.

New business initiatives

We continue to make efforts to diversify our revenue beyond our core product of accommodation search, although Referral Revenue continues to account for the great majority of our Total Revenue. We have started to develop business-to-business (B2B) solutions including, for example, white label accommodation meta search solutions for integration into our partners' websites. While these efforts are still in their early stages, we believe there is an opportunity to serve our business customers with a broader set of solutions.

Goodwill impairment charge

In 2020, we recorded an impairment charge of €207.6 million due to the impact of the COVID-19 outbreak. We performed our annual goodwill impairment analysis in the third quarter of 2021. No impairment charge was recorded in the year ended December 31, 2021. For more information on the impairment charge, see *Note 8 - Goodwill and intangible assets, net* in the notes to our consolidated financial statements.

Mobile products

Travelers increasingly access the Internet from multiple devices, including desktop computers, smartphones and tablets. We continue to develop our websites and apps to further enhance our hotel search experience across all devices. We offer responsive mobile websites and several apps that allow travelers to use our services from smartphones and tablets running on Android and iOS. In the year ended December 31, 2021, our revenue share from mobile websites and apps continued to exceed 60%.

Visitors to our search platform via mobile phones and tablets generally result in bookings for our advertisers at a lower rate than visitors to our platform via desktop. We believe this is due to a general difference in the usage patterns of mobile phones and tablets. We believe many visitors use mobile phones and tablets as part of their search process, but prefer finalizing hotel selections and completing their bookings on desktop websites. This may be due in part to users generally finding the booking completion processes, including entering payment information, somewhat easier or more secure on a desktop than on a mobile device. We believe that over time and as more travelers become accustomed to mobile transactions, this sentiment may shift.

We have historically had, and currently have, a single price structure for referrals from both desktop and mobile. We may choose to adopt a differentiated pricing model between mobile and desktop applications, which would likely lead to an increase in desktop revenue share, as the pricing for desktop applications would increase due to higher conversion rates, while the pricing for apps on mobile and tablets would likely decrease. We do not expect this to have a material impact on revenue, as long as there are sufficient active participants on both desktop and mobile to ensure our marketplace functions effectively, as we believe that the current bids advertisers place on our CPC-based bidding system reflect the overall efficacy of the combined desktop and mobile prices they receive.

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 26% of our Referral Revenue for the year ended 2021. Booking Holdings and its affiliated brands, Booking.com, Agoda and priceline.com accounted for 55% of our Referral Revenue for the year ended 2021. 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

Comparison of the years ended December 31, 2020 and 2021:

(in thousands)	Year ended December 31,		% Change
	2020	2021	2021 vs 2020
Consolidated statement of operations:			
Revenue	€ 181,491	€ 270,110	48.8 %
Revenue from related party	67,430	91,355	35.5 %
Total revenue	€ 248,921	€ 361,465	45.2 %
Costs and expenses:			
Cost of revenue	10,133	11,500	13.5 %
Selling and marketing	178,255	249,196	39.8 %
Technology and content	64,258	52,374	(18.5)%
General and administrative	40,935	38,208	(6.7)%
Amortization of intangible assets	373	136	(63.5)%
Impairment of goodwill	207,618	—	(100.0)%
Operating income/(loss)	€ (252,651)	€ 10,051	104.0 %
Other income/(expense)			
Interest expense	(270)	(389)	(44.1)%
Other, net	(212)	13,628	n.m.
Total other income/(expense), net	€ (482)	€ 13,239	n.m.
Income/(loss) before income taxes	(253,133)	23,290	n.m.
Expense/(benefit) for income taxes	(8,494)	12,586	n.m.
Income/(loss) before equity method investment	€ (244,639)	€ 10,704	n.m.
Income/(loss) from equity method investment	(739)	—	100.0 %
Net income/(loss)	€ (245,378)	€ 10,704	n.m.

n.m. not meaningful

	Year ended December 31,	
	2020	2021
Consolidated statement of operations as a percent of total revenue:		
Revenue	72.9 %	74.7 %
Revenue from related party	27.1 %	25.3 %
Total revenue	100.0 %	100.0 %
Costs and expenses:		
Cost of revenue	4.1 %	3.2 %
Selling and marketing	71.6 %	68.9 %
Technology and content	25.8 %	14.5 %
General and administrative	16.4 %	10.6 %
Amortization of intangible assets	0.1 %	0.0 %
Impairment of goodwill	83.4 %	— %
Operating income/(loss)	(101.5)%	2.8 %
Other income/(expense)		
Interest expense	(0.1)%	(0.1)%
Other, net	(0.1)%	3.8 %
Total other income/(expense), net	(0.2)%	3.7 %
Income/(loss) before income taxes		
	(101.7)%	6.4 %
Expense/(benefit) for income taxes	(3.4)%	3.5 %
Income/(loss) before equity method investment	(98.3)%	3.0 %
Income/(loss) from equity method investment	(0.3)%	— %
Net income/(loss)	(98.6)%	3.0 %

Revenue

Our total revenue in the year ended December 31, 2021 consisted of Referral Revenue of €349.4 million and other revenue of €12.0 million.

Total revenue for the year ended December 31, 2021 was €361.4 million, representing an increase of €112.5 million, or 45.2%, compared to the year ended December 31, 2020. Revenue from related parties for the year ended December 31, 2021 increased by €24.0 million, or 35.5%, compared to the year ended December 31, 2020, while revenue from third parties increased by €88.6 million, or 48.8% for the same period.

Referral revenue for the year ended December 31, 2021 was €349.4 million, representing an increase of €111.0 million, or 46.6%, compared to the year ended December 31, 2020.

The increase in Referral Revenue was primarily driven by increases in Qualified Referrals and RPQR in Americas and Developed Europe, while Qualified Referrals and RPQR in RoW remained virtually flat compared to the year ended December 31, 2020.

The year-over-year increase in Qualified Referrals was most pronounced in Americas and Developed Europe as a result of significant increase in traffic volumes starting in the second quarter of 2021, reflecting the easing of COVID-19 related mobility restrictions in those geographic markets. In RoW, Qualified Referrals remained almost unchanged as traffic volumes continued to be muted in certain geographic markets, particularly in Asia, reflecting the persistence of mobility restrictions.

In the year ended December 31, 2021, the increase in RPQR was mainly driven by higher bidding levels in Americas and Developed Europe starting in the second quarter of 2021. In RoW, RPQR continued to be negatively impacted by mobility restrictions, particularly in many Asian geographical markets.

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

(in millions)	Year ended December 31,		% Change
	2020	2021	2021 vs 2020
Americas	€ 89.3	€ 140.1	56.9 %
Developed Europe	102.9	163.7	59.1 %
Rest of World	46.1	45.6	(1.1)%
Total	€ 238.4	€ 349.4	46.6 %

Note: Some figures may not add due to rounding.

Referral Revenue in Americas in the year ended December 31, 2021 increased by €50.8 million, or 56.9%, compared to the year ended December 31, 2020. The year-over year increase in Referral Revenue in this segment was mainly driven by an increase in Qualified Referrals and RPQR.

Qualified Referrals increased significantly starting from the second quarter of 2021, due to the increase in traffic volumes, primarily a result of the easing of COVID-19 related mobility restrictions in those geographic markets. RPQR increased by €0.43, or by 33.9% in the year ended December 31, 2021 compared to the same period in 2020, primarily due to higher bidding levels starting in the second quarter of 2021. RPR increased by 37.9%, compared to the year ended December 31, 2020.

Referral Revenue in Developed Europe in the year ended December 31, 2021 increased by €60.8 million, or 59.1%, compared to the year ended December 31, 2020 which was mainly driven by an increase in Qualified Referrals and RPQR.

RPQR increased by €0.24, or by 21.2% in the year ended December 31, 2021 compared to the year ended December 31, 2020 due to higher bidding levels starting in the second quarter of 2021. The RPR for the period increased by 25.4%, compared to the year ended December 31, 2020.

Referral Revenue in RoW in the year ended December 31, 2021 decreased by €0.5 million, or 1.1%, compared to the year ended December 31, 2020, due to a slight decrease in RPQR partly offset by a slight increase in Qualified Referrals. In RoW, Qualified Referrals remained almost unchanged as traffic volumes continued to be muted in certain geographic markets, particularly in Asia, reflecting the persistence of mobility restrictions.

RPQR decreased by €0.01, or 1.7% in the year ended December 31, 2021 compared to the year ended December 31, 2020, reflecting the continued negative impact of mobility restrictions, particularly in many Asian geographical markets. The RPR for the period remained the same compared to the year ended December 31, 2020.

Cost of revenue and expenses

Cost of revenue

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

Cost of revenue was €11.5 million for the year ended December 31, 2021, and increased by €1.4 million, or 14%, compared to the year ended December 31, 2020. The increase was mainly driven by higher cloud-related service provider costs.

Selling and marketing

Selling and marketing 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 sponsoring and endorsement.

Other selling and marketing expenses include personnel-related expenses for our marketing, sales and hotel relations 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
	2020	2021	2021 vs 2020
Advertising expense	€ 150.0	€ 223.6	49.1 %
% of total revenue	60.3 %	61.9 %	
Other selling and marketing	27.1	24.6	(9.2)%
% of total revenue	10.9 %	6.8 %	
Share-based compensation	1.2	1.1	(8.3)%
% of total revenue	0.5 %	0.3 %	
Total selling and marketing expense ⁽¹⁾	€ 178.3	€ 249.2	39.8 %
% of total revenue	71.6 %	69.0 %	

Note: Some figures may not add due to rounding.

Selling and marketing expenses for the year ended December 31, 2021 increased by €70.9 million, or 39.8%, compared to the year ended December 31, 2020, primarily driven by significant increases in Advertising Spend in Americas and Developed Europe.

Advertising Spend increased by €73.6 million, or 49.1%, in the year ended December 31, 2021 compared to the year ended December 31, 2020. We increased our Advertising Spend to €94.1 million and €107.0 million in Americas and Developed Europe, respectively, while we decreased it to €22.5 million in RoW, compared to €57.0 million, €60.8 million and €32.2 million, respectively, in the year ended December 31, 2020. In Americas and Developed Europe, we increased our Advertising Spend significantly, reflecting the increase in travel demand starting in the second quarter of 2021. In RoW, many geographic markets were adversely affected by the COVID-19 pandemic and related mobility restrictions, and therefore, our marketing activities in those markets were lower than in the markets included in our other segments.

Other selling and marketing expenses excluding share-based compensation for the year ended December 31, 2021 decreased by €2.5 million, or 9.2%, compared to the year ended December 31, 2020, primarily driven by lower personnel-related costs, partly offset by higher professional fees and other expenses.

Personnel-related costs for the year ended December 31, 2021 decreased by €5.2 million, or 33.8%, mainly due to lower headcount and the non-recurrence of restructuring costs compared to the same period in 2020 (see "Costs across multiple categories" below). Professional fees and other expenses for the year ended December 31, 2021 increased by €1.6 million, compared to the same period in 2020,

mainly driven by higher digital sales tax expenses and expenses incurred to acquire traffic, partly offset by lower office-related expenses (see "Costs across multiple categories" below).

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
	2020	2021	2021 vs 2020
Personnel	€ 37.4	€ 30.0	(19.8)%
Share-based compensation	3.8	3.9	2.6 %
Depreciation of technology assets	7.2	6.0	(16.7)%
Professional fees and other	15.8	12.4	(21.5)%
Total technology and content	€ 64.3	€ 52.4	(18.5)%
% of total revenue	25.8%	14.5 %	

Note: Some figures may not add due to rounding.

Technology and content expense for the year ended December 31, 2021 decreased by €11.9 million, or 18.5%, compared to the year ended December 31, 2020, mainly due to lower personnel-related costs and lower professional fees and other expenses.

Personnel-related costs for the year ended December 31, 2021 decreased by €7.4 million, or 19.8%, mainly due to lower average headcount and the non-recurrence of restructuring costs compared to the same period in 2020 (see "Costs across multiple categories" below).

Professional fees and other expenses decreased by €3.4 million, or 21.5%, mainly due to lower office-related expenses and lower depreciation expense resulting mainly from the consolidation of our office locations, and by a gain realized in the first quarter of 2021 on the modification of the lease for our Düsseldorf campus, see "Costs across multiple categories" below. These were partly offset by higher third-party IT service provider costs.

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
	2020	2021	2021 vs 2020
Personnel	€ 16.6	€ 13.5	(18.7)%
Share-based compensation	9.9	12.0	21.2 %
Professional fees and other	14.4	12.7	(11.8)%
Total general and administrative	€ 40.9	€ 38.2	(6.6)%
% of total revenue	16.4%	10.6%	

General and administrative expense for the year ended December 31, 2021 decreased by €2.7 million, or 6.6%, compared to the year ended December 31, 2020, primarily due to lower personnel-related costs and lower professional fees and other expenses.

Personnel-related costs for the year ended December 31, 2021 decreased by €3.1 million, or 18.7%, mainly due to the non-recurrence of restructuring costs and lower average headcount compared to the same period in 2020 (see "*Costs across multiple categories*" below).

Share-based compensation increased by €2.1 million, or 21.2%, for the year ended December 31, 2021, which was mainly driven by new grants partly offset by award forfeitures during the year.

Professional fees and other expenses decreased by €1.7 million, or 11.8%, as other expenses in 2020 included the impact of a cyber-related fraud case.

Costs across multiple categories

In the year ended December 31, 2020, we undertook a restructuring, making significant headcount reductions and consolidating our office locations, all in response to the contraction in our business caused by the COVID-19 pandemic. We also reduced our office space in Düsseldorf and recorded a €1.2 million gain on the campus lease modification in the first quarter of 2021.

As a result of the reduction of the Düsseldorf office space and of the consolidation of our office locations, office expense decreased by €3.8 million in year ended December 31, 2021, compared to the same period in 2020. Office space reductions were also the main driver for the decrease in our depreciation expense of €2.3 million in the year ended December 31, 2021, compared to the same period in 2020.

The reduction of office-related expenses and depreciation expenses led to a decrease of technology and content expense by €3.4 million, selling and marketing expense by €1.5 million and general and administrative expense by €1.0 million in the year ended December 31, 2021, compared to the year ended December 31, 2020.

Personnel costs included restructuring costs of €6.3 million in the year ended December 31, 2020. Charges recorded in technology and content expense were €2.9 million, €1.8 million in selling and marketing expense and €1.6 million in general and administrative expense. No restructuring costs related to personnel were incurred in the year ended December 31, 2021.

Amortization of intangible assets

Amortization of intangible assets was €0.1 million in the year ended December 31, 2021 and decreased by €0.3 million compared to the year ended December 31, 2020, as the underlying assets, recognized by Expedia Group upon the acquisition of a majority stake in trivago in 2013, were fully amortized in the first quarter of 2020.

Impairment of goodwill

There was no impairment charge recorded in the year ended December 31, 2021. We recorded an impairment charge of €207.6 million in the year ended December 31, 2020. See *Note 8 - Goodwill and intangible assets, net* in the notes to our consolidated financial statements for further details.

Operating income/(loss)

Our operating income was €10.1 million for the year ended December 31, 2021 compared to an operating loss of €252.7 million for the year ended December 31, 2020. The increase was mainly driven by the non-recurrence of goodwill impairment charges of €207.6 million recorded in the first quarter of 2020. The

increase was further driven by an increase in Referral Revenue of €111.0 million in the year ended December 31, 2021, which was partly offset by an increase in Advertising Spend in an amount of €73.6 million. Reductions in operating expenses (excluding Advertising Spend and goodwill) further contributed to the increase in operating income.

Other income/(expense)

Other income for the year ended December 31, 2021 was €13.2 million and increased by €13.7 million compared to other expense of €0.5 million for the year ended December 31, 2020. The increase was mainly driven by a €12.0 million COVID-19 subsidy received from the German government in the year ended December 31, 2021.

Expense (benefit) for income taxes

(in millions)	Year ended December 31,		% change
	2020	2021	2021 vs 2020
Expense/(benefit) for income taxes	€ (8.5)	€ 12.6	248.2 %
Effective tax rate	3.4 %	54.0 %	

The income tax expense/(benefit) is mainly driven by income before income taxes of €23.3 million in 2021 and a loss of €253.1 million in 2020. Our effective tax rate was 54.0% in 2021 compared to 3.4% in 2020. Non-deductible share-based compensation of (pre-tax) €17.3 million in 2021 and €15.1 million in 2020 had an impact on the effective tax rates of 23.1% and (1.9)% in the years ended December 31, 2021 and 2020, respectively. In 2020, non-deductible impairment expenses on goodwill of €207.6 million had an impact on the effective tax rate of (25.6)%. The details on the movement in valuation allowance are included in *Note 11 - Income taxes* in the notes to our consolidated financial statements. Other differences relate to one-off items during the year, such as non-deductible expenses which are individually insignificant.

Quantitative and qualitative disclosures about market risk

Market risk is the potential loss from adverse changes in interest rates, foreign exchange rates and market prices. Our exposure to market risk includes our credit facility, 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.

Interest rate risk

We did not experience any significant impact from changes in interest rates and had no amounts outstanding under our credit facility during the year ended December 31, 2021. The facility was cancelled by the lender in early 2021.

Foreign exchange 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 mute changes in the underlying trends in our revenues and RPQR. 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 revenues 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.

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 €2.9 million based on the net asset or liability balances of our foreign denominated cash, accounts receivable and accounts payable balances as of December 31, 2021. 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, 2021 we had net foreign exchange rate gains of €1.6 million compared to losses of €0.8 million in the year ended December 31, 2020.

Concentration of credit risk

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

Our customer base includes primarily OTAs, hotel chains and independent hotels. We perform ongoing credit evaluations of our customers and maintain allowances for potential credit losses. We generally do not require collateral or other security from our customers. Expedia Group and affiliates represented 25% of our total revenue for the year ended December 31, 2021 and 41% of total accounts receivable as of December 31, 2021. Booking Holdings and its affiliates represented 54% of our revenue for the year ended December 31, 2021 and 31% of total accounts receivable as of December 31, 2021.

Critical Accounting Policies and Estimates

Critical accounting policies and estimates are those that we believe are important in the preparation of our consolidated financial statements because they require that we use judgment and estimates in applying those policies. We prepare our consolidated financial statements and accompanying notes in accordance with generally accepted accounting principles in the United States. Preparation of the consolidated financial statements and accompanying notes requires that we make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, as well as revenue and expenses during the periods reported. We base our estimates on historical experience, where applicable, and other assumptions that

we believe are reasonable under the circumstances. Actual results may differ from our estimates under different assumptions or conditions.

There are certain critical estimates that we believe require significant judgment in the preparation of our consolidated financial statements. We consider an accounting estimate to be critical if:

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

For more information on each of these policies, see *Note 2 - Significant accounting policies* in the notes to our consolidated financial statements. We discuss information about the nature and rationale for our critical accounting estimates below.

Leases

We have operating leases for office space and office equipment. Operating lease right-of-use ("ROU") assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term.

Given the rate implicit in our leases is not typically readily determinable, we have to estimate the Incremental Borrowing Rate ("IBR") to be used as the discount rate in order to measure the present value of future lease payments.

On January 29, 2021, we entered into an amendment to the operating 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. This amendment has been treated as a lease modification. See *Note 7 - Leases* in the notes to our consolidated financial statements for further details.

The IBR was used to derive gain or loss on lease modification and adjustments to operating lease ROU assets and lease liabilities as of the effective date of the lease modification. Estimating the IBR requires assessing a number of inputs including an estimated synthetic credit rating, collateral adjustments and interest rates. Selecting different inputs for this estimation may result in different gain or loss on lease modification and adjustments to operating lease ROU assets and lease liabilities. The selected IBR would have to change by more than 70 basis points to result in a materially different post-modification operating lease ROU assets and lease liabilities balance. The gain or loss recognized on lease modification would not have been materially different.

Recoverability of goodwill and indefinite-lived intangible assets

Goodwill is assigned to our three reporting units, which correspond to our three operating segments, on the basis of their relative fair values. We assess goodwill and indefinite-lived assets, neither of which are amortized, for impairment annually as of September 30, or more frequently, if events and circumstances indicate that an impairment may have occurred. In the evaluation of goodwill for impairment, we typically first perform a qualitative assessment to determine whether it is more likely than not that the fair value of each reporting unit is less than its carrying amount, followed by performing a quantitative assessment by comparing the fair value of the reporting unit to the carrying value, if necessary. Periodically, we may elect to bypass the initial qualitative assessment and proceed directly to the quantitative goodwill impairment test. An impairment charge is recorded based on the excess of the reporting unit's carrying amount over its fair value.

We generally base the measurement of fair value of our three reporting units on a blended analysis of the present value of future discounted cash flows and market valuation approach. The discounted cash flows model indicates the fair value of the reporting unit based on the present value of the cash flows that we expect the reporting unit to generate in the future. Our significant estimates in the discounted cash flows

model include our weighted average cost of capital, revenue growth rates, profitability of our business and long-term rate of growth. The market valuation approach indicates the fair value of the business based on a comparison of the reporting unit to comparable publicly traded firms in similar lines of business. Our significant estimates in the market approach model include identifying similar companies with comparable business factors, such as size, growth, profitability, risk and return on investment, assessing comparable revenue and operating income multiples and the control premium applied in estimating the fair value of the reporting unit.

We believe the weighted use of discounted cash flows and market approach is the best method for determining the fair value of our reporting units because these are the most common valuation methodologies used within the travel and Internet industries and the blended use of both models compensates for the inherent risks associated with either model if used on a stand-alone basis.

In addition to measuring the fair value of our reporting units as described above, we consider the combined fair values of our reporting units and corporate-level assets and liabilities in relation to the Company's total fair value of equity as of the assessment date, which assumes our fully diluted market capitalization, using the average stock price over a range of dates around the valuation date, plus an estimated acquisition premium which is based on observable transactions of comparable companies.

In our evaluation of our indefinite-lived intangible assets, we typically first perform a qualitative assessment to determine whether the fair value of the indefinite-lived intangible assets is more likely than not impaired. If so, we perform a quantitative assessment and an impairment charge is recorded for the excess of the carrying value of the indefinite-lived intangible assets over the fair value. Periodically, we may elect to bypass the initial qualitative assessment and proceed directly to the quantitative impairment test of indefinite-lived intangible assets. We base our measurement of the fair value of our indefinite-lived intangible assets, which consist of trade name, trademarks, and domain names using the relief-from-royalty method. This method assumes that the trade name and trademarks have value to the extent that their owner is relieved of the obligation to pay royalties for the benefits received from them. This method requires us to estimate future revenue for the brand, the appropriate royalty rate and an applicable discount rate.

The use of different estimates or assumptions in determining the fair value of our goodwill and indefinite-lived intangible assets may result in different values, which could result in an impairment, or in the period in which an impairment is recognized, could result in a materially different impairment charge.

We performed our most recent quantitative goodwill assessment as of September 30, 2021. We did not record any impairment charge as a result of this assessment as the fair value of the reporting units were assessed to be higher than their carrying values. As of September 30, 2021, the amounts of goodwill allocated to the Developed Europe and Americas reporting units were €200.7 million and €87.0 million, respectively. There was no goodwill allocated to the Rest of World reporting unit as of September 30, 2021. The percentages by which fair value exceeded carrying value as of September 30, 2021 were 14.0% and 70.6% for the Developed Europe and Americas reporting units, respectively.

The most significant assumptions used in our analysis to determine the fair value of the reporting units are our weighted average cost of capital ("WACC") and long-term growth rate. Assuming all other assumptions remain constant, the selected WACC would have to increase by more than 150 basis points in each of the Developed Europe and Americas reporting units for a possibility of impairment to occur. The selected long-term growth rates were not sensitive for this assessment.

Recoverability of intangible assets with definite lives and other long-lived assets

Intangible assets with definite lives and other long-lived assets are carried at cost and are amortized on a straight-line basis over their estimated useful lives of generally less than seven years. We review the carrying value of long-lived assets or asset groups, including property and equipment whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. Factors that would necessitate an impairment assessment include a significant adverse change in the

extent or manner in which an asset is used, a significant adverse change in legal factors or the business climate that could affect the value of the asset, or a significant decline in the observable market value of an asset, among others. If such facts indicate a potential impairment, we would assess the recoverability of an asset group by determining if the carrying value of the asset group exceeds the sum of the projected undiscounted cash flows expected to result from the use and eventual disposition of the assets over the remaining economic life of the primary asset in the asset group. If the recoverability test indicates that the carrying value of the asset group is not recoverable, we will estimate the fair value of the asset group using appropriate valuation methodologies, which would typically include an estimate of discounted cash flows. Any impairment would be measured as the difference between the asset group's carrying amount and its estimated fair value.

The use of different estimates or assumptions in determining the fair value of our intangible assets with definite lives and other long-lived assets may result in different values, which could result in an impairment, or in the period in which an impairment is recognized, could result in a materially different impairment charge.

Income taxes

We record income taxes under the liability method. Deferred tax assets and liabilities reflect our estimation of the future tax consequences of temporary differences between the carrying amounts of assets and liabilities for book and tax purposes. We determine deferred income taxes based on the differences in accounting methods and timing between financial statement and income tax reporting. Accordingly, we determine the deferred tax asset or liability for each temporary difference based on the enacted tax rates expected to be in effect when we realize the underlying items of income and expense. We consider many factors when assessing the likelihood of future realization of our deferred tax assets, including our recent earnings experience by jurisdiction, expectations of future taxable income, and the carryforward periods available to us for tax reporting purposes, as well as other relevant factors. We may establish a valuation allowance to reduce deferred tax assets to the amount we believe is more likely than not to be realized. Due to inherent complexities arising from the nature of our businesses, future changes in income tax law, tax sharing agreements or variances between our actual and anticipated results of operations, we make certain judgments and estimates. Therefore, actual income taxes could materially vary from these estimates.

We account for uncertain tax positions based on a two-step process of evaluating recognition and measurement criteria. The first step assesses whether the tax position is more likely than not to be sustained upon examination by the tax authority, including resolution of any appeals or litigation, based on the technical merits of the position. If the tax position meets the more likely than not criteria, the portion of the tax benefit greater than 50% likely to be realized upon settlement with the tax authority is recognized in the financial statements. Interest and penalties related to uncertain tax positions are classified in the financial statements as a component of income tax expense.

Legal and tax contingencies

We record liabilities to address potential exposures related to business and tax positions we have taken that have been or could be challenged by taxing authorities. In addition, we record liabilities associated with legal proceedings and lawsuits. These liabilities are recorded when the likelihood of payment is probable and the amounts can be reasonably estimated. The determination for required liabilities is based upon analysis of each individual tax issue, or legal proceeding, taking into consideration the likelihood of adverse judgments and the range of possible loss. In addition, our analysis may be based on discussions with outside legal counsel. The ultimate resolution of these potential tax exposures and legal proceedings may be greater or less than the liabilities recorded.

Business combinations

We allocate the value of the consideration to acquire a business to tangible assets and identifiable intangible assets acquired and liabilities assumed on the basis of their fair values at the date of acquisition. Any excess purchase price over the fair value of the net tangible and intangible assets acquired is allocated to goodwill. When determining the fair value of assets acquired and liabilities assumed, management makes significant estimates and assumptions, especially with respect to intangible assets. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates.

Share-based compensation

Our share-based compensation relates to employee stock awards granted in connection with the trivago N.V. 2016 Incentive Plan. Employee stock options primarily consist of service based awards, some of which also have company-based and market-based performance conditions. We measure the fair value of share options at the grant date using the Black-Scholes option pricing model and the fair value of awards containing market-based conditions using a Monte Carlo simulation model. These models incorporate various assumptions including expected volatility of equity, expected term and risk-free interest rate. We amortize the fair value over the vesting term on a straight-line basis, and for performance based awards we assess as probable of achieving the performance targets, over the service period using the accelerated method. We account for forfeitures as they occur. If any of the assumptions used in the models change significantly for future grant valuations, share-based compensation expense may differ materially in the future from that recorded in the current period.

B. Liquidity and capital resources

For the year ended December 31, 2021, total cash, cash equivalents and restricted cash increased by €45.9 million to €256.7 million, of which €256.4 million were included in current assets and €0.3 million of long-term restricted cash were included in other long-term assets in the balance sheet. The increase in total cash, cash equivalents and restricted cash was mainly driven by positive cash flows from operating and investing activities.

Our known material liquidity needs for periods beyond the next twelve months are described below in "Item 5: Operating and financial review and prospects - F. Tabular disclosure of contractual obligations." 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, 2020 and 2021:

(in millions)	Year Ended December 31,	
	2020	2021
Cash flows provided by operating activities	€ 7.9	€ 32.5
Cash flows provided by/(used in) investing activities	(16.2)	10.0
Cash flows provided by/(used in) financing activities	(0.2)	1.1

Cash Flows Provided by Operating Activities

For the year ended December 31, 2021, net cash provided by operating activities increased by €24.7 million to €32.5 million.

This increase was mainly driven by net income adjusted by non-cash items totaling €42.9 million. Net income includes a cash inflow of €12.0 million from a COVID-19 subsidy received from the German government in the fourth quarter of 2021. The increase was partly offset by negative changes in operating assets and liabilities of €10.3 million. Changes in operating assets and liabilities were primarily due to an increase in accounts receivable of €25.8 million resulting mostly from higher revenues in the fourth quarter of 2021 compared to fourth quarter of 2020, that was partly offset by an increase in tax payable of €8.6 million and in accounts payable of €6.9 million.

Non-cash items included in net income of €10.7 million consisted of share-based compensation of €17.3 million, deferred income taxes of €8.9 million and depreciation of €8.2 million, partly offset by foreign exchange gains of €1.6 million and by a gain of €1.2 million from the modification of the lease for our campus in Düsseldorf in the first quarter of 2021.

Cash Flows Provided/(Used in) Investing Activities

For the year ended December 31, 2021, cash provided by investing activities was €10.0 million, mainly due to €19.3 million proceeds from sale and maturity investments. These were partly offset by a €4.3 million net cash outflow for a business acquisition in the first quarter of 2021 and €3.8 million cash outflow related to capital expenditures including internal-use software and website development.

Cash Flows Provided/(Used in) by Financing Activities

For the year ended December 31, 2021, cash provided by financing activities was €1.1 million, mainly due to proceeds from exercise of option awards.

C. Research and development expenses, patents and licenses, etc.

See “*Item 4: Information on the company - B. Business overview.*”

D. Trend information

See “*Item 5: Operating and financial review and prospects - A. Operating results.*”

E. Off-balance sheet arrangements

Other than the items described below under “*Item 5: Operating and financial review and prospects - F. Tabular disclosure of contractual obligations*” as of December 31, 2021, we do not have any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

F. Tabular disclosure of contractual obligations

The following table summarizes our contractual obligations as of December 31, 2021:

(in millions)	Payments due by period		
	Total	Short-term	Long-term
Operating leases, including imputed interest ⁽¹⁾⁽²⁾	€ 61.3	€ 3.8	€ 57.5
Finance lease obligations	0.1	0.1	—
Purchase obligations ⁽³⁾	48.8	19.1	29.7
Total ⁽⁴⁾	€110.2	€23.0	€87.2

(1) Operating lease obligations include leases for office space and office equipment. Certain leases contain renewal options. Lease obligations expire at various dates with the latest maturity in 2038. Refer to Note 2 - Significant accounting policies for detailed discussion on our accounting for operating leases. The lease obligations have not been reduced by minimum sublease rental income due in the future under non-cancelable sublease agreements which is expected to be immaterial for the future period.

(2) Currently recognized on our balance sheet as of December 31, 2021 is an asset retirement obligation of €0.1 million for the cost to decommission office space. We have certain operating lease agreements that require us to decommission physical space for which we have not yet recorded an asset retirement obligation. Due to the uncertainty of specific decommissioning obligations, timing and related costs, we cannot reasonably estimate an asset retirement obligation for these properties and we have not recorded a liability at this time for such properties.

(3) Our purchase obligations represent the minimum obligations we have under agreements with certain of our 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.

(4) Excludes €2.9 million of net unrecognized tax benefits for which we cannot make a reasonably reliable estimate of the period of payment.

G. Safe Harbor

See “Special note regarding forward-looking statements.”

H. Non-GAAP financial measures

We report Adjusted EBITDA as a supplemental measure to U.S. generally accepted accounting principles ("GAAP"). We define Adjusted EBITDA as net income/(loss) adjusted for:

- income/(loss) from equity method investment,
- expense/(benefit) for income taxes,
- total other (income)/expense, net,
- depreciation of property and equipment and amortization of intangible assets,
- impairment of, and gains and losses on disposals of, property and equipment,
- impairment of intangible assets and goodwill,
- share-based compensation, and
- certain other items, including restructuring.

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

Adjusted EBITDA is a non-GAAP financial measure. A "non-GAAP financial measure" refers to a numerical measure of a company's historical or future financial performance, financial position, or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with U.S. GAAP in such company's financial statements. We present this non-GAAP financial measure because it is used by management to evaluate our operating performance, formulate business plans, and make strategic decisions on capital allocation. We also believe that this non-GAAP financial measure provides useful information to investors and others in understanding and evaluating our operating performance and consolidated results of operations in the same manner as our management, and the exclusion of certain expenses in calculating Adjusted EBITDA can provide a useful measure in comparing financial results between periods as these costs may vary independent of core business performance.

Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results reported in accordance with U.S. GAAP, including net income/loss. Some of these limitations are:

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

During the first quarter of 2020, we changed our definition of Adjusted EBITDA to better align with our industry and allow for a financial comparison across quarters that excludes the effects of impairment of intangibles assets and goodwill and certain other items, including restructuring.

The below table presents a reconciliation of Adjusted EBITDA to net income/(loss), the most directly comparable GAAP financial measure.

(in thousands)	Year Ended December 31,		
	2019	2020	2021
Net income/(loss)	€ 17,161	€ (245,378)	€ 10,704
Income/(loss) from equity method investment	453	(739)	—
Income/(loss) before equity method investment	€ 16,708	€ (244,639)	€ 10,704
Expense/(benefit) for income taxes	20,982	(8,494)	12,586
Income/(loss) before income taxes	€ 37,690	€ (253,133)	€ 23,290
Add/(less):			
Interest expense	33	270	389
Other, net	428	212	(13,628)
Operating income/(loss)	€ 38,151	€ (252,651)	€ 10,051
Depreciation of property and equipment and amortization of intangible assets	11,983	10,852	8,349
Impairment of, and gains and losses on disposals of, property and equipment	(111)	597	283
Impairment of intangible assets and goodwill	—	207,618	—
Share-based compensation	19,891	15,079	17,261
Certain other items, including restructuring	—	6,235	(1,307)
Adjusted EBITDA	€ 69,914	€ (12,270)	€ 34,637

Note: We have reclassified certain amounts related to our prior period results to conform to our current period presentation.

Item 6: Directors, senior management and employees

A. Directors and senior management

Senior management and supervisory board

The following tables present information about our senior management and our supervisory board members including their ages and position as of the date of this annual report. The current business addresses for the members of our management and supervisory boards is c/o trivago N.V., Kesselstraße 5 - 7, 40221 Düsseldorf, Germany.

Management board

Name	Age	Position
Axel Hefer	44	Managing Director for Legal, Marketplace, People and Culture, and Technology (Chief Executive Officer)
Matthias Tillmann	38	Managing Director for Finance, Marketing and Product (Chief Financial Officer)

The following paragraphs set forth biographical information regarding our management board members as well as our chief financial officer.

Axel Hefer currently serves as chief executive officer of the company. He was initially appointed as managing director and chief financial officer of the company in 2016. He also serves as a non-executive director of Spark Networks SE and Patrizia AG as well as chairman of the supervisory board of FC Schalke 04. Prior to joining trivago GmbH, Mr. Hefer was CFO and COO of Home24 AG, an online home furniture and decor company, and managing director of One Equity Partners, the former Private Equity Division of J.P. Morgan Chase. Mr. Hefer holds a diploma in management from Leipzig Graduate School of Management (HHL) and an M.B.A. from INSEAD.

Matthias Tillmann currently serves as chief financial officer of the company and was initially appointed as managing director in 2020. He joined trivago in 2016 and has held a variety of leadership responsibilities in the finance department. He co-led the team as Senior Vice President, Head of Corporate Finance and prior to that was Head of Strategy and Investor Relations. Prior to joining trivago, he was a senior investment banker at Deutsche Bank AG. Mr. Tillmann holds a diploma in mathematics and economics from the University of Münster (WWU).

Changes to our management board in 2021

On November 1, 2021, we announced that James Carter would resign from the management board effective December 31, 2021. Mr. Carter continues to act as an advisor to trivago on strategic and technical matters and will transition from his current operational responsibilities in the first half of 2022.

Supervisory board

Name	Age	Year of initial appointment	Expiration of current term
Joana Breidenbach	56	2021	2024
Robert Dzielak	51	2021	2024
Eric Hart	46	2021	2024
Peter M. Kern	54	2016	2022
Hiren Mankodi	48	2016	2022
Mieke De Schepper*	46	*	*
Niklas Östberg	41	2016	2022

**On March 1, 2022, Mieke De Schepper was designated as temporary member of our supervisory board, pending her appointment at our general meeting of shareholders scheduled for later in 2022. For more information, see "Changes to our supervisory board" below.*

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 has served as the Chief Financial Officer of Expedia Group since April 2020, overseeing Expedia Group's accounting, financial reporting and analysis, investor relations, treasury, internal audit, tax, and real estate teams. Mr. Hart had served as acting Chief Financial Officer since the departure of the former Chief Financial Officer in December of 2019. Mr. Hart has also served as Expedia Group's Chief Strategy Officer since November 1, 2019 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 completion of the IAC/Expedia Group spin-off, 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 September 2019, and served as Tribune Media's Chief Executive Officer from March 2017 through September 2019. Mr. Kern is a Managing Partner of InterMedia Partners VII, LP, a private equity firm. 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. In addition to serving as the Chairman of the Supervisory Board of trivago N.V., Mr. Kern also currently serves as Chairman of the board of directors of Hemisphere Media Group, Inc., a publicly-traded Spanish-language media company and on the boards of several private companies. 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 is Executive Vice President, Travel Unit and Managing Director Asia Pacific, Amadeus IT Group. She joined Amadeus in January 2019. Mieke has more than 17 years of experience in managing B2C and B2B businesses. Before Amadeus, Mieke worked for Expedia Group, where she held the role of Senior Vice President and Chief Commercial Officer of Egencia, the corporate travel brand of Expedia Group. Earlier, as the Vice President of Expedia Group's Lodging Partner Solutions, she was responsible for growing and managing the hotel relationships in 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 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.

Agreements regarding the supervisory board and the management board

Members of our supervisory board and members of our management board have been appointed pursuant to the terms of Amended and Restated Shareholders' Agreement. See "*Item 6: Directors, senior management and employees - C. Board practices*" and "*Item 7: Major shareholders and related party transactions - B. Related party transactions*".

Changes to our supervisory board

- On February 25, 2021, Ariane Gorin resigned from our supervisory board and compensation committee.
- On June 30, 2021, Rolf Schrömgens, did not stand for reelection as a member of our supervisory board at our annual general meeting of shareholders.
- On June 30, 2021, the Supervisory Board appointed Joana Breidenbach, Robert Dzielak and Eric Hart to the Supervisory Board, with terms expiring at our annual general meeting to be held in 2024.
- Prior to his formal appointment Eric Hart was designated on February 25, 2021, as temporary member of our supervisory board. On June 30, 2021, the Supervisory Board appointed Eric Hart to the Supervisory Board, with a term expiring at our annual general meeting to be held in 2024.
- On March 1, 2022, Frédéric Mazzella resigned from our supervisory board and audit committee. On the same date, the supervisory board designated Mieke De Schepper as temporary member of our supervisory board, pending her appointment at our general meeting of shareholders scheduled for later in 2022, and appointed her to our audit committee. Upon her designation as

temporary member of the supervisory board, Ms. De Schepper has all powers and responsibilities of a supervisory board member, as if she had been appointed at the general meeting of shareholders.

Board Diversity Disclosure

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

Board Diversity Matrix (As of date of March 4, 2022)

Country of Principal Executive Offices	Germany			
Foreign Private Issuer	Yes			
Disclosure Prohibited Under Home Country Law	No			
Total Number of Directors	7			
	Female	Male	Non-Binary	Did not disclose
Part I: Gender Identity				
Directors	2	5	0	0
Part II: Demographic Background				
Underrepresented Individual in Home Country	2			
LGBTQ+	0			
Did Not Disclose Demographic Background	1			

B. Compensation

Compensation of members of our management board and supervisory board

The amount of compensation, including benefits in kind, accrued or paid to our management board members with respect to their service on the management board in the year ended December 31, 2021 is described in the tables below.

Our management board earned the following cash compensation with respect to their service as members of the management board during the fiscal year 2021:

(€ in thousands)	Carter^(*)	Hefer	Tillmann
Periodically-paid remuneration (base salary)	€240	€240	€240
Bonuses	€168	€192	€216
Profit participation	—	€15	—
Total cash compensation	€408	€447	€456

() James Carter resigned from the management board with effect from December 31, 2021.*

Our supervisory board conducted an individualized analysis of each member of senior management with reference to alignment with our goals, the business impact of senior management on those goals and the team building capabilities of senior management, and in each case, determined that our management board met the objectives set forth as a condition for the awarding of the respective bonus paid to them. For 2021, the compensation committee approved, subject to supervisory board approval, an all-cash

performance bonus to Messrs. Carter, Hefer, and Tillmann, which amounts are included in the bonuses line in the table above. As of December 31, 2021, we had nothing set aside or accrued to provide pension, retirement or similar benefits to our management board members.

In 2021, Mr. Tillmann exercised options at a strike price of €0.06 to receive 110,000 ADSs that were subsequently sold pursuant to a trading plan established pursuant to Rule 10b5-1 of the Exchange Act. In 2021 Mr. Carter acquired 304,633 ADSs from the vesting of his restricted units that were subsequently sold pursuant to a trading plan established pursuant to Rule 10b5-1 of the Exchange Act. In 2021 Mr. Hefer exercised options at a strike price of €0.06 to receive 350,000 ADSs 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 options (both vested and unvested) as of December 31, 2021:

Beneficiary	Grant date	Vesting date	Number of options outstanding ⁽¹⁾	Strike price	Expiration date ⁽²⁾
Carter	Jul. 18, 2019	Three Year Vest ⁽⁷⁾	33,771	N/A ⁽⁶⁾	N/A ⁽⁶⁾
	Mar. 11, 2020 ⁽⁴⁾	Three Year Vest ⁽⁴⁾	73,076	N/A ⁽⁶⁾	N/A ⁽⁶⁾
	Mar. 11, 2020	Three Year Vest ⁽⁸⁾	182,275	N/A ⁽⁶⁾	N/A ⁽⁶⁾
	Mar. 2, 2021	Three Year Vest ⁽¹⁰⁾	356,823	N/A ⁽⁶⁾	N/A ⁽⁶⁾
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⁾	767,606	€0.06	Jun. 28, 2026
	Mar. 11, 2020 ⁽⁴⁾	Three Year Vest ⁽⁴⁾	775,347	€0.06	Mar. 11, 2027
	Mar. 11, 2020 ⁽⁵⁾	Jan. 2, 2023	1,500,358	€0.06	Mar. 11, 2027
	Mar. 11, 2020	Three Year Vest ⁽⁸⁾	863,601	€0.06	Mar. 11, 2027
	Mar. 2, 2021	Three Year Vest ⁽⁹⁾	698,376	€0.06	Mar. 2, 2028
	Mar. 2, 2021	Three Year Vest ⁽¹⁰⁾	917,372	€0.06	Mar. 2, 2028
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
	Feb. 8, 2019	Three Year Vest ⁽³⁾	2,500	€0.06	Feb. 8, 2026
	Mar. 11, 2020 ⁽⁴⁾	Three Year Vest ⁽⁴⁾	115,189	€0.06	Mar. 11, 2027
	Mar. 11, 2020 ⁽⁵⁾	Jan. 2, 2023	532,385	€0.06	Mar. 11, 2027
	Mar. 11, 2020	Three Year Vest ⁽⁸⁾	423,674	€0.06	Mar. 11, 2027
	Mar. 2, 2021	Three Year Vest ⁽⁹⁾	110,101	€0.06	Mar. 2, 2028
	Mar. 2, 2021	Three Year Vest ⁽¹⁰⁾	420,311	€0.06	Mar. 2, 2028

(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 received certain a portion of trivago N.V. options in addition 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) The award vests 1/3rd 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. The awards are not exercisable until the completion of the performance period.

The award contains performance conditions which will determine the number of shares awardable 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.

(5) The award cliff vests on January 2, 2023 and is dependent on achieving a six or twelve month volume-weighted average share price \geq USD \$2.74 for the last 6 or 12 months of 2022. If this performance condition is not satisfied, the award will lapse immediately and cease to be exercisable in respect of all of the award. The performance condition at grant was a volume-weighted average share price of USD \$5.00. On October 22, 2020, the performance condition was subsequently modified to a volume-weighted average share price of USD \$2.74.

(6) Restricted stock units are granted at zero grant price and have no expiration date.

(7) This award vests as follows: 1/3rd vested on July 18, 2020, 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: 1/3rd vests 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.

(9) The award vests 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 awardable 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.

(10) This award vests as follows: 1/3rd vests 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 amount of compensation, including benefits in kind, accrued or paid to our supervisory board members with respect to the year ended December 31, 2021 is described in the tables below. Our supervisory board received the following cash compensation with respect to service in the fiscal year 2021:

(\$ in thousands)	Breidenbach	Mazzella	Mankodi	Östberg
Periodically-paid remuneration (base salary)	23	45	45	45
Bonuses	—	—	—	—
Total cash compensation	23	45	45	45

Mr. Kern, Mr. Dzielak, Ms. Gorin, Mr. Hart and Mr. Schrömgens were not provided with any compensation for their service on our supervisory board for the year ended December 31, 2021.

Our supervisory board held the following options and/or restricted stock units (RSUs) (both vested and unvested) as of December 31, 2021:

Beneficiary	Grant date	Vesting date	Number of options/RSUs outstanding	Strike price	Expiration date
Breidenbach	Jul. 22, 2021	3 Year Vest ⁽⁶⁾	39,820	€0.06	Jul. 22, 2028
Dzielak	—	—	—	—	—
Gorin	—	—	—	—	—
Hart	—	—	—	—	—
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
	Feb. 8, 2019	3 Year Vest ⁽²⁾	2,755	N/A ⁽¹⁾	N/A ⁽¹⁾
	Mar. 11, 2020	3 Year Vest ⁽⁴⁾	11,270	N/A ⁽¹⁾	N/A ⁽¹⁾
Mankodi	Aug. 17, 2018	Jul. 2, 2019, 2020, 2021	90,408	\$4.42	Aug. 17, 2025
	Feb. 8, 2019	3 Year Vest ⁽²⁾	3,099	N/A ⁽¹⁾	N/A ⁽¹⁾
	Mar. 11, 2020	3 Year Vest ⁽⁴⁾	41,434	N/A ⁽¹⁾	N/A ⁽¹⁾
	Mar. 2, 2021	3 Year Vest ⁽⁵⁾	74,751	N/A ⁽¹⁾	N/A ⁽¹⁾
Mazzella	Mar. 6, 2017	Jan. 3, 2018, 2019, 2020	65,898	\$12.14	Mar. 6, 2024
	Dec. 20, 2017	Jan. 2, 2019, 2020, 2021	111,576	\$7.17	Dec. 20, 2024
	Jun. 28, 2019	3 Year Vest ⁽²⁾	54,062	€0.06	Jun. 28, 2026
	Nov. 5, 2019	3 Year Vest ⁽³⁾	831	€0.06	Nov. 5, 2026
	Mar. 11, 2020	3 Year Vest ⁽⁴⁾	95,982	€0.06	Mar. 11, 2027
	Mar. 2, 2021	3 Year Vest ⁽⁵⁾	71,429	€0.06	Mar. 2, 2028
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	3 Year Vest ⁽²⁾	58,117	€0.06	Jun. 28, 2026
	Mar. 11, 2020	3 Year Vest ⁽⁴⁾	95,982	€0.06	Mar. 11, 2027
	Mar. 2, 2021	3 Year Vest ⁽⁵⁾	71,429	€0.06	Mar. 2, 2028

(1) Restricted stock units are granted at zero grant price and have no expiration date.

(2) 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.

(3) This award vests as follows: 1/3rd vested on November 5, 2020, and an additional 1/12th will vest quarterly thereafter until the award is fully vested, subject to continued service on such vesting date.

(4) This award vests as follows: 1/3rd vests 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 vests 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 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.

As of December 31, 2021, we had nothing set aside or accrued to provide pension, retirement or similar benefits to our supervisory board members. In the year 2021, none of our supervisory board members

exercised any options in trivago N.V. In 2021, 27,070 and 71,408 RSUs vested and were released to Mr. Kern and Mr. Mankodi, respectively.

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 is 59,635,698 Class A shares, which does not include any Class B share conversions. Class A shares issuable under the 2016 Plan will be represented by ADSs for such Class A shares. The 2016 Plan was amended on March 6, 2017 to permit the delegation of certain responsibilities to the management board. The Plan was amended on August 3, 2017 to permit supervisory board members to be eligible for awards under the 2016 Plan. The 2016 Plan was amended on June 28, 2019 to permit the granting to management and supervisory board members an option to purchase Class A shares at less than fair market value of the underlying Class A shares. The 2016 Plan was also amended on July 18, 2019 to permit additional mechanics to settle transactions. On June 30, 2020, at our general meeting, our shareholders authorized an increase of the maximum number of Class A shares available for issuance under the 2016 Plan. On March 2, 2021, our supervisory board amended the 2016 Plan to reflect this increase.

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 will also have 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.

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). While we have targeted total compensation amounts for senior management comparable to those of similarly situated companies, in 2020, we have compensated our senior management with performance-based equity grants, based on performance targets (e.g. stock price improvement). We have opted to focus on this type of compensation to incentivize our management's value contribution to our business and to promote long-term value creation. For more information on the 2021 performance grants, see "*Item 6: Directors, senior management and employees - B. Compensation - Compensation of members of our management board and supervisory board*" above. Base salaries for our senior management were therefore a relatively smaller component of total compensation and were lower than base salaries of senior management at many of our peers. Bonus payments for our senior management are determined with respect to a given year based on primarily qualitative goals. For the purpose of determining the bonus amounts and compensation more generally, our supervisory board and compensation committee conduct an individualized analysis of each member of senior management and measure the performance of senior management with reference to alignment with our goals, the business impact of senior management on those goal and the team building capabilities of senior management. The base salary, 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 based on the "core values" (see above "*Item 4: Information on the company - B. Business overview - 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 long-term incentive awards, such as stock options. 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 review our compensation decisions on a yearly basis. 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.

C. Board practices

Management board and supervisory board

We have a two-tier board structure consisting of our management board (*bestuur*) and a separate supervisory board (*raad van commissarissen*). Each management board and supervisory board member owes a duty to us to properly perform the duties assigned to him or her and to act in our corporate interest. Under Dutch law, the corporate interest extends to the interests of all corporate stakeholders, such as shareholders, creditors, employees, customers and suppliers.

Management board

Our management board is responsible for the day-to-day management of our company, subject to certain limitations as set out in the articles of association and the internal rules of our management board (which we refer to as the Management Board Rules), and for our strategy, policy and operations subject to the Amended and Restated Shareholders' Agreement and under the supervision of our supervisory board.

Our management board is required to keep our supervisory board informed, and to consult with our supervisory board, on important matters and to submit certain important decisions to our supervisory board for its approval as set out below. Except as agreed in our annual business plan, which is subject to the approval of our supervisory board, prior to entering into the following transactions or making the following decisions with respect to the company or any subsidiary, our management board shall obtain the prior consent of the supervisory board:

1. sale, transfer, lease (as lessor or in respect of real property) or other disposition of assets (including equity interests in a subsidiary) other than such sales, transfers, leases or other dispositions with a value for accounting purposes (i) less than \$1,000,000, or (ii) between \$1,000,000 and \$10,000,000 except to the extent prior notice is provided to Expedia Group and such sale, transfer, lease or other disposition would be permitted under Expedia Group's credit facilities; or any merger of, or sale of all or substantially all of the assets of, any subsidiary (except to the extent prior notice is provided to Expedia Group and such merger or sale is permitted under Expedia Group's credit facilities);
2. liquidating or dissolving the company or any subsidiary;
3. granting loans, payment guarantees (*Bürgschaften*), indemnities, or incurring other liabilities to third parties outside the ordinary course of business in excess of €10,000,000;
4. taking out loans, borrowings or other debt (or providing any guarantee of such obligations of any other person or entity) or granting any liens other than liens securing the foregoing, which permitted debt and liens at any time outstanding exceed €25,000,000;
5. entering into joint-venture, partnership and/or similar agreements which cannot be terminated without penalty within (i) three years and which could result in the company or any subsidiary being liable for the obligations of a third party, (ii) five years, or (iii) agreements pursuant to Article 7.1(h) of the Amended and Restated Shareholders' Agreement;
6. entering into non-compete or exclusivity agreements or other agreements that restrict the freedom of the business and which agreements are terminable later than two years after having been entered into;
7. entering into agreements (i) which cannot be terminated without penalty within (a) three years and involving annual expenditures in excess of €10,000,000 or (b) five years, except for supplementary lease agreements with (x) an annual rent of not more than €1,000,000, (y) substantially comparable terms to the relevant existing lease agreement, and (z) a term of ten years or less, or (ii) for annual expenditures in excess of €15,000,000, save that the threshold for expenditures for brand marketing shall be €50,000,000;

8. entering into agreements under which we or any subsidiary binds or purports to bind any of our shareholders or our shareholders' affiliates (other than our subsidiaries) or to cause such shareholders or affiliates to take or forbear from taking action;
9. entering into, amending or terminating agreements between us (or any subsidiary) and any managing director of the company or any subsidiary, any companies affiliated with such managing director, or third parties represented by such managing director;
10. entering into or amending any agreements or other arrangements with any third party that restrict in any fashion the ability of the company (or any subsidiary), which ability shall be subject to the terms of the Management Board Rules (a) to pay dividends or other distributions with respect to any shares in the capital of the company (or any subsidiary) or (b) to make or repay loans or advances to, or guarantee debt of, any of the company's shareholders or such shareholders subsidiaries;
11. entering into, amending or terminating domination agreements (*Beherrschungsverträge*), profit and loss pooling agreements (*Gewinnabführungsverträge*), business leasing contracts (*Unternehmenspachtverträge*) or tax units (*Organschaften*);
12. entering into any transaction with any affiliate or shareholder of the company which is outside the ordinary course of business and not at arms' length terms;
13. issuing shares in the capital of the company or any subsidiary (including phantom stock and profit participation rights) or granting options (including phantom options) or subscription rights for shares of the company or any subsidiary, except pursuant to the company's 2016 Plan;
14. share repurchases by the company or any subsidiary (other than in connection with conversion of Class B shares into Class A shares);
15. amendments, modifications or waivers to, or the exercise of any rights under, any stock option, phantom option or similar program of the company or any subsidiary, except to the extent provided in the 2016 Plan;
16. making changes to regulatory or tax status or classification of the company or any subsidiary;
17. change of material accounting standards not required by applicable law or Dutch or U.S. GAAP policy;
18. entering into, amending or terminating employment contracts with the Founders, the CEO or the CFO of the company;
19. entering into any collective bargaining agreements (*Tarifverträge*); and
20. initiating or settling material litigation in excess of €1,000,000.

The management board shall, in due course at least 30 days before the end of each fiscal year of the company, prepare and submit to the supervisory board an annual business plan for the following fiscal year. The annual business plan shall become effective upon the approval of the supervisory board, and the annual business plan may be amended by the management board by a quarterly plan with the consent of the supervisory board. The annual business plan will address, in reasonable detail, any anticipated transactions of the type described in Item 1 above. The fiscal year of the company is the calendar year.

If, at the beginning of a fiscal year, no new annual business plan is in effect because the supervisory board did not approve the annual business plan submitted by the management board or the management board did not submit an annual business plan as and when required under the management board rules, the annual business plan for the previous business year shall stay in effect until such time when the supervisory board approves a new annual business plan for the running fiscal year, provided that the target figures for revenue and adjusted EBITDA shall increase by 15% to the previous annual business plan and expense items shall be adjusted accordingly.

Pursuant to the Amended and Restated Shareholders' Agreement, our management board must consist of two to six members, including the CEO and the CFO. Our management board members have been appointed pursuant to our deed of incorporation. The composition of our management board is subject to the rights of the Founders and Expedia Group (through ELPS) under the Amended and Restated Shareholders' Agreement.

Under our articles of association, the supervisory board may elect one management board member to be the chief executive officer and another management board member to be the chief financial officer subject to the terms of the Amended and Restated Shareholders' Agreement. The supervisory board may revoke the title chief executive officer or chief financial officer subject to the terms of the Amended and Restated Shareholders' Agreement, provided that such management board member will subsequently continue his term of office as a management board member without having the title of chief executive officer or chief financial officer, respectively.

Our management board members were appointed by our general meeting of shareholders upon the binding nomination by the supervisory board. Under Dutch law, a management board member may, subject to compliance with certain Dutch statutory procedures, be removed with or without cause by a 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.

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, the Amended and Restated Shareholders' Agreement 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 seven members, including two temporary board members (pending appointments at the general meeting). Pursuant to the Amended and Restated Shareholders' Agreement, four supervisory board members were selected by Expedia Group (through ELPS) and three supervisory board members were selected by the Founders. Each supervisory board member (other than the temporary members) was appointed for a term of three years.

Our current supervisory board members (other than Ms. De Schepper who was appointed as a temporary member in 2022) were appointed at our general meetings of shareholders upon the binding nomination by our supervisory board. Pursuant to the Amended and Restated Shareholders' Agreement, ELPS and the Founders have agreed that any new supervisory board member will be proposed for nomination by either ELPS or the Founders as applicable, depending on which supervisory board member resigns, is not reappointed to, or is removed from the supervisory board. ELPS and the Founders have agreed to consult one another on their respective proposals. 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. Pursuant to the Amended and Restated Shareholders' Agreement, ELPS and the Founders have agreed that ELPS may designate the chairman of the supervisory board. The chairman will be entitled to cast a tie-breaking vote.

Management board member services agreements and performance equity grants

We have entered into services agreements with each of the members of our management board. These agreements contain customary provisions regarding noncompetition, nonsolicitation, confidentiality of information and assignment of inventions. We have also entered into agreements governing our management board's equity grants. The management's board's performance equity grants for 2020 were subsequently amended to adjust the performance criteria included therein. The amended terms of the agreements are described above under "*Compensation of members of our management board and supervisory board*" above. The form of stock option summary of award, restricted share unit summary award, performance stock option award agreements, performance stock unit award agreements and the related restated and amended summaries of awards are also filed as exhibits hereto. The stock option summary of award and restricted share unit summary award were executed on February 27, 2020 to amend prior equity awards to management with the terms in respect of a change of control described below. These agreements include a "double trigger" change of control provision. Upon any participant's termination of employment, during the two-year period following a Change in Control (as defined in the agreement), for a Qualified Termination Reason (as defined below), the Relevant Proportion (as defined below) of the option outstanding as of such termination of employment which was outstanding as of the date of such Change in Control will be fully exercisable and vested, permitting the participant to subscribe for the Relevant Portion of 100% of the relevant target award against payment of the exercise price, and will remain exercisable until the later of (i) the last date on which the option would be exercisable in the absence of this provision and (ii) the earlier of (A) the first anniversary of such Change in Control and (B) expiration of the term of the option. Analogous provisions were implemented for the performance stock unit agreements.

A "Qualified Termination Reason" for the purpose of the performance equity grants means a material reduction in a participant's rate of total compensation from the rate of total compensation in effect for such participant immediately prior to the Change in Control; or a relocation of the participant's principal place of employment more than 50 kilometers outside of Düsseldorf; or a reduction in the participant's title, duties or reporting responsibilities or level of responsibilities (e.g., as a consequence of the delisting of the our shares on NASDAQ without the shares then being, or to be, listed on another "applicable" exchange) from those in effect immediately prior to the Change in Control; or our material breach of any material provision of applicable equity compensation agreements.

In order to invoke a Termination of Employment for a Qualified Termination Reason, the participant must provide us with written notice of the existence of one or more of the conditions described above within 90 days following the participant's knowledge of the initial existence of such condition or conditions, and we will have 30 days following receipt of such written notice (the "Cure Period") during which we may remedy the condition. In the event that we fail to remedy the condition constituting a Qualified Termination Reason during the Cure Period, the participant must terminate employment, if at all, within 90 days following the Cure Period in order for such Termination of Employment to constitute a Termination of Employment for a Qualified Termination Reason.

"Relevant Proportion" means for the purpose of the performance equity grants a proportion corresponding to such proportion, in completed months, of the relevant performance period in the award summary as fell before the participant's termination of employment.

Supervisory board member services agreements

We have entered into services agreements with each of the members of our supervisory board for an indefinite period of time, provided that the agreements will terminate upon dismissal, resignation or expiry of term of office (subject to reappointment) of the supervisory board member concerned. These agreements provide for the compensation awarded to the independent supervisory board members.

Director independence

As a foreign private issuer under the SEC rules, we are not required to have independent directors on our supervisory board, except to the extent that our Audit Committee is required to consist exclusively of independent supervisory board members. Our supervisory board has determined that, under current Nasdaq listing standards regarding independence, and taking into account any applicable committee standards, Ms. Breidenbach, Mr. Mankodi, Ms. De Schepper and Mr. Östberg would be considered independent supervisory board members.

Under the independence criteria of the DCGC (which requires that our supervisory board be composed of independent members, except for no more than one member who is not independent), Ms. Breidenbach, Mr. Mankodi, Ms. De Schepper and Mr. Östberg are considered independent supervisory board members. See “*Item 16G: Corporate governance.*”

Committees of the supervisory board

Our supervisory board has established an audit committee and a compensation committee.

Audit Committee

The audit committee currently consists of Mr. Mankodi, Ms. De Schepper and Mr. Östberg and assists the supervisory board in overseeing our accounting and financial 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 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 accountant, without members of our management board being present.

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 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.

D. Employees

The overview of employees at the end of each respective period is summarized in the following table.

	Year ended December 31,		
	2019	2020	2021
Cost of revenue	53	62	57
Selling and marketing	313	164	133
Technology and content	623	445	444
General and administrative	258	163	175
Total	1,247	834	809
thereof employed in Germany	1,139	828	800

None of our employees are covered under a collective bargaining agreement. We consider our employee relations to be good.

E. Share ownership

See "Item 7: Major shareholders and related party transactions - A. Major Shareholders," and see "Item 6: Directors, senior management and employees - B. Compensation"

Item 7: Major shareholders and related party transactions

A. Major Shareholders

The following table sets forth information relating to the beneficial ownership of our shares as of March 1, 2022, by:

- each person, or group of affiliated persons, known by us to beneficially own 5% or more of our outstanding Class A shares and 5% or more of our outstanding Class B shares;
- each member of our management board and our supervisory board; and
- each member of our management board and our supervisory board as a group.

For further information regarding material transactions between us and principal shareholders, see “*B. Related party transactions*” below.

The number of shares (or share capital) beneficially owned by each entity, person, management board member and supervisory board member is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power or from which the individual has the right to receive the economic benefit as well as any shares that the individual has the right to acquire within 60 days of March 1, 2022 through the exercise of any option, warrant or other right. Such shares are deemed outstanding for the purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all managing directors and supervisory board members as a group. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power and the right to receive the economic benefit with respect to shares held by that person.

The following table is presented as of March 1, 2022. See “*Item 4: Information on the company - C. Organizational structure*” for additional information regarding the corporate reorganization. Unless otherwise indicated below, the address for each beneficial owner listed is c/o trivago N.V., Kesselstraße 5 - 7, 40221 Düsseldorf, Germany.

Name of beneficial owner	Ordinary shares beneficially owned ⁽¹⁾				% Voting power ⁽²⁾
	Class A		Class B		
	Shares	%	Shares	%	
5% or greater shareholders					
Expedia Group, Inc. ⁽³⁾	—	—	209,008,088	79.8 %	76.9 %
Rolf Schrömgens ⁽⁴⁾	21,776,984	22.5 %	28,468,807	10.9 %	11.3 %
Peter Vinnemeier ⁽⁵⁾	1,200,000	1.2 %	23,285,793	8.9 %	8.6 %
PAR Investment Partners, L.P. ⁽⁶⁾	21,116,683	21.8 %	—	—	**
Management board members ⁽⁷⁾					
Axel Hefer	4,605,943	4.8 %	—	—	**
Matthias Tillmann	536,268	*	—	—	**
Supervisory board members					
Joana Breidenbach	—	—	—	—	—
Robert J. Dzielak	—	—	—	—	—
Eric M. Hart	—	—	—	—	—
Peter M. Kern	251,350	*	—	—	**
Hiren Mankodi	220,685	*	—	—	**
Frédéric Mazzella	320,755	*	—	—	**
Niklas Östberg	337,495	*	—	—	**
All management board and supervisory board members as a group (9 persons)	6,272,496	6.5 %	—	—	**

*Indicates beneficial ownership of less than 1% of the total outstanding Class A shares.

**Indicates voting power of less than 1%.

(1) Percentages based on 96,704,815 Class A shares outstanding and 261,962,688 Class B shares outstanding as of December 31, 2021. Where the respective individual has the right to acquire within 60 days of March 1, 2022 through the exercise of any option, warrant or other right, such shares are deemed outstanding for the purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all managing directors and supervisory board members as a group. For more information on the stock options held by our management and supervisory boards, see "Item 6: Directors, senior management and employees - B. Compensation."

(2) Percentage of total voting power represents voting power with respect to all of our Class A and Class B shares, as a single class. 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. For more information about the voting rights of our Class A and Class B shares, see Exhibit 2.6 hereto. 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.

(3) As reported on Schedule 13G filed by Expedia Lodging Partner Services S.à.r.l. (ELPS), Expedia Group holds its interest in the company through ELPS, an indirect wholly owned subsidiary of Expedia Group. 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. Assuming conversion of all Class B shares into Class A shares, ELPS would own 58.3% of our Class A shares. This percentage does not reflect the ten for one voting power of our Class B shares. Because each Class B share is entitled to ten votes per share and each Class A share is entitled to one vote per share, ELPS may be deemed to beneficially own equity securities representing approximately 76.9% of the voting power of the company. The address of Expedia Group is 1111 Expedia Group Way W., Seattle, WA 98119.

(4) As reported on Schedule 13 D/A filed, Mr. Schrömgens held 21,928,205 Class A shares and 28,468,807 Class B shares as of September 1, 2021. He subsequently sold an aggregate of 151,221 Class A shares in open market transactions. For more information see "Significant changes in ownership by major shareholders" below.

(5) On February 10, 2022, Peter Vinnemeier converted a portion of his Class B shares into Class A shares, resulting in an increase in the total number of outstanding Class A shares by 1,200,000 shares.

(6) As of August 13, 2021, each of (i) PAR Investment Partners, (ii) PAR Group, through its control of PAR Investment Partners as general partner, and (iii) PAR Capital Management, through its control of PAR Group as general partner, may be deemed to beneficially own 21,116,683 Class A Shares, representing approximately 21.8% (determined in accordance with Rule 13d-3 under

the Act) of the outstanding Class A Shares. The percentage of Class A Shares beneficially owned as set forth above is based on 96,704,815 Class A Shares issued and outstanding as of December 31, 2021. A portion of the ADSs PAR Investment Partners purchased were pursuant to a stock purchase agreements described below under "Significant changes in ownership by major shareholders." The principal business address of the PAR Capital Entities is 200 Clarendon Street, 48th Floor, Boston, MA 02116.

(7) The share totals for Messrs. Hefer and Tillmann do not include shares awardable pursuant to vested performance equity awards. Those awards are contingent upon the satisfaction of performance conditions that will determine the number of shares awardable at a future date. For more information, see "Item 6: Directors, officers and employees – B. Compensation – Compensation of members of our management board and supervisory board."

Significant changes in ownership by major shareholders

As of December 31, 2021, assuming that all of our Class A shares represented by ADSs are held by residents of the United States, approximately 100% of our outstanding ADSs were held in the United States by one holder of record. At such date, there were 96,704,815 ADSs outstanding, each representing one of our Class A shares, and in the aggregate representing 27% of our outstanding ordinary shares. At such date, there was one holder of record registered with Deutsche Bank Trust Company Americas, depository of the ADSs. The actual number of holders is greater than these numbers of holders and includes beneficial owners whose ADSs are held in street name by brokers and other nominees. This number of holders of record also does not include holders whose shares may be held in trust by other entities.

Open market sales

On May 27, 2021, Rolf Schrömgens filed a Schedule 13D/A, in which he announced an intention to transfer up to 17,650,000 Class A shares to his former spouse in connection with the settlement of divorce proceedings. Mr. Schrömgens would not retain voting or dispositive power over such shares after transfer. Mr. Schrömgens additionally announced an intention to sell up to 8,000,000 Class A shares from time to time, the net proceeds of which would be used to pay associated tax liabilities to be incurred in connection with such divorce proceedings. Mr. Schrömgens indicated that such sales may be effected in open market transactions, block trades or privately negotiated transactions. On June 7, 2021, Mr. Schrömgens filed a Schedule 13D/A in which he reported that he sold 3,500,000 Class A shares on June 1, 2021 in a block trade at a purchase price of \$3.80 per share. On February 16, 2022, Mr. Schrömgens filed a Schedule 13D/A in which he reported that he sold 3,700,000 Class A shares in a block trade on September 2, 2021 at a purchase price of \$2.47 per share, and on February 14, 2022, he sold 151,221 shares in open market transactions at a weighted average sales price of \$2.55 per share.

On June 12, 2020, Peter Vinnemeier filed a Schedule 13D/A reporting that he entered into a Rule 10b5-1 sales plan (the "Trading Plan") on June 2, 2020 with a broker to sell ADSs. The maximum number of ADSs that have been sold, beginning on July 1, 2020 under the Trading Plan, amounted to 3,500,000 ADSs, with such ADSs being sold in separate tranches at different specified market prices. The Trading Plan was scheduled to remain in effect until March 31, 2021 and was adopted in accordance with our insider trading policy while it was intended to comply with the provision of Rule 10b5-1 under the Exchange Act.

Private Placement with PAR Investment Partners

On June 13, 2019, PAR Investment Partners entered into a stock purchase agreement, pursuant to which it agreed to purchase 6,000,000 ADSs from Peter Vinnemeier. The ADSs were purchased at a price of \$3.74 per ADS in a private transaction that was exempt from registration under the Securities Act. In connection with this private placement, Mr. Vinnemeier concurrently terminated a Rule 10b5-1 sales plan that was entered into with a broker to sell 6,000,000 ADSs and was the subject of a Schedule 13D/A that was filed on May 10, 2019 and was subsequently amended. In each transaction, no shares were sold by trivago, and trivago received no proceeds. Mr. Vinnemeier received all of the proceeds from the sale. The

securities sold in the transaction were not registered under the Securities Act, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

B. Related party transactions

The following is a description of related party transactions between us and any of the members of our management board or supervisory board and the holders of more than 5% of our shares in the period since January 1, 2021.

Relationship with Expedia Group

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.

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.

Agreements regarding the supervisory board

The Amended and Restated Shareholders' Agreement provides that our supervisory board be comprised of seven members who will each serve for a three year term. Subject to applicable law, including applicable Nasdaq standards: (a) for so long as the Founders and their affiliates hold, collectively, at least 15% of the total number outstanding of Class A and Class B shares, which are deemed to include 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), the Founders will be entitled to designate for binding nomination three members to our supervisory board, all of whom must be independent; and (b) ELPS is entitled to designate for binding nomination all other members of our supervisory board, one of whom will be the chairperson of the board with a tie breaking vote and, if the nominee is qualified, one of whom will be the chairman of our audit committee. ELPS is entitled to increase or decrease the size of the supervisory board, provided that the number of members who the Founders are entitled to appoint is not less than three-sevenths (rounded to the nearest whole number) of the members of the supervisory board.

The Amended and Restated Shareholders' Agreement also sets forth agreements regarding the committees of the supervisory board and the rules of procedure. See "*Item 6: Directors, senior management and employees - C. Board practices.*"

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 "*Item 6: Directors, senior management and employees - C. Board practices.*" Therefore, ELPS and each Founder is required

to vote the shares held by them at the general meeting of shareholders in accordance with the voting arrangements set forth in the Amended and Restated Shareholders' Agreement.

Agreements regarding the management board

Pursuant to the Amended and Restated Shareholders' Agreement, certain transition arrangements have been agreed for succession of our Chief Executive Officer. Mr. Schrömgens ceased to serve as our Chief Executive Officer on December 31, 2019, on which date a "Transition Period" of three years commenced. Also, during the Transition Period, the Amended and Restated Shareholders' Agreement stipulates certain arrangements for the appointment of our (successor) Chief Executive Officer, including by expanding our supervisory board by two seats (one of which to be filled on the basis of a selection by the Founders and the other on the basis of a selection by ELPS) and the formation of a three-person nomination committee of the supervisory board which shall be entitled to nominate a successor Chief Executive Officer, subject to the approval of ELPS, and thereafter, the supervisory board.

Registration and other rights

Pursuant to the Amended and Restated Shareholders' Agreement, ELPS and the Founders 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 ELPS and the Founders.

ELPS 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.

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 ELPS 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. ELPS 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.

Call and put rights

If the Founders have to sell ordinary shares to pay taxes realized in connection with the cross-border merger or to repay a loan obtained by the Founders to pay such taxes, the ownership levels at which they lose certain rights in the Amended and Restated Shareholders' Agreement shall be equitably adjusted such that, in effect, all or a portion of the shares so sold are treated as having been retained by the Founders.

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.

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.

Services and Support Agreement

On September 1, 2016, we entered into a Services and Support Agreement, pursuant to which ELPS 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 90 days' prior notice. We have not incurred material expenses under this agreement.

Commercial relationships

We currently have commercial relationships with many Expedia Group affiliated brands, including Brand Expedia, Hotels.com, Orbitz, Travelocity, Hotwire, Wotif, Vrbo and ebookers. These are arrangements terminable at will or upon three to seven 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. We are also party to a letter agreement pursuant to which Expedia Group refers traffic to us when a particular hotel or region is unavailable on the applicable Expedia Group website. 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, 2019, 2020 and 2021, Expedia Group and its brands in each of the years accounted for 34%, 27% and 25% of our total revenues, respectively.

See "Item 5: Operating and financial review and prospects" for additional information.

myhotelshop

Subsequent to the deconsolidation of myhotelshop in December 2017, myhotelshop remained a related party to trivago. Related party revenue of €2.8 million and €1.1 million for the years ended December 31, 2019 and 2020, respectively, primarily consists of referral revenue. Related-party revenue for the year ended December 31, 2021 was not significant.

In December 2020, we entered into an agreement to sell our minority interest in myhotelshop to its majority shareholder. As a result of the sale, we derecognized the remaining equity method investment of €70 thousand on our consolidated balance sheet. The closing conditions were fulfilled on January 28, 2021, with myhotelshop not being a related party to us from that date on. For more information see *Note 3: Acquisitions and divestitures* to the audited consolidated financial statements included elsewhere in this annual report.

Agreements with management board or supervisory board members

For a description of our agreements with our management board and supervisory board members, please see “*Item 6: Directors, senior management and employees - C. Board practices - Management board member services agreements and performance equity grants*” and “*Item 6: Directors, senior management and employees - C. Board practices - Supervisory board member services agreements.*”

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.

C. Interests of Experts and Counsel

Not applicable.

Item 8: Financial information

A. Consolidated statements and other financial information

See the financial statements beginning on page F-1.

Legal Proceedings

From time to time, we may be involved in various claims and legal proceedings relating to claims arising out of our operations.

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. In its submissions, the ACCC proposed a penalty of at least AUD90 million and an injunction restraining us from engaging in misleading conduct of the type found by the Australian Federal Court to be in contravention of the ACL. trivago submitted that an appropriate penalty for the court to impose would be in the order of up to AUD15 million. The court's decision will be forthcoming.

Management recorded a provision of AUD15 million for the probable and currently estimable loss in connection with these proceedings within current other liabilities. The ultimate penalty amount could substantially exceed the level of provision that we established for this litigation. In establishing a provision in respect of the ACCC matter, management took into account the information currently available, including judicial precedents. However, there is considerable uncertainty regarding how the Australian Federal Court would calculate the penalties that will be ultimately assessed on us. In particular, the Australian Federal Court determined that we engaged in certain conduct after September 1, 2018 that will result in the applicability of the new penalty regime under the ACL, which significantly increased the maximum penalty applicable to parts of our conduct. Only a few cases have been decided so far assessing penalties for contraventions of the ACL under the new regime. In cases involving conduct before and after September 1, 2018, the Australian Federal Court in each case did not allocate the total penalty imposed between the old and new penalty regime. As a result, an estimate of the reasonable possible loss or range of probable loss in excess of the amount reserved cannot be made.

Dividends

We do not at present plan to pay cash dividends on our Class A shares. Under Dutch law, we may only pay dividends to the extent that our shareholders' equity (*eigen vermogen*) exceeds the sum of the paid-up and called-up share capital plus the reserves required to be maintained under Dutch law or by our articles of association (although we note that, presently, we are not required by our articles of association to maintain reserves in addition to those which we must maintain under Dutch law). Subject only to such restrictions, any future determination to pay dividends will be at the discretion of our management board (in some instances, subject to approval by a Founder). In making a determination to pay dividends, the management board must act in the interests of our company and its business, taking into account

relevant interests of our shareholders and other factors that our management board considers relevant, including our results of operations, financial condition, and future prospects.

B. Significant Changes

See *Note 18: Subsequent events* to the audited consolidated financial statements included elsewhere in this annual report.

Item 9: Offer and listing

A. Offering and Listing Details

The ADS have been listed on The NASDAQ Global Select Market under the symbol “TRVG” since December 16, 2016. Prior to that date, there was no public trading market for ADSs or our Class A shares. Our IPO was priced at \$11.00 per ADS on December 15, 2016.

B. Plan of Distribution

Not applicable.

C. Markets

The ADS have been listed on The NASDAQ Global Select Market under the symbol “TRVG” since December 16, 2016.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10: Additional information

A. Share capital

Not applicable.

B. Memorandum and articles of association

Our shareholders adopted the Articles of Association filed as Exhibit 3.1 to our Registration Statement on Form F-1 filed with the SEC on November 14, 2016.

The information set forth in our registration statement on Form F-3 dated April 5, 2018, filed with the SEC, under the headings “*Description of share capital and articles of association - Amendment of articles of*

association,” “Description of share capital and articles of association - Comparison of Dutch corporate law and our articles of association and U.S. corporate law” is incorporated herein by reference.

C. Material contracts

Lease of our headquarters

On July 23, 2015, we entered into a Lease Agreement with Jupiter EINHUNDERTVIERUNDFÜNFZIG GmbH (now IMMOFINANZ Medienhafen GmbH) for office space in the Media Harbor area in Düsseldorf. The handover of the premises took place on May 30, 2018. The initial lease term of ten years will end on May 31, 2028, and we have two options to extend the lease term for another five years each. We signed an amendment to our lease contract for the campus in Düsseldorf, which became effective on January 29, 2021. The agreement includes the return of unused office space as of January 1, 2021 and a corresponding reduction of rent as well as the sale to the landlord of certain fixed assets related to the space.

Except as otherwise disclosed in this annual report (including the Exhibits), we are not currently, nor have we been for the past two years, party to any material contract, other than contracts entered into in the ordinary course of business.

D. Exchange controls

There are no governmental laws, decrees or regulations in the Netherlands, the Company's jurisdiction of organization, that restrict the Company's export or import of capital in any material respect, including, but not limited to, foreign exchange controls.

There are no limitations imposed by Dutch law or the Company's charter documents on the right of non-resident or foreign owners to hold or vote Class A shares.

E. Taxation

The following summary contains a description of material German, Dutch and U.S. federal income tax consequences of the acquisition, ownership and disposition of ADSs, but it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase ADSs. The summary is based on the tax laws of Germany and the regulations thereunder, on the tax laws of the Netherlands and regulations thereunder and on the tax laws of the United States and regulations thereunder as of the date hereof, which are subject to change.

German taxation

The following section presents a number of key German taxation principles which are or can be relevant to the acquisition, holding or transfer of ADSs both by an ADS holder (an individual, a partnership or corporation) that has a tax domicile in Germany (that is, whose place of residence, habitual abode, registered office or place of management is in Germany) not being subject to a specific or special German tax regime and by an ADS holder without a tax domicile in Germany. The information is not exhaustive and does not constitute a definitive explanation of all possible aspects of taxation that could be relevant for ADS holders. The information is based on the tax law in force in Germany as of the date of this annual report (and its interpretation by administrative directives and courts) as well as typical provisions of double taxation treaties that Germany has concluded with other countries. Tax law can change, sometimes retrospectively. Moreover, it cannot be ruled out that the German tax authorities or courts may consider an alternative assessment to be correct that differs from the one described in this section.

This section cannot serve as a substitute for tailored tax advice to individual ADS holders. ADS holders are therefore advised to consult their tax advisers regarding the tax implications of the acquisition, holding

or transfer of ADSs and regarding the procedures to be followed to achieve a possible reimbursement of German withholding tax (*Kapitalertragsteuer*). Only such advisors are in a position to take the specific tax-relevant circumstances of individual ADS holders into due account.

Taxation of the company (trivago N.V.)

General

The company, trivago N.V., has two German tax resident individuals serving as managing directors and operates its business from Germany on the basis of arrangements that are aimed to ensure to have its effective place of management in Germany. We, therefore, take the view that the effective place of management of trivago N.V. should be in Germany, and that trivago N.V. is subject to unlimited tax liability for German corporate income tax (*Körperschaftsteuer*) and trade tax (*Gewerbesteuer*) notwithstanding the fact that it is incorporated in the Netherlands as described in “-Tax treatment of corporate reorganization.” Nevertheless, the effective place of management test depends upon facts and circumstances. The company intends to have its effective place of management in Germany and has made arrangements that are aimed to keep its effective place of management in Germany. The organizational rules provide that, subject to certain exemptions, (a) management decisions are to be taken in principle in Germany and (b) supervisory board meetings shall be held in Germany. In accordance with the organizational rules the supervisory board has issued to the management board “Best-Practice Guidelines” giving recommendations on how to deal with certain aspects of the management of the company to ensure a German place of management of the company.

The rate of the corporate income tax is a standard 15% for both distributed and retained earnings, plus a solidarity surcharge (*Solidaritätszuschlag*) amounting to 5.5% on the corporate income tax liability (i.e., 15.825% in total).

Unless there is a specific exception, dividends (*Dividenden*) or other profit shares that the company derived from domestic or foreign corporations are effectively 95% exempt from corporate income tax, as 5% of such receipts are treated as non-deductible business expenses, and are therefore subject to corporate income tax (and solidarity surcharge). One of the exceptions applies to dividends that the company receives or received from domestic or foreign corporations (since February 28, 2013), being subject to corporate income tax (including solidarity surcharge thereon), if the company holds a direct participation of less than 10% in the share capital of such corporation at the beginning of the calendar year (hereinafter in all cases, a “Portfolio Participation” -*Streubesitzbeteiligung*). Participations of at least 10% acquired during a calendar year are deemed to have been acquired at the beginning of the calendar year. Participations in the share capital of other corporations which the company holds through a partnership (including those that are co-entrepreneurships (*Mitunternehmerschaften*)) are attributable to the company only on a *pro rata* basis at the ratio of the interest share of the company in the assets of relevant partnership.

The company’s gains from the disposal of shares in a domestic or foreign corporation are effectively 95% exempt from corporate income tax (including solidarity surcharge thereon), regardless of the size of the participation and the holding period. 5% of the gains are treated as non-deductible business expenses and are therefore subject to corporate income tax (plus solidarity surcharge thereon) at a rate of 15.825%. Conversely, losses incurred from the disposal of such shares are not deductible for corporate income tax purposes. Currently, there are no specific rules for the taxation of gains arising from the disposal of Portfolio Participations.

The company is subject to German trade tax (*Gewerbesteuer*) with respect to its taxable trade profit (*Gewerbeertrag*) generated at its permanent establishments maintained in Germany (*inländische Betriebsstätte*). Depending on the municipal trade tax multiplier applied by the relevant municipal authority (*Hebesatz*), in most cases trade tax ranges from approximately 7% to 21% of the taxable trade profit. When determining the income of the corporation that is subject to corporate income tax, trade tax must not be deducted as a business expense. In principle, profits derived from the sale of shares in another domestic and foreign corporation are treated in the same way for trade tax purposes as for corporate

income tax purposes. Contrary to this, profit shares derived from domestic and foreign corporations are only effectively 95% exempt from trade tax, if the company held an interest of at least 15% in the share capital of the company making the distribution at the beginning of the relevant assessment period (*Erhebungszeitraum*; trade tax participation exemption privilege - *gewerbesteuerliches Schachtelprivileg*). Otherwise, the profit shares will be subject to trade tax in full.

The provisions of the so-called interest barrier (*Zinsschranke*) limit the degree to which interest expenses are deductible from the tax base. As a rule, interest expenses exceeding interest income are deductible in an amount of up to 30% of the EBITDA as determined for tax purposes in a given financial year, although there are exceptions to this rule. Non-deductible interest expenses must be carried forward to subsequent financial years. EBITDA that has not been fully utilized can, under certain circumstances, be carried forward and may be considered, within the limitations as set out above, over the following five years. For trade tax purposes, in principle 25% of the interest expenses deductible after applying the interest barrier are added back when calculating the taxable trade profit. Therefore, for trade tax purposes, the amount of deductible interest expenses is in principle only 75% of the interest expenses deductible for purposes of corporate income tax.

Under certain conditions, negative income of the company that has not been offset against current year positive income can be carried forward or back into other assessment periods. Loss carry-backs to the immediately preceding assessment period are only permissible up to €1,000,000 (€10,000,000 for losses incurred in 2020 and 2021) for corporate income tax but not at all for trade tax purposes. Negative income that cannot be offset against positive income for corporate income and trade tax purposes can be carried forward to following taxation periods (tax loss carry-forward). If in such following taxation period the taxable income or the taxable trade profit exceeds the €1,000,000 threshold (up to which such income can be offset with the tax loss carry-forward in full), only 60% of the excess amount can be offset by tax loss carry-forwards. The remaining 40% of the taxable income is subject to tax in any case (minimum taxation - *Mindestbesteuerung*). Unused tax loss carry-forwards can, as a rule, be carried forward indefinitely and deducted pursuant to the rules set out regarding future taxable income or trade income. However, if more than 50% of the company's share capital or voting rights respectively is/are transferred to a purchaser or group of purchasers within five years, directly or indirectly, or if a similar situation arises (harmful share acquisition - *schädlicher Beteiligungserwerb*), the company's unutilized losses and interest carry-forwards (possibly also EBITDA carry-forwards) will be forfeited in full and cannot be offset against future profits, unless one of the specific exceptions under section 8c or 8d of the German Corporate Income Tax Act applies.

Expenses incurred by trivago N.V. in connection with our IPO may be regarded as incurred for the benefit of the Founders. In such case, the tax authorities may take the view to treat such expenses as not deductible for tax purposes and assess withholding tax at a rate of 26.375% on the respective amounts.

Tax treatment of corporate reorganization

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. Based on the facts presented in the requests for the tax rulings, the tax rulings confirmed the tax neutrality of the cross-border merger for trivago GmbH, trivago N.V. and the Founders under German tax law in all material respects. Following receipt of such tax rulings, we consummated the cross-border merger, which became legally effective as of September 7, 2017. However, for income tax purposes the cross-border merger has to be treated with retroactive effect as of December 31, 2016. Pursuant to the cross-border merger, the Founders exchanged all of their units of trivago GmbH remaining after the pre-IPO corporate reorganization for Class B shares of trivago N.V.

German taxation of ADS holders

General

Based on the interpretation circular (*Besteuerung von American Depository 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 the ADR Tax Circular, for German tax purposes, ADRs referring to shares issued by a German stock corporation (*Aktiengesellschaft*) represent a beneficial ownership interest in the underlying ordinary shares.

The ADSs should qualify as ADRs under the ADR Tax Circular, and dividends would accordingly be attributable to the holders of the ADSs for German tax purposes as if they would hold Class A shares, and not to the legal owner of the underlying Class A shares (which is the depository holding the Class A shares for the ADS holders). Therefore, the ADS holders should, for German tax purposes, be treated as directly holding an interest in the company's Class A shares. With respect to German tax risks with respect to the ADSs please refer to "Item 3: Key information - D. Risk factors" above.

Income tax implications of the holding, sale and transfer of ADSs

In terms of the income taxation of ADS holders, a distinction must be made between taxation in connection with the holding of ADSs ("*German taxation of the distributions from ADSs*") and taxation in connection with the sale of ADSs ("*German taxation of capital gains from ADSs*").

German taxation of the distributions from ADSs

Withholding tax-General

The full amount of a dividend distributed by the company is subject to German withholding tax (*Kapitalertragsteuer*) at a rate of 25% plus a solidarity surcharge of 5.5% on the withholding tax, resulting in an aggregate tax rate of 26.375%. This, however, will not apply if and to the extent that dividend payments are funded from the company's contribution account for tax purposes (*steuerliches Einlagekonto*; Section 27 of the German Corporate Income Tax Act (*Körperschaftsteuergesetz*, or KStG)); in this case, no withholding tax will be withheld. The basis for the withholding tax is the dividend approved for distribution by the company's shareholders' meeting. The amount of the relevant taxable income is based on the gross amount in euro; any currency differences should be irrelevant.

In general, withholding tax on dividends distributed by a company to its shareholders is withheld and discharged for the account of the shareholders by the company. However, if and when shares are admitted for collective custody by a securities custodian bank (*Wertpapiersammelbank*) pursuant to Section 5 of the German Act on Securities Accounts (*Depotgesetz*) and are entrusted to such bank for collective custody (*Sammelverwahrung*) in Germany, the withholding tax is withheld and passed on for the account of the shareholders by the domestic credit or financial services institution (*inländisches Kredit- oder Finanzdienstleistungsinstitut*) (including domestic branches of such foreign enterprises), by the domestic securities trading company (*inländisches Wertpapierhandelsunternehmen*) or the domestic securities trading bank (*inländische Wertpapierhandelsbank*) which keeps or administers the shares and disburses or credits the dividends or disburses the dividends to a foreign agent or by the central securities depository to which the shares were entrusted for collective custody if the dividends are disbursed to a foreign agent by such central securities depository, each a Paying Agent. The company in which shares are held does not assume any responsibility for the withholding of the withholding tax. In general, the withholding tax must be withheld regardless of whether and to which extent the distribution is exempt from tax at the level of a shareholder and whether the shareholder is domiciled in Germany or abroad.

As the ADS holders should, for German tax purposes, be treated as directly holding an interest in the company's Class A shares, the description in the paragraph above should apply accordingly.

More specifically as regards distributions from ADSs, the German withholding tax will be withheld either by (i) the German financial institution that holds or administers the underlying Class A shares in custody

and disburses or credits the dividend income from the underlying Class A shares or (ii) the German collective securities custodian, i.e., on the payment made to the depositary (in both cases (i) or (ii), a Paying Agent). Further, a withholding tax certificate should be issued which entitles the addressee of such certificate to a refund or tax credit of the German taxes withheld. The ADS holder should be entitled to any refund or tax credit (and not the legal owner which is the depositary) as it is treated for German tax purposes as the beneficial owner of the Class A shares. Consequently, the German taxes levied on the payments under the ADSs should be the same as if the ADS holder invested directly in the Class A shares because the ADS holder is either entitled to a refund or a tax credit. The ADS holders would be treated as if they hold Class A shares directly and withholding tax would be charged only once.

Taxation of the distributions from ADSs for investors not domiciled in Germany

ADS holders without a tax domicile in Germany whose ADSs are attributable to a German permanent establishment or fixed place of business or are part of business assets for which a permanent representative in Germany has been appointed, are also subject to tax in Germany on their dividend income. In this respect, the provisions outlined below for ADS holders with a tax domicile in Germany whose ADS are held as business assets apply accordingly ("*Taxation of the distributions from ADSs for investors domiciled in Germany - ADSs held as business assets*"). The withholding tax (including the solidarity surcharge thereon) withheld and passed on will be credited against the income or corporate income tax liability or refunded in the amount of any excess.

In all other cases, ADS holders are only subject to German taxation with respect to specific German source income (*beschränkte Steuerpflicht*), in particular, dividends distributed by a German tax resident corporation. Dividend payments that are funded from the company's contribution account for tax purposes (*steuerliches Einlagekonto*; Section 27 KStG) are not taxable in Germany (provided the respective certification requirements are properly fulfilled). According to the ADR Tax Circular, dividend income from the underlying shares should be attributed to the holder of the ADSs for German tax purposes and not to the legal owner of the shares. As a consequence thereof, dividend income derived from ADSs should be treated as German source income (*beschränkte Steuerpflicht*).

Any German limited tax liability on dividends is discharged by withholding tax. Withholding tax is only reimbursed in the cases and to the extent described below.

However, withholding tax on dividends distributed to an ADS holder being a company domiciled in another EU Member State within the meaning of Article 2 of the Parent-Subsidiary Directive may be refunded or exempted upon application and subject to further conditions. This also applies to dividends distributed to a permanent establishment in another EU Member State of such a parent company or to a permanent establishment in another EU Member State of a parent company that is subject to unlimited tax liability in Germany, provided that the participation in the company actually forms part of such permanent establishment's business assets. As further requirements for a refund or exemption of withholding tax under the Parent-Subsidiary Directive, the ADS holder needs to hold ADSs that represent at least a 10% direct stake in the company's registered capital for one year and to file a respective application with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*, Hauptdienstszitz Bonn-Beuel, An der Kuppe 1, 53225 Bonn) using an official form.

Based on the double taxation treaty, if any, concluded between Germany and the jurisdiction where an investor is tax resident for purposes of the respective double taxation treaty, which we refer to in the following as the Treaty, German withholding tax may be reduced to a lower tax rate usually amounting to 15% of the gross dividend on the basis of an applicable Treaty. In this event, the excess of the total withholding tax, including the solidarity surcharge, over the maximum rate of withholding tax permitted by the Treaty should generally be refunded to the investors upon application. A U.S. investor for example initially should receive a net payment of €73.625 from a gross dividend amounting to €100 (i.e., €100 minus the 26.375% withholding tax). Such U.S. investor may, subject to fulfilling procedural requirements, be entitled to a partial refund from the German tax authorities in the amount of 11.375% of the gross

dividend. As a result, the U.S. investor may ultimately receive a payment of €85 in total (85% of the gross dividend amount), provided that it is entitled to Treaty benefits.

On December 1, 2016, the German Federal Parliament (*Bundestag*) approved a provision (section 50j of the German Income Tax Law or EStG) to limit the entitlement of non-resident shareholders to a refund or a reduction of German dividend withholding tax under a double taxation treaty under certain circumstances. This provision came into force for assessment periods starting January 1, 2017. Under this provision, a refund or a reduction of German dividend withholding tax under a double taxation treaty will, in principle, only be granted, if (i) the non-resident ADS holder is not obliged to forward the dividend proceeds received from the company to any other person, the non-resident shareholder has continuously held beneficial ownership in the shares of the company during the 45-day-period prior to the due date of the distribution (*Pre-Holding Period*), the non-resident shareholder continuously holds beneficial ownership in the shares of the company during the 45-day-period after the due date of the distribution (*Post-Holding Period*), and the non-resident shareholder has continuously borne the market risk exposure during both the Pre-Holding Period and the Post-Holding Period, taking hedging or comparable transaction into account. On the other hand, this provision shall not apply (and the entitlement of a non-resident ADS holder to a refund or a reduction of German dividend withholding tax is not limited by this provision), if (i) the applicable double taxation treaty of the non-resident shareholder provides for a withholding tax rate of at least 15%, or (ii) the non-resident ADS holder is subject to income taxation in its state of residency (without being tax exempt) and holds directly at least 10% in the share capital of the company paying the dividend or (iii) the non-resident ADS holder has continuously been holding the beneficial ownership in the shares of the company for a period of at least twelve months prior to the date on which the income accrued (*Zufluss*).

Investors should note that the aforementioned refund or reduction of German withholding tax under a Treaty requires the investor to make tax filings with the competent German tax authority using a withholding tax certificate issued under German law by the agent, who has withheld and remitted the withholding tax (the Paying Agent). If the depositary operates an interface with DTC, it should have under regular circumstances sufficient information about the identity of the ADS holder so that a tax reclaim process can be filed with the competent German tax office and a withholding tax certificate can be issued to the ADS holder. In the absence of such withholding tax certificate, an ADS holder will not be entitled to receive a tax refund from the German tax authorities and may not credit the German withholding tax against its tax liability.

Claims for refunds may be made on a separate form, which must be filed with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*, An der Küppe 1, 53225 Bonn, Germany). The form is available at the same address, on the German Federal Central Tax Office's website (www.bzst.de). The refund claim becomes time-barred after four years following the calendar year in which the dividend is received unless the commencement starts later, the period is interrupted or suspended. As described above, an investor must submit to the German tax authorities the original withholding tax certificate (or a certified copy thereof) issued by the Paying Agent and documenting the tax withheld. Furthermore, an official certification of tax residency must be submitted.

If dividends are distributed to corporations subject to a limited tax liability in Germany, i.e. corporations with no statutory seat or place of management in Germany, and if the shares neither belong to the assets of a permanent establishment or fixed place of business in Germany nor form part of business assets for which a permanent representative in Germany has been appointed, two-fifths of the tax withheld at the source can be, subject to national anti-treaty shopping provisions, refunded even if the prerequisites for a refund under the Parent-Subsidiary Directive or the relevant Treaty are not fulfilled.

The exemption from withholding tax under the Parent-Subsidiary Directive as well as the aforementioned possibilities for a refund of withholding tax depend on certain other conditions being met (particularly the fulfillment of so-called substance requirements - *Substanzerfordernisse*).

Taxation of the distributions from ADSs for investors domiciled in Germany

Based on the assumption that the ADS holder should be treated, in line with the ADR Tax Circular, as the beneficial owner of the Class A shares for German tax purposes, German ADS holders should be subject to German taxation as if they owned the Class A shares directly.

ADSs held as non-business assets

Dividends distributed to ADS holders with a tax domicile in Germany whose ADSs are held as non-business assets form part of their taxable capital investment income, which is subject to a flat tax at a rate of 25% plus solidarity surcharge of 5.5% thereon (i.e. 26.375% in total plus church tax, if applicable). The income tax owed for this dividend income is in general discharged by the withholding tax levied by the company (flat tax - *Abgeltungsteuer*) unless the ADS holder applies for the regular, progressive tax rate. Income-related expenses cannot be deducted from the capital investment income, except for an annual lump sum deduction (*Sparer-Pauschbetrag*) of €801 (€1,602 for married couples and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly). However, the ADS holder may request that its capital investment income (including dividends) along with its other taxable income is taxed at the progressive income tax rate (instead of the flat tax on capital investment income) if this results in a lower tax burden (*Günstigerprüfung*). In this case, the withholding tax will be credited against the progressive income tax and any excess amount will be refunded. Pursuant to the view of the German tax authorities (which has been confirmed by a decision by the German Federal Tax Court (*Bundesfinanzhof*)), in this case as well, income-related expenses cannot be deducted from the capital investment income, except for the aforementioned annual lump sum deduction.

Exceptions from the flat tax apply upon application for ADS holders with underlying shares of at least 25% in the company and for ADS holders with underlying shares of at least 1% in the company and who work for the company in a professional capacity.

An automatic procedure for deducting church tax applies unless the ADS holder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office. The church tax payable on the dividend is withheld and passed on by the Paying Agent. In this case, the church tax for dividends is satisfied by the Paying Agent withholding such tax. Church tax withheld at source may not be deducted as a special expense (*Sonderausgabe*) in the course of the tax assessment, but the Paying Agent may reduce the withholding tax (including the solidarity surcharge) by 26.375% of the church tax to be withheld on the dividends. If the ADS holder has filed a blocking notice and no church tax is withheld by a Paying Agent, an ADS holder subject to church tax is obliged to declare the dividends in his income tax return. The church tax on the dividends is then levied by way of a tax assessment.

As an exemption, dividend payments that are funded from the company's contribution account for tax purposes (*steuerliches Einlagekonto*; Section 27 KStG) and are paid to ADS holders with a tax domicile in Germany with ADSs held as non-business assets, do, contrary to the above, not form part of the ADS holder's taxable income (provided the respective certification requirements are properly fulfilled). If the dividend payment funded from the company's contribution account for tax purposes (*steuerliches Einlagekonto*; Section 27 KStG) exceeds the ADS holder's acquisition costs, negative acquisition costs will arise which can result in a higher capital gain in case of the ADSs' or shares' disposal. This will not apply if (i) the ADS holder or, in the event of a gratuitous transfer, its legal predecessor, or, if the ADSs have been gratuitously transferred several times in succession, one of his legal predecessors at any point during the five years preceding the (deemed, as the case may be) disposal, directly or indirectly held ADSs (and/or shares) that represent at least 1% of the underlying share capital of the company (a "Qualified Holding"), and (ii) the dividend payment funded from the company's contribution account for tax purposes (*steuerliches Einlagekonto*; Section 27 KStG) exceeds the acquisition costs of the ADSs. In such a case of a Qualified Holding, a dividend payment funded from the company's contribution account for tax purposes (*steuerliches Einlagekonto*; Section 27 KStG) is deemed a sale of the ADSs and is taxable as a capital gain if and to the extent the dividend payment funded from the company's contribution

account for tax purposes (*steuerliches Einlagekonto*; Section 27 KStG) exceeds the acquisition costs of the ADSs. In this case, the taxation corresponds with the description in “*German taxation of capital gains from ADSs - holder with a domicile in Germany*” made with regard to ADS holders maintaining a Qualified Holding.

The Paying Agent which keeps or administers the ADSs and pays or credits the capital income is required to create so-called pots for the loss set-off (*Verlustverrechnungstöpfe*) to allow for setting-off of negative capital income with current and future positive capital income. A set-off of negative capital income administrated by one Paying Agent with positive capital income administrated by another Paying Agent is not possible and can only be achieved in the course of the income tax assessment at the level of the respective investor. In this case, the taxpayer has to apply for a certificate confirming the amount of losses not offset with the Paying Agent where the pots for the loss set off exist. The application is irrevocable and has to reach the Paying Agent before December 15th of the respective year; otherwise the losses will be carried forward to the following year by the Paying Agent.

Withholding tax will not be withheld by a Paying Agent if the taxpayer provides the Paying Agent with an application for exemption (*Freistellungsauftrag*) to the extent that the capital income does not exceed the annual lump sum allowance (*Sparerpauschbetrag*) of €801 (€1,602 for married couples and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly) . Furthermore, no withholding tax will be levied if the taxpayer provides the Paying Agent with a non-assessment certificate (*Nichtveranlagungsbescheinigung*) to be applied for with the competent tax office of the investor.

ADSs held as business assets

Dividends from ADSs held as business assets by an ADS holder with a tax domicile in Germany are not subject to the flat tax. The taxation depends on whether the ADS holder is a corporation, a sole proprietor or a partnership (co-entrepreneurship). The withholding tax (including the solidarity surcharge thereon and church tax, if applicable) withheld and paid will be credited against the ADS holder’s income tax or corporate income tax liability (including the solidarity surcharge thereon and church tax, if applicable) or refunded in the amount of any excess.

Dividend payments that are funded from the company’s contribution account for tax purposes (*steuerliches Einlagekonto*; Section 27 KStG) and are paid to ADS holders with a tax domicile in Germany whose ADSs are held as business assets are fully tax-exempt in the hands of such ADS holder (provided the respective certification requirements are properly fulfilled). To the extent the dividend payments funded from the company’s contribution account for tax purposes exceed the acquisition costs of the ADS, a taxable capital gain should occur. The taxation of such gain corresponds with the description in “*German taxation of capital gains from ADSs*” made with regard to ADS holders whose ADSs are held as business assets (however, as regards the application of the 95% exemption in case of a corporation this is not undisputed).

Corporations

If the ADS holder is a corporation with a tax domicile in Germany, the dividends are effectively 95% exempt from corporate income tax and the solidarity surcharge unless an exception is applicable thereto. 5% of the dividends are treated as non-deductible business expenses and are therefore subject to corporate income tax (plus the solidarity surcharge thereon) at a total tax rate of 15.825%. In other respects, business expenses actually incurred in direct relation to the dividends may be deducted. However, dividends are not exempt from corporate income tax (including solidarity surcharge thereon), if the ADS holder only held (or holds) a direct participation of less than 10% in the underlying share capital of the distributing corporation at the beginning of the calendar year (hereinafter in all cases, a “Portfolio Participation” (*Streubesitzbeteiligung*)). Underlying participations of at least 10% acquired during a calendar year are deemed to have been acquired at the beginning of the calendar year. Underlying participations that an ADS holder holds through a partnership (including those that are co-

entrepreneurships (*Mitunternehmensschaften*)) are attributable to the ADS holder only on a *pro rata* basis at the ratio of the interest share of the ADS holder in the assets of the relevant partnership.

However, the dividends (after deducting business expenses economically related to the dividends) are subject to trade tax in the full amount, unless the requirements of the trade tax participation exemption privilege are fulfilled. In this latter case, the dividends are not subject to trade tax; however, trade tax is levied on amounts considered to be non-deductible business expenses (amounting to 5% of the dividend). Depending on the municipal trade tax multiplier applied by the relevant municipal authority, in most cases trade tax ranges from 7% to approximately 21%.

Sole proprietors

If the ADSs are held as business assets by a sole proprietor with a tax domicile in Germany, only 60% of the dividends are subject to progressive income tax (plus the solidarity surcharge thereon) at a total tax rate of up to approximately 47.5% (plus church tax, if applicable), under the so-called partial income method (*Teileinkünfteverfahren*). Only 60% of the business expenses economically related to the dividends are tax-deductible. If the ADSs belong to a domestic permanent establishment in Germany of a business operation of an ADS holder, the dividend income (after deducting business expenses economically related thereto) is fully subject to trade tax, unless the prerequisites of the trade tax participation exemption privilege are fulfilled. In this latter case, the net amount of dividends, i.e. after deducting directly related expenses, is exempt from trade tax. As a rule, trade tax can be credited against the ADS holder's personal income tax, either in full or in part, by means of a lump sum tax credit method, depending on the level of the municipal trade tax multiplier and certain individual tax-relevant circumstances of the taxpayer.

Partnerships

If the ADS holder is a genuine business partnership or a deemed business partnership (co-entrepreneurship) with a permanent establishment in Germany, the income tax or corporate income tax is not levied at the level of the partnership but at the level of the respective partner. The taxation of every partner depends on whether the partner is a corporation or an individual. If the partner is a corporation, the dividends contained in the profit share of the partner will be taxed in accordance with the rules applicable for corporations (see "*Corporations*" above). If the partner is an individual, the taxation follows the rules described for sole proprietors, (see "*Sole proprietors*" above). Upon application and subject to further conditions, an individual as a partner can have his personal income tax rate reduced for earnings retained at the level of the partnership.

In addition, the dividends are subject to trade tax in the full amount at the partnership level if the ADSs are attributed to a German permanent establishment of the partnership, unless the requirements of the trade tax participation exemption privilege are fulfilled. If a partner of the partnership is an individual, the portion of the trade tax paid by the partnership pertaining to his profit share will be credited, either in full or in part, against his personal income tax by means of a lump sum method, depending on the level of the municipal trade tax multiplier and certain individual tax-relevant circumstances of the taxpayer. It is unclear how the rules for the taxation of dividends from Portfolio Participations (see "*Corporations*" above) might impact the trade tax treatment at the level of the partnership. ADS holders are strongly recommended to consult their tax advisors. Under a literal reading of the law, if the partnership qualifies for the trade tax exemption privilege at the beginning of the relevant assessment period, the dividends should not be subject to trade tax. However, in this case, trade tax should be levied on 5% of the dividends to the extent they are attributable to the profit share of such corporate partners to whom at least 10% of the underlying shares in the company are attributable on a look-through basis, since such portion of the dividends should be deemed to be non-deductible business expenses. The remaining portion of the dividend income attributable to other than such specific corporate partners (which includes individual partners and should, under a literal reading of the law, also include corporate partners to whom, on a look-through basis, only

Portfolio Participations are attributable) should (after the deduction of business expenses economically related thereto) not be subject to trade tax.

Special treatment of companies in the financial and insurance sectors and pension funds

If credit institutions (*Kreditinstitute*) or financial services institutions (*Finanzdienstleistungsunternehmen*) hold ADSs that are allocable to their trading book pursuant to Section 340e para. 3 of the German Commercial Code (*Handelsgesetzbuch*), they will neither be able to use the partial income method nor be entitled to the effective 95% exemption from corporate income tax plus the solidarity surcharge and any applicable trade tax. Thus, dividend income is fully taxable. The same applies to financial institutions (*Finanzunternehmen*) in the meaning of the German Banking Act if they have acquired the ADSs prior to January 1, 2017 for the purpose of generating profits from short-term proprietary trading or if they have acquired the ADSs after December 31, 2016 and are predominantly owned by banks or financial services providers and have to book the ADSs as current assets (*Umlaufvermögen*) upon acquisition. The preceding sentences apply accordingly for ADSs held in a permanent establishment in Germany by foreign credit institutions, financial services institutions, and financial institutions. Likewise, the tax exemption described earlier afforded to corporations from ADSs does not apply to ADSs that qualify as a capital investment in the case of life insurance and health insurance companies, or those which are held by pension funds. However, an exemption to the foregoing, and thus a 95% effective tax exemption, applies to dividends obtained by the aforementioned companies, to which the Parent-Subsidiary Directive applies.

Withholding tax-ADSs held in a German custody account

If and when the ADSs are held in a German custody account withholding tax may apply at different levels:

- at a first level, there will be German withholding tax of 26.375% (including solidarity surcharge) on trivago N.V.'s dividend payment made to the ADS Agent; this withholding tax may be reduced to 15% or to a lower tax rate;
- at a second level, the German paying agent that holds the ADSs in custody for the investor, or the German Distribution Paying Agent, is required to withhold again German withholding tax of 26.375% (including solidarity surcharge) plus church tax, if any. The German Distribution Paying Agent is the German domestic credit or financial services institution (*inländisches Kredit- oder Finanzdienstleistungsinstitut*) (including German domestic branches of such foreign enterprises), the German domestic securities trading company (*inländisches Wertpapierhandelsunternehmen*) or the German domestic securities trading bank (*inländische Wertpapierhandelsbank*) which keeps or administers the ADSs and disburses or credits the ADS distributions.

Consequently, a higher tax burden may arise if the respective withholding tax certificate cannot be issued and therefore neither the German investor nor the ADS agent are able to use the withholding tax withheld at the first level or the second level as a tax credit or apply for a respective tax refund. The German Federal Ministry of Finance (*Bundesministerium der Finanzen*) has suggested and described a procedural solution to avoid such potential double taxation in an interpretation circular dated October 26, 2011 (BMF IV C 1 - S 2400/11/10002:003). However, from a procedural perspective, it is not entirely clear whether this circular also applies to ADSs. This should be the case since ADSs are representing the underlying Class A shares (see above).

Especially if the ADS are not held with a German Distribution Paying Agent, a German investor should be required to include any payment from the ADSs in its German tax return and may not be entitled to credit taxes withheld at the first or second level against its German tax liability for the reason that the required withholding tax certificate has not been issued.

Further, the refund or credit of the withholding tax may be denied in a portion of three-fifths under certain circumstances as further described in more detail in Section 36a German Income Tax Act

(*Einkommensteuergesetz*), *inter alia*, if and when the ADS holder is not the beneficial owner of the ADSs within a time frame of 45 days around the ex-date of the underlying Class A shares.

German taxation of capital gains from ADS

Taxation of capital gains from ADSs-ADS holder not tax resident in Germany

The capital gains from the disposition of ADSs realized by an ADS holder who is not a German tax resident should be subject to German tax only if such investor held ADSs that directly or indirectly represent 1% or more in the underlying company's ordinary shares (i.e., a Qualified Holding as defined in "*Taxation of the distributions from ADS for investors domiciled in Germany-ADSs held as non-business assets*") at any time during a five-year-period preceding the disposition or if the ADSs or underlying shares belong to a domestic permanent establishment or fixed place of business or are part of business assets for which a permanent representative in Germany has been appointed. If such holder had acquired the ADSs without consideration, the previous owner's holding period and amount of the holding would also be taken into account.

In case of a Qualified Holding, 5% of the gains from the disposal of the ADSs could, under German domestic tax law, currently be subject to corporate income tax plus solidarity surcharge thereon if the ADS holder is a corporation. However, the German Federal Tax Court (*Bundesfinanzhof*) has ruled against the application of the 5% rule in case of foreign corporations which have neither a permanent establishment nor a permanent representative in Germany. If the ADS holder is an individual, only 60% of the gains from the disposal of the ADSs are subject to the progressive income tax rate plus solidarity surcharge thereon (partial income method). However, most Treaties provide for an exemption from German taxation and attribute the right of taxation to the ADS holder's state of residence. According to German tax authorities there is no obligation to levy withholding tax at source in the case of a Qualified Holding if the ADS holder submits to the Paying Agent a certificate of residence issued by the competent foreign tax authority.

In case of a Qualified Holding, the relevant ADS holder has to file a German tax return. Please note that a tax return is also required if Germany does not have the right to tax such capital gains pursuant to the individual applicable Treaty.

With regard to capital gains or losses from ADSs attributable to a domestic permanent establishment or fixed place of business or which form part of business assets for which a permanent representative in Germany has been appointed, the provisions pertaining to ADS holders with a tax domicile in Germany whose ADSs are business assets apply *mutatis mutandis* (see "*Taxation of capital gains from ADSs - ADS holder with a domicile in Germany - ADSs held as business assets*"). The Paying Agent can refrain from deducting the withholding tax if the ADS holder declares to the Paying Agent on an official form that the ADSs form part of domestic business assets and certain other requirements are met.

German statutory law requires the disbursing agent to levy withholding tax on capital gains from the sale of ordinary shares or other securities, including ADSs, held in a custodial account in Germany. With regard to the German taxation of capital gains, disbursing agent means a credit institution, a financial services institution, a securities trading company or a securities trading bank (each as defined in the German Banking Act (*Kreditwesengesetz*) and, in each case including a German branch of a foreign enterprise, but excluding a foreign branch of a German enterprise) that holds the ADSs in custody or administers the ADSs for the investor or conducts sales or other dispositions and disburses or credits the income from the ADSs to the holder of the ADSs. The German statutory law with the exception of ADSs held by an ADS holder holding directly or indirectly through ADSs and shares at least 1% in the company's ordinary share capital, does not create a limited tax liability in Germany so that there should be no obligation to withhold taxes on such capital gains. Further, it is not entirely clear by the German statutory law whether a withholding should be made if and when the (share) ADS holder creates a limited tax liability in Germany with its holding. However, an interpretation circular (*Einzelfragen zur Abgeltungsteuer*) issued by the German Federal Ministry of Finance (*Bundesministerium der Finanzen*) dated January 18, 2016, as amended, (reference number IV C 1-S2252/08/10004:017) provides that taxes need not to be withheld when the holder of the custody account is not a resident of Germany for

German tax purposes and the income is not subject to German taxation. The interpretation circular further states that there is no obligation to withhold such tax even if the non-resident holder holds 1% or more of the share capital of a German company through ADSs and shares. Although this circular is not binding on German tax courts, in practice, the disbursing agents are required to follow the guidance contained in such interpretation circulars. But even if there is no withholding in Germany, the ADS holder is required to make a tax filing with the German tax authorities if and when it is subject to a limited tax liability in Germany with its capital gains under German domestic tax law.

Taxation of capital gains from ADSs-ADS holder with a domicile in Germany

The capital gain from the disposition of ADSs realized by an ADS holder who is tax resident in Germany should be subject to German tax as if the ADS holder owned the underlying Class A shares directly. This is supported by an interpretation circular (*Einzelfragen zur Abgeltungsteuer*) issued by the German Federal Ministry of Finance (*Bundesministerium der Finanzen*) dated January 18, 2016, as amended, (reference number IV C 1-S2252/08/10004:017) with respect to the limitation on the offsetting of capital loss from ADRs with capital gains from shares and/or ADRs and the exchange of the ADRs into the respective (represented) shares.

ADSs held as non-business assets

Gains from the disposal of ADSs by an ADS holder with a tax domicile in Germany and held as non-business assets are, regardless of the holding period, subject to a flat tax on capital investment income at a rate of 25% (plus the solidarity surcharge of 5.5% thereon, i.e. 26.375% in total plus any church tax if applicable) unless the ADS holder applies for the regular, progressive tax rate regime.

The taxable capital gain is computed as the difference between (a) the sale proceeds and (b) the acquisition costs of the ADS and the expenses related directly and economically to the disposal. Dividend payments that are funded from the company's contribution account for tax purposes (*steuerliches Einlagekonto*; Section 27 KStG) reduce the original acquisition costs; if dividend payments that are funded from the company's contribution account for tax purposes (*steuerliches Einlagekonto*; Section 27 KStG) exceed the acquisition costs, negative acquisition costs, which can increase a capital gain, can arise in case of ADS holders, whose ADS are held as non-business assets and do not qualify as Qualified Holding.

Only an annual lump sum deduction of €801 (€1,602 for married couples filing jointly) may be deducted from the entire capital investments income. It is not possible to deduct income-related expenses in connection with capital gains, except for the expenses directly related in substance to the disposal which can be deducted when calculating the capital gains. Losses from disposals of ADSs or shares may only be offset against capital gains from the disposal of ADSs or shares. Furthermore, if losses result from the derecognition (*Ausbuchung*) or transfer to a third party of worthless assets in terms of Section 20 para 1 German Income Tax Act (*Einkommensteuergesetz*) or any other total loss of such assets, such losses together with losses resulting from the full or partial non-recoverability of other capital investments of the same year and loss-carry forwards of previous years can only be offset against investment income up to an amount of €20,000 per calendar year.

If the disposal of the ADSs is executed by a domestic credit institution, domestic financial services institution (*inländisches Kredit- oder Finanzdienstleistungsinstitut*) (including domestic branches of foreign credit and financial services institutions), domestic securities trading company (*inländisches Wertpapierhandelsunternehmen*) or a domestic securities trading bank (*inländische Wertpapierhandelsbank*), and such office pays out or credits the capital gains (a Paying Agent), the tax on the capital gains will under regular circumstances be discharged for the account of the seller by the Paying Agent imposing the withholding tax on investment income at the rate of 26.375% (including the solidarity surcharge thereon) on the capital gain.

However, the ADS holder can apply for his total capital investment income together with his other taxable income to be subject to his progressive income tax rate as opposed to the flat tax on investment income, if this results in a lower tax liability. In this case, the withholding tax is credited against the progressive income tax and any resulting excess amount will be refunded. Pursuant to the current view of the German tax authorities (which has been confirmed by a decision by the German Federal Tax Court (*Bundesfinanzhof*)), in this case as well, income-related expenses cannot be deducted from the capital investment income, except for the aforementioned annual lump sum deduction. Further, the limitations on offsetting losses are also applicable in the context of the income tax assessment.

If the withholding tax or, if applicable, the church tax on capital gains is not withheld by a Paying Agent, the ADS holder is required to declare the capital gains in his income tax return. The income tax and any applicable church tax on the capital gains will then be collected by way of assessment.

An automatic procedure for deducting church tax applies unless the ADS holder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office; church tax on capital gains is then withheld by the Paying Agent and is deemed to have been paid when the tax is deducted. A deduction of the withheld church tax as a special expense is not permissible, but the withholding tax to be withheld (including the solidarity surcharge) is reduced by 26.375% of the church tax to be withheld on the capital gains.

Regardless of the holding period and the time of acquisition, gains from the disposal of ADSs are not subject to the flat tax but to progressive income tax if an ADS holder domiciled in Germany, or, in the event of a munificent transfer, their legal predecessor, or, if the ADSs have been munificently transferred several times in succession, one of his legal predecessors at any point during the five years preceding the disposal, directly or indirectly held ADSs (and/or shares) that represent at least 1% of the underlying share capital of the company (i.e., a Qualified Holding). In this case the partial income method applies to gains from the disposal of ADSs, which means that only 60% of the capital gains are subject to tax and only 60% of the losses on the disposal and expenses economically related thereto are tax deductible. Even though withholding tax has to be withheld by a Paying Agent in the case of a Qualified Holding, this does not discharge the tax liability of the ADS holder. Consequently, an ADS holder must declare his capital gains in his income tax return. The withholding tax (including the solidarity surcharge thereon and church tax, if applicable) levied and paid will be credited against the ADS holder's income tax liability as assessed (including the solidarity surcharge thereon and any church tax if applicable) or refunded in the amount of any excess.

ADSs held as business assets

Gains from the sale of ADSs held as business assets of an ADS holder with a tax domicile in Germany are not subject to the flat tax. The taxation of the capital gains depends on whether the ADS holder is a corporation, a sole proprietor or a partnership (co-entrepreneurship).

Corporations

If the ADS holder is a corporation with a tax domicile in Germany, the gains from the disposal of ADSs are, effectively 95% exempt from corporate income tax (including the solidarity surcharge thereon) and trade tax, regardless of the size of the participation and the holding period unless an exception is applicable thereto. 5% of the gains are treated as non-deductible business expenses and are therefore subject to corporate income tax (plus the solidarity surcharge thereon) at a rate of 15.825% and trade tax (depending on the municipal trade tax multiplier applied by the municipal authority, in most cases between 7% and approximately 21%). As a rule, capital losses and other profit reductions in connection with ADSs (e.g. from a write-down) cannot be deducted for tax purposes. Currently, there are no specific rules for the taxation of gains arising from the disposal of Portfolio Participations.

Sole proprietors

If the ADSs are held as business assets by a sole proprietor with a tax domicile in Germany, only 60% of the gains from the disposal of the ADSs are subject to progressive income tax (plus the solidarity surcharge thereon) at a total tax rate of up to approximately 47.5%, and, if applicable, church tax (partial income method). Only 60% of the losses on the disposal and expenses economically related thereto are tax deductible. If the ADSs belong to a German permanent establishment of a business operation of the sole proprietor, 60% of the gains of the disposal of the ADSs are, in addition, subject to trade tax.

Trade tax can be credited against the ADS holder's personal income tax liability, either in full or in part, by means of a lump sum tax credit method depending on the level of the municipal trade tax multiplier and certain individual tax-relevant circumstances of the taxpayer.

Partnerships

If the ADS holder is a genuine business partnership or a deemed business partnership (co-entrepreneurship) with a permanent establishment in Germany, the income or corporate income tax is not levied at the level of the partnership but at the level of the respective partner. The taxation depends on whether the partner is a corporation or an individual. If the partner is a corporation, the capital gains from the ADSs as contained in the profit share of the partner will be taxed in accordance with the rules applicable to corporations (see "*Corporations*" above). For capital gains in the profit share of a partner that is an individual, the principles outlined above for sole proprietors apply accordingly (partial income method, see above under "*Sole proprietors*"). Upon application and subject to further conditions, an individual as a partner can obtain a reduction of his personal income tax rate for earnings retained at the level of the partnership.

In addition, capital gains from the ADSs are subject to trade tax at the level of the partnership if the ADSs are attributed to a domestic permanent establishment of a business operation of the partnership, (i) at 60% as far as they are attributable to the profit share of an individual as the partner of the partnership, and, (ii) currently, at 5% as far as they are attributable to the profit share of a corporation as the partner of the partnership. Capital losses and other profit reductions in connection with the ADSs are currently not deductible for trade tax purposes if they are attributable to the profit share of a corporation; however, 60% of the capital losses are deductible subject to general limitations to the extent such losses are attributable to the profit share of an individual.

If the partner of the partnership is an individual, the portion of the trade tax paid by the partnership attributable to his profit share will be credited, either in full or in part, against his personal income tax by means of a lump sum method, depending on the level of the municipal trade tax multiplier and certain individual tax-relevant circumstances of the taxpayer.

Special treatment of companies in the financial and insurance sectors and pension funds

If credit institutions (*Kreditinstitute*) or financial services institutions (*Finanzdienstleistungsunternehmen*) sell ADSs that are allocable to their trading book pursuant to Section 340e para. 3 of the German Commercial Code (*Handelsgesetzbuch*), they will neither be able to use the partial income method nor be entitled to the effective 95% exemption from corporate income tax plus the solidarity surcharge and any applicable trade tax. Thus, capital gains are fully taxable. The same applies to financial institutions (*Finanzunternehmen*) in the meaning of the German Banking Act if they have acquired the ADSs prior to January 1, 2017 for the purpose of generating profits from short-term proprietary trading or if they have acquired the ADSs after December 31, 2016 and are predominantly owned by banks or financial services providers and have to book the ADSs as current assets (*Umlaufvermögen*) upon acquisition. The preceding sentences apply accordingly for ADSs held in a permanent establishment in Germany by foreign credit institutions, financial service institutions and financial institutions or if the ADSs reflect at least 1% of the share capital of the company. Likewise, the tax exemption described earlier afforded to corporations for dividend income and capital gains from the sale of ADSs does not apply to ADSs that

qualify as a capital investment in the case of life insurance and health insurance companies, or those which are held by pension funds.

Withholding tax

If the disposal of the ADSs is executed by a domestic credit institution, or domestic financial services institution (*inländisches Kredit- oder Finanzdienstleistungsinstitut*) (including domestic branches of foreign credit and financial services institutions), domestic securities trading company (*inländisches Wertpapierhandelsunternehmen*) or a domestic securities trading bank (*inländische Wertpapierhandelsbank*), and such office pays out or credits the capital gains (a Paying Agent), a withholding tax, if applicable, at the rate of 26.375% (including the solidarity surcharge) plus church tax, if any, on the capital gains for the account of the seller will be withheld by the Paying Agent. No withholding tax should become due, however, if the investor held directly or indirectly 1% or more in the share capital of the company through ADSs and/or shares at any time during a five-year-period preceding the disposition. In this event, the relevant investor has to file a German tax return.

In case of a Paying Agent, capital gains from ADSs held as business assets are not subject to withholding tax in the same way as ADSs held as non-business assets by an ADS holder (see "*Taxation of capital gains from ADSs - ADS holder with a domicile in Germany - ADSs held as non-business assets*"). Instead, the Paying Agent will not levy the withholding tax, provided that (i) the ADS holder is a corporation, association of persons or estate with a tax domicile in Germany, or (ii) the ADSs belong to the domestic business assets of an ADS holder, and the ADS holder declares so to the Paying Agent using the designated official form and certain other requirements are met. If withholding tax is imposed by a Paying Agent, the withholding tax (including the solidarity surcharge thereon and church tax, if applicable) imposed and discharged will be credited against the income tax or corporate income tax liability (including the solidarity surcharge thereon and church tax, if applicable) or will be refunded in the amount of any excess.

Taxation of capital gains from ADSs-Class A shares in exchange of the ADSs

An ADS holder may request from the issuer of the ADSs to receive the Class A shares in exchange for the ADSs. This kind of exchange should not be qualified as a sale of the ADSs followed by an acquisition of the Class A shares, because ADSs should represent a beneficial ownership interest in the underlying shares and the holders of ADSs should for German tax purposes be treated as if they held the shares directly (please refer to "*Item 3: Key information - D. Risk factors*" above). This treatment is supported by an interpretation circular (*Einzelfragen zur Abgeltungsteuer*) issued by the German Federal Ministry of Finance (*Bundesministerium der Finanzen*) dated January 18, 2016, as amended, (reference number IV C 1-S2252/08/10004:017). The income taxation of Class A shares follows the same basic principles as described for the ADSs.

German inheritance and gift tax

It is unclear whether the German inheritance or gift tax applies to the transfer of ADSs, as the ADR Tax Circular does not refer explicitly to the German Inheritance and Gift Tax Act (*Erbschaftsteuer- und Schenkungsteuergesetz*). However, if German inheritance or gift tax is applicable to ADSs, then, under German law, this transfer would be subject to German gift or inheritance tax if:

(a) the decedent or donor or heir, beneficiary or other transferee (i) maintained his or her residence or a habitual abode in Germany or had its place of management or registered office in Germany at the time of the transfer, or (ii) is a German citizen who has spent no more than five consecutive years outside Germany without maintaining a residence in Germany or (iii) is a German citizen who serves for a German entity established under public law and is remunerated for his or her service from German public funds (including family members who form part of such person's household, if they are German citizens) and is only subject to estate or inheritance tax in his or her country of residence or habitual abode with

respect to assets located in such country (special rules apply to certain former German citizens who neither maintain a residence nor have their habitual abode in Germany), or

(b) at the time of the transfer, the ADSs are held by the decedent or donor as business assets forming part of a permanent establishment in Germany or for which a permanent representative in Germany has been appointed, or

(c) the ADSs subject to such transfer form part of a portfolio that represents at the time of the transfer 10% or more of the registered share capital of the company and that has been held directly or indirectly by the decedent or donor, either alone or together with related persons.

Generally, the transferee may be subject to inheritance or gift tax in Germany and in the jurisdiction where he or she is tax resident if such jurisdiction levies such kind of tax. There are only limited treaties that intend to avoid the potential double taxation. Under the treaty between the Federal Republic of Germany and the United States of America for the avoidance of double taxation with respect to taxes on inheritances and gifts (*Abkommen zwischen der Bundesrepublik Deutschland und den Vereinigten Staaten von Amerika zur Vermeidung der Doppelbesteuerung auf dem Gebiet der Nachlass-, Erbschaft- und Schenkungsteuern in der Fassung vom 21. Dezember 2000*), or the United States-Germany Inheritance and Gifts Tax Treaty, and assuming that this treaty applies to ADSs, a transfer of ADSs by gift or upon death is not subject to German inheritance or gift tax if the donor or the transferor is domiciled in the United States within the meaning of the United States-Germany Inheritance and Gift Tax Treaty and is neither a citizen of Germany nor a former citizen of Germany and, at the time of the transfer, the ADSs are not held by the decedent or donor as business assets forming part of a permanent establishment in Germany or for which a permanent representative in Germany has been appointed. Notwithstanding the foregoing, in case the heir, transferee or other beneficiary (i) has, at the time of the transfer, his or her residence or habitual abode in Germany, or (ii) is a German citizen who has spent no more than five (or, in certain circumstances, ten) consecutive years outside Germany without maintaining a residence in Germany or (iii) is a German citizen who serves for a German entity established under public law and is remunerated for his or her service from German public funds (including family members who form part of such person's household, if they are German citizens) and is only subject to estate or inheritance tax in his or her country of residence or habitual abode with respect to assets located in such country (or special rules apply to certain former German citizens who neither maintain a residence nor have their habitual abode in Germany), the transferred ADSs are subject to German inheritance or gift tax.

If, in this case, Germany levies inheritance or gift tax on the ADSs with reference to the heir's, transferee's or other beneficiary's residence in Germany or his or her German citizenship, and the United States also levies federal estate tax or federal gift tax with reference to the decedent's or donor's residence (but not with reference to the decedent's or donor's citizenship), the amount of the U.S. federal estate tax or the U.S. federal gift tax, respectively, paid in the United States with respect to the transferred ADSs is credited against the German inheritance or gift tax liability, provided the U.S. federal estate tax or the U.S. federal gift tax, as the case may be, does not exceed the part of the German inheritance or gift tax, as computed before the credit is given, which is attributable to the transferred ADSs. A claim for credit of the U.S. federal estate tax or the U.S. federal gift tax, as the case may be, may be made within one year of the final determination (administrative or judicial) and payment of the U.S. federal estate tax or the U.S. federal gift tax, as the case may be, provided that the determination and payment are made within ten years of the date of death of the decedent or of the date of the making of the gift by the donor. Similarly, U.S. state-level estate or gift tax is also creditable against the German inheritance or gift tax liability to the extent that U.S. federal estate or gift tax is creditable.

Other German taxes

There are no transfer, stamp or similar taxes which would apply to the purchase, sale or other disposition of ADSs in Germany. Further, no value added tax is currently levied on the purchase or disposal or other forms of transfer of the ADSs; however, an entrepreneur may opt to subject disposals of ADSs, which are in principle exempt from value added tax, to value added tax if the sale is made to another entrepreneur

for the entrepreneur's business. Net worth tax (*Vermögensteuer*) is currently not levied in Germany. By the end of 2020, there have been further discussions and initiatives on the financial transaction tax (*Finanzstransaktionssteuer*) among members States of the European Union, including Germany, but it is still unclear and not yet decided if and when such financial transaction tax (based on a potential EU Directive) will be introduced. Such financial transaction tax may also be applicable on the sales and/or transfer of ADSs.

Material Netherlands tax considerations

General

The following is a summary of material Netherlands tax consequences of the acquisition, holding and disposal of our ADSs or Class A shares. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of our ADSs or Class A shares and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special treatment under applicable law (such as trusts or other arrangements). In view of its general nature, it should be treated with corresponding caution. To the extent this summary relates to legal conclusions under current Netherlands tax law, and subject to the qualifications it contains, it represents the opinion of NautaDutilh N.V., our special Dutch counsel. Holders should consult with their tax advisors with regard to the tax consequences of investing in the ADSs or Class A shares in their particular circumstances. The discussion below is included for general information purposes only. For purposes of Dutch tax law, a holder of ADSs or Class A shares may include an individual or entity who does not have the legal title of these ADSs or Class A shares, but to whom nevertheless the ADSs or Class A shares or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the ADSs or Class A shares or the income thereof.

Please note that this summary does not describe the tax considerations for:

- (i) holders of ADSs or Class A shares if such holders, and in the case of individuals, his or her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in us under the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). A holder of securities in a company is considered to hold a substantial interest in such company if such holder alone or, in the case of individuals, together with his or her partner (as defined in the Netherlands Income Tax Act 2001), directly or indirectly holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit sharing rights in that company that relate to 5% or more of the company's annual profits and/or to 5% or more of the company's liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;
- (ii) a holder of ADSs or Class A shares that is not an individual for which its shareholding qualifies or qualified as a participation (*deelneming*) for purposes of the Netherlands Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*). A taxpayer's shareholding of 5% or more in a company's nominal paid-up share capital qualifies as a participation. A holder may also have a participation if such holder does not have a shareholding of 5% or more but a related entity (statutorily defined term) has a participation or if the company in which the shares are held is a related entity (statutorily defined term);
- (iii) holders of ADSs or Class A shares who are individuals for whom the ADSs or Class A shares or any benefit derived from the ADSs or Class A shares are a remuneration or deemed to be a remuneration for (employment) activities performed by such holders or certain individuals related to such holders (as defined in the Netherlands Income Tax Act 2001); and
- (iv) pension funds, investment institutions (*fiscale beleggingsinstellingen*), exempt investment institutions (*vrijgestelde beleggingsinstellingen*) and other entities that are, in whole or in part, not subject to or

exempt from corporate income tax in the Netherlands, as well as entities that are exempt from corporate income tax in their country of residence, such country of residence being another state of the European Union, Norway, Liechtenstein, Iceland or any other state with which the Netherlands have agreed to exchange information in line with international standards.

Except as otherwise indicated, this summary only addresses Netherlands national tax legislation and published regulations, whereby the Netherlands and Dutch law means the part of the Kingdom of the Netherlands located in Europe and its law respectively, as in effect on the date hereof and as interpreted in published case law until this date as available in printed form, without prejudice to any amendment introduced (or to become effective) at a later date and/or implemented with or without retroactive effect. The applicable tax laws or interpretations thereof may change, or the relevant facts and circumstances may change, and such changes may affect the contents of this section, which will not be updated to reflect any such changes.

This discussion is for general information purposes and is not tax advice or a complete description of all Dutch tax consequences relating to the acquisition, holding and disposal of our ADS or Class A shares. Holders or prospective holders of our ADS or Class A shares should consult their own tax advisor regarding the tax consequences relating to the acquisition, holding and disposal of our common shares in light of their particular circumstances.

Dividend withholding tax

Dividends distributed by us are generally subject to Dutch dividend withholding tax at a rate of 15% (which withholding tax will not be borne by us, but will be withheld by us from the gross dividends paid on the Class A shares). However, as long as we continue to have our place of effective management in Germany, and not in the Netherlands, under the convention between the Federal Republic of Germany and the Netherlands for the avoidance of double taxation with respect to taxes on income of 2012, we will be considered to be exclusively tax resident in Germany and we will not be required to withhold Dutch dividend withholding tax. This exemption from withholding does not apply to dividends distributed by us to a holder who is resident or deemed to be resident in the Netherlands for Dutch income tax purposes or Dutch corporation tax purposes or to holders of ADSs or Class A shares that are neither resident nor deemed to be resident of the Netherlands if the ADSs or Class A shares are attributable to a Netherlands permanent establishment of such non-resident holder, in which case the following applies. See *“Item 3: Key information - D. Risk factors - If we ever pay dividends, we may need to withhold tax on such dividends payable to holders of our ADSs in both Germany and the Netherlands.”*

Dividends distributed by us to individuals and corporate legal entities who are resident or deemed to be resident in the Netherlands for Netherlands tax purposes (“Netherlands Resident Individuals” and “Netherlands Resident Entities” as the case may be) or to holders of ADSs or Class A shares that are neither resident nor deemed to be resident of the Netherlands if the ADSs or Class A shares are attributable to a Netherlands permanent establishment of such non-resident holder are subject to Netherlands dividend withholding tax at a rate of 15%. The expression “dividends distributed” includes, among other things:

- distributions in cash or in kind, deemed and constructive distributions and repayments of paid-in capital not recognized for Netherlands dividend withholding tax purposes;
- liquidation proceeds, proceeds of redemption of Class A shares, or proceeds of the repurchase of Class A shares by us or one of our subsidiaries or other affiliated entities to the extent such proceeds exceed the average paid-in capital of those Class A shares as recognized for purposes of Netherlands dividend withholding tax, unless, in case of a repurchase, a particular statutory exemption applies;
- an amount equal to the par value of Class A shares issued or an increase of the par value of Class A shares, to the extent that it does not appear that a contribution, recognized for purposes of Netherlands dividend withholding tax, has been made or will be made; and

- partial repayment of the paid-in capital, recognized for purposes of Netherlands dividend withholding tax, if and to the extent that we have net profits (*zuivere winst*), unless the holders of Class A shares have resolved in advance at a general meeting to make such repayment and the par value of the Class A shares concerned has been reduced by an equal amount by way of an amendment of our articles of association.

Netherlands Resident Individuals and Netherlands Resident Entities can generally credit the Netherlands dividend withholding tax against their income tax or corporate income tax liability and to a refund of any residual Dutch dividend withholding tax. The same applies to holders of ADSs or Class A shares that are neither resident nor deemed to be resident of the Netherlands if the ADSs or Class A shares are attributable to a Netherlands permanent establishment of such non-resident holder.

A holder of ADSs or Class A shares that is resident of a country other than the Netherlands may, depending on such holder's specific circumstances, be entitled to exemptions from, reduction of, or full or partial refund of, Dutch dividend withholding tax under Dutch national tax legislation, EU law, or treaties for the avoidance of double taxation in effect between the Netherlands and such other country.

Pursuant to legislation to counteract "dividend stripping," a reduction, exemption, credit or refund of Netherlands dividend withholding tax is denied if the recipient of the dividend is not the beneficial owner (*uiteindelijk gerechtigde*) as described in the Netherlands Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*). This legislation targets situations in which a shareholder retains its economic interest in shares but reduces the withholding tax costs on dividends by a transaction with another party. It is not required for these rules to apply that the recipient of the dividends is aware that a dividend stripping transaction took place. The Netherlands State Secretary of Finance takes the position that the definition of beneficial ownership introduced by this legislation will also apply in the context of a double taxation convention.

Conditional withholding tax on dividends (as per 1 January 2024)

As of 1 January 2024, a Dutch conditional withholding tax will be imposed on dividends distributed by the us to entities related (*gelieerd*) to us (within the meaning of the Dutch Withholding Tax Act 2021; *Wet bronbelasting 2021*), if such related entity:

- (i) is considered to be resident (*gevestigd*) in a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*) (a "Listed Jurisdiction"); or
- (ii) has a permanent establishment located in a Listed Jurisdiction to which the ADSs or Class A shares are attributable; or
- (iii) holds the ADSs or Class A shares for the main purpose or one of the main purposes to avoid taxation for another person or entity and there is an artificial arrangement or transaction or a series of artificial arrangements or transactions; or
- (iv) is not considered to be the beneficial owner of the ADSs or Class A shares in its jurisdiction of residence because such jurisdiction treats another entity as the beneficial owner of the ADSs or Class A shares (a hybrid mismatch); or
- (v) is not resident in any jurisdiction (also a hybrid mismatch); or
- (vi) is a reverse hybrid (within the meaning of Article 2(12) of the Dutch Corporate Income Tax Act 1969), if and to the extent (x) there is a participant in the reverse hybrid which is related (*gelieerd*) to the reverse hybrid, (y) the jurisdiction of residence of such participant treats the reverse hybrid as transparent for tax purposes and (z) such participant would have been subject to the Dutch conditional withholding tax in respect of dividends distributed by us without the interposition of the reverse hybrid,

all within the meaning of the Dutch Withholding Tax Act 2021).

The conditional withholding tax on dividends will be imposed at the highest Dutch corporate income tax rate in effect at the time of the distribution (currently 25.8%). The conditional withholding tax on dividends will be reduced, but not below zero, by any regular Dutch dividend withholding tax withheld in respect of the same dividend payment. As such, based on the currently applicable rates, the overall effective tax rate of withholding the regular Dutch dividend withholding tax (as described above) and the Dutch conditional withholding tax on dividends will not exceed the highest corporate income tax rate in effect at the time of the distribution (currently 25.8%).

Taxes on income and capital gains

Netherlands Resident Individuals

If a holder of ADSs or Class A shares is a Netherlands Resident Individual, any benefit derived or deemed to be derived from the ADSs or Class A shares is taxable at the progressive income tax rates (with a maximum of 49.50%, rate for 2022), if:

- a. the ADSs or Class A shares are attributable to an enterprise from which the Netherlands Resident Individual derives a share of the profit, whether as an entrepreneur (*ondernemer*) or as a person who has a co-entitlement to the net worth (*medegerechtigd tot het vermogen*) of such enterprise, without being an entrepreneur or a shareholder in such enterprise, as defined in the Netherlands Income Tax Act 2001; or
- b. the holder of the ADSs or Class A shares is considered to perform activities with respect to the ADSs or Class A shares that go beyond ordinary asset management (*normaal, actief vermogensbeheer*) or derives benefits from the ADSs or Class A shares that are taxable as benefits from other activities (*resultaat uit overige werkzaamheden*).

If the above-mentioned conditions (a) and (b) do not apply to the individual holder of ADSs or Class A shares, such holder will be taxed annually on a deemed return (with a maximum of 5.69% in 2021) on the individual's net investment assets (*rendementsgrondslag*) for the year, insofar the individual's net investment assets for the year exceed a statutory threshold (*heffingvrij vermogen*). The deemed return on the individual's net investment assets for the year is taxed at a rate of 31%. Actual income, gains or losses in respect of the ADSs or Class A shares are as such not subject to income tax in the Netherlands.

The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on January 1 of the relevant calendar year. The ADSs or Class A shares are included as investment assets. For the net investment assets on January 1, 2022, the deemed return ranges from 1.82% to 5.53% (depending on the aggregate amount of the net investment). The deemed return will be adjusted annually on the basis of historic market yields.

Netherlands Resident Entities

Any benefit derived or deemed to be derived from the ADSs or Class A shares held by Netherlands Resident Entities, including any capital gains realized on the disposal thereof, will be subject to Netherlands corporate income tax at a rate of 15% with respect to taxable profits up to €395,000 and 25.8% with respect to taxable profits in excess of that amount (rates and brackets for 2022).

Non-residents of the Netherlands

A holder of ADSs or Class A shares that is neither a Netherlands Resident Entity nor a Netherlands Resident Individual will not be subject to Netherlands taxes on income or on capital gains in respect of any payment under ADSs or the Class A shares or any gain realized on the disposal or deemed disposal of the ADSs or Class A shares, provided that:

- i. such holder does not have an interest in an enterprise or a deemed enterprise (as defined in the Netherlands Income Tax Act 2001 and the Netherlands Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a

permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the ADSs or Class A shares are attributable; and

- ii. in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the ADSs or Class A shares that go beyond ordinary asset management and does not derive benefits from the ADSs or Class A shares that are taxable as benefits from other activities in the Netherlands.

Gift and inheritance taxes

Residents of the Netherlands

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the ADSs or Class A shares by way of a gift by, or on the death of, a holder of ADSs or Class A shares who is resident or deemed to be resident in the Netherlands at the time of the gift or the holder's death.

Non-residents of the Netherlands

No gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the ADSs or Class A shares by way of gift by, or on the death of, a holder of ADSs or Class A shares who is neither resident nor deemed to be resident in the Netherlands, unless:

- i. in the case of a gift of ADSs or Class A shares by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident of the Netherlands; or
- ii. the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident of the Netherlands.

For purposes of Netherlands gift and inheritance taxes, amongst others, a person that holds the Netherlands nationality will be deemed to be resident of the Netherlands if such person has been resident in the Netherlands at any time during the ten years preceding the date of the gift or the holder's death. Additionally, for purposes of Netherlands gift tax, amongst others, a person not holding the Netherlands nationality will be deemed to be resident of the Netherlands if such person has been resident in the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Other taxes and duties

No Netherlands value added tax (*omzetbelasting*) and no Netherlands registration tax, stamp duty or any other similar documentary tax or duty will be payable by a holder of ADSs or Class A shares on any payment in consideration for the acquisition, ownership or disposal of the ADSs or Class A shares (other than a payment for financial services that are not exempt from Netherlands value added tax and that are rendered to the holder of ADSs or Class A shares that is resident in Netherlands for Netherlands tax purposes).

Material U.S. federal income tax considerations

The following is a discussion of the material U.S. federal income tax consequences to U.S. Holders (as defined below) under present law of the ownership and disposition of our ADSs. This discussion applies only to U.S. Holders that hold such ADSs as "capital assets" (within the meaning of Section 1221 of the Code) and that have the U.S. dollar as their functional currency. This discussion is based on the Internal Revenue Code of 1986, as amended, the Code, the U.S. Treasury regulations promulgated thereunder,

administrative rulings of the IRS and judicial decisions, and the income tax treaty between the United States of America and the Federal Republic of Germany dated August 29, 1989 (as amended by any subsequent protocols, including the protocol of June 1, 2006) (the "Treaty") each as in effect as of the date hereof. All of the foregoing authorities are subject to change or differing interpretations, possibly with retroactive effect, and any such change or differing interpretation could affect the tax consequences described below. This discussion does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may be relevant to holders with respect to their ownership and disposition of ADSs. Accordingly, it is not intended to be, and should not be construed as, tax advice. This summary does not address any consequences under any U.S. federal tax laws other than those pertaining to the income tax (e.g., estate or gift taxes), any alternative minimum tax consequences, any consequences under the Medicare tax imposed at 3.8% on certain investment income, any withholding required pursuant to the Foreign Account Tax Compliance Act of 2010 (including the U.S. Treasury regulations promulgated thereunder and intergovernmental agreements entered into in connection therewith) or any state, local or non-U.S. tax consequences.

The following discussion also does not address U.S. federal income tax consequences that may be relevant to a U.S. Holder in light of such holder's particular circumstances or to U.S. Holders subject to special rules under the U.S. federal income tax laws such as:

- banks and other financial institutions;
- regulated investment companies, real estate investment trusts and grantor trusts;
- insurance companies;
- broker-dealers;
- traders in securities that elect to mark to market;
- tax-exempt entities or any individual retirement account or Roth IRA as defined in Sections 408 and 408A of the Code, respectively;
- U.S. expatriates;
- persons holding our ADSs as part of a straddle, hedging, constructive sale, conversion or other integrated transaction;
- persons that actually or constructively own 10% or more of the voting power or value of our stock;
- persons that are resident or ordinarily resident in or have a permanent establishment in a jurisdiction outside the United States or persons that are not U.S. Holders (as defined below);
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our ADSs being taken into account in an applicable financial statement;
- persons who acquired our ADSs pursuant to the exercise of any employee share option or otherwise as compensation; or
- partnerships or other pass-through entities or arrangements treated as such (or persons holding our ADSs through partnerships or other pass-through entities or arrangements treated as such).

PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR ADSs.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of ADSs that is a citizen or resident of the United States or a U.S. domestic corporation or that otherwise is subject to U.S. federal income

taxation on a net income basis in respect of such ADSs and that is fully eligible for benefits under the Treaty.

The discussion below assumes the representations contained in the deposit agreement are true and that the obligations in the deposit agreement and any related agreement have been and will be complied with in accordance with their terms. For U.S. federal income tax purposes, a U.S. Holder of ADSs should be treated as the beneficial owner of the underlying Class A shares represented by the ADSs. Accordingly, no gain or loss should be recognized if a U.S. Holder exchanges ADSs for the underlying shares represented by those ADSs.

The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the beneficial ownership of the underlying security. Accordingly, the creditability of any foreign taxes paid and the availability of the reduced tax rate for dividends received by certain non-corporate U.S. Holders, including individual U.S. Holders (as discussed below), could be affected by actions taken by intermediaries in the chain of ownership between the holders of ADSs and us if as a result of such actions the holders of ADSs are not properly treated as beneficial owners of underlying Class A shares.

Distributions

Subject to the passive foreign investment company, or PFIC, rules discussed below, the gross amount of distributions made with respect to our ADSs (including the amount of any foreign taxes withheld therefrom, if any, and excluding certain pro rata distributions of our Class A Shares or other similar equity interests) will be includable in a U.S. Holder's gross income, in accordance with such U.S. Holder's method of accounting for U.S. federal income tax purposes, as dividend income, to the extent that such distributions are paid out of our current or accumulated earnings and profits as determined under U.S. federal income tax principles. We do not compute earnings and profits under U.S. federal income tax principles. U.S. Holders accordingly should expect that all such distributions made with respect to our ADSs will be treated as dividends. Dividends on our ADSs will not be eligible for the dividends-received deduction allowed under the Code to U.S. Holders that are corporations.

With respect to non-corporate U.S. Holders, dividends on our ADSs may qualify as "qualified dividend income" which is eligible for reduced rates of taxation provided that (1) we are eligible for the benefits of the Treaty or with respect to any dividend paid on ADSs which are readily tradable on an established securities market in the United States, (2) we are not a PFIC (as discussed below) for either the taxable year in which the dividend was paid or the preceding taxable year, (3) the U.S. Holder satisfies certain holding period requirements, and (4) the U.S. Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. U.S. Holders should consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to our ADSs. Our ADSs are listed on Nasdaq, which is an established securities market in the United States. The ADSs should be considered readily tradable on Nasdaq. However, there can be no assurance that the ADSs will be considered readily tradable on an established securities market in the United States in future years.

The amount of any distribution on our ADSs paid in foreign currency will be equal to the U.S. dollar value of such currency on the date such distribution is includable in income by the recipient, regardless of whether the payment is in fact converted into U.S. dollars at that time. The amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution.

Sale or other taxable disposition of our ADSs

Subject to the PFIC rules discussed below, upon a sale or other taxable disposition of ADSs, a U.S. Holder will recognize a capital gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realized on such disposition and such U.S. Holder's adjusted tax basis in such ADSs. Any such gain or loss will be treated as long-term capital gain or loss if the U.S. Holder's

holding period for such ADSs exceeds one year. Non-corporate U.S. Holders (including individuals) are currently subject to U.S. federal income tax on long-term capital gain at preferential rates. The deductibility of capital losses is subject to significant limitations.

If the consideration received for our ADSs is paid in foreign currency, the amount realized will be the U.S. dollar value of the payment received translated at the spot rate of exchange on the date of disposition. If our ADSs are treated as traded on an established securities market and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the Internal Revenue Service), such holder will determine the U.S. dollar value of the amount realized in a foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. If our ADSs are not treated as traded on an established securities market, or the relevant U.S. Holder is an accrual basis taxpayer that is not eligible to or does not elect to determine the amount realized using the spot rate on the settlement date, such U.S. Holder will recognize foreign currency gain or loss to the extent of any difference between the U.S. dollar amount realized on the date of disposition (as determined above) and the U.S. dollar value of the currency received at the spot rate on the settlement date. A U.S. Holder's initial tax basis in our ADSs will equal the cost of such ADSs. If a U.S. Holder used foreign currency to purchase our ADSs, the cost of our ADSs will be the U.S. dollar value of the foreign currency purchase price on the date of purchase. If our ADSs are treated as traded on an established securities market and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described above, such holder will determine the U.S. dollar value of the cost of such ADSs by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

Foreign taxes

Foreign taxes (if any) withheld or paid on dividends on, or upon the sale or other taxable disposition of, our ADSs may, subject to limitations and conditions, be treated as foreign income tax eligible for credit against such U.S. Holder's U.S. federal income tax liability under the U.S. foreign tax credit rules or, at such holder's election, eligible for deduction in computing such holder's U.S. federal taxable income. If a refund of any such foreign tax is available to a U.S. Holder under the laws of the country imposing such tax or under an applicable income tax treaty, the amount of such tax that is refundable will not be eligible for the credit or deduction against the U.S. Holder's U.S. federal income tax liability. Subject to the following sentence, dividends paid on our ADSs will constitute foreign source income and generally will be considered "passive category" income in computing the foreign tax credit allowable to U.S. Holders under U.S. federal income tax laws. However, if we are a "United States-owned foreign corporation," solely for foreign tax credit purposes, a portion of the dividends allocable to our U.S. source earnings and profits may be re-characterized as U.S. source. A "United States-owned foreign corporation" is any foreign corporation in which U.S. persons own, directly or indirectly, 50% or more (by vote or by value) of the stock. United States-owned foreign corporations with less than 10% of earnings and profits attributable to sources within the United States are excepted from these rules. We are currently a United States-owned foreign corporation. As a result, so long as 10% or more of our earnings and profits are attributable to sources within the United States, a portion of the dividends allocable to our U.S. source earnings and profits will be treated as U.S. source for foreign tax credit purposes. In addition, any gain from the sale or other taxable disposition of ADSs by a U.S. Holder will constitute U.S. source income. A U.S. Holder may not be able to offset any foreign tax withheld or paid as a credit against U.S. federal income tax imposed on that portion of any dividends or gain that is U.S. source unless the U.S. Holder has foreign source income or gain in the same category from other sources. The rules governing the treatment of foreign taxes imposed on a U.S. Holder and foreign tax credits are complex, and U.S. Holders should consult their tax advisors about the impact of these rules in their particular situations.

Passive Foreign Investment Company

Notwithstanding the foregoing, 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. We would be classified as a PFIC for any taxable year 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 Code), or (2) 50% or more of the value of our assets (generally 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. For this purpose, “passive income” includes, subject to certain exceptions, dividends, interest, royalties, rents, annuities, gains from commodities and securities transactions, net gains from the sale or exchange of property producing such passive income, net foreign currency gains and amounts derived by reason of the temporary investment of funds.

Based on the market price of our ADSs and the composition of our income, assets and operations, we do not expect to be treated as a PFIC for U.S. federal income tax purposes for the taxable year ended December 31, 2021 or in the foreseeable future. However, the application of the PFIC rules to us may be subject to ambiguity. In addition, this is a factual determination that must be made annually after the close of each taxable year. Therefore, there can be no assurance that we will not be classified as a PFIC for the taxable year ended December 31, 2021 or for any future taxable year. Furthermore, because PFIC status is a factual determination based on actual results for the entire taxable year, our U.S. counsel expresses no opinion with respect to our PFIC status and expresses no opinion with respect to our expectations contained in this paragraph.

If we were classified as a PFIC for any taxable year during which a U.S. Holder held ADSs, such holder would be subject to special tax rules with respect to any “excess distribution” that it receives in respect of our ADSs and any gain it realizes from a sale or other disposition (including a pledge) of our ADSs, unless such holder makes a “mark-to-market” election as discussed below. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over the U.S. Holder’s holding period for our ADSs;
- the amount allocated to the current taxable year, and any taxable year in such holder’s holding period prior to the first taxable year in which we became a PFIC, will be treated as ordinary income; and
- the amount allocated to each other year will be subject to the highest tax rate in effect for that year and the interest charge applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

In addition, dividend distributions made to such holder will not qualify for the lower rates of taxation applicable to long-term capital gains discussed above under “*Distributions.*”

A U.S. Holder will be required to make an annual filing with the Internal Revenue Service if such holder holds our ADSs in any year in which we are classified as a PFIC.

If we are a PFIC for any year during which a U.S. Holder holds our ADSs, we will continue to be treated as a PFIC with respect to such holder for all succeeding years during which the holder holds our ADSs. If we cease to be a PFIC, such a U.S. Holder may be able to avoid some of the adverse effects of the PFIC regime by making a deemed sale election with respect to our ADSs. If such election is made, the U.S. Holder will be deemed to have sold the ADSs it holds at their fair market value on the last day of the last taxable year in which we qualified as a PFIC, and any gain from such deemed sale would be subject to the consequences described above. After the deemed sale election, the U.S. Holder’s ADSs with respect to which the deemed sale election was made will not be treated as ADSs in a PFIC unless we subsequently become a PFIC.

If a U.S. Holder is eligible to and does make a mark-to-market election, such holder will include as ordinary income the excess, if any, of the fair market value of our ADSs at the end of each taxable year over their adjusted basis, and will be permitted an ordinary loss in respect of the excess, if any, of the adjusted basis of our ADSs over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). Any

gain recognized on the sale or other disposition of our ADSs will be treated as ordinary income. The mark-to-market election is available only for “marketable stock,” which is stock that is traded in other than *de minimis* quantities on at least 15 days during each calendar quarter on a qualified exchange or other market, as defined in the applicable U.S. Treasury regulations. U.S. Holders should consult their tax advisors regarding the potential application of the PFIC rules to their ownership of our ADSs.

A timely election to treat us as a qualified electing fund under the Code would result in an alternative treatment. However, we do not intend to prepare or provide the information that would enable U.S. Holders to make a qualified electing fund election.

The U.S. federal income tax rules relating to PFICs are complex. Prospective U.S. investors are urged to consult their tax advisors with respect to the application of the PFIC rules to their investment in the ADSs.

U.S. information reporting and backup withholding

Dividend payments with respect to our ADSs and proceeds from the sale, exchange or redemption of our ADSs may be subject to information reporting to the Internal Revenue Service and possible U.S. backup withholding. Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number on a properly completed Internal Revenue Service Form W-9 or otherwise properly establishes an exemption from backup withholding. U.S. Holders who are required to establish their exempt status may be required to provide such certification on Internal Revenue Service Form W-9. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder’s U.S. federal income tax liability, if any, and such holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund and furnishing any required information to the Internal Revenue Service.

Foreign financial asset reporting

Individuals that own “specified foreign financial assets” with an aggregate value in excess of U.S.\$50,000 on the last day of the taxable year or U.S.\$75,000 at any time during the taxable year are generally required to file an information report with respect to such assets with their tax returns. “Specified foreign financial assets” include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (1) stocks and securities issued by non-U.S. persons, (2) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties, and (3) interests in foreign entities. Our ADSs may be subject to these rules. Additionally, under certain circumstances, an entity may be treated as an individual for purposes of these rules. U.S. Holders are urged to consult their tax advisors regarding the application of this requirement to their ownership of our ADSs.

THE DISCUSSION ABOVE DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO YOU. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN OUR ADSs UNDER THE INVESTOR’S CIRCUMSTANCES.

F. Dividends and paying agents

Not applicable.

G. Statements by experts

Not applicable.

H. Documents on display

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F no later than four months after the close of each fiscal year, which is December 31. The SEC maintains a web site at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. Our filings made with the SEC are available on the SEC's website. We also make available on the investor relations section of our website, free of charge, our annual reports on Form 20-F and the text of our reports on Form 6-K, including any amendments to these reports, as well as certain other SEC filings, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Our website address is www.ir.trivago.com. The information contained on or through our website is not incorporated by reference in this document.

As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and major shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

I. Subsidiary information

Not applicable.

Item 11: Quantitative and qualitative disclosures about market risk

See “Item 5: Operating and financial review and prospects - Quantitative and qualitative disclosures about market risk.”

Item 12: Description of securities other than equity securities

A. Debt securities

Not applicable.

B. Warrants and rights

Not applicable.

C. Other securities

Not applicable.

D. American Depositary Shares

Deutsche Bank Trust Company Americas, as depositary, registers and delivers American Depositary Shares, also referred to as ADSs. Each ADS represents one Class A share (or a right to receive one Class A share) deposited with Deutsche Bank AG, or any successor, as custodian for the depositary. A deposit agreement among us, the depositary and you the ADS holders sets out ADS holder rights as well as the rights and obligations of the depositary. A copy of the Agreement is incorporated by reference as an exhibit to this annual report. The depositary's corporate trust office at which the ADSs will be administered and the depositary's principal executive office is located at 60 Wall Street, New York, New York 10005.

Fees and Expenses

Pursuant to the terms of the deposit agreement, the holders of ADSs will be required to pay the following fees:

Service	Fees
<ul style="list-style-type: none">• To any person to which ADSs are issued or to any person to which a distribution is made in respect of ADS distributions pursuant to stock dividends or other free distributions of stock, bonus distributions, stock splits or other distributions (except where converted to cash)	Up to US\$0.05 per ADS issued
<ul style="list-style-type: none">• Cancellation of ADSs, including the case of termination of the deposit agreement	Up to US\$0.05 per ADS cancelled
<ul style="list-style-type: none">• Distribution of cash dividends	Up to US\$0.02 per ADS held
<ul style="list-style-type: none">• Distribution of cash entitlements (other than cash dividends) and/or cash proceeds from the sale of rights, securities and other entitlements	Up to US\$0.02 per ADS held
<ul style="list-style-type: none">• Distribution of ADSs pursuant to exercise of rights.	Up to US\$0.02 per ADS held
<ul style="list-style-type: none">• Distribution of securities other than ADSs or rights to purchase additional ADSs	Up to US\$0.02 per ADS held
<ul style="list-style-type: none">• Depository services	Up to US\$0.02 per ADS held on the applicable record date(s) established by the depository bank

The depository collects its fees for delivery and surrender of ADSs directly from investors depositing Class A shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depository collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depository may collect its annual fee for depository services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depository may collect any of its fees by deduction from any cash distribution payable to ADS holders that are obligated to pay those fees. The depository may generally refuse to provide for fee services until its fees for those services are paid.

From time to time, the depository may make reimbursements to us or waive fees and expenses for services provided generally relating to costs and expenses arising out of establishment and maintenance of the ADS program. In addition, the depository has agreed to provide us reimbursements based on certain fees payable to the depository by holders of the ADSs. For the year ended December 31, 2021, the depository reimbursed us approximately \$1.3 million. In performing its duties under the deposit agreement, the depository may use brokers, dealers or other service providers that are affiliates of the depository and that may earn or share fees or commissions.

PART II

Item 13: Defaults, dividend arrearages and delinquencies

None.

Item 14: Material modifications to the rights of securities holders

None.

Item 15: Control and procedures

A. Disclosure controls and procedures

We maintain disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the 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, 2021. Based upon that evaluation, our chief executive officer and chief financial officer concluded that, as of December 31, 2021, the design and operation of our disclosure controls and procedures were effective to accomplish their objectives.

B. Management's annual report on internal control over financial reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in 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, 2021, the Company's internal control over financial reporting was effective. Management has reviewed its assessment with the Audit Committee.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, an independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of December 31, 2021, as stated in their report which is included below.

Limitations on Controls

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.

C. Attestation report of the registered public accounting firm

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of trivago N.V.

Opinion on Internal Control Over Financial Reporting

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

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and our report dated March 4, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

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

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft

Düsseldorf, Germany

March 4, 2022

D. Changes in internal control over financial reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the fiscal year ended December 31, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 16A: Audit committee financial expert

Mr. Hiren Mankodi, an independent director and a member of the Audit Committee, qualifies as an “audit committee financial expert,” as defined in Item 16 A. of Form 20-F and as determined by our supervisory board.

Item 16B: Code of ethics

We have adopted a code of business conduct and ethics that applies to all of our employees, members of our senior management and members of our management board and supervisory board, including those members of our senior management responsible for financial reporting. Our code of ethics is posted on our company website at: <http://ir.trivago.com/phoenix.zhtml?c=254450&p=irol-govHighlights>. We will disclose any substantive amendments to the code of business conduct and ethics, or any waiver of its provisions, on our website. The reference to our website does not constitute incorporation by reference of the information contained at or available through our website.

Item 16C: Principal accountant fees and services

The following table sets forth, for each of the years indicated, the fees billed by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, our independent registered public accounting firm and the percentage of each of the fees out of the total amount billed. Audit fees also include fees for services rendered for the audit of our financial statements but charged to our controlling shareholder.

(in thousands)	Year ended December 31,			
	2020	%	2021	%
Audit Fees	€ 2,452	99.1 %	€ 2,439	99.3 %
Audit-related Fees				
Tax Fees	22	0.9 %	18	0.7 %
All Other Fees				
Total	€ 2,474		€ 2,457	

Audit Fees are defined as the standard audit work that needs to be performed each year in order to issue opinions on our consolidated financial statements and to issue reports on our local statutory financial statements. Also included are services that can only be provided by our auditor, such as reviews of quarterly financial results, consents and comfort letters and any other audit services required for SEC or other regulatory filings.

Tax Fees relate to the aggregate fees for services rendered on tax compliance.

Pre-Approval Policies and Procedures

Our Audit Committee has adopted a policy that requires pre-approval of all services performed for us by our independent registered public accounting firm, effective for the period following the completion of our IPO. The policy was adopted on December 9, 2016. The Audit Committee pre-approval function can be delegated to the Audit Committee Chairman or another Audit Committee member outside of meetings. All services provided by our independent registered public accounting firm during the years ended December 31, 2021 and December 31, 2020 were approved in advance by either the Audit Committee or members thereof to whom authority had been delegated, in accordance with the Audit Committee's pre-approval policy.

Item 16D: Exemptions from the listing requirements and standards for audit committees

None.

Item 16E: Purchases of equity securities by the issuer and affiliated purchasers

None.

Item 16F: Change in registrant's certifying accountant

None.

Item 16G: Corporate governance

The Sarbanes-Oxley Act of 2002, as well as related rules subsequently implemented by the SEC, requires foreign private issuers, including our company, to comply with various corporate governance practices. In addition, Nasdaq rules provide that foreign private issuers may follow home country practice in lieu of the Nasdaq corporate governance standards, subject to certain exceptions and except to the extent that such exemptions would be contrary to U.S. federal securities laws. In addition to the home country practices described under Item 6C. of this annual report, the home country practices followed by our company in lieu of Nasdaq rules are described below:

- We do not intend to follow the requirement of Nasdaq Listing Rule 5620(c), which requires an issuer to provide in its bylaws for a generally applicable quorum, and that such quorum may not be less than one-third of the outstanding voting stock. Although we must provide shareholders with an agenda and other relevant documents for the general meeting of shareholders, Dutch law does not have a regulatory regime for the solicitation of proxies and the solicitation of proxies is not a generally accepted business practice in the Netherlands, thus our practice will vary from the requirement of Nasdaq Listing Rule 5620(b).
- We do not intend to follow the requirements of Nasdaq Listing Rule 5605(d), which requires an issuer to have a compensation committee that, inter alia, consists entirely of independent directors, and Nasdaq Listing Rule 5605(e), which requires an issuer to have independent director oversight of director nominations.
- We do not intend to follow the requirements of Nasdaq Listing Rule 5635, which generally requires an issuer to obtain shareholder approval for the issuance of securities in connection with certain events, such as the acquisition of stock or assets of another company, the establishment of or amendments to equity-based compensation plans for employees, a change of control of us and certain private placements.

Because we are a foreign private issuer, our management board members, supervisory board members and senior management are not subject to short-swing profit and insider trading reporting obligations under Section 16 of the Exchange Act. They will, however, be subject to the obligations to report changes in share ownership under Section 13 of the Exchange Act and related SEC rules.

The Dutch Corporate Governance Code, or DCGC, contains both principles and best practice provisions for management boards, supervisory boards, shareholders and general meetings, financial reporting, auditors, disclosure, compliance and enforcement standards. As a Dutch company, we are subject to the DCGC and are required to disclose in our annual report, filed in the Netherlands, whether we comply with the provisions of the DCGC. If we do not comply with the provisions of the DCGC (for example, because of a conflicting Nasdaq requirement or otherwise), we must list the reasons for any deviation from the DCGC in our Dutch annual board report.

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 annual 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.

A majority of our supervisory board members is 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.

The DCGC further recommends that the compensation committee is not chaired by the chairman of the supervisory board. The chairman of our supervisory board is also the chairman of our compensation committee. Given the chairman's expertise and vision, we consider him to be the best person for the job.

Consistent with corporate practice for non-executive members of a board in the United States, the terms of office of our supervisory directors run and end simultaneously. Our supervisory board continuously monitors succession of its members as well as the managing directors. In light of this, we have not drawn up a retirement schedule. 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 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, the company may wish to deviate from this recommendation and grant equity awards to its supervisory board members.

The DCGC recommends that management board members are appointed for a maximum period of four years. During our 2018 annual general meeting, Axel Hefer (our then-CFO) was re-appointed for a five-year term, given his important role within the company.

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 the annual statements of the Company 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 directors.

The DCGC recommends having a diversity policy for the composition of the management board and supervisory board. We acknowledge the importance of diversity in the broadest sense and consider aspects of diversity relevant to our company. The supervisory board believes that it is important for its members to represent diverse viewpoints and further that the personal backgrounds and qualifications of the managing and supervisory board members, considered as a group, should provide a significant composite mix of gender, ethnicity, experience, knowledge and abilities.

New diversity measures entered into force on January 1, 2022. Under these new measures, the Company is required to set an appropriate and ambitious target to promote gender diversity on the Management Board and the Supervisory Board and among senior management, as well as a plan to achieve that target. Annually, within ten months from the close of the financial year, the Company will be required to report to the Dutch Social Economic Council (*Sociaal Economische Raad*) on the number of men and women comprised in the Management Board and the Supervisory Board and senior management at the end of the prior financial year, its diversity target, the plan to reach such target and, should the target not have been achieved, the reasons for not meeting such target.

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. We have engaged a specialized compensation consultant to provide us with information regarding compensation program and related disclosures, and are working on implementing the foregoing described DCGC disclosure recommendations.

Item 16H: Mine safety disclosure

Not applicable.

PART III

Item 17: Financial statements

See “*Item 18: Financial statements.*”

Item 18: Financial statements

See the *Financial statements* beginning on page F-1.

Item 19: Exhibits

The following exhibits are filed as part of this annual report:

Exhibit Number	Exhibit Description	Incorporated by Reference			Provided Herewith
		Form		File Number	
1.1	English translation of Form of Articles of Association of trivago N.V.	F-1	11/14/2016	3.3 333-214591	
1.2	Amended Management Board Rules.				X
1.3	Amended Supervisory Board Rules.	F-3	4/5/2018	3.3 333-224151	
2.1	Amended and Restated Shareholders' Agreement of trivago N.V.	F-3	4/5/2018	4.1 333-224151	
2.2	Amendment to Amended and Restated Shareholders' Agreement of trivago N.V.	20-F	3/6/2017	2.2 001-37959	
2.2(a)	Second Amendment to Amended and Restated Shareholders' Agreement of trivago N.V.	20-F	3/6/2019	2.2(a) 001-37959	
2.3	Contribution Agreement by and among the Founders, trivago GmbH, trivago N.V., Expedia Lodging Partner Services S.à.r.l and Expedia, Inc.	20-F	3/6/2017	2.5 001-37959	
2.4	Deposit Agreement.	F-3	4/5/2018	4.4 333-224151	
2.5	Form of American Depositary Receipt (included in Exhibit 2.4).	F-1/A	12/5/2016	4.4 333-214591	
2.6	Description of securities registered under Section 12 of the Securities Exchange Act of 1934.				X
4.1	Form of management board member Indemnification Agreement for management board members as of November 2016.	F-1/A	12/5/2016	10.1 333-214591	
4.2	English translation of Lease Agreement between Jupiter EINHUNDERTVIERUNDFÜNFZIG GmbH and trivago GmbH, dated July 23, 2015.	F-1/A	12/5/2016	10.6 333-214591	
4.2.1.	English translation of the Amendment to the Lease Agreement between Immofinanz GmbH (formerly known as Jupiter EINHUNDERTVIERUNDFÜNFZIG GmbH) and trivago N.V., dated December 31, 2020.	20-F	3/6/2021	4.2.1 001-37959	
4.3	Data Hosting Services Agreement by and between Expedia, Inc. and trivago GmbH, dated May 1, 2013.	F-1/A	12/5/2016	10.7 333-214591	
4.4	Services and Support Agreement by and between Expedia Lodging Partner Services Sarl and trivago GmbH, dated September 1, 2016.	F-1/A	12/5/2016	10.8 333-214591	
4.5	Amended and Restated trivago N.V. 2016 Omnibus Incentive Plan.	20-F	3/6/2021	4.5 001-37959	
4.6	Form of Indemnification Agreement for supervisory board, management board and certain other officers.	20-F	3/6/2021	4.6 001-37959	
4.7	Form of 2020 CAGR Performance Stock Option Award Agreement.	20-F	3/6/2021	4.7 001-37959	

Exhibit Number	Exhibit Description	Incorporated by Reference			Provided Herewith
		Form	Number	File Number	
4.7.1	Form of Amended and Restated 2020 CAGR Performance Stock Option Award Summary.	20-F	3/6/2021	4.7.1 001-37959	
4.8	Form of 2020 Stock Price Performance Stock Option Award Agreement.	20-F	3/6/2021	4.8 001-37959	
4.8.1	Form of Amended and Restated 2020 Stock Price Performance Stock Option Award Summary.	20-F	3/6/2021	4.8.1 001-37959	
4.9	Form of 2020 CAGR Performance Stock Unit Award Agreement.	20-F	3/6/2021	4.9 001-37959	
4.9.1	Form of Amended and Restated 2020 CAGR Performance Stock Unit Award Summary.	20-F	3/6/2021	4.9.1 001-37959	
4.10	Form of 2020 Stock Price Performance Stock Unit Award Agreement.	20-F	3/6/2021	4.10 001-37959	
4.10.1	Form of Amended and Restated 2020 Stock Price Performance Stock Unit Award Summary.	20-F	3/6/2021	4.10.1 001-37959	
4.11	Form of Restricted Share Unit Summary Award.				X
4.12	Form of Stock Option Summary of Award.				X
8.1	List of Subsidiaries				X
12.1	Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
12.2	Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
13.1	Certification by Principal Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
15.1	Consent of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft.				X
101.INS	Inline XBRL Instance Document-the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document				X
101.SCH	Inline XBRL Taxonomy Extension Schema				X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase				X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase				X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase				X
104	Cover page interactive data (formatted as Inline XBRL and contained in Exhibit 101)				X

Signatures

The Registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

trivago N.V.

By: /s/ Axel Hefer
Axel Hefer

Chief Executive Officer, Managing Director

Date: 3/4/2022

By: /s/ Matthias Tillmann
Matthias Tillmann

Chief Financial Officer, Managing Director

Date: 3/4/2022

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of trivago N.V.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of trivago N.V. (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 4, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

Critical Audit Matters

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

Valuation of Goodwill

Description of the Matter

At December 31, 2021, the carrying value of the Company's goodwill was EUR 287 million. As discussed in Notes 2 and 8 to the consolidated financial statements, goodwill is tested for impairment at the reporting unit level annually or more frequently if events or circumstances indicate that an impairment may have occurred. The Company performed the annual impairment test as of September 30, 2021. The quantitative impairment test was performed by measuring the fair value of the Company's reporting units using a blended analysis of the present value of future discounted cash flows and the market valuation approach.

Auditing management's goodwill impairment test was complex and judgmental due to the significant estimation required to determine the present value of each reporting unit's future discounted cash flows. The discounted cash flows were sensitive to the revenue growth rates, profitability, terminal value projections and the discount rates applied. Additionally, the determination of the estimated future cash flows for each reporting unit involved significant judgment and estimation due to the increased level of uncertainty surrounding the ongoing economic impacts of the COVID-19 pandemic.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's goodwill impairment process, including controls over management's review of the assumptions described above.

To test the estimated fair value of the Company's reporting units, we performed audit procedures that included, among others, assessing the Company's methodology (use of discounted cash flow method and market valuation method), testing the assumptions discussed above and the underlying data used by the Company in its goodwill impairment test. For the discounted cash flow method, we compared the revenue growth rates, profitability and terminal value projections to industry or economic trends, including the different scenarios used by management to reflect the ongoing uncertainty resulting from the economic impacts of COVID-19. We involved our valuation specialists to assess management's methodology, the discount rates and revenue terminal growth rates. We performed sensitivity analyses to the revenue growth rates, profitability, terminal value projections and the discount rates applied, to evaluate the changes in the fair value of the reporting units that would result from changes in such assumptions. We compared management's prior forecasts to historical actual results. We tested management's fair value calculation for clerical accuracy. We assessed management's reconciliation of the sum of the fair values for each reporting unit to the market capitalization of the Company. We involved our valuation specialists to evaluate the resulting implied control premium by comparison to historical transactions.

We also assessed the Company's disclosure regarding valuation of Goodwill (within Notes 2 and 8 to the consolidated financial statements).

Measurement of legal contingency

Description of the Matter

At December 31, 2021, the Company accrued a penalty of AUD15 million for the Australian Competition and Consumer Commission (ACCC) legal contingency. As explained in Note 14 to the consolidated financial statements, the Company received a ruling from the Australian Federal Court that it had contravened the Australian Consumer Law (ACL) for certain conduct prior to and after September 1, 2018, with such conduct after September 1, 2018 subject to the new ACL penalty regime. In October 2021, the Australian Federal Court heard submissions from the parties in relation to relief. In its submissions, the ACCC proposed a penalty of at least AUD90 million.

Auditing management's estimate of the probable loss was judgmental due to the significant estimation uncertainty in respect of how the Australian Federal Court would calculate the penalties that will be ultimately assessed for the Company under both the old and new Australian penalty regimes. The applicability of the new penalty regime significantly increased the maximum potential penalty and few penalties have yet been decided for contraventions of the ACL under the new regime.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's measurement of the ACCC legal contingency.

To test the measurement of the loss contingency from this case, our audit procedures included, among others, evaluating management's methodology for estimating the probable loss and any reasonably possible additional loss. We also tested the Company's assessment by reading summaries of the proceedings, obtained external legal counsel confirmation letters, and made inquiries with external and internal legal counsel. We further performed a search for evidence of penalties determined in similar cases and assessed the comparability of those cases to that of the Company.

We also assessed the Company's disclosure regarding the ACCC legal contingency (within Note 14 to the consolidated financial statements).

/s/ Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft

We have served as the Company's auditor since 2014.

Düsseldorf, Germany

March 4, 2022

Consolidated Financial Statements
trivago N.V.

trivago N.V.

Consolidated statements of operations

(€ thousands, except per share amounts)

	Year ended December 31,		
	2019	2020	2021
Revenue	€ 554,046	€ 181,491	€ 270,110
Revenue from related party	284,571	67,430	91,355
Total revenue	€ 838,617	€ 248,921	€ 361,465
Costs and expenses:			
Cost of revenue, including related party, excluding amortization ⁽¹⁾⁽³⁾	9,159	10,133	11,500
Selling and marketing, including related party ⁽¹⁾⁽²⁾⁽³⁾	664,155	178,255	249,196
Technology and content, including related party ⁽¹⁾⁽²⁾⁽³⁾	69,924	64,258	52,374
General and administrative, including related party ⁽¹⁾⁽²⁾⁽³⁾	55,543	40,935	38,208
Amortization of intangible assets ⁽²⁾	1,685	373	136
Impairment of goodwill	—	207,618	—
Operating income/(loss)	€ 38,151	€ (252,651)	€ 10,051
Other income/(expense)			
Interest expense	(33)	(270)	(389)
Other, net	(428)	(212)	13,628
Total other income/(expense), net	€ (461)	€ (482)	€ 13,239
Income/(loss) before income taxes	€ 37,690	€ (253,133)	€ 23,290
Expense/(benefit) for income taxes	20,982	(8,494)	12,586
Income/(loss) before equity method investment	€ 16,708	€ (244,639)	€ 10,704
Income/(loss) from equity method investment	453	(739)	—
Net income/(loss)	€ 17,161	€ (245,378)	€ 10,704
Earnings per share attributable to common stockholders:			
Basic	€ 0.05	€ (0.69)	€ 0.03
Diluted	0.05	(0.69)	0.03
Shares used in computing earnings per share:			
Basic	351,991	353,338	357,525
Diluted	356,738	353,338	367,240

	Year ended December 31,		
	2019	2020	2021
(1) Includes share-based compensation as follows:			
Cost of revenue	€ 269	€ 243	€ 257
Selling and marketing	2,359	1,169	1,104
Technology and content	5,978	3,808	3,897
General and administrative	11,285	9,859	12,003
(2) Includes amortization as follows:			
Amortization of internal use software costs included in selling and marketing	€ 360	€ 188	€ 98
Amortization of internal use software and website development costs included in technology and content	3,239	3,926	4,566
Amortization of internal use software costs included in general and administrative	656	491	313
Amortization of acquired technology included in amortization of intangible assets	143	84	136
(3) Includes related party expense as follows:			
Cost of revenue	€ 44	€ (32)	€ 0
Selling and marketing	263	133	111
Technology and content	465	97	48
General and administrative	43	31	0

See notes to trivago N.V. consolidated financial statements

trivago N.V.

Consolidated statements of comprehensive income/(loss)

(€ thousands)

	Year ended December 31,		
	2019	2020	2021
Net income/(loss)	€ 17,161	€ (245,378)	€ 10,704
Other comprehensive income/(loss):			
Currency translation adjustments	151	(58)	32
Total other comprehensive income/(loss)	€ 151	€ (58)	€ 32
Comprehensive income/(loss)	€ 17,312	€ (245,436)	€ 10,736

See notes to trivago N.V. consolidated financial statements

trivago N.V.

Consolidated balance sheets

(€ thousands, except per share amounts)

	As of December 31,	
	2020	2021
ASSETS		
Current assets:		
Cash and cash equivalents	€ 208,353	€ 256,378
Restricted cash	103	—
Accounts receivable, net of allowance for credit losses of €348 and €658 at December 31, 2020 and December 31, 2021, respectively	11,642	23,707
Accounts receivable, related party	2,969	16,506
Short-term investments	19,448	—
Tax receivable	7,839	3,527
Prepaid expenses and other current assets	10,438	10,273
Total Current Assets	€ 260,792	€ 310,391
Property and equipment, net	26,682	15,905
Operating lease right-of-use assets	86,810	48,323
Deferred income taxes	1	26
Other long-term assets	4,399	3,250
Intangible assets, net	169,550	170,085
Goodwill	282,664	286,539
TOTAL ASSETS	€ 830,898	€ 834,519
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	€ 6,755	€ 14,053
Income taxes payable	102	4,358
Deferred revenue	2,750	2,174
Payroll liabilities	2,983	3,289
Accrued expenses and other current liabilities	14,934	16,323
Operating lease liability	7,188	2,269
Total Current Liabilities	€ 34,712	€ 42,466
Operating lease liability	85,979	45,267
Deferred income taxes	42,176	49,810
Other long-term liabilities	3,514	3,192
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Class A common stock, €0.06 par value - 700,000,000 shares authorized, 55,967,976 and 96,704,815 shares issued and outstanding as of December 31, 2020 and December 31, 2021, respectively	3,358	5,802
Class B common stock, €0.60 par value - 320,000,000 shares authorized, 298,187,967 and 261,962,688 shares issued and outstanding as of December 31, 2020 and December 31, 2021, respectively	178,913	157,178
Reserves	798,017	835,839
Contribution from Parent	122,307	122,307
Accumulated other comprehensive income	4	36
Accumulated deficit	(438,082)	(427,378)
Total stockholders' equity	€ 664,517	€ 693,784
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	€ 830,898	€ 834,519

See notes to trivago N.V. consolidated financial statements

trivago N.V.

Consolidated statements of changes in equity

(€ thousands)

Description	Class A common stock	Class B common stock	Reserves	Retained earnings (accumulated deficit)	Accumulated other comprehensive income/(loss)	Contribution from Parent	Total stockholders' equity
Balance at January 1, 2019	€ 2,554	€ 185,213	€ 757,262	€ (213,664)	€ (89)	€ 122,307	€ 853,583
Impact of adoption of new accounting guidance				3,799			3,799
Net income				17,161			17,161
Other comprehensive income (net of tax)					151		151
Share-based compensation expense			19,891				19,891
Conversion of Class B shares	420	(4,200)	3,780				—
Issued capital, options exercised	75		127				202
Balance at December 31, 2019	€ 3,049	€ 181,013	€ 781,060	€ (192,704)	€ 62	€ 122,307	€ 894,787
Net loss				(245,378)			(245,378)
Other comprehensive income (net of tax)					(58)		(58)
Share-based compensation expense			15,079				15,079
Conversion of Class B shares	210	(2,100)	1,890				—
Issued capital, options exercised	99		(12)				87
Balance at December 31, 2020	€ 3,358	€ 178,913	€ 798,017	€ (438,082)	€ 4	€ 122,307	€ 664,517
Net income				10,704			10,704
Other comprehensive income (net of tax)					32		32
Share-based compensation expense			17,261				17,261
Conversion of Class B shares	2,174	(21,735)	19,561				—
Issued capital, options exercised	270		1,000				1,270
Balance at December 31, 2021	€ 5,802	€ 157,178	€ 835,839	€ (427,378)	€ 36	€ 122,307	€ 693,784

See notes to trivago N.V. consolidated financial statements

trivago N.V.

Consolidated statements of cash flows

(€ thousands)

	Year ended December 31,		
	2019	2020	2021
Operating activities:			
Net income/(loss)	€ 17,161	€ (245,378)	€ 10,704
Adjustments to reconcile net income/(loss) to net cash provided by/(used in):			
Depreciation (property and equipment, internal-use software and website development)	10,298	10,479	8,213
Amortization of intangible assets	1,685	373	136
Goodwill impairment loss	—	207,618	—
Impairment of long-lived assets including internal-use software and website development	96	549	—
Share-based compensation (see Note 10)	19,891	15,079	17,261
Deferred income taxes	1,904	(8,248)	8,856
Foreign exchange (gains)/losses	429	795	(1,554)
Expected credit losses, net	754	656	255
Loss on disposal of fixed assets	2	185	317
Gain from settlement of asset retirement obligation	(209)	(137)	(5)
Gain from lease termination and modification, net	—	(179)	(1,307)
(Income)/loss from equity method investment	(453)	739	—
Gain on divestitures	—	(393)	—
Changes in operating assets and liabilities:			
Accounts receivable, including related party	24,926	53,732	(25,754)
Prepaid expenses and other assets	3,696	(773)	(2,510)
Accounts payable	(665)	(26,620)	6,897
Payroll liabilities	(4,476)	(891)	297
Accrued expenses and other liabilities	7,591	2,594	2,738
Deferred revenue	(2,310)	(2,550)	(576)
Taxes payable/receivable, net	(6,099)	242	8,568
Net cash provided by/(used in) operating activities	€ 74,221	€ 7,872	€ 32,536
Investing activities:			
Purchase of investments	(10,000)	(8,850)	(1,351)
Proceeds from sales of investments	—	—	19,338
Proceeds from divestitures, net of cash divested	—	556	—
Prepayment of pending business acquisition	—	(3,038)	—
Business acquisition, net of cash acquired	—	—	(4,302)
Capital expenditures, including internal-use software and website development	(8,017)	(5,501)	(3,781)
Proceeds from sale of fixed assets	36	644	114
Net cash used in investing activities	€ (17,981)	€ (16,189)	€ 10,018
Financing activities:			
Proceeds from exercise of option awards	202	87	1,270
Repayment of other non-current liabilities	(301)	(267)	(217)
Net cash provided by/(used in) financing activities	€ (99)	€ (180)	€ 1,053
Effect of exchange rate changes on cash, cash equivalents and restricted cash	94	(1,275)	2,341
Net increase/(decrease) in cash, cash equivalents and restricted cash	€ 56,235	€ (9,772)	€ 45,948
Cash, cash equivalents and restricted cash at beginning of year	164,308	220,543	210,771
Cash, cash equivalents and restricted cash at end of year	€ 220,543	€ 210,771	€ 256,719

	<u>Year ended December 31,</u>		
	<u>2019</u>	<u>2020</u>	<u>2021</u>
Supplemental cash flow information:			
Cash paid for interest	€ 51	€ 217	€ 383
Cash paid for taxes, net of (refunds)	25,171	(484)	(4,848)
Non-cash investing and financing activities:			
Fixed assets-related payable	202	5	3

See notes to trivago N.V. consolidated financial statements

trivago N.V.

Notes to the consolidated financial statements

1. Organization and basis of presentation

Description of business

trivago N.V., (“trivago” the “Company,” “us,” “we” and “our”) and its subsidiaries offer online meta-search for hotel and accommodation through online travel agencies (“OTAs”), hotel chains and independent hotels. Our search-driven marketplace, delivered on websites and apps, provides users with a tailored search experience via our proprietary matching algorithms. We generally employ a ‘cost-per-click’ (or “CPC”) pricing structure, allowing advertisers to control their own return on investment and the volume of lead traffic we generate for them. Beginning in 2020, we began to offer 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. During 2013, the Expedia Group, Inc. (formerly Expedia, Inc., the “Parent” or “Expedia Group”) completed the purchase of a controlling interest in the Company.

As of December 31, 2021, Expedia Group’s ownership interest and voting interest in trivago N.V. is 58.3% and 76.9%, respectively. The Class B shares of trivago N.V. held by Messrs. Schrömgens, Vinnemeier and Siewert (whom we collectively refer to as our Founders) as of December 31, 2021, had an ownership interest and voting interest of 14.8% and 19.5%, respectively. The Founders may also own Class A shares in addition to the Class B shares held. The holders of Class A shares are entitled to one vote per share compared to Class B shares which are entitled to ten votes per share. The additional ownership of Class A shares by the Founders would not significantly change ownership or voting interest.

Basis of presentation

Unless otherwise specified, “the Company” refers to trivago N.V. and its respective subsidiaries throughout the remainder of these notes.

These consolidated financial statements reflect Expedia Group’s basis of accounting due to the change in control in 2013 when Expedia Group acquired a controlling ownership in trivago, as we elected the option to apply pushdown accounting in the period in which the change in control event occurred.

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 in the first and fourth quarter of the year as we typically expect to advertise less in the periods outside of high travel seasons. Seasonal fluctuations affecting our revenue also affect the timing of our cash flows. We typically invoice once per month, with customary payment terms. Therefore, our cash flow varies seasonally with a slight delay to our revenue, and is significantly affected by the timing of our advertising spending. Changes in the relative revenue share of our offerings in countries and areas where seasonal travel patterns vary from those described above may influence the typical trend of our seasonal patterns in the future. It is difficult to forecast the seasonality for future periods, given the uncertainty related to the duration of the impact from COVID-19 and the shape and timing of any sustained recovery.

2. Significant accounting policies

Consolidation

Our consolidated financial statements include the accounts of trivago and entities we control. Intercompany balances and transactions have been eliminated in consolidation. We deconsolidate entities from our results of operations on the day when we lose control. Further, the equity method of accounting is used for investments in associated companies in which we have a financial interest but do not have control over.

As of December 31, 2020 and December 31, 2021, there are no noncontrolling interest balances, as all subsidiaries of the Company are wholly-owned.

Accounting estimates

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

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

Revenue recognition

We recognize revenues when control of the 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 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 and 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 90 days. For some advertisers we require prepayments.

Subscription Revenue

Revenue from subscription services is recognized ratably over the contract term, which is generally 12 months or less from the subscription commencement date. Customers may choose to be billed annually or monthly via SEPA or credit card. The price per subscription is fixed and determinable when the contract commences.

Deferred revenue

Deferred revenue relates to advanced payments received for services provided in future periods, primarily related to subscription services. At December 31, 2019, €5.6 million was recorded as deferred revenue, €5.2 million of which was recognized as revenue during the year ended December 31, 2020. At December 31, 2020, the deferred revenue balance was €2.8 million, €2.8 million of which was recognized as revenue during the year ended December 31, 2021. At December 31, 2021, the deferred revenue balance was €2.2 million.

Cost of revenue

Cost of revenue consists of expenses that are directly or closely correlated to revenue generation, including data center costs, third-party cloud-related service providers, salaries and share-based compensation for our data center operations staff and our customer service team who are directly involved in revenue generation. For the years ended December 31, 2019, 2020 and 2021 cost of revenue excludes €0.1 million, €0.1 million and €0.1 million, respectively, of amortization expense of acquired technology. For the years ended December 31, 2019, 2020 and 2021 cost of revenue excludes €4.3 million, €4.6 million and €5.0 million, respectively, of amortization expense related to internal use software and website development.

Cash and Cash Equivalents

Our cash and cash equivalents include cash and liquid financial instruments, consisting of money market funds, which are readily accessible mutual funds that invest in high-quality, short-term debt, and time deposit investments, with original maturities of three months or less when purchased.

Restricted cash

Restricted cash primarily consists of funds held as guarantees in connection with corporate leases and funds held in escrow accounts in the event of default on corporate credit card statements. The carrying value of restricted cash approximates its fair value. As of December 31, 2020 and December 31, 2021, restricted cash was €2.4 million and €0.3 million, respectively. The total balance as of December 31, 2021 is classified as other long-term assets based on the expected dates the restricted cash will be made available to the Company.

Accounts receivable

Accounts receivable are generally due within 10 to 90 days and are recorded net of an allowance for expected credit losses. We consider accounts outstanding longer than the contractual payment terms as past due. The risk characteristics we generally review when analyzing our accounts receivable pools primarily include the type of receivable, collection terms and historical or expected credit loss patterns. For each pool, we make estimates for the allowance based on the current expected credit loss ("CECL") methodology by considering a number of factors, including the length of time trade accounts receivable

are past due, previous loss history continually updated for new collections data, the credit quality of our customers, current economic conditions, reasonable and supportable forecasts of future economic conditions and other factors that may affect our ability to collect from customers. The provision for estimated credit losses is recorded as general and administrative expense in our consolidated statement of operations. As disclosed in *Note 17: Valuation and qualifying accounts*, for the year ended December 31, 2021, we recorded approximately €0.3 million of incremental allowance for expected uncollectible amounts, including estimated future losses in consideration of the impact of COVID-19 pandemic on the economy and the Company, partially offset by €20 thousand of write-offs. Actual future bad debt could differ materially from this estimate resulting from changes in our assumptions of the duration and severity of the impact of the COVID-19 pandemic.

Investments

Our short-term investments consist of time deposit and term deposit accounts with original maturities of more than three but fewer than 12 months. Our long-term investments, classified as other long-term assets, consist of term deposits with maturity of more than one year.

Property and equipment, net including software and website capitalization

We record property and equipment at cost, net of accumulated depreciation and amortization. We compute depreciation using the straight-line method over the estimated useful lives of the assets, which is generally three to eight years for computer equipment, capitalized software and software development cost and furniture and other equipment. We amortize leasehold improvements using the straight-line method, over the shorter of the estimated useful life of the improvement or the remaining term of the lease.

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 (including share-based compensation). 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 recorded as property and equipment and 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.

Certain acquired software licenses and implementation costs are capitalized during the implementation stage. Capitalized costs include the license fee, external direct costs of services provided in regards to the implementation and customization of the software, and internal payroll costs for employees involved with the implementation process. These costs are recorded as property and equipment and are amortized over the license term when the asset is ready for use. Costs incurred during the preliminary project stage, as well as maintenance and training costs, are expensed as incurred.

Leases

We determine if an arrangement is a lease at inception. Our operating leases primarily comprises of office space which includes our campus building lease. The operating leases balances are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on our consolidated balance sheets. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Company uses its estimated incremental borrowing rate as the discount rate in

measuring the present value of lease payments given the rate implicit in our leases is not typically readily determinable. Estimating the incremental borrowing rate requires assessing a number of inputs including an estimated synthetic credit rating, collateral adjustments and interest rates. The operating lease ROU asset is comprised of the initial operating lease liability, adjusted for any prepaid or deferred rent payments, unamortized initial direct costs, and lease incentives received. Our lease terms include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Payments under our operating leases are primarily fixed, however, certain of our operating lease agreements include rental payments which are adjusted periodically for inflation. We recognize these costs as variable lease costs on our consolidated statement of operations.

For operating leases with a term of one year or less, we have elected to not recognize a lease liability or ROU asset on our consolidated balance sheet. Instead, we recognize the lease payments as expense on a straight-line basis over the lease term. Short-term lease costs are immaterial to our consolidated statements of operations and cash flows.

We have lease agreements with insignificant non-lease components and have elected the practical expedient to combine and account for lease and non-lease components as a single lease component.

Additionally, in the prior periods we had entered into subleases for unoccupied leased office space. We recognized sublease payments on a straight-line basis over the term of the sublease. As of December 31, 2021 we have no active sub-leases for our office space.

Business combinations

We assign the value of the consideration transferred to acquire a business to the tangible assets and identifiable intangible assets acquired and liabilities assumed on the basis of their fair values at the date of acquisition. Any excess purchase price over the fair value of the net tangible and intangible assets acquired is allocated to goodwill. Adjustments may be made to the preliminary purchase price allocation when facts and circumstances that existed on the date of the acquisition become known during the measurement period subsequent to the preliminary purchase price allocation, not to exceed one year from the date of acquisition. When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions, especially with respect to intangible assets. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates.

Recoverability of goodwill and indefinite-lived intangible assets

Goodwill: Goodwill is assigned to our three reporting units, which correspond to our three operating segments, on the basis of their relative fair values. We assess goodwill for impairment annually as of September 30, or more frequently, if events and circumstances indicate that an impairment may have occurred. In the evaluation of goodwill for impairment, we typically first perform a qualitative assessment to determine whether it is more likely than not that the fair value of each reporting unit is less than its carrying amount, followed by performing a quantitative assessment by comparing the fair value of the reporting unit to the carrying value, if necessary. Periodically, we may elect to bypass the initial qualitative assessment and proceed directly to the quantitative goodwill impairment test. An impairment charge is recorded based on the excess of the reporting unit's carrying amount over its fair value.

We generally base the measurement of fair value of our three reporting units on a blended analysis of the present value of future discounted cash flows and market valuation approach. The discounted cash flows model indicates the fair value of the reporting unit based on the present value of the cash flows that we expect the reporting unit to generate in the future. Our significant estimates in the discounted cash flows model include our weighted average cost of capital, revenue growth rates, profitability of our business and

long-term rate of growth. The market valuation approach indicates the fair value of the business based on a comparison of the reporting unit to comparable publicly traded firms in similar lines of business. Our significant estimates in the market approach model include identifying similar companies with comparable business factors, such as size, growth, profitability, risk and return on investment, assessing comparable revenue and operating income multiples and the control premium applied in estimating the fair value of the reporting unit.

We believe the weighted use of discounted cash flows and market approach is the best method for determining the fair value of our reporting units because these are the most common valuation methodologies used within the travel and Internet industries; and the blended use of both models compensates for the inherent risks associated with either model if used on a stand-alone basis.

In addition to measuring the fair value of our reporting units as described above, we consider the combined fair values of our reporting units and corporate-level assets and liabilities in relation to the Company's total fair value of equity as of the assessment date, which assumes our fully diluted market capitalization, using either the stock price on the valuation date or the average stock price over a range of dates around the valuation date, plus an estimated acquisition premium which is based on observable transactions of comparable companies.

Indefinite-lived intangible assets: In our evaluation of our indefinite-lived intangible assets, we typically first perform a qualitative assessment to determine whether the fair value of the indefinite-lived intangible assets is more likely than not impaired. If so, we perform a quantitative assessment and an impairment charge is recorded for the excess of the carrying value of the indefinite-lived intangible assets over the fair value. Periodically, we may elect to bypass the initial qualitative assessment and proceed directly to the quantitative impairment test of indefinite-lived intangible assets. We base our measurement of the fair value of our indefinite-lived intangible assets, which consist of trade name, trademarks and domain names, on the relief-from-royalty method. This method assumes that the trade name and trademarks have value to the extent that their owner is relieved of the obligation to pay royalties for the benefits received from them.

Recoverability of intangible assets with definite lives and other long-lived assets

Intangible assets with definite lives and other long-lived assets are carried at cost and are amortized on a straight-line basis over their estimated useful lives of generally less than seven years. We review the carrying value of long-lived assets or asset groups, including property and equipment whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. Factors that would necessitate an impairment assessment include a significant adverse change in the extent or manner in which an asset is used, a significant adverse change in legal factors or the business climate that could affect the value of the asset, or a significant decline in the observable market value of an asset, among others. If such facts indicate a potential impairment, we would assess the recoverability of an asset group by determining if the carrying value of the asset group exceeds the sum of the projected undiscounted cash flows expected to result from the use and eventual disposition of the assets over the remaining economic life of the primary asset in the asset group. If the recoverability test indicates that the carrying value of the asset group is not recoverable, we will estimate the fair value of the asset group using appropriate valuation methodologies, which would typically include an estimate of discounted cash flows. Any impairment would be measured as the difference between the asset group's carrying amount and its estimated fair value.

Income taxes

We record income taxes under the liability method. Deferred tax assets and liabilities reflect our estimation of the future tax consequences of temporary differences between the carrying amounts of assets and liabilities for book and tax purposes. We determine deferred income taxes based on the differences in accounting methods and timing between financial statement and income tax reporting.

Accordingly, we determine the deferred tax asset or liability for each temporary difference based on the enacted tax rates expected to be in effect when we realize the underlying items of income and expense. We consider many factors when assessing the likelihood of future realization of our deferred tax assets, including our recent earnings experience by jurisdiction, expectations of future taxable income, and the carryforward periods available to us for tax reporting purposes, as well as other relevant factors. We may establish a valuation allowance to reduce deferred tax assets to the amount we believe is more likely than not to be realized. Due to inherent complexities arising from the nature of our businesses, future changes in income tax law, tax sharing agreements or variances between our actual and anticipated results of operations, we make certain judgments and estimates. Therefore, actual income taxes could materially vary from these estimates.

We account for uncertain tax positions based on a two-step process of evaluating recognition and measurement criteria. The first step assesses whether the tax position is more likely than not to be sustained upon examination by the tax authority, including resolution of any appeals or litigation, based on the technical merits of the position. If the tax position meets the more likely than not criteria, the portion of the tax benefit greater than 50% likely to be realized upon settlement with the tax authority is recognized in the financial statements. Interest and penalties related to uncertain tax positions are classified in the financial statements as a component of income tax expense.

Presentation of taxes in the statements of operations

We present taxes that we collect from advertisers and remit to government authorities on a net basis in our consolidated statements of operations.

Foreign currency translation and transaction gains and losses

The consolidated financial statements have been prepared in euros, the reporting currency. Certain of our operations outside of the Eurozone use the local currency as their functional currency. We translate revenue and expense at average exchange rates during the period and assets and liabilities at the exchange rates as of the consolidated balance sheet dates and include such foreign currency translation gains and losses as a component of other comprehensive income. Due to the nature of our operations and our corporate structure, we also have subsidiaries that have transactions in foreign currencies other than their functional currency. We record transaction gains and losses in our consolidated statements of operations related to the recurring remeasurement and settlement of such transactions.

Advertising expense

We incur advertising expense consisting of offline costs, including television and radio advertising expense, online advertising expense, as well as sponsorship and endorsement expense, in order to promote our brands. A significant portion of traffic from users is directed to our websites through our participation in display advertising campaigns on search engines, advertising networks, affiliate websites and social networking sites. We consider traffic acquisition costs to be indirect advertising fees. We expense the production costs associated with advertisements in the period in which the advertisement first takes place. We expense the costs of communicating the advertisement (e.g., television airtime) as incurred each time the advertisement is shown. These costs are included in selling and marketing expense in our consolidated statements of operations.

Share-based compensation

Share-based compensation expense relates to stock awards granted in connection with the Omnibus Incentive Plan, as further discussed in *Note 10 - Share-based awards and other equity instruments*. For the years ended December 31, 2020 and 2021, we had no awards classified as liabilities. Forfeitures are accounted for in the period that the award is forfeited.

Share Options: The majority of our share options are service-based awards. We also grant awards that contain performance conditions which vest upon achievement of certain company-based targets and awards which contain market conditions which vest upon achievement of certain market-based targets, in addition to containing service conditions. The fair value of share options accounted for as equity settled transactions is measured at the grant date (or modification date, if applicable) using an appropriate valuation model, including the Black-Scholes option pricing model and, for awards that contain market-based vesting conditions, the Monte Carlo simulation pricing model. The majority of our share options vest between one and three years.

Restricted Stock Units: We 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 value of RSUs at fair value based on the number of shares granted and the quoted price of our common stock at the date of grant. For RSU awards which contain market conditions, we estimate the fair value using the Monte Carlo simulation model. The majority of our RSUs vest between one and three years.

We amortize the fair value of service-based awards, net of actual forfeitures, as share-based compensation expense over the vesting term on a straight-line basis.

Performance and Market-Based Awards.

Awards with company-based performance conditions are assessed to determine the probability of the award vesting. If assessed as probable, we record compensation expense for these awards over the total performance and service period using the accelerated method. At each reporting period, we reassess the probability of achieving the performance targets, which requires judgment. In the event that actual results or updated estimates differ from our current estimates, the cumulative effect on current and prior periods of those changes will be recorded in the period in which estimates are revised, or the change in estimate will be applied prospectively depending on whether the change affects the estimate of total compensation cost to be recognized. The ultimate number of shares issued and the related compensation expense recognized will be based on a comparison of the final performance metrics to the specified targets.

For awards with market conditions, the probabilities of the actual number of awards expected to vest is reflected in the grant date fair values. Compensation expense for these awards is recognized over the service period using the accelerated method.

The valuation models used incorporate various assumptions including expected volatility of equity, expected term and risk-free interest rates. The expected volatility is based on historical volatility of our common stock. We use the simplified method in determining the term by using the midpoint between the vesting date and the end of the contractual term. The simplified method was used as we do not have sufficient reliable historical term data available. The share price assumption used in the model is based on our publicly traded share price on the date of grant.

Estimates of fair value are not intended to predict actual future events or the value ultimately realized by employees who receive these awards, and subsequent events are not indicative of the reasonableness of our original estimates of fair value.

Reserves available for dividend distribution

We do not at present plan to pay cash dividends on our Class A shares. Under Dutch law, we may only pay dividends to the extent that our shareholders' equity (*eigen vermogen*) exceeds the sum of the paid-up and called-up share capital plus the reserves required to be maintained under Dutch law or by our articles of association (although we note that, presently, we are not required by our articles of association to maintain reserves in addition to those which we must maintain under Dutch law). Subject only to such restrictions, any future determination to pay dividends will be at the discretion of our management board (in some instances, subject to approval by a Founder). In making a determination to pay dividends, the management board must act in the interests of our company and its business, taking into account

relevant interests of our shareholders and other factors that our management board considers relevant, including our results of operations, financial condition, and future prospects.

For the years ended December 31, 2020 and 2021, our reserves restricted for dividend distribution were €188.7 million and €169.3 million, respectively.

Fair value recognition, measurement and disclosure

The carrying amounts of cash and cash equivalents, restricted cash and short-term investments reported on our consolidated balance sheets approximate fair value as we maintain them with various high-quality financial institutions. Our accounts receivable are short-term in nature and their carrying value generally approximates fair value.

We disclose the fair value of our financial instruments based on the fair value hierarchy using the following three categories:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting the Company's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Certain risks and concentration of credit risk

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

Our customer base includes primarily OTAs, hotel chains and independent hotels. We perform ongoing credit evaluations of our customers and maintain allowances for potential credit losses. We generally do not require collateral or other security from our customers. Expedia Group, our controlling shareholder, and its affiliates represent 34%, 27% and 25% respectively, of revenues for the year ended December 31, 2019, 2020 and 2021 and 20% and 41% of total accounts receivable as of December 31, 2020 and 2021. Booking Holdings and its affiliates represent 40%, 44% and 54%, respectively, of revenues for the years ended December 31, 2019, 2020 and 2021 and 47% and 31%, respectively, of total accounts receivable as of December 31, 2020 and 2021.

Contingent liabilities

From time to time, we may be involved in various claims and legal proceedings relating to claims arising out of our operations, as discussed further in *Note 14: Commitments and contingencies*. Periodically, and at year end, we review the status of all significant outstanding matters to assess the potential financial exposure. When (i) it is probable that an asset has been impaired or a liability has been incurred and (ii) the amount of the loss can be reasonably estimated, we record the estimated loss in our consolidated statements of operations. We provide disclosure in the notes to the consolidated financial statements for loss contingencies that do not meet both of these conditions if there is a reasonable possibility that a loss may have been incurred that would be material to the financial statements. Significant judgment is required to determine the probability that a liability has been incurred and whether such liability is reasonably estimable. We base accruals made on the best information available at the time, which can be

highly subjective. The final outcome of these matters could vary significantly from the amounts included in the accompanying consolidated financial statements.

Government Grants

Government grants are recognized when there is reasonable assurance that the Company will comply with any conditions attached to the grant and the grant will be received. A government grant that compensates for expenses incurred is recognized in our consolidated statements of operations as a deduction from relevant expenses on a systematic basis in the periods in which the expenses are recognized. A government grant that becomes receivable for costs already incurred or for the purpose of giving immediate financial support to the Company, with no future related costs, is recognized as income in the period in which it becomes receivable.

During the year ended December 31, 2021, we took advantage of a COVID-19 subsidy program and received a €12 million grant from the German government. The German government provided this assistance to compensate for losses incurred in the fourth quarter of 2020 and the first half in 2021 as a result of the pandemic. As of December 31, 2021 the full amount was received and all conditions attached to the grant were met. The grant was recognized as other income and presented within the line item other, net in our consolidated statements of operations.

Adoption of new accounting pronouncements

Codification Improvements. In October 2020, the FASB issued ASU 2020-10, which did not prescribe any new accounting guidance, but instead made minor improvements and clarifications on several different FASB ASC topics based on comments and suggestions made by various stakeholders. The codification improvements applicable to us were adopted effective immediately. The adoption of the new guidance did not have a material impact to our consolidated financial statements.

Income Taxes. As of January 1, 2021, we have prospectively adopted ASU 2019-12, which eliminates certain exceptions in current guidance related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period, and the recognition of deferred tax liabilities for outside basis differences. It also clarifies and simplifies other aspects of the accounting for income taxes. The adoption of this new guidance did not have a material impact to our consolidated financial statements.

Equity Method Investments. As of January 1, 2021, we have prospectively adopted ASU 2020-01, which clarifies the interaction between the accounting for investments in equity securities, equity method investments and certain derivative instruments. The adoption of this new guidance did not have a material impact to our consolidated financial statements.

Recent accounting pronouncements not yet adopted

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

Government Assistance. In November 2021, the FASB issued ASU 2021-10 which introduces annual disclosure requirements about government grants. The new standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. We are in the process of evaluating the impact of adopting this new guidance on our consolidated financial statements; however, we currently do not expect a material impact.

3. Acquisitions and divestitures

Acquisitions

Effective on January 12, 2021, we acquired 100% of weekengo GmbH ("Weekengo") shares for €6.7 million from former shareholders and the domain and related trademark for €0.7 million from a former shareholder, for an aggregate cash purchase price of €7.4 million of which €0.5 million are held in escrow to be released to the former shareholders one year after closing. Refer to *Note 18 - Subsequent events* for details on the escrow release subsequent to December 31, 2021. Weekengo is a company based in Germany that operates the online travel search website "weekend.com", which specializes in optimizing the delivery of search results for direct flights and hotel packages with a short-trip focus. A portion of the purchase consideration was paid in December 2020 as partial fulfillment of closing conditions amounting to €3.0 million. This amount was included in prepaid expenses and other current assets on the consolidated balance sheet as of December 31, 2020.

The acquisition was accounted for as a business combination using the acquisition method of accounting. Accordingly, we have allocated the consideration paid for Weekengo to the net tangible and identifiable intangible assets based on their estimated fair values. Goodwill represents the excess of the purchase price over the fair value of the underlying net tangible and identifiable intangible assets.

The following table summarizes the final acquisition date fair values of the assets acquired and liabilities assumed:

(in thousands)	January 12, 2021
Cash and cash equivalents	€ 85
Prepaid expenses and other current assets	54
Property and equipment, net	1,662
Deferred income taxes	1,247
Goodwill	3,838
Intangible assets, net	675
Total Assets	€ 7,561
Accounts payable	(121)
Other liabilities	(15)
Net assets acquired	€ 7,425

The allocation of the purchase price was subject to revision during the measurement period, which is up to one year from the date of the acquisition. Adjustments to the preliminary values, which may include tax and other estimates, during the measurement period are recorded in the reporting period in which the adjustment amounts are determined. In the fourth quarter of 2021, we recorded a measurement period adjustment to the provisional amount recognized of deferred income taxes to reflect information that became known to management regarding facts and circumstances that existed as of the acquisition date. The adjustment resulted in an increase in deferred tax assets of €1.5 million, attributable to tax losses carried forward, which was offset by €0.3 million of deferred tax liabilities attributable to fair value adjustment on capitalized software and software development costs. The €1.2 million net increase in deferred tax assets resulted in a corresponding decrease to goodwill. The adjustment did not result in an impact to our consolidated statements of operations. As of December 31, 2021, our purchase price allocation is complete.

The Company applied variations of the cost approach to estimate the fair values of the acquired trademark and domain "WEEKEND.com", recognized within intangible assets, of €0.7 million with an estimated useful life of 5 years, and capitalized software and software development costs, recognized within property and equipment, of €1.6 million with an estimated useful life of 3 years.

The goodwill balance of €3.8 million has been assigned to the Developed Europe and Americas segments in the amounts of €2.5 million and €1.3 million, respectively. The goodwill largely reflects our access to Weekengo's development team and know-how, and expected synergies to strengthen our presence in the weekend getaway market. Goodwill is not expected to be deductible for tax purposes.

Revenues from Weekengo included in the Company's consolidated statements of operations for the year ended December 31, 2021 were €0.2 million. Net loss from Weekengo included in the Company's consolidated statements of operations for the same period was €2.3 million. The Company did not incur material transaction costs with respect to the Weekengo acquisition during the year ended December 31, 2021.

The following unaudited pro forma information reflects our consolidated results of operations as if the acquisition had occurred on January 1, 2020. The pro forma information is not necessarily indicative of the results of operations that we would have reported had the transaction actually occurred at the beginning of the period nor is it necessarily indicative of future results. The pro forma financial information does not reflect the impact of future events that may occur after the acquisition, including, but not limited to, anticipated costs savings from synergies or other operational improvements.

(in thousands)	Year ended December 31,	
	2020	
Revenue	€	249,287
Net loss		(247,220)

The pro forma financial information in the table above includes adjustments that are directly attributable to the business combination and are factually supportable. The pro forma financial information include adjustments of €0.6 million for the year ended December 31, 2020 related to application of the Company's accounting policies, depreciation and amortization related to fair value adjustment on capitalized software and software development costs and recognition of the trademark and domain, and acquisition related transaction costs.

Divestitures

trivago Spain S.L.U. ("Palma") was a wholly-owned subsidiary of trivago. In the third quarter of 2020, we entered into an agreement to sell 100% of our shares in Palma to a third-party buyer for cash consideration of €1.3 million. The transaction closed in September 2020. As a result of the sale, we also recorded an impairment loss of €0.5 million on property and equipment for the year ended December 31, 2020, which was recognized within our operating expenses on our consolidated statements of operations.

base7booking.com Sarl ("base7") was a wholly-owned subsidiary of trivago. In the fourth quarter of 2020, we entered into an agreement to sell substantially all assets of base7 to a third-party buyer for cash consideration of €0.8 million, subject to subsequent net working capital and subscription revenue adjustments. The transaction closed in November 2020. We recognized a gain on sale of €0.5 million and derecognized €0.3 million of goodwill associated with the disposal group for the year ended December 31, 2020.

In December 2020, we entered into an agreement to sell our minority interest (49%) in myhotelshop GmbH ("myhotelshop") for a cash consideration of €70 thousand to its majority shareholder, who is not a

related party to trivago. One of the closing conditions of the agreement was for myhotelshop to repay the outstanding shareholder loan to us. As of December 31, 2020, the outstanding loan and accrued interest of €1.0 million with myhotelshop had been fully repaid. Due to the imminent closing of the transaction, we recognized an impairment loss of €1.1 million based on the difference between the consideration and the carrying amount of the minority interest, and this amount has been included in income from equity method investment for the year ended December 31, 2020. The sale of myhotelshop closed on January 28, 2021. As a result of the conclusion of the sale, we derecognized the remaining equity method investment of €70 thousand on our consolidated balance sheet with no further gain or loss recognized between the consideration and the carrying amount. Refer to *Note 15 - Related party transactions* for related party considerations arising from myhotelshop.

4. Fair value measurement

Financial assets measured at fair value on a recurring basis as of December 31, 2020 included the following:

As of December 31, 2020 (in thousands)	Total	Level 1	Level 2
Assets			
Cash equivalents:			
Money market funds	€ 65,111	€ 65,111	€ —
Short-term investments			
Term deposits	9,448	—	9,448
Total	€ 74,559	€ 65,111	€ 9,448

Financial assets measured at fair value on a recurring basis as of December 31, 2021 are classified using the fair value hierarchy in the table below:

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

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

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

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

term investments and those with original maturity of more than one year are classified as other long-term assets.

Investments in term deposits with original maturity of more than one year are restricted by long-term obligations related to the new campus building.

5. Prepaid expenses and other current assets

(in thousands)	As of December 31,	
	2020	2021
Prepaid advertising	€ 2,297	€ 5,078
Other prepaid expenses	4,132	4,968
Other assets	4,009	227
Total	€ 10,438	€ 10,273

As of December 31, 2020, €3.0 million in other assets related to a portion of the purchase consideration for the Weekengo acquisition. The transaction closed on January 12, 2021, at which time, the total consideration, inclusive of the €3.0 million paid prior to the closing of the acquisition, was allocated to the acquired asset as discussed in *Note 3: Acquisitions and divestitures*.

In January 2021, we entered into a long-term marketing sponsorship agreement for various marketing rights beginning July 1, 2021. The first contractual installment payments under this agreement have been paid and as of December 31, 2021, €3.6 million has been included within prepaid advertising in the above table.

6. Property and equipment, net

(in thousands)	As of December 31,	
	2020	2021
Leasehold improvements	€ 15,295	€ 6,865
Capitalized software and software development costs	22,702	26,643
Computer equipment	17,248	15,795
Furniture and fixtures	5,480	3,026
Subtotal	60,725	52,329
Less: accumulated depreciation	34,352	37,537
Construction in process	309	1,113
Property and equipment, net	€ 26,682	€ 15,905

Our headquarters in Düsseldorf, Germany is accounted for as an operating lease, and consequently the operating lease right-of-use ("ROU") assets and operating lease liabilities are recognized on our consolidated balance sheet (see *Note 2 - Significant accounting policies - Leases* and *Note 7 - Leases* for further information).

As part of the amendment to the campus operating lease agreement on January 29, 2021, we transferred long-lived assets with a net book value of €7.5 million related to the terminated floor space to the landlord. We recognized a gain of €0.2 million on the sale of the fixed assets.

We establish assets and liabilities for the present value of estimated future costs to return our new headquarters to their original condition under the authoritative accounting guidance for asset retirement

obligations. Such assets are depreciated over the useful life of the underlying asset or the lease period and the recorded liabilities are accreted to the future value of the estimated restoration costs. As of December 31, 2020 and 2021, an asset retirement obligation asset and liability of €0.3 million and €0.1 million, respectively, is included within building and leasehold improvements, gross of accumulated depreciation of €39 thousand and €6 thousand, respectively, for the cost to decommission the physical space of our headquarters and our leased facilities.

As of December 31, 2020 and 2021, our internally developed capitalized software and acquired software development costs, net of accumulated amortization, were €7.2 million and €6.9 million, respectively.

As of December 31, 2020 and 2021, our computer equipment costs, net of accumulated amortization, were €3.3 million and €1.8 million, respectively.

7. Leases

We have operating leases for office space and office equipment. Our leases have remaining lease terms of less than one year to 16 years, some of which include options to extend the leases for up to ten years, and some of which include options to terminate the leases within one year.

Operating lease costs were €8.2 million and €5.1 million for the years ended December 31, 2020 and 2021. Variable lease costs of €0.4 million for the year ended December 31, 2021 includes short payment of rent to the landlord on account of defects identified in the office space in our corporate headquarters and cost-of-living index adjustments. Variable lease costs for the years ended December 31, 2019 and December 31, 2020 were insignificant. The Company also had subleases mainly for office space under agreements which were terminated by the end of 2021. Sublease income from such agreements was €1.0 million, €0.9 million and €0.1 million for the years ended December 31, 2019, 2020 and 2021.

On January 29, 2021, we entered into an amendment to the operating 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 from January 1, 2021 for a penalty of €6.7 million, and from May 31, 2023 for a penalty of €2.3 million. The amendment was treated as a modification to the existing lease agreement with an effective date of January 29, 2021 and the termination penalties will be expensed over the remaining lease term. As part of the amendment, the landlord agreed to pay trivago €2.6 million as a settlement of prior claims for defects in the leased office space, which has been treated as a lease incentive and will reduce lease expense over the lease term. As a result of this lease modification, we recognized a gain of €1.2 million on the lease modification, agreed to pay €0.5 million as a settlement of prior claims for defects that had previously been accrued for and reduced our operating lease right-of-use assets and operating lease liability by €34.7 million and €36.4 million, respectively.

Supplemental information related to operating leases was as follows:

(in thousands)	As of December 31,	
	2020	2021
Cash payments for operating leases	€ 5,225	€ 10,468
New operating lease assets obtained in exchange for operating lease liabilities	€ 417	€ —

Supplemental consolidated balance sheet information related to leases were as follows:

(in thousands)	As of December 31,	
	2020	2021
Operating lease right-of-use assets	€ 86,810	€ 48,323
Current operating lease liabilities	€ 7,188	€ 2,269
Long-term operating lease liabilities	€ 85,979	€ 45,267
Total operating lease liabilities	€ 93,167	€ 47,536
Weighted average remaining lease term	17.3 years	15.6 years
Weighted average discount rate	3.9 %	3.4 %

Maturities of operating lease liabilities are as follows:

(in thousands)	Year ended December 31,	
	2021	
2022	€	3,826
2023		5,979
2024		3,646
2025		3,630
2026		3,560
2027 and thereafter		40,639
Total lease payments		61,280
Less: imputed interest		(13,744)
Total	€	47,536

8. Goodwill and intangible assets, net

The following table presents our goodwill and intangible assets as of December 31, 2020 and 2021:

(in thousands)	As of December 31,	
	2020	2021
Goodwill	€ 282,664	€ 286,539
Intangible assets with definite lives, net	5	540
Intangible assets with indefinite lives	169,545	169,545
Total	€ 452,214	€ 456,624

Impairment Assessment

As a response to the business impact from the COVID-19 pandemic, we performed a quantitative goodwill impairment assessment in the first quarter of 2020. As a result, we recorded goodwill impairment charges of €17.6 million, €107.5 million and €82.5 million, in the Developed Europe, Americas and Rest of World reporting units, respectively.

We performed our annual impairment assessment for goodwill as of September 30, 2020 and 2021. During the assessments, we compared the fair values of our reporting units to their carrying values. The fair value estimates for all reporting units were based on a blended analysis of the present value of future

discounted cash flows and market value approach. The significant estimates used in the discounted cash flows model included our weighted average cost of capital, revenue growth rates, profitability of our business and long-term rate of growth. Our assumptions were based on the anticipated duration of COVID-19 impacts and rates of recovery, and implied risk premiums based on our market capitalization and factors specific to each reporting unit as of the assessment dates. 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.

We did not record any impairment charges as a result of the annual assessments as the fair values of the reporting units were assessed to be higher than their carrying values.

Goodwill

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

(in thousands)	Developed Europe	Americas	Rest of World	Total
Balance as of January 1, 2020	€ 215,310	€ 192,753	€ 82,527	€ 490,590
Foreign exchange translation	(4)	6	7	9
Impairment charge	(17,568)	(107,516)	(82,534)	(207,618)
Disposals	(222)	(95)	—	(317)
Balance as of December 31, 2020	€ 197,516	€ 85,148	€ 0	€ 282,664
Balance as of January 1, 2021	€ 197,516	€ 85,148	€ 0	€ 282,664
Foreign exchange translation	26	11	—	37
Impairment charge	—	—	—	—
Additions	2,525	1,313	—	3,838
Balance as of December 31, 2021	€ 200,067	€ 86,472	€ 0	€ 286,539

As of December 31, 2020 and December 31, 2021, we had accumulated impairment losses for goodwill of €207.6 million.

Indefinite-lived Intangible Assets

Our indefinite-lived intangible assets relate principally to trade names, trademarks and domain names. Concurrently with our annual goodwill impairment assessment, we also performed a quantitative impairment assessment for indefinite-lived intangible assets. We did not record any impairment losses as a result of this assessment.

As of December 31, 2020 and December 31, 2021, we had no accumulated impairment losses for indefinite-lived intangible assets.

Intangible Assets with Definite Lives

The following table presents the components of our intangible assets with definite lives as of December 31, 2020 and 2021:

(in thousands)	December 31, 2020			December 31, 2021		
	Cost	(Accumulated Amortization)	Net	Cost	(Accumulated Amortization)	Net
Partner relationships	34,220	(34,220)	—	34,220	(34,220)	—
Technology	59,789	(59,784)	5	59,789	(59,789)	—
Non-compete agreement	10,800	(10,800)	—	10,800	(10,800)	—
Trademark/domain	—	—	—	675	(135)	540
Total	€ 104,809	€ (104,804)	€ 5	€ 105,484	€ (104,944)	€ 540

Amortization expense was €0.4 million for the year ended December 31, 2020 and €0.1 million for the year ended December 31, 2021. The estimated future amortization expense related to intangible assets with definite lives as of December 31, 2021, assuming no subsequent impairment of the underlying assets, will be €135 thousand for each of the four succeeding fiscal years.

9. Restructuring

During the second quarter of 2020, we announced a restructuring of our organization in order to adjust to the new economic situation due to the COVID-19 pandemic. We decided to consolidate our office locations and to reduce our headcount significantly, in order to shape a leaner organization, enabling us to prepare for the expected market recovery and achieve our long-term profit recovery plan.

During 2020, the Company recorded €6.2 million of charges associated with the restructuring activity. The charges were comprised of €1.8 million being recorded in selling and marketing expense, €2.9 million in technology and content expense and €1.5 million in general and administrative expense. Charges recorded in cost of revenue in 2020 were insignificant. No restructuring charges were incurred in the year ended December 31, 2021.

As of December 31, 2020, €0.2 million of total restructuring charges related to employee related costs remained in accrued expenses and other liabilities in the consolidated balance sheets. The remaining restructuring costs accrued were fully paid during 2021. The restructuring was complete as of December 31, 2021.

The following table presents the development of our restructuring liability for the year ended December 31, 2021.

(in thousands)	Employee related costs
Liability as of January 1, 2020	€ —
2020 restructuring charges	6,235
Cash payments	(6,063)
Liability as of December 31, 2020	€ 172
Cash payments	(172)
Liability as of December 31, 2021	€ —

The charges incurred in 2020 in connection with the restructuring activity mainly consists of severance and benefit charges.

10. Share-based awards and other equity instruments

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 of December 31, 2021 are 59,635,698 Class A shares (34,711,009 as of December 31, 2020), 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.

During the years ended December 31, 2020 and 2021, 10,156,893 and 7,014,589 awards, respectively, were granted under the 2016 Plan. We issue new shares to satisfy the exercise or settlement of share-based awards.

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

	Options	Weighted average exercise price (in €)	Remaining contractual life (In years)	Aggregate intrinsic value (€ in thousands)
Balance as of January 1, 2019	20,693,398	5.54	17	32,050
Granted	3,932,498	0.06		17,412
Exercised	1,218,560	0.17		5,034
Cancelled	2,233,623	6.93		1,572
Balance as of December 31, 2019	21,173,713	4.79	15	19,556
Granted	8,550,753	0.06		12,359
Exercised	1,405,583	0.06		2,168
Cancelled	1,971,734	4.28		1,214
Balance as of December 31, 2020	26,347,149	3.29	12	28,356
Granted	5,979,438	0.06		20,865
Exercised	3,960,319	0.32		10,769
Cancelled	4,538,322	6.16		2,623
Balance as of December 31, 2021	23,827,946	2.64	11	30,237
Exercisable as of December 31, 2021	12,605,128	4.54	16	10,856
Vested and expected to vest after December 31, 2021	23,827,946	2.64	11	30,237

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

	RSUs	Weighted Average Grant Date Fair Value (in €)	Remaining contractual life (in years)
Balance as of January 1, 2019	57,806	3.88	7
Granted	474,121	4.25	
Vested	38,262	3.88	
Cancelled	8,000	5.29	
Balance as of December 31, 2019	485,665	4.22	6
Granted	1,606,140	1.13	
Vested	245,687	4.30	
Cancelled	221,657	2.43	
Balance as of December 31, 2020	1,624,461	1.39	5
Granted	1,035,151	3.81	
Vested	553,241	2.08	
Cancelled	740,248	1.44	
Balance as of December 31, 2021	1,366,123	2.92	6

The fair value of share awards granted during the years ended December 31, 2019, 2020 and 2021 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:

	Year ended December 31,		
	2019	2020	2021
Risk-free interest rate	(0.56)%	(0.20)%	(0.46)%
Expected volatility	50 %	60 %	71 %
Expected life (in years)	4.50	4.12	4.41
Dividend yield	— %	— %	— %
Weighted-average estimated fair value of options granted during the year	€ 4	€ 1	€ 4

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.

On October 22, 2020, a modification was made to the vesting conditions for market-based awards, which impacted 3,580,049 awards granted to three grantees on March 11, 2020. As of the modification date, additional incremental compensation expense of €1.0 million is being amortized over the remaining service period using the accelerated method.

During the years ended December 31, 2019, 2020 and 2021, we recognized total share-based compensation expense of €19.9 million, €15.1 million and €17.3 million, respectively, which had no related income tax benefit.

Cash received from share-based award exercises for the years ended December 31, 2019, 2020 and 2021 was €202 thousand, €87 thousand and €1,270 thousand, respectively.

As of December 31, 2021, there was approximately €18.4 million in unrecognized share-based compensation expense related to unvested share-based awards subject to equity treatment, which is expected to be recognized in expense over the weighted average period of 1.6 years.

11. Income taxes

The following table summarizes our income tax expense/(benefit):

(€ thousands)	Year ended December 31,		
	2019	2020	2021
Current income tax expense/(benefit):			
Germany	€ 18,769	€ (362)	€ 3,729
Other countries	309	117	1
Current income tax expense/(benefit)	€ 19,078	€ (245)	€ 3,730
Deferred income tax expense/(benefit):			
Germany	2,020	(8,165)	8,914
Other countries	(116)	(84)	(58)
Deferred income tax expense/(benefit)	€ 1,904	€ (8,249)	€ 8,856
Income tax expense/(benefit)	€ 20,982	€ (8,494)	€ 12,586

Reconciliation of German statutory income tax rate to effective income tax rate

The following table summarizes our income/(loss) before income taxes allocated to Germany and to other countries:

(€ thousands)	Year ended December 31,		
	2019	2020	2021
Germany	€ 36,750	€ (252,859)	€ 23,387
Other countries	940	(274)	(97)
Income/(loss) before income taxes	€ 37,690	€ (253,133)	€ 23,290

A reconciliation of amounts computed by applying the German statutory income tax rate of 31.23% to income/(loss) before income taxes to total income tax expense/(benefit) is as follows:

(€ thousands)	Year ended December 31,		
	2019	2020	2021
Income/(loss) before income taxes	€ 37,690	€ (253,133)	€ 23,290
Income tax expense at German tax rate	11,769	(79,041)	7,272
Foreign rate differential	100	40	17
Expected tax expense/(benefit)	€ 11,869	€ (79,001)	€ 7,289
Tax effect from:			
Non-deductible share-based compensation	€ 6,211	€ 4,708	€ 5,390
Non-deductible corporate costs	—	—	121
Goodwill impairment	—	64,829	—
Prior period taxes	66	9	(294)
Movement in valuation allowance	19	454	80
Foreign withholding taxes	—	305	—
Movement in uncertain tax positions	2,857	14	56
Income tax effect resulting from weekengo asset deal transaction	—	—	1,938
Initial recognition of tax deductible goodwill and intangibles	—	—	(1,938)
Other differences	(40)	188	(56)
Income tax expense/(benefit)	€ 20,982	€ (8,494)	€ 12,586

The income tax expense/(benefit) is mainly driven by income/(loss) before income taxes of €37.7 million, €(253.1) million and €23.3 million for the years ended December 31, 2019, 2020 and 2021, respectively. Our effective tax rate was 55.7%, 3.4% and 54.0% in the years ended December 31, 2019, 2020 and 2021, respectively. Non-deductible share-based compensation of (pre-tax) €19.9 million, €15.1 million and €17.3 million had an impact on the effective tax rates of 16.5%, (1.9)% and 23.1% in the years ended December 31, 2019, 2020 and 2021, respectively. In 2020, non-deductible impairment expenses on goodwill of €207.6 million had an impact on the effective tax rate of (25.6)%. Additional details on the movement in valuation allowance are included in the deferred income tax section below.

Following the weekengo share deal in January 2021, an intragroup asset deal took place in August 2021. The asset deal resulted in a deferred income tax benefit of €1.9 million on level of trivago N.V. for tax deductible goodwill and intangible assets. Correspondingly, an income tax expense resulted on level of weekengo split into deferred tax expense of €1.3 million (utilization of tax loss carry forwards) and current tax expense of €0.6 million (minimum taxation). The tax effects resulting from the acquisition of shares and assets of weekengo are separate transactions in the year 2021.

Other differences relate to one-off items during the year, such as non-deductible expenses which are individually insignificant.

Uncertain tax positions

Uncertain tax positions as of December 31, 2020 and 2021 were as follows:

(€ thousands)	Year Ended December 31,	
	2020	2021
Balance, beginning of year	€ 2,857	€ 2,871
Increases to tax positions related to the current year	—	—
Increases to tax positions related to prior years	—	—
Interest and penalties	14	56
Balance, end of year	€ 2,871	€ 2,927

Tax audits

The Company is subject to audit by federal, state, local and foreign income tax authorities. As of December 31, 2021, the audit of tax returns from 2016 through 2018 for corporate and trade income tax as well as value-added tax for trivago N.V. has been announced. According to the statute of limitation, the German tax authorities may initiate additional audits of the tax years for 2019 through 2021.

Deferred income taxes

At December 31, 2020 and 2021, the significant components of our deferred tax assets and deferred tax liabilities were as follows:

(€ thousands)	Year Ended December 31,			
	2020		2021	
Deferred tax assets:				
Net operating loss and tax credit carryforwards	€	11,840	€	5,665
Prepaid expense and other current assets		1,335		310
Property and equipment		1		—
Accrued expenses and other current liabilities		26		157
Operating lease liability		28,132		14,843
Other long-term liabilities		115		47
Other		—		—
Deferred tax assets (gross)	€	41,449	€	21,022
Less valuation allowance		(536)		(1,388)
Subtotal	€	40,913	€	19,634
Offsetting		(40,912)		(19,608)
Deferred tax assets	€	1	€	26
Deferred tax liabilities:				
Cash and cash equivalents	€	—	€	722
Intangible assets, net		52,928		51,257
Property and equipment		2,875		2,334
Operating lease right-of-use assets		27,106		15,089
Other		179		16
Subtotal	€	83,088	€	69,418
Offsetting		(40,912)		(19,608)
Deferred tax liabilities	€	42,176	€	49,810

At December 31, 2021, we had net operating loss carryforwards (“NOLs”) for a tax-effected amount of approximately €5.7 million (in 2020: €11.8 million). The tax-effected NOL carryforwards decreased by €6.1 million from the amount recorded at December 31, 2020, primarily due to the utilization of the losses at the level of the trivago N.V.

trivago N.V. is a Dutch listed entity, however has its tax residency in Germany. As of December 31, 2021, deferred tax assets of €1.4 million for accumulated tax loss carryforwards of domestic and foreign subsidiaries were not recognized as we have considered these tax loss carryforwards as not realizable. Accordingly the valuation allowance increased by €0.9 million from the amount recorded as of December 31, 2020, with €0.8 million resulting from the acquisition of weekengo, primarily due to the absence of potential future taxable profits necessary to use tax loss carryforwards.

The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period change, or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as our projections for growth.

The 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 €1.7

million at December 31, 2021 (in 2020: €0.1 million). In terms of undistributed earnings of domestic investments, we have recognized deferred income taxes on taxable temporary difference of €0.01 million, as only 5% refer to a taxable temporary difference under German tax law. Any capital gains on the sale of participations would be 95% exempt under German tax law.

12. Stockholders' equity

As of December 31, 2021, we had ADSs representing 96,704,815 Class A shares and 261,962,688 Class B shares outstanding. Each Class B share is convertible into one Class A share at any time by the holder. During the years ended December 31, 2019, 2020 and 2021, 7,000,000, 3,500,000 and 36,225,279 Class B shares were converted into Class A shares, respectively.

Class A and Class B common stock has a par value of €0.06 and €0.60, respectively. The holders of our Class B shares, Expedia Group and Founders, 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.

Reserves

Reserves primarily represents the effects of pushdown accounting applied due to the change in control in 2013 in addition to share premium as result of the corporate reorganization and IPO. See *Note 1 - Organization and basis of presentation*. Further effects to the Reserves are due to the merger of trivago GmbH with and into trivago N.V. in 2017, exercises of employee stock options, and the effect of the Founders' conversion of Class B shares to Class A shares.

Accumulated other comprehensive income/(loss)

Accumulated other comprehensive income/(loss) represents foreign currency translation adjustments for our subsidiaries in foreign locations. As of December 31, 2021 we do not expect to reclassify any amounts included in accumulated other comprehensive income/(loss) into earnings during the next 12 months.

Contribution from Parent

The beginning contribution from Parent balance represents the pushdown of share-based compensation expense from Expedia Group.

13. Earnings per share

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

The following table presents our basic and diluted earnings per share:

(€ thousands, except per share data)	Year Ended December 31,				
	2019		2020		2021
Numerator:					
Net income/(loss)	€	17,161	€	(245,378)	€ 10,704
Denominator:					
Weighted average shares of Class A and Class B common stock outstanding:					
Basic		351,991		353,338	357,525
Diluted		356,738		353,338	367,240
Net income/(loss) per share:					
Basic	€	0.05	€	(0.69)	€ 0.03
Diluted	€	0.05	€	(0.69)	€ 0.03

Diluted weighted average common shares outstanding in 2020 do not include the effects of the exercise of outstanding stock options and RSUs as the inclusion of these instruments would have been anti-dilutive.

14. Commitments and contingencies

Purchase obligations

We have commitments and obligations which include purchase commitments, which could potentially require our payment in the event of demands by third parties or contingent events. Commitments and obligations as of December 31, 2021 were as follows:

(in thousands)	By Period				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Purchase obligations	€ 48,818	€ 19,165	€ 29,653	€ —	€ —

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

Legal proceedings

On August 23, 2018, the Australian Competition and Consumer Commission, or ACCC, instituted proceedings in the Australian Federal Court against us. The ACCC alleged a number of breaches of the Australian Consumer Law, or ACL, relating to certain advertisements in Australia concerning the hotel prices available on our Australian site, our Australian strike-through pricing practice and other aspects of the way offers for accommodation were displayed on our Australian website. The matter went to trial in September 2019 and, on January 20, 2020, the Australian Federal Court issued a judgment finding that we had engaged in conduct in breach of the ACL. On March 4, 2020, we filed a notice of appeal at the Australian Federal Court appealing part of that judgment. On November 4, 2020, the Australian Federal

Court dismissed trivago's appeal. On October 18 and 19, 2021, the Australian Federal Court heard submissions from the parties in relation to relief. In its submissions, the ACCC proposed a penalty of at least AUD90 million and an injunction restraining us from engaging in misleading conduct of the type found by the Australian Federal Court to be in contravention of the ACL. trivago submitted that an appropriate penalty for the court to impose would be in the order of up to AUD15 million. The court's decision will be forthcoming.

Management recorded a provision of AUD15 million for the probable and currently estimable loss in connection with these proceedings within current other liabilities. The ultimate penalty amount could substantially exceed the level of provision that we established for this litigation. In establishing a provision in respect of the ACCC matter, management took into account the information currently available, including judicial precedents. However, there is considerable uncertainty regarding how the Australian Federal Court would calculate the penalties that will be ultimately assessed on us. In particular, the Australian Federal Court determined that we engaged in certain conduct after September 1, 2018 that will result in the applicability of the new penalty regime under the ACL, which significantly increased the maximum penalty applicable to parts of our conduct. Only a few cases have been decided so far assessing penalties for contraventions of the ACL under the new regime. In cases involving conduct before and after September 1, 2018, the Australian Federal Court in each case did not allocate the total penalty imposed between the old and new penalty regime. As a result, an estimate of the reasonable possible loss or range of probable loss in excess of the amount reserved cannot be made.

15. Related party transactions

Relationships with Expedia

We have commercial relationships with Expedia Group, Inc. and many of its affiliated brands, including Brand Expedia, Hotels.com, Orbitz, Travelocity, Hotwire, Wotif, Vrbo and ebookers. These are arrangements terminable at will or upon three to seven 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. We are also party to a letter agreement pursuant to which Expedia Group refers traffic to us when a particular hotel or region is unavailable on the applicable Expedia Group website. Related-party revenue from Expedia Group of €281.8 million, €66.4 million and €91.3 million for the years ended December 31, 2019, 2020 and 2021, respectively, primarily consists of click-through fees and other advertising services provided to Expedia Group and its subsidiaries. These amounts are recorded at contract value, which we believe is a reasonable reflection of the value of the services provided. Related-party revenue represented 34%, 27% and 25% of our total revenue for each of the years ended December 31, 2019, 2020 and 2021, respectively.

For the years ended December 31, 2019, 2020 and 2021, our operating expenses include €0.8 million, €0.2 million and €0.2 million, respectively, of related-party shared services fees and amounts related to the services and support agreements detailed below.

The related party trade receivable balances with Expedia Group and its subsidiaries reflected in our consolidated balance sheets as of December 31, 2020 and 2021 were €2.9 million and €16.4 million.

Services agreement

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. For the year ended December 31, 2019, we paid

Expedia Group €45 thousand for these data hosting services. During the years ended December 31, 2020 and 2021, 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. Either party may terminate the Services and Support Agreement upon 90 days' prior notice. For each of the years ended December 31, 2019, 2020 and 2021, we incurred €0.8 million, €0.3 million and €0.2 million, respectively, for these services and support services.

myhotelshop

Subsequent to the deconsolidation of myhotelshop in December 2017, myhotelshop remained a related party to trivago until January 28, 2021, when we sold our minority interest. Related-party revenue for the year ended December 31, 2021 was not significant. Related party revenue of €2.8 million and €1.1 million for the years ended December 31, 2019 and 2020, respectively, primarily consists of referral revenue. As a result of the sale, we derecognized the remaining equity method investment of €70 thousand on our consolidated balance sheet and no longer consider myhotelshop a related party.

16. Segment information

Management has identified three reportable segments, which correspond to our three operating segments: the Americas, Developed Europe and Rest of World. Our Americas segment is comprised of Argentina, Barbados, Brazil, Canada, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, Puerto Rico, the United States and Uruguay. Our Developed Europe segment is comprised of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. Our Rest of World segment is comprised of all other countries, the most significant by revenue of which are Australia, Turkey, Japan, Israel and India.

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

Corporate and Eliminations also includes all corporate functions and expenses except for direct advertising. In addition, we record amortization of intangible assets and any related impairment, share-based compensation expense, restructuring and related reorganization charges, legal reserves, occupancy tax and other taxes, and other items excluded from segment operating performance in Corporate and Eliminations. Such amounts are detailed in our segment reconciliations below. The following tables present our segment information for the years ended December 31, 2019, 2020 and 2021. As a significant portion of our property and equipment is not allocated to our operating segments and depreciation is not included in our segment measure, we do not report the assets by segment as it would not be meaningful. We do not regularly provide such information to our chief operating decision makers.

Year Ended December 31, 2019

(€ thousands)	Developed Europe	Americas	Rest of World	Corporate & Eliminations	Total
Referral revenue	€ 347,094	€ 305,061	€ 171,469	€ —	€ 823,624
Subscription revenue	—	—	—	12,152	12,152
Other revenue	—	—	—	2,841	2,841
Total revenue	€ 347,094	€ 305,061	€ 171,469	€ 14,993	€ 838,617
Advertising spend	230,291	233,949	152,465	—	616,705
ROAS contribution	€ 116,803	€ 71,112	€ 19,004	€ 14,993	€ 221,912
Costs and expenses:					
Cost of revenue, including related party, excluding amortization					9,159
Other selling and marketing, including related party ⁽¹⁾					47,450
Technology and content, including related party					69,924
General and administrative, including related party					55,543
Amortization of intangible assets					1,685
Operating income					€ 38,151
Other income/(expense)					
Interest expense					(33)
Other, net					(428)
Total other income/(expense), net					€ (461)
Income before income taxes					€ 37,690
Expense/(benefit) for income taxes					20,982
Income before equity method investment					€ 16,708
Income from equity method investment					453
Net income					€ 17,161

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

Year Ended December 31, 2020

(€ thousands)	Developed Europe	Americas	Rest of World	Corporate & Eliminations	Total
Referral revenue	€ 102,899	€ 89,341	€ 46,125	€ —	€ 238,365
Subscription revenue	—	—	—	7,657	7,657
Other revenue	—	—	—	2,899	2,899
Total revenue	€ 102,899	€ 89,341	€ 46,125	€ 10,556	€ 248,921
Advertising spend	60,784	56,979	32,211	—	149,974
ROAS contribution	€ 42,115	€ 32,362	€ 13,914	€ 10,556	€ 98,947
Costs and expenses:					
Cost of revenue, including related party, excluding amortization					10,133
Other selling and marketing, including related party ⁽¹⁾					28,281
Technology and content, including related party					64,258
General and administrative, including related party					40,935
Amortization of intangible assets					373
Impairment of goodwill					207,618
Operating loss					€ (252,651)
Other income/(expense)					
Interest expense					(270)
Other, net					(212)
Total other income/(expense), net					€ (482)
Loss before income taxes					€ (253,133)
Expense/(benefit) for income taxes					(8,494)
Loss before equity method investment					€ (244,639)
Loss from equity method investment					(739)
Net loss					€ (245,378)

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

Year Ended December 31, 2021					
(€ thousands)	Developed Europe	Americas	Rest of World	Corporate & Eliminations	Total
Referral revenue	€ 163,700	€ 140,143	€ 45,599	€ —	€ 349,442
Subscription revenue	—	—	—	3,914	3,914
Other revenue	—	—	—	8,109	8,109
Total revenue	€ 163,700	€ 140,143	€ 45,599	€ 12,023	€ 361,465
Advertising spend	106,984	94,096	22,470	—	223,550
ROAS contribution	€ 56,716	€ 46,047	€ 23,129	€ 12,023	€ 137,915
Costs and expenses:					
Cost of revenue, including related party, excluding amortization					11,500
Other selling and marketing, including related party ⁽¹⁾					25,646
Technology and content, including related party					52,374
General and administrative, including related party					38,208
Amortization of intangible assets					136
Operating income					€ 10,051
Other income/(expense)					
Interest expense					(389)
Other, net					13,628
Total other income/(expense), net					€ 13,239
Income before income taxes					€ 23,290
Expense/(benefit) for income taxes					12,586
Income before equity method investment					€ 10,704
Net income					€ 10,704

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

Geographic information

The following table presents revenue by geographic area for the years ended December 31, 2019, 2020 and 2021. Referral revenue was allocated by country using the same methodology as the allocation of segment revenue, while non-referral revenue was allocated either based upon the location of the customer using the service, or using the same methodology as the allocation of segment revenue, depending on the nature of the non-referral revenue stream.

(in thousands)	Year ended December 31,		
	2019	2020	2021
Total revenues			
United States	€ 192,526	€ 57,406	€ 102,687
Germany	68,491	27,491	42,301
United Kingdom	85,284	26,637	41,389
All other countries ⁽¹⁾	492,316	137,387	175,088
	€ 838,617	€ 248,921	€ 361,465

(1) Includes a portion of Corporate & Eliminations

The following table presents property and equipment, net for Germany and all other countries, as of December 31, 2020 and 2021:

(€ thousands)	Years ended December 31,			
	2020		2021	
Property and equipment, net:				
Germany	€	26,289	€	15,817
All other countries		393		88
	€	26,682	€	15,905

17. Valuation and qualifying accounts

The following table presents the changes in our valuation and qualifying accounts not disclosed elsewhere in these financial statements.

(€ thousands)	Balance at Beginning of Period	Charges to Earnings	Deductions	Balance at End of Period
2019				
Allowance for doubtful accounts	€ 250	€ 754	€ (930)	€ 74
2020				
Allowance for expected credit losses	74	656	(382)	348
2021				
Allowance for expected credit losses	348	330	(20)	658

18. Subsequent events

After the date of the balance sheet through the date of issuance of these consolidated financial statements, 1,200,000 Class B shares were converted into 1,200,000 Class A shares consistent with the conversion ratio discussed in *Note 12 - Stockholders' equity*. Furthermore, 794,681 Class A shares were issued as a result of options exercised and RSUs released.

On January 13, 2022, the €0.5 million held in escrow pursuant to Weekengo's acquisition, was released to the former shareholders.

On March 2, 2022, our trivago.ru domain and related mobile application was discontinued.

On March 1, 2022, the Company's Supervisory Board authorized a program to repurchase up to 10 million of the Company's American Depositary Shares ("ADS"), each representing one Class A share, during the period commencing March 7, 2022 and expiring no later than May 30, 2022. Purchases of ADSs may be made from time to time depending on share price and trading volume, and will comply with the parameters set by the Company's general meeting of shareholders for such ADS repurchases. In order to facilitate these repurchases, the Company intends to enter into a plan that is designed to comply with the provisions of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The repurchases of ADSs will be funded from available working capital.



Investor Relations
ir.trivago.com

trivago Headquarters
trivago N.V.
Kesselstraße 5-7
40221 Dusseldorf
Germany