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

FORM 6-K

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

For the month of November, 2023

Commission File Number: 001-37959

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

Kesselstraße 5 - 7
40221 Düsseldorf
Federal Republic of Germany
+49 211 54065110
(Address of principal executive offices)

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

Form 20-F x Form 40-F ☐

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

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

EXPLANATORY NOTE

On November 2, 2023, trivago N.V. will hold a conference call regarding its unaudited financial results for the third quarter ended September 30, 2023. Copies of the operating and financial review for the third quarter of 2023 and the unaudited condensed consolidated interim financial statements as of September 30, 2023 are furnished as Exhibits 99.1 and 99.2 hereto.

SIGNATURES

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

		trivago N.V.
Date: November 1, 2023	By:	/s/ Matthias Tillmann
		Matthias Tillmann
		Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Operating and Financial Review for the Third Quarter of 2023.
99.2	Unaudited Condensed Consolidated Interim Financial Statements as of September 30, 2023.

Exhibit 99.1

Operating and Financial Review

The following discussion should be considered together with our unaudited financial information included with this review and the periodic reports we file with the Securities and Exchange Commission, including the section contained in our Annual Report on Form 20-F for the fiscal year ended December 31, 2022, “Item 5. Operating and Financial Review and Prospects.” Certain information and disclosures normally included in consolidated financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”) have been omitted from this review.

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

Overview

trivago is a global hotel and accommodation search platform. We are focused on reshaping the way travelers search for and compare different types of accommodations, such as hotels, vacation rentals and apartments, while enabling our advertisers to grow their businesses by providing them with access to a broad audience of travelers via our websites and apps. Our platform allows travelers to make informed decisions by personalizing their search for accommodations and providing them with access to a deep supply of relevant information and prices. As of September 30, 2023, we offered access to more than 5.0 million hotels and other types of accommodation in over 190 countries, including over 3.8 million units of alternative accommodation, such as vacation rentals and apartments.

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

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

	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Δ Y/Y**	**2023**	**2022**	**Δ Y/Y**
Total revenue	157.9	183.7	(14)%	393.3	430.1	(9)%
Referral Revenue	156.1	180.5	(14)%	388.0	420.3	(8)%
Return on Advertising Spend	134.3%	147.6%	(13.3) ppts	145.9%	161.0%	(15.1) ppts
Net loss	(182.6)	(67.1)	172%	(167.0)	(137.6)	21%
Adjusted EBITDA[1]	16.0	33.5	(52)%	46.8	84.8	(45)%

[1] “Adjusted EBITDA” is a non-GAAP measure. Please see “Definitions of Non-GAAP Measures” and “Tabular Reconciliations for Non-GAAP Measures” on pages 14 to 15 herein for explanations and reconciliations of non-GAAP measures used throughout this review.

Recent Trends

In the third quarter of 2023, we continued to observe seasonal trends more closely aligned to those in 2019, with the summer uplift in monetization beginning later and continuing to be of a lower magnitude than in the prior year when we had benefited from a very strong auction in our marketplace. We observed elevated levels of average booking values[1], comparable to prior year which exceed 2019 levels. However, the loss of favorable tailwinds during the first half of 2023 from higher levels of average daily rates compared to prior year, and foreign exchange headwinds negatively impacted our monetization levels. Higher levels of competition in performance marketing channels resulted in declines in traffic volumes, particularly in our Americas and Developed Europe segments. In addition, lower levels of television advertising since the COVID-19 pandemic continue to result in the contribution of less direct traffic to our platform than had been the case prior to the pandemic.

The net loss of €182.6 million in the third quarter was primarily driven by a cumulative impairment charge of €196.1 million in connection with our annual indefinite-lived intangible asset and goodwill impairment analysis. The impairment was driven by adjustments made to our profitability outlook arising from the announced strategy shift to long-term growth, share price decline during the third quarter of 2023, uncertainty in our operating environment, and the continued uncertainty in respect of the overall economic environment. The elevated levels of marketing investments necessary to stimulate long-term growth affected our profitability outlook in the short-to-midterm.

We continue to closely monitor the ongoing conflict affecting the Middle Eastern region. A prolonged or further escalation in the conflict may have a negative impact on our Rest of World segment results.

Outlook and strategy

Following management's review of the initial results of our summer brand campaigns in select test markets and the results of incremental improvements made to our platform, we updated our strategy to increase brand marketing investments. As we increase our brand marketing efforts, we expect operating expenditures other than Advertising Spend to remain stable. While these investments are expected to negatively impact our profitability in the short-to-midterm, we believe they will have a long-term positive impact on the volume of direct traffic to our platform.

Update on capital distribution

On September 15, 2023, we announced that we intend to distribute an extraordinary one-time dividend totaling €184.4 million (€0.529228 per share), recognized on our balance sheet, as we continue to return value to shareholders and optimize our capital structure. The payment of the dividend is anticipated to be made on November 6, 2023 to holders of Class A and B shares. The payment of the dividend to holders of our American Depositary Shares is anticipated to occur on November 13, 2023.

Changes in management

On October 5, 2023, we announced that Robin Harries will rejoin the Company as Chief Financial Officer (CFO) no later than April 1, 2024, as Matthias Tillmann will step down from the position at the close of this year to pursue other interests.

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[1] Average booking value is the average amount our advertisers obtain from referrals as a result of hotels and other accommodation booked on their sites. We estimate this amount from data voluntarily provided to us by certain advertisers.

Revenue

Referral Revenue & Other Revenue

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

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

Management has identified three reportable segments, which correspond to our three operating segments: Americas, Developed Europe and Rest of World (RoW). Our Americas segment is comprised of Argentina, Brazil, Canada, Chile, Colombia, Ecuador, Mexico, Peru, the United States and Uruguay. Our Developed Europe segment is comprised of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. Our RoW segment is comprised of all other countries. In the third quarter of 2023, the most significant countries by revenue in that segment were Japan, Turkey, Australia, Hong Kong and India.

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

Referral Revenue by Segment & Other Revenue (€ millions)

	Three months ended September 30,				Nine months ended September 30,			
	2023	**2022**	**Δ €**	**Δ %**	**2023**	**2022**	**Δ €**	**Δ % Y/Y**
Americas	€ 59.7	€ 75.2	(15.5)	(21)%	€ 143.1	€ 174.6	(31.5)	(18)%
Developed Europe	69.5	83.5	(14.0)	(17)%	178.1	193.7	(15.6)	(8)%
Rest of World	27.0	21.8	5.2	24%	66.8	52.0	14.8	28%
Total Referral Revenue	**€ 156.1**	**€ 180.5**	**(24.4)**	**(14)%**	**€ 388.0**	**€ 420.3**	**(32.3)**	**(8)%**
Other revenue	1.7	3.2	(1.5)	(47)%	5.3	9.8	(4.5)	(46)%
Total revenue	**€ 157.9**	**€ 183.7**	**(25.8)**	**(14)%**	**€ 393.3**	**€ 430.1**	**(36.8)**	**(9)%**

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

In the third quarter of 2023, total revenue decreased by €25.8 million, or 14%, to €157.9 million compared to the same period in 2022. In the nine months ended September 30, 2023, total revenue decreased by €36.8 million, or 9%, to €393.3 million compared to the same period in 2022.

Americas

In the third quarter of 2023, Referral Revenue decreased by €15.5 million to €59.7 million, compared to the same period in 2022. The decrease was primarily driven by lower traffic volumes from increased competition in performance marketing channels. The decrease was further driven by a negative foreign exchange rate impact due to the weakening of the U.S. dollar against the euro and lower booking conversion, partly offset by higher average booking values compared to the same period in 2022.

In the nine months ended September 30, 2023, Referral Revenue decreased by €31.5 million to €143.1 million compared to the same period in 2022. The decrease was primarily driven by lower traffic volumes from increased competition in performance marketing channels, softer bidding dynamics on our platform compared to the same period in 2022 when we had benefited from a strong auction, and a negative foreign exchange rate impact due to the weakening of the U.S. dollar against the euro. These were partly offset by higher average booking values compared to the same period in 2022.

Developed Europe

In the third quarter of 2023, Referral Revenue decreased by €14.0 million to €69.5 million compared to the same period in 2022. The decrease was primarily driven by a reduction in traffic volumes from increased competition in performance marketing channels and further driven by softer bidding dynamics on our platform compared to the same period in 2022 when we had benefited from a strong auction.

In the nine months ended September 30, 2023, Referral Revenue decreased by €15.6 million to €178.1 million, compared to the same period in 2022. The decrease was primarily driven by lower traffic volumes from increased competition in performance marketing channels and further driven by softer bidding dynamics on our platform compared to 2022 when we had benefited from a strong auction. The decrease was partly offset by better booking conversion and higher average booking values compared to the same period in 2022.

Rest of World

In the third quarter of 2023, Referral Revenue increased by €5.2 million to €27.0 million, compared to the same period in 2022. The increase was driven by higher average booking values and increased traffic volumes, particularly in Japan and Turkey, due to the continued increase in travel demand combined with increased marketing investments. The increase in Referral Revenue was partly offset by lower traffic volumes in Central Eastern Europe.

In the nine months ended September 30, 2023, Referral Revenue increased by €14.8 million to €66.8 million, compared to the same period in 2022. The increase was driven by higher average booking values, better booking conversion, and an increase in traffic volumes, particularly in Japan. The increase was partly offset by a decrease in traffic volumes in Central Eastern Europe compared to the same period in 2022.

Other Revenue

Other revenue decreased by €1.5 million, or 47%, during the third quarter of 2023, and by €4.5 million or 46%, during the nine months ended September 30, 2023 compared to the same period in 2022, mainly due to our decision in the second quarter of 2022 to discontinue some of our B2B products such as display ads.

Advertiser Concentration

We generate the majority of our Referral Revenue from online travel agencies, or OTAs. For brands affiliated with Expedia Group, including Brand Expedia, Hotels.com, Orbitz, Travelocity, Hotwire, Wotif, Vrbo and ebookers, the share of our Referral Revenue was 34% and 37% in the third quarter of 2023 and in the nine months ended September 30, 2023, respectively, compared to 34% and 32% in the same periods in 2022. For brands affiliated with Booking Holdings, including Booking.com, Agoda and priceline.com, the share of our Referral Revenue was 46% and 43% in the third quarter of 2023 and for the nine months ended September 30, 2023, respectively, compared to 50% in the same periods in 2022.

Return on Advertising Spend (ROAS)

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

ROAS by Segment (in %)

	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Δ ppts**	**2023**	**2022**	**Δ ppts**
ROAS						
Americas	127.8%	142.5%	(14.7) ppts	143.4%	159.0%	(15.6) ppts
Developed Europe	138.7%	146.8%	(8.1) ppts	144.7%	156.3%	(11.6) ppts
Rest of World	138.3%	172.2%	(33.9) ppts	154.9%	190.8%	(35.9) ppts
Consolidated ROAS	**134.3%**	**147.6%**	**(13.3) ppts**	**145.9%**	**161.0%**	**(15.1) ppts**

In the third quarter of 2023, consolidated ROAS decreased by 13.3 ppts to 134.3%, compared to the same period in 2022. The decrease in ROAS was driven by a decrease of 14.7 ppts, 8.1 ppts and 33.9 ppts in Americas, Developed Europe and RoW, respectively, compared to the same period in 2022. In the nine months ended September 30, 2023, consolidated ROAS decreased by 15.1 ppts to 145.9%, which was driven by a decrease of 15.6 ppts, 11.6 ppts and 35.9 ppts in Americas, Developed Europe and RoW, respectively, compared to the same period in 2022.

Americas

In the third quarter of 2023, ROAS decreased to 127.8%, as the relative decrease in Referral Revenue was greater than the relative decrease in Advertising Spend, compared to the same period in 2022. Advertising Spend decreased by €6.1 million to €46.7 million in the third quarter of 2023, compared to the same period in 2022, mainly due to adjustments made to our performance marketing activities to maintain our ROAS targets. Contribution decreased by €9.4 million to €13.0 million in the third quarter of 2023 compared to the same period in 2022.

In the nine months ended September 30, 2023, ROAS decreased to 143.4%, as the relative decrease in Referral Revenue was greater than the relative decrease in Advertising Spend, compared to the same period in 2022. Advertising Spend decreased by €10.0 million to €99.8 million in the nine months ended September 30, 2023, compared to the same period in 2022, mainly due to adjustments made to our performance marketing activities to maintain our ROAS targets. Contribution decreased by €21.4 million to €43.3 million in the nine months ended September 30, 2023 compared to the same period in 2022.

Developed Europe

In the third quarter of 2023, ROAS decreased to 138.7%, as the relative decrease in Referral Revenue was greater than the relative decrease in Advertising Spend compared to the same period in 2022. Advertising Spend decreased by €6.7 million to €50.1 million, compared to the same period in 2022, mainly due to adjustments made to our performance marketing activities to maintain our ROAS targets. Contribution decreased by €7.2 million to €19.4 million in the third quarter of 2023 compared to the same period in 2022.

In the nine months ended September 30, 2023, ROAS decreased to 144.7%, as the relative decrease in Referral Revenue was greater than the relative decrease in Advertising Spend, compared to the same period in 2022. Advertising Spend decreased by €0.9 million to €123.1 million in the nine months ended September 30, 2023, compared to the same period in 2022, mainly due to adjustments made to our performance marketing activities to maintain our ROAS targets, which were partly offset by increased brand investments in the first half year of 2023. Contribution decreased by €14.8 million to €55.0 million in the nine months ended September 30, 2023 compared to the same period in 2022.

Rest of World

In the third quarter of 2023, ROAS decreased to 138.3%, as the relative increase in Advertising Spend was greater than the relative increase in Referral Revenue compared to the same period in 2022. Advertising Spend increased by €6.8 million to €19.5 million in the third quarter of 2023, compared to the same period in 2022. The increase in marketing activities, particularly in Japan and Turkey, was mainly driven by the increase in travel demand in these markets. Contribution decreased by €1.6 million to €7.5 million in the third quarter of 2023 compared to the same period in 2022.

In the nine months ended September 30, 2023, ROAS decreased to 154.9%, as the relative increase in Advertising Spend was greater than the relative increase in Referral Revenue, compared to the same period in 2022. Advertising Spend increased by €15.8 million to €43.1 million in the nine months ended September 30, 2023, compared to the same period in 2022, mainly driven by a significant increase in marketing activities due to the recovery of travel demand, particularly in Japan. Contribution decreased by €1.1 million to €23.7 million in the nine months ended September 30, 2023, compared to the same period in 2022.

Expenses

Expenses by cost category (€ millions)

	Costs and expenses					As a % of revenue		
	Three months ended September 30,					Three months ended September 30,		
	2023		2022		Δ %	2023	2022	Δ in ppts
Cost of revenue	€	3.1	€	3.2	(3)%	2 %	2 %	— %
of which share-based compensation		*0.0*		*0.0*	*— %*			
Selling and marketing		121.7		128.8	(6)%	77 %	70 %	7 %
of which share-based compensation		*0.1*		*0.2*	*(50)%*			
Technology and content		12.0		13.5	(11)%	8 %	7 %	1 %
of which share-based compensation		*0.5*		*0.7*	*(29)%*			
General and administrative		9.3		11.1	(16)%	6 %	6 %	— %
of which share-based compensation		*2.4*		*4.0*	*(40)%*			
Amortization of intangible assets		0.0		0.0	— %	0 %	0 %	— %
Impairment of intangible assets and goodwill		196.1		100.4	95 %	124 %	55 %	69 %
Total costs and expenses	**€**	**342.2**	**€**	**257.1**	**33 %**	**217%**	**140 %**	**77 %**

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

	Costs and Expenses					As a % of Revenue		
	Nine months ended September 30,					Nine months ended September 30,		
	2023		2022		Δ % Y/Y	2023	2022	Δ in ppts
Cost of revenue	€	9.2	€	9.2	—%	2 %	2 %	— %
of which share-based compensation		*0.1*		*0.2*	*(50)%*			
Selling and marketing		281.9		280.5	—%	72 %	65 %	7 %
of which share-based compensation		*0.3*		*0.6*	*(50)%*			
Technology and content		36.9		42.5	(13)%	9 %	10 %	(1)%
of which share-based compensation		*1.3*		*2.3*	*(43)%*			
General and administrative		30.1		51.2	(41)%	8 %	12 %	(4)%
of which share-based compensation		*6.5*		*8.7*	*(25)%*			
Amortization of intangible assets		0.1		0.1	—%	0 %	0 %	— %
Impairment of intangible assets and goodwill		196.1		184.6	6%	50%	43 %	7 %
Total costs and expenses	**€**	**554.3**	**€**	**568.1**	**(2)%**	**141%**	**132 %**	**9 %**

Cost of revenue

In the third quarter of 2023, cost of revenue decreased by €0.1 million, or 3%, to €3.1 million, and remained stable at €9.2 million in the nine months ended September 30, 2023, compared to the same period in 2022.

The decrease in the third quarter of 2023 was driven by lower data center-related service provider costs.
In the nine months ended September 30, 2023, higher personnel costs, driven by an increase in compensation costs compared to the same period in 2022 were offset by lower data center-related service provider costs and lower depreciation expense.

Selling and marketing

In the third quarter of 2023, selling and marketing expense decreased by €7.1 million, or 6%, to €121.7 million compared to the same period in 2022, of which €116.3 million, or 96%, was Advertising Spend. In the nine months ended September 30, 2023, selling and marketing expense increased by €1.4 million, or 0.5%, to €281.9 million compared to the same period in 2022, of which €266.0 million, or 94%, was Advertising Spend.

Advertising Spend

In the third quarter of 2023, Advertising Spend decreased by €6.1 million and €6.7 million to €46.7 million and €50.1 million in Americas and Developed Europe, respectively, while it increased by €6.8 million to €19.5 million in Rest of World, compared to the same period in 2022. The overall decrease in Advertising Spend was driven by lower performance marketing spend. For a more detailed discussion of changes in Advertising Spend by segment, see "*Return on Advertising Spend (ROAS)*" above.

In the nine months ended September 30, 2023, Advertising Spend decreased by €10.0 million and €0.9 million to €99.8 million and €123.1 million in Americas and Developed Europe, respectively, while it increased by €15.8 million to €43.1 million in Rest of World, compared to the same period in 2022. The overall increase in Advertising Spend was driven by higher brand investments in the first half of 2023, partly offset by lower performance marketing spend in the second and third quarter of 2023. For a more detailed discussion of changes in Advertising Spend by segment, see "*Return on Advertising Spend (ROAS)*" above.

Other selling and marketing expense

In the third quarter of 2023, other selling and marketing expense decreased by €1.1 million, or 17%, to €5.4 million, and decreased by €3.5 million, or 18%, to €15.9 million in the nine months ended September 30, 2023, compared to the same period in 2022.

The decrease in the third quarter of 2023 was mainly due to cancellation fees incurred in the third quarter of 2022 for contracts related to discontinued products, and lower expenses incurred in 2023 to acquire traffic.

The decrease in the nine months ended September 30, 2023 was mainly due to lower personnel costs from a lower headcount following the discontinuation of certain products and projects in the prior year and as a result of an internal reorganization of existing teams to achieve efficiencies in 2022. The decrease was further driven by lower expenses incurred to acquire traffic and cancellation fees incurred in the prior year for contracts related to discontinued products.

Technology and content

In the third quarter of 2023, technology and content expense decreased by €1.5 million, or 11%, to €12.0 million, and decreased by €5.6 million, or 13%, to €36.9 million in the nine months ended September 30, 2023, compared to the same period in 2022.

The decrease in the third quarter of 2023 was mainly due to lower personnel costs from a lower headcount following an internal reorganization of existing teams to achieve efficiencies through attrition and headcount reductions as a result of the discontinuation of certain products and projects in 2022. The decrease was further driven by lower depreciation expense and was partly offset by higher cloud-related service provider costs and continuous investments to improve our platform.

The decrease in the nine months ended September 30, 2023 was primarily due to lower personnel costs from a lower headcount and lower severance payments, compared to the same period in 2022. It was further driven by lower depreciation expense, lower share-based compensation expense and the impairment of capitalized software assets related to discontinued products and projects recognized in the prior year. These were partly offset by higher cloud-related service provider costs and continuous investments to improve our platform.

General and administrative

In the third quarter of 2023, general and administrative expense decreased by €1.8 million, or 16%, to €9.3 million, and decreased by €21.1 million, or 41%, to €30.1 million in the nine months ended September 30, 2023, compared to the same period in 2022.

The decrease in the third quarter of 2023 was mostly due to lower share-based compensation expense.

The decrease in the nine months ended September 30, 2023, was mainly driven by the non-recurrence of the incremental expense of €20.7 million during 2022, in relation to the proceeding brought by the Australian Competition and Consumer Commission (ACCC) against us. The decrease was further driven by lower share-based compensation and insurance expense, and partly offset by higher personnel expenses due to an increase in compensation costs and higher expected credit losses on trade receivables, compared to the same period in 2022.

Amortization of intangible assets

Amortization of intangible assets was €34 thousand in both the third quarter of 2023 and 2022, and was €0.1 million in both the nine months ended September 30, 2023 and 2022, as we amortize intangible assets acquired through the weekengo GmbH acquisition.

Impairment of intangible assets and goodwill

As a result of our annual goodwill impairment test performed as of September 30, 2023, we recorded impairment charges of €95.5 million and €86.5 million to our Developed Europe and Americas reporting unit goodwill balances, respectively, as well as an impairment charge of €14.2 million to our indefinite-lived intangible assets for the three and nine months ended September 30, 2023. The impairment was driven by adjustments made to our profitability outlook arising from the announced strategy shift to long-term growth, share price decline during the third quarter of 2023, uncertainty in our operating environment, and the continued uncertainty in respect of the overall economic environment.

In the three months ended September 30, 2022, we recorded an impairment charge of €47.6 million to our Developed Europe reporting unit goodwill balance and €52.8 million to our indefinite-lived intangible assets as we performed our 2022 annual impairment test. The impairments in the prior year were due to deteriorating macroeconomic conditions, including rising interest rates, increased inflation and more uncertainty in respect of the overall economic environment. In the nine months ended September 30, 2022, we recorded cumulative impairment charges of €104.6 million to our Developed Europe reporting unit goodwill balance and €80.0 million to our indefinite-lived intangible assets. The impairments were due to deteriorating macroeconomic conditions and a shift in the Company’s internal priorities beginning in the second quarter of 2022.

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

	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	Δ €	2023	2022	Δ €
Operating loss	€ (184.3)	€ (73.4)	(110.9)	€ (161.0)	€ (138.0)	(23.0)
Other income/(expense)						
Interest expense	(0.0)	(0.0)	—	(0.0)	(0.0)	—
Interest income	1.8	0.1	1.7	4.1	0.2	3.9
Other, net	(0.1)	0.3	(0.4)	(0.3)	0.7	(1.0)
Total other income, net	**€ 1.7**	**€ 0.4**	**1.3**	**€ 3.8**	**€ 0.9**	**2.9**
Loss before income taxes	(182.6)	(73.0)	(109.6)	(157.2)	(137.2)	(20.0)
Expense/(benefit) for income taxes	(0.0)	(6.1)	6.1	9.6	0.2	9.4
Loss before equity method investment	**€ (182.6)**	**€ (66.9)**	**(115.7)**	**€ (166.8)**	**€ (137.3)**	**(29.5)**
Loss from equity method investment	(0.1)	(0.3)	0.2	(0.2)	(0.3)	0.1
Net loss	**€ (182.6)**	**€ (67.1)**	**(115.5)**	**€ (167.0)**	**€ (137.6)**	**(29.4)**
Adjusted EBITDA[1]	**€ 16.0**	**€ 33.5**	**(17.5)**	**€ 46.8**	**€ 84.8**	**(38.0)**

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

[1] "Adjusted EBITDA" is a non-GAAP measure. Please see "Definitions of Non-GAAP Measures" and "Tabular Reconciliations for Non-GAAP Measures" on pages 14 to 15 herein for explanations and reconciliations of non-GAAP measures used throughout this review.

Income taxes

Income tax benefit was €35 thousand in the third quarter of 2023, compared to €6.1 million in the same period in 2022. The total weighted average tax rate was 31.2%, which was mainly driven by the German statutory tax rate of approximately 31.2%. Our effective tax rate for the third quarter of 2023 was (2.4)%, compared to 8.4% in the same period in 2022. The difference in effective tax rate in the quarter ended September 30, 2023 compared to the same period in 2022 is primarily attributable to the higher amount of goodwill impairment recognized in the current year, which is not deductible for tax purposes, and the difference in pre-tax profit and loss position between periods.

The difference between the weighted average tax rate of 31.2% and the effective tax rate of (2.4)% in the third quarter of 2023 is primarily attributable to the goodwill impairment, which is non-deductible for tax purposes.

Income tax expense was €9.6 million in the nine months ended September 30, 2023, compared to €0.2 million in the nine months ended September 30, 2022. Our effective tax rate for the nine months ended September 30, 2023 was (6.1)%, compared to (0.1)% in the same period in 2022.

The difference between the weighted average tax rate and the effective tax rate for the nine months ended September 30, 2023 is primarily attributable to the goodwill impairment, which is non-deductible for tax purposes.

An uncertain tax position in connection with unrecognized tax benefits relating to the deductibility of expenses amounted to €8.5 million as of September 30, 2023. A liability for these tax benefits is presented under other long-term liabilities in the unaudited condensed consolidated financial statements. During the quarter ended September 30, 2023, we released €0.8 million of the uncertain tax position that was previously presented within other current liabilities.

Net Income/(loss) and Adjusted EBITDA

Net loss in the third quarter of 2023 was €182.6 million compared to the net loss of €67.1 million in the same period in 2022. Net loss in the nine months ended September 30, 2023 was €167.0 million compared to the net loss of €137.6 million in the same period in 2022.

The larger loss in the third quarter of 2023 was mainly driven by higher impairment of indefinite-lived intangible assets and goodwill of €196.1 million compared to €100.4 million recorded in 2022. The larger loss was further driven by lower revenues of €25.8 million and lower ROAS compared to the same period in 2022.

The larger loss in the nine months ended September 30, 2023 was driven by lower revenues mainly due to lower traffic volumes, lower monetization, and negative foreign exchange effects compared to the same period in 2022. This larger loss was further driven by the higher impairment of indefinite-lived intangible assets and goodwill totaling €196.1 million compared to €184.6 million recorded in the same period 2022. This was partly offset by the non-recurrence of the incremental expense of €20.7 million recorded in prior year in relation to the proceeding brought by the ACCC against us.

Adjusted EBITDA decreased by €17.5 million to €16.0 million in the third quarter of 2023 driven by lower revenues of €25.8 million, partly offset by lower Advertising Spend of €6.0 million, compared to the same period in 2022.

In the nine months ended September 30, 2023, Adjusted EBITDA decreased by €38.0 million to €46.8 million driven by lower revenues of €36.8 million and lower ROAS compared to the same period in 2022.

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

Balance sheet and cash flows

Total cash, cash equivalents and restricted cash were €299.3 million as of September 30, 2023, compared to €248.9 million as of December 31, 2022. The increase of €50.4 million during the nine months ended September 30, 2023, was mainly driven by cash provided by investing activities of €42.4 million and cash provided by operating activities of €12.4 million, partly offset by €4.2 million cash used in financing activites.

Cash provided by investing activities during the nine months ended September 30, 2023, was primarily driven by proceeds from sales and maturities of investments of €45.0 million which also resulted in the elimination of the short-term investment balance as of September 30, 2023, partly offset by €2.6 million in capital expenditures, including internal-use software and website development.

Cash provided by operating activities for the nine months ended September 30, 2023, was primarily driven by the adjustment of non-cash items totaling €204.7 million included in the period net loss of €167.0 million, partly offset by an overall negative change in operating assets and liabilities of €25.4 million.

Non-cash items reconciled from net loss include the intangible assets and goodwill impairment loss of €196.1 million which also resulted in the reduction of the net intangible assets balance and the elimination of the goodwill balance as of September 30, 2023, share-based compensation of €8.2 million, and depreciation of €3.3 million. These were partly offset by a reduction of deferred income taxes of €4.6 million.

The change in operating assets and liabilities was primarily driven by an increase in accounts receivable of €18.6 million due to higher revenues in the third quarter of 2023 compared to the fourth quarter of 2022. This was further driven by the negative changes in net taxes payable/receivable of €10.5 million and the increase in prepaid expenses and other assets of €3.8 million. These negative changes were partly offset by an increase in accounts payable of €6.5 million.

Cash used in financing activities for the nine months ended September 30, 2023, was primarily driven by payments totaling €4.4 million related to withholding taxes on net share settlements of equity awards.

In September 2023 the 20,000,000 Class A shares classified as treasury stock acquired from Peter Vinnemeier, one of our founders, in 2022 were retired. As a result, the treasury stock balance of €19.9 million was eliminated.

Our current ratio decreased from 7.1 as of December 31, 2022 to 1.6 as of September 30, 2023 largely due to the significant increase in current liabilities compared to December 31, 2022 driven by the accrued probable dividend distribution of €184.4 million planned in November. This is bifurcated and presented as dividend payable and related party dividend payable as of September 30, 2023.

trivago N.V. Key Metrics

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
ROAS by segment				
Americas	127.8%	142.5%	143.4%	159.0%
Developed Europe	138.7%	146.8%	144.7%	156.3%
Rest of World	138.3%	172.2%	154.9%	190.8%
Consolidated ROAS	**134.3%**	**147.6%**	**145.9%**	**161.0%**

Notes & Definitions:

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

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

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

Definitions of Non-GAAP Measures

Adjusted EBITDA:

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

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

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

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

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;

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

Tabular Reconciliations for Non-GAAP Measures

Adjusted EBITDA (€ millions)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net loss	€ (182.6)	€ (67.1)	€ (167.0)	€ (137.6)
Loss from equity method investment	(0.1)	(0.3)	(0.2)	(0.3)
Loss before equity method investment	**€ (182.6)**	**€ (66.9)**	**€ (166.8)**	**€ (137.3)**
Expense/(benefit) for income taxes	(0.0)	(6.1)	9.6	0.2
Loss before income taxes	**€ (182.6)**	**€ (73.0)**	**€ (157.2)**	**€ (137.2)**
Add/(less):				
Interest expense	0.0	0.0	0.0	0.0
Interest income	(1.8)	(0.1)	(4.1)	(0.2)
Other, net	0.1	(0.3)	0.3	(0.7)
Operating loss	**€ (184.3)**	**€ (73.4)**	**€ (161.0)**	**€ (138.0)**
Depreciation of property and equipment and amortization of intangible assets	1.1	1.5	3.4	4.9
Impairment of, and gains and losses on disposals of, property and equipment	0.0	0.0	0.0	0.9
Impairment of intangible assets and goodwill	196.1	100.4	196.1	184.6
Share-based compensation	3.1	4.9	8.2	11.7
Certain other items, including restructuring, significant legal settlements and court-ordered penalties	0.0	—	0.0	20.7
Adjusted EBITDA	**€ 16.0**	**€ 33.5**	**€ 46.8**	**€ 84.8**

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

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

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

- our ability to grow our revenue in future periods, or at rates deemed sufficient by the market without reducing our profits or incurring losses;
- 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;
- the potential negative impact of the worsening economic outlook and inflation on consumer discretionary spending;
- geopolitical and diplomatic tensions, instabilities and conflicts, including war, civil unrest, terrorist activity, sanctions or other geopolitical events or escalations of hostilities, such as the war in Ukraine or the conflict affecting the Middle Eastern region;
- 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;
- any impairment of intangible assets and goodwill;
- the continuing negative impact of having almost completely ceased television advertising in 2020 and only having resumed such advertising at reduced levels in 2021 and 2022 on our ability to grow our revenue;
- our ability to implement our strategic initiatives, including our planned investments in brand marketing;
- increasing competition in our industry;
- our reliance on search engines, particularly Google, which promote their own product and services that compete directly with our accommodation search and may negatively impact our business, financial performance and prospects;
- our ability to innovate and provide tools and services that are useful to our users and advertisers;
- our business model's dependence on consumer preferences for traditional hotel-based accommodation;
- our dependence on relationships with third parties to provide us with content;
- changes to and our compliance with applicable laws, rules and regulations;
- the impact of any legal and regulatory proceedings to which we are or may become subject;
- potential disruptions in the operation of our systems, security breaches and data protection; and
- impacts from our operating globally;

as well as other risks and uncertainties detailed in our public filings with the SEC, including trivago's Annual Report on Form 20-F for the fiscal year ended December 31, 2022, as such risks and uncertainties may be updated from time to time. Except as required by law, we undertake no obligation to update any forward-looking or other statements in this review, whether as a result of new information, future events or otherwise.

trivago N.V.

Unaudited Condensed Consolidated Interim Financial Statements as of September 30, 2023

trivago N.V.

Condensed consolidated statements of operations

(€ thousands, except per share amounts, unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Revenue	€ 105,201	€ 122,747	€ 251,324	€ 294,224
Revenue from related party	52,661	60,955	142,010	135,891
Total revenue	**157,862**	**183,702**	**393,334**	**430,115**
Costs and expenses:				
Cost of revenue, including related party, excluding amortization (1)	3,080	3,236	9,223	9,199
Selling and marketing, including related party (1)(2)(3)	121,684	128,799	281,914	280,491
Technology and content, including related party (1)(2)(3)	12,011	13,453	36,877	42,500
General and administrative, including related party (1)(2)(3)	9,251	11,121	30,090	51,202
Amortization of intangible assets (2)	34	34	101	102
Impairment of intangible assets and goodwill	196,127	100,465	196,127	184,642
Operating loss	**(184,325)**	**(73,406)**	**(160,998)**	**(138,021)**
Other income/(expense)				
Interest expense	(3)	(11)	(7)	(46)
Interest income	1,837	86	4,126	215
Other, net	(123)	329	(337)	684
Total other income, net	**1,711**	**404**	**3,782**	**853**
Loss before income taxes	**(182,614)**	**(73,002)**	**(157,216)**	**(137,168)**
Expense/(benefit) for income taxes	(35)	(6,124)	9,581	158
Loss before equity method investment	**(182,579)**	**(66,878)**	**(166,797)**	**(137,326)**
Loss from equity method investment	(55)	(259)	(173)	(313)
Net loss	**€ (182,634)**	**€ (67,137)**	**€ (166,970)**	**€ (137,639)**
Earnings per share available to common stockholders:				
Basic	€ (0.53)	€ (0.19)	€ (0.49)	€ (0.38)
Diluted	(0.53)	(0.19)	(0.49)	(0.38)
Shares used in computing earnings per share:				
Basic	343,806	360,609	343,919	359,964
Diluted	343,806	360,609	343,919	359,964

	Three months ended September 30,				Nine months ended September 30,			
	2023		2022		2023		2022	
(1) Includes share-based compensation as follows:								
Cost of revenue	€	37	€	48	€	108	€	150
Selling and marketing		135		161		327		592
Technology and content		541		687		1,327		2,314
General and administrative		2,380		4,044		6,469		8,682
(2) Includes amortization as follows:								
Amortization of internal use software costs included in selling and marketing	€	—	€	—	€	—	€	8
Amortization of internal use software and website development costs included in technology and content		789		1,042		2,280		3,204
Amortization of internal use software costs included in general and administrative		—		1		—		104
Amortization of acquired technology included in amortization of intangible assets		34		34		101		102
(3) Includes related party expense as follows:								
Selling and marketing	€	20	€	7	€	68	€	93
Technology and content		397		51		1,211		112
General and administrative		—		—		24		1

See accompanying notes

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Condensed consolidated statements of comprehensive income/(loss)

(€ thousands, unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Net loss	€ (182,634)	€ (67,137)	€ (166,970)	€ (137,639)
Other comprehensive income:				
Currency translation adjustments	4	24	7	52
Total other comprehensive income	4	24	7	52
Comprehensive income/(loss)	**€ (182,630)**	**€ (67,113)**	**€ (166,963)**	**€ (137,587)**

See accompanying notes

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Condensed consolidated balance sheets

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

ASSETS	As of September 30, 2023		As of December 31, 2022	
Current assets:				
Cash and cash equivalents	€	298,957	€	248,584
Restricted cash		342		342
Accounts receivable, net of allowance for credit losses of €1,236 and €418 at September 30, 2023 and December 31, 2022, respectively		36,501		25,679
Accounts receivable, related party		31,162		24,432
Short-term investments		—		45,000
Tax receivable		2,551		498
Prepaid expenses and other current assets		10,788		8,669
Total current assets		**380,301**		**353,204**
Property and equipment, net		10,287		13,075
Operating lease right-of-use assets		42,862		45,028
Investments and other assets		9,673		8,409
Intangible assets, net		75,649		89,949
Goodwill		—		181,927
TOTAL ASSETS	**€**	**518,772**	**€**	**691,592**
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	€	26,874	€	19,941
Income taxes payable		3,926		12,325
Deferred revenue		1,273		1,689
Payroll liabilities		2,505		2,454
Accrued expenses and other current liabilities		10,028		8,675
Operating lease liability		2,282		4,538
Dividend payable		57,914		—
Dividend payable, related party		126,467		—
Total current liabilities		**231,269**		**49,622**
Operating lease liability		39,016		40,729
Deferred income taxes		25,421		30,050
Other long-term liabilities		8,882		9,455
Stockholders' equity:				
Class A common stock, €0.06 par value - 700,000,000 shares authorized, Shares issued: 108,750,543 and 124,305,225, respectively Shares outstanding: 108,750,543 and 104,305,225, respectively		6,525		7,458
Class B common stock, €0.60 par value - 320,000,000 shares authorized, 237,476,895 and 237,476,895 shares issued and outstanding, respectively		142,486		142,486
Treasury stock at cost - Class A shares, nil and 20,000,000 shares, respectively		—		(19,960)
Reserves		683,131		863,987
Contribution from Parent		122,307		122,307
Accumulated other comprehensive income		61		54
Accumulated deficit		(740,326)		(554,596)
Total stockholders' equity		**214,184**		**561,736**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**€**	**518,772**	**€**	**691,592**

See accompanying notes

trivago N.V.

Condensed consolidated statements of changes in equity

(€ thousands, unaudited)

Three months ended September 30, 2023	**Class A common stock**	**Class B common stock**	**Treasury stock - Class A common stock**	**Reserves**	**Retained earnings (accumulated deficit)**	**Accumulated other comprehensive income/(loss)**	**Contribution from Parent**	**Total stockholders' equity**
Balance at July 1, 2023	€ 7,672	€ 142,486	€ (19,960)	€ 865,554	€ (538,932)	€ 57	€ 122,307	€ 579,184
Net loss					(182,634)			(182,634)
Other comprehensive income (net of tax)						4		4
Share-based compensation expense				3,093				3,093
Issuance of common stock related to exercise of options and vesting of RSUs	53			(9)				44
Withholding taxes on net share settlements of equity awards				(1,126)				(1,126)
Treasury stock retirement	(1,200)		19,960		(18,760)			—
Dividend payables				(184,381)				(184,381)
Balance at September 30, 2023	**€ 6,525**	**€ 142,486**	**€ —**	**€ 683,131**	**€ (740,326)**	**€ 61**	**€ 122,307**	**€ 214,184**

Nine months ended September 30, 2023	**Class A common stock**	**Class B common stock**	**Treasury stock - Class A common stock**	**Reserves**	**Retained earnings (accumulated deficit)**	**Accumulated other comprehensive income/(loss)**	**Contribution from Parent**	**Total stockholders' equity**
Balance at January 1, 2023	€ 7,458	€ 142,486	€ (19,960)	€ 863,987	€ (554,596)	€ 54	€ 122,307	€ 561,736
Net loss					(166,970)			(166,970)
Other comprehensive income (net of tax)						7		7
Share-based compensation expense				8,231				8,231
Issuance of common stock related to exercise of options and vesting of RSUs	267			(42)				225
Withholding taxes on net share settlements of equity awards				(4,664)				(4,664)
Treasury stock retirement	(1,200)		19,960		(18,760)			—
Dividend payables				(184,381)				(184,381)
Balance at September 30, 2023	**€ 6,525**	**€ 142,486**	**€ —**	**€ 683,131**	**€ (740,326)**	**€ 61**	**€ 122,307**	**€ 214,184**

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

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

See accompanying notes

trivago N.V.

Condensed consolidated statements of cash flows

(€ thousands, unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Operating activities:				
Net loss	€ (182,634)	€ (67,137)	€ (166,970)	€ (137,639)
Adjustments to reconcile net loss to net cash provided by:				
Depreciation (property and equipment and internal-use software and website development)	1,093	1,464	3,306	4,783
Amortization of intangible assets	34	34	101	102
Goodwill and intangible assets impairment loss	196,127	100,465	196,127	184,642
Impairment of long-lived assets including internal-use software and website development	—	—	—	893
Share-based compensation	3,093	4,940	8,231	11,738
Deferred income taxes	(4,580)	(15,419)	(4,629)	(18,988)
Foreign exchange (gains)/losses, net	124	(326)	487	(1,023)
Expected credit losses, net	92	66	924	89
(Gain)/loss on disposal of fixed assets	(3)	8	(17)	(2)
Loss from equity method investment	55	259	173	313
Changes in operating assets and liabilities:				
Accounts receivable, including related party	(2,068)	(1,903)	(18,550)	(36,416)
Prepaid expenses and other assets	3,094	3,428	(3,759)	(421)
Accounts payable	(6,046)	(10,150)	6,543	15,342
Payroll liabilities	(2,723)	(92)	(176)	350
Accrued expenses and other liabilities	(262)	1,192	1,475	317
Deferred revenue	(50)	210	(416)	(196)
Taxes payable/receivable, net	(673)	10,301	(10,470)	8,368
Net cash provided by operating activities	**4,673**	**27,340**	**12,380**	**32,252**
Investing activities:				
Purchase of investments	—	—	—	(50,000)
Proceeds from sales and maturities of investments	25,000	—	45,000	—
Capital expenditures, including internal-use software and website development	(921)	(1,126)	(2,617)	(3,332)
Investment in equity-method investees	—	—	—	(5,951)
Proceeds from sale of fixed assets	3	3	26	13
Net cash provided by/(used in) investing activities	**24,082**	**(1,123)**	**42,409**	**(59,270)**
Financing activities:				
Proceeds from exercise of option awards	44	42	225	90
Payment of withholding taxes on net share settlements of equity awards	(2,561)	—	(4,363)	—
Repayment of other non-current liabilities	(10)	(13)	(36)	(99)
Purchases of treasury stock	—	(299)	—	(299)
Net cash used in financing activities	**(2,527)**	**(270)**	**(4,174)**	**(308)**
Effect of exchange rate changes on cash	67	988	(242)	2,419
Net increase in cash, cash equivalents and restricted cash	**26,295**	**26,935**	**50,373**	**(24,907)**
Cash, cash equivalents and restricted cash at beginning of the period	273,004	204,877	248,926	256,719
Cash, cash equivalents and restricted cash at end of the period	**€ 299,299**	**€ 231,812**	**€ 299,299**	**€ 231,812**
Supplemental cash flow information:				
Cash paid for interest	€ 3	€ 11	€ 7	€ 46
Cash received for interest	1,485	18	3,489	127
Cash paid for taxes, net of (refunds)	5,943	(1,020)	25,164	4,545
Non-cash investing and financing activities:				
Withholding taxes on net share settlements of equity awards-related liability	227	—	227	—

See accompanying notes

trivago N.V.

Notes to the condensed consolidated financial statements (unaudited)

Note 1: Organization and basis of presentation

Description of business

trivago N.V., (“trivago” the “Company,” “us,” “we” and “our”) and its subsidiaries offer online meta-search for hotel and accommodation through online travel agencies (“OTAs”), hotel chains and independent hotels. Our search-driven marketplace, delivered on websites and apps, provides users with a tailored search experience via our proprietary matching algorithms. We generally employ a ‘cost-per-click’ (or “CPC”) pricing structure, allowing advertisers to control their own return on investment and the volume of lead traffic we generate for them. 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 September 30, 2023, Expedia Group’s ownership interest and voting interest in trivago N.V. is 60.4% and 84.2%, respectively.

Basis of presentation

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

Certain information and note disclosures normally included in the audited annual consolidated financial statements have been condensed or omitted in accordance with SEC rules. The condensed consolidated balance sheet as of December 31, 2022 was derived from our audited consolidated financial statements as of that date but does not contain all of the footnote disclosures from the annual financial statements. As such, these interim unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in our Annual Report on Form 20-F for the year ended December 31, 2022, previously filed with the Securities and Exchange Commission (“SEC”).

Seasonality

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

Accounting estimates

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

Note 2: Significant accounting policies

The significant accounting policies used in preparation of these unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2023 are consistent with those discussed in Note 2 to the consolidated financial statements in our Annual Report on Form 20-F for the year ended December 31, 2022, except as updated below.

Treasury stock

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

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

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

Adoption of new accounting pronouncements

Measurement of Credit Losses on Financial Instruments. As of January 1, 2023, we have prospectively adopted ASU 2022-02 which expands certain disclosure requirements for public business entities to include the current-period gross write-offs by year of origination for financing receivables and net investment in leases. Past due trade receivables written off that originate from prior periods are typically not material. The adoption of this new guidance did not have a material impact to our unaudited condensed consolidated financial statements.

Certain risks and concentration of credit risk

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

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

Expedia Group, our controlling shareholder, and its affiliates represent 33% and 36% of total revenues for the three and nine months ended September 30, 2023, respectively, compared to 33% and 32%, respectively, in the same periods in 2022. Expedia Group and its affiliates represents 46% and 49% of total accounts receivable as of September 30, 2023 and December 31, 2022, respectively.

Booking Holdings and its affiliates represent 46% and 43% of total revenues for the three and nine months ended September 30, 2023, respectively, compared to 50% and 49%, respectively, in the same periods in 2022. Booking Holdings and its affiliates represent 30% of total accounts receivable as of September 30, 2023 and December 31, 2022.

Deferred revenue

As of December 31, 2022, the deferred revenue balance was €1.7 million, €1.6 million of which was recognized as revenue during the nine months ended September 30, 2023.

Interest income

Interest income presented in our unaudited condensed consolidated statements of operations primarily consists of interest earned on our term deposits held with financial institutions and interest earned on our bank accounts.

Foreign currency transaction gains and losses

We record gains and losses in our unaudited condensed consolidated statements of operations related to the recurring remeasurement and settlement of transactions in foreign currencies other than the functional currency.

Foreign currency transaction gains and losses presented within net other income and expense for the three and nine months ended September 30, 2023 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	**2023**	**2022**	**2023**	**2022**
Foreign exchange gains/(losses), net	€ (124)	€ 326	€ (487)	€ 1,023

Note 3: Fair value measurement

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

As of September 30, 2023	**Total**	**Level 1**	**Level 2**
(in thousands)			
Assets			
Cash equivalents:			
Term deposits	€ 239,186	€ —	€ 239,186
Investments and other assets:			
Term deposits	1,351	—	1,351
Total	**€ 240,537**	**€ —**	**€ 240,537**

As of December 31, 2022	**Total**	**Level 1**	**Level 2**
(in thousands)			
Assets			
Cash equivalents:			
Term deposits	€ 159,000	€ —	€ 159,000
Short-term investments:			
Term deposits	45,000	—	45,000
Investments and other assets:			
Term deposits	1,351	—	1,351
Total	**€ 205,351**	**€ —**	**€ 205,351**

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

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

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

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

Assets measured at fair value on a non-recurring basis

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

Note 4: Prepaid expenses and other current assets

(in thousands)		**September 30, 2023**		**December 31, 2022**
Prepaid advertising	€	7,409	€	6,284
Other prepaid expenses		2,489		2,035
Other assets		890		350
Total	**€**	**10,788**	**€**	**8,669**

In January 2021, we entered into a long-term marketing sponsorship agreement for various marketing rights beginning July 1, 2021. The final contractual installment payment under this agreement was paid in June 2023. As of September 30, 2023, €6.0 million has been included within prepaid advertising in the above table compared to €4.3 million as of December 31, 2022.

Note 5: Property and equipment, net

The following table is a summary of property, equipment, and accumulated depreciation as of September 30, 2023 and December 31, 2022:

(in thousands)		**September 30, 2023**		**December 31, 2022**
Building and leasehold improvements	€	4,117	€	6,865
Capitalized software and software development costs		29,392		28,867
Computer equipment		15,195		15,916
Furniture and fixtures		2,999		3,045
Subtotal	€	51,703	€	54,693
Less: accumulated depreciation		41,416		42,175
Construction in process		—		557
Property and equipment, net	**€**	**10,287**	**€**	**13,075**

Pursuant to the amendment of the operating lease agreement for office space signed in January 2021, the Company sold and transferred long-lived assets with a net book value of €2.1 million to the landlord. This transaction is offset in the unaudited condensed consolidated balance sheet by the lease termination penalty payment to the landlord of €2.3 million. The net amount is recorded in accrued expenses and other current liabilities as of September 30, 2023. There was no significant gain/loss recorded on the sale of these fixed assets. See *Note 6: Leases* for additional details on the transaction.

Note 6: Leases

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. Pursuant to the amendment, the Company surrendered the leased space on May 31, 2023 for a €2.3 million penalty payment to the landlord. The penalty is offset by a sale of long-lived assets which were transferred to the landlord as a part of this transaction, see *Note 5: Property and equipment, net* for additional details.

Note 7: Goodwill and intangible assets, net

The following table presents our goodwill and intangible assets as of September 30, 2023 and December 31, 2022:

(in thousands)	September 30, 2023		December 31, 2022	
Goodwill	€	—	€	181,927
Intangible assets with definite lives, net		304		404
Intangible assets with indefinite lives		75,345		89,545
Total	**€**	**75,649**	**€**	**271,876**

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, 2022	**€**	**200,067**	**€**	**86,472**	**€**	**—**	**€**	**286,539**
Foreign exchange translation		26		4		—		30
Impairment charge		(104,642)		—		—		(104,642)
Balance as of December 31, 2022	**€**	**95,451**	**€**	**86,476**	**€**	**—**	**€**	**181,927**
Impairment charge		(95,451)		(86,476)		—		(181,927)
Balance as of September 30, 2023	**€**	**—**	**€**	**—**	**€**	**—**	**€**	**—**

As a result of our annual impairment test performed as of September 30, 2023, we recorded impairment charges to the Developed Europe and Americas reporting unit goodwill balances of €95.5 million and €86.5 million, respectively. The impairment was driven by adjustments made to our profitability outlook arising from the announced strategy shift to long-term growth, share price decline during the third quarter of 2023, uncertainty in our operating environment, and the continued uncertainty in respect of the overall economic environment.

For the year ended December 31, 2022, we recorded a cumulative goodwill impairment charge of €104.6 million to our Developed Europe reporting unit. The impairments recorded in the prior year were due to deteriorating macroeconomic conditions, including rising interest rates, increased inflation, more uncertainty in respect of the overall economic environment, and a shift in the Company's internal priorities beginning in the second quarter of 2022.

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

We had accumulated goodwill impairment losses of €494.2 million as of September 30, 2023 and €312.3 million as of December 31, 2022.

Indefinite-lived Intangible Assets

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

(in thousands)		Intangible assets with indefinite lives
Balance as of January 1, 2022	**€**	**169,545**
Impairment charge		(80,000)
Balance as of December 31, 2022	**€**	**89,545**
Impairment charge		(14,200)
Balance as of September 30, 2023	**€**	**75,345**

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

As a result of our annual impairment test performed as of September 30, 2023, we recorded an impairment charge to our indefinite-lived intangible assets of €14.2 million. The impairment was driven by adjustments made to our profitability outlook arising from the announced strategy shift to long-term growth, uncertainty in our operating environment, and the continued uncertainty in respect of the overall economic environment.

For the year ended December 31, 2022, we recorded cumulative impairment charge of €80.0 million to our indefinite-lived intangible assets. The impairments recorded in the prior year were due to deteriorating macroeconomic conditions, including rising interest rates, increased inflation, more uncertainty in respect of the overall economic environment, and a shift in the Company's internal priorities beginning in the second quarter of 2022.

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

We had accumulated impairment losses for indefinite-lived intangible assets of €94.2 million as of September 30, 2023 and €80.0 million as of December 31, 2022.

Note 8: Share-based awards and other equity instruments

Share-based compensation expense

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

	Three months ended September 30,				Nine months ended September 30,			
(in thousands)	**2023**		**2022**		**2023**		**2022**	
Cost of revenue	€	37	€	48	€	108	€	150
Selling and marketing		135		161		327		592
Technology and content		541		687		1,327		2,314
General and administrative		2,380		4,044		6,469		8,682
Total share-based compensation expense	**€**	**3,093**	**€**	**4,940**	**€**	**8,231**	**€**	**11,738**

Share-based award activity

The following table presents a summary of our share option activity for the nine months ended September 30, 2023:

	Options	Weighted average exercise price	Remaining contractual life	Aggregate intrinsic value
		(in €)	(In years)	(€ in thousands)
Balance as of January 1, 2023	27,357,798	2.30	10	23,179
Granted	20,879,816	1.05		
Exercised[1]	7,955,542	0.06		
Cancelled	1,306,532	2.86		
Balance as of September 30, 2023	**38,975,540**	2.08	9	14,994
Exercisable as of September 30, 2023	11,596,858	4.99	15	4,362

[1] Inclusive of 4,212,811 options withheld due to net share settlements to satisfy required employee tax withholding requirements. Potential shares which had been convertible under options that were withheld under net share settlements remain in the authorized but unissued pool under the 2016 Omnibus Incentive Plan and can be issued by the Company. Total payments for the employees' tax obligations to the taxing authorities due to net share settlements are reflected as a financing activity within the unaudited condensed consolidated statements of cash flows.

The following table summarizes information about share options vested and expected to vest as of September 30, 2023:

Fully Vested and Expected to Vest	Options	Weighted average exercise price	Remaining contractual life	Aggregate intrinsic value
		(in €)	(In years)	(€ in thousands)
Outstanding	30,007,063	2.41	10	12,340
Currently Exercisable	11,596,858	4.99	15	4,362

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

Also on May 9, 2023, our former CEO resigned and concurrently signed an agreement to provide substantive consultancy services. As a result, a modification was made to the vesting conditions for the outstanding market-based and service-based options. As the modification date fair values of the unvested awards were lower than the original grant date fair values, we recorded a €1.3 million reduction in general and administrative compensation expense during the second quarter ended June 30, 2023.

The following table presents a summary of our restricted stock units (RSUs) for the nine months ended September 30, 2023:

	RSUs	**Weighted Average Grant Date Fair Value**	**Remaining contractual life**
		(in €)	**(in years)**
Balance as of January 1, 2023	2,972,024	1.94	6
Granted	1,446,392	1.57	
Vested[1]	1,055,410	1.82	
Cancelled	363,710	2.16	
Balance as of September 30, 2023	**2,999,296**	1.72	6

[1] Inclusive of 302,071 RSUs withheld due to net share settlements to satisfy required employee tax withholding requirements. Potential shares which had been convertible under RSUs that were withheld under net share settlements remain in the authorized but unissued pool under the 2016 Omnibus Incentive Plan and can be issued by the Company. Total payments for the employees' tax obligations to the taxing authorities due to net share settlements are reflected as a financing activity within the unaudited condensed consolidated statements of cash flows.

Note 9: Income taxes

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

Income tax benefit was €35 thousand in the third quarter of 2023, compared to €6.1 million in the same period in 2022. The total weighted average tax rate was 31.2%, which was mainly driven by the German statutory tax rate of approximately 31.2%. Our effective tax rate for the third quarter of 2023 was (2.4)%, compared to 8.4% in the same period in 2022. The difference in effective tax rate in the quarter ended September 30, 2023 compared to the same period in 2022 is primarily attributable to the higher amount of goodwill impairment recognized in the current year, which is not deductible for tax purposes, and the difference in pre-tax profit and loss position between periods.

The difference between the weighted average tax rate of 31.2% and the effective tax rate of (2.4)% in the third quarter of 2023 is primarily attributable to the goodwill impairment, which is non-deductible for tax purposes.

Income tax expense was €9.6 million in the nine months ended September 30, 2023, compared to €0.2 million in the nine months ended September 30, 2022. Our effective tax rate for the nine months ended September 30, 2023 was (6.1)%, compared to (0.1)% in the same period in 2022.

The difference between the weighted average tax rate and the effective tax rate for the nine months ended September 30, 2023 is primarily attributable to the goodwill impairment, which is non-deductible for tax purposes.

An uncertain tax position in connection with unrecognized tax benefits relating to the deductibility of expenses amounted to €8.5 million as of September 30, 2023. A liability for these tax benefits is presented under other long term liabilities in the unaudited condensed consolidated financial statements. A liability for these tax benefits of €0.8 million that was previously presented within other current liabilities was released during the quarter ended September 30, 2023.

Note 10: Stockholders' equity

Class A and Class B common stock has a par value of €0.06 and €0.60, respectively. Each Class B share is convertible into one Class A share at any time by the holder. The share premium derived from the conversion is recognized within reserves. As of September 30, 2023, Class B shares of trivago N.V. are only held by Expedia Group and Rolf Schrömgens. Refer to *Note 1: Organization and basis of presentation* for Expedia Group's ownership interest and voting interest. The Class B shares held by Mr. Schrömgens as of September 30, 2023, had an ownership interest and voting interest of 8.2% and 11.5%, respectively.

During the nine months ended September 30, 2023 and 2022, nil and 24,485,793, respectively, Class B shares were converted into Class A shares.

On March 1, 2022, the Company's Supervisory Board authorized a program to repurchase up to 10 million of the Company's ADSs, each representing one Class A share. On March 7, 2022, the Company entered into a stock repurchase program which expired on May 30, 2022. No stock repurchases were made under this agreement. On May 31, 2022, the Company entered into another stock repurchase program which expired on July 29, 2022. During the year ended December 31, 2022, the Company reacquired 205,457 Class A common shares on the open market at fair market value. The shares of stock purchased under the buyback program were held as treasury shares until they were all reissued to settle RSU awards vesting from our share-based compensation awards during the fourth quarter of 2022.

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

On September 11, 2023, the Company's Supervisory Board resolved to issue a one-time extraordinary dividend totaling €184.4 million to be distributed to Class A and B shareholders of record on November 3, 2023. Of the total amount, €167.9 million is subject to shareholder approval on November 1, 2023. Due to the Supervisory Board resolution and the receipt of the Company's majority shareholder's (refer to *Note 1: Organization and basis of presentation*) intention to vote in favor of the dividend distribution, the total probable distribution amount has been accrued. The amount has been bifurcated and presented as dividend payable and related party dividend payable in the Company's unaudited condensed consolidated balance sheet as of September 30, 2023.

Note 11: Earnings per share

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

The following table presents our basic and diluted earnings per share:

(€ thousands, except per share data)	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Numerator:				
Net loss	€ (182,634)	€ (67,137)	€ (166,970)	€ (137,639)
Denominator:				
Weighted average shares of Class A and Class B common stock outstanding:				
Basic	343,806	360,609	343,919	359,964
Diluted	343,806	360,609	343,919	359,964
Net loss per share:				
Basic	€ (0.53)	€ (0.19)	€ (0.49)	€ (0.38)
Diluted	(0.53)	(0.19)	(0.49)	(0.38)

For the three and nine months ended September 30, 2023 and September 30, 2022, diluted weighted average common shares outstanding does not include the effects of the exercise of outstanding stock options and RSUs as the inclusion of these instruments would have been anti-dilutive.

Note 12: Related party transactions

Relationships with Expedia

We have commercial relationships with Expedia Group, Inc. and many of its affiliated brands, including Brand Expedia, Hotels.com, Orbitz, Travelocity, Hotwire, Wotif, Vrbo and ebookers. These arrangements are terminable at will upon fourteen to thirty days prior notice by either party 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 also have an agreement with Expedia Partner Solutions, pursuant to which powers our platform with a template (Hotels.com for partners). Related-party revenue from Expedia Group primarily consists of click-through fees and other advertising services provided to Expedia Group and its affiliates.

Related-party revenue from Expedia Group and its affiliates was €52.7 million and €142.0 million for the three and nine months ended September 30, 2023, respectively, compared to €61.0 million and €135.9 million in the same period in 2022, respectively. These amounts are recorded at contract value, which we believe is a reasonable reflection of the value of the services provided. Related-party revenue represented 33% and 36% of our total revenue for the three and nine months ended September 30, 2023, respectively, compared to 33% and 32% in the same period in 2022, respectively.

For the three and nine months ended September 30, 2023 and 2022, we did not incur significant operating expenses from related-party services and support agreements with Expedia Group.

The related party trade receivable balances with Expedia Group and its affiliates as of September 30, 2023 and December 31, 2022 were €31.2 million and €24.4 million, respectively. The dividend payable balance with Expedia Group as of September 30, 2023 was €111.3 million, which is presented within the related party dividend payable balance in our unaudited condensed consolidated balance sheet, see Note 10: Stockholders' equity for additional details.

Dividend Payable

As further described in *Note 10: Stockholders' equity*, the Company's Supervisory Board resolved to issue a one-time extraordinary dividend totaling €184.4 million to be distributed to Class A and B shareholders of record on November 3, 2023. Of the total amount, €126.5 million has been presented as related party dividend payable in our unaudited condensed consolidated balance sheet as of September 30, 2023 for distributions to be made to Expedia Group and Rolf Schrömgens based on their probable share ownership on the date of record.

UBIO Limited

On November 28, 2022, we entered into a commercial agreement with UBIO Limited, an equity method investment, to increase the number of directly bookable rates available on our website. The services will be provided for a period of 12 months. For the three and nine months ended September 30, 2023, our operating expenses include €0.4 million and €1.1 million, respectively, related to this commercial agreement.

Note 13: Segment information

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

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

Corporate and Eliminations also includes all corporate functions and expenses except for direct advertising. In addition, we record amortization of intangible assets and any related impairment, impairment of goodwill, share-based compensation expense, restructuring and related reorganization charges, legal reserves, occupancy tax and other taxes, and other items excluded from segment operating performance in Corporate and Eliminations. Such amounts are detailed in our segment reconciliations below. The following tables present our segment information for the three and nine months ended September 30, 2023 and 2022. As a significant portion of our property and equipment is not allocated to our operating segments and depreciation is not included in our segment measure, we do not report the assets by segment as it would not be meaningful. We do not regularly provide such information to our chief operating decision makers.

	Three months ended September 30, 2023				
(€ thousands)	**Developed Europe**	**Americas**	**Rest of World**	**Corporate & Eliminations**	**Total**
Referral Revenue	€ 69,479	€ 59,682	€ 26,968	€ —	€ 156,129
Subscription revenue	—	—	—	619	619
Other revenue	—	—	—	1,114	1,114
Total revenue	€ 69,479	€ 59,682	€ 26,968	€ 1,733	€ 157,862
Advertising Spend	50,077	46,682	19,504	—	116,263
ROAS contribution	€ 19,402	€ 13,000	€ 7,464	€ 1,733	€ 41,599
Costs and expenses:					
Cost of revenue, including related party, excluding amortization					3,080
Other selling and marketing, including related party[1]					5,421
Technology and content, including related party					12,011
General and administrative, including related party					9,251
Amortization of intangible assets					34
Impairment of intangible assets and goodwill					196,127
Operating loss					€ (184,325)
Other income/(expense)					
Interest expense					(3)
Interest income					1,837
Other, net					(123)
Total other income/(expense), net					€ 1,711
Loss before income taxes					€ (182,614)
Benefit for income taxes					(35)
Loss before equity method investment					€ (182,579)
Loss from equity method investment					(55)
Net loss					**€ (182,634)**

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

(€ thousands)	Three months ended September 30, 2022				
	Developed Europe	Americas	Rest of World	Corporate & Eliminations	Total
Referral Revenue	€ 83,463	€ 75,188	€ 21,808	€ —	€ 180,459
Subscription revenue	—	—	—	764	764
Other revenue	—	—	—	2,479	2,479
Total revenue	€ 83,463	€ 75,188	€ 21,808	€ 3,243	€ 183,702
Advertising Spend	56,837	52,760	12,664	—	122,261
ROAS contribution	€ 26,626	€ 22,428	€ 9,144	€ 3,243	€ 61,441
Costs and expenses:					
Cost of revenue, including related party, excluding amortization					3,236
Other selling and marketing, including related party[1]					6,538
Technology and content, including related party					13,453
General and administrative, including related party					11,121
Amortization of intangible assets					34
Impairment of intangible assets and goodwill					100,465
Operating loss					€ (73,406)
Other income/(expense)					
Interest expense					(11)
Interest income					86
Other, net					329
Total other income/(expense), net					€ 404
Loss before income taxes					€ (73,002)
Benefit for income taxes					(6,124)
Loss before equity method investment					€ (66,878)
Loss from equity method investment					(259)
Net loss					**€ (67,137)**

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

	Nine months ended September 30, 2023				
(€ thousands)	**Developed Europe**	**Americas**	**Rest of World**	**Corporate & Eliminations**	**Total**
Referral Revenue	€ 178,080	€ 143,103	€ 66,823	€ —	€ 388,006
Subscription revenue	—	—	—	1,994	1,994
Other revenue	—	—	—	3,334	3,334
Total revenue	€ 178,080	€ 143,103	€ 66,823	€ 5,328	€ 393,334
Advertising Spend	123,081	99,766	43,137	—	265,984
ROAS contribution	€ 54,999	€ 43,337	€ 23,686	€ 5,328	€ 127,350
Costs and expenses:					
Cost of revenue, including related party, excluding amortization					9,223
Other selling and marketing, including related party[(1)]					15,930
Technology and content, including related party					36,877
General and administrative, including related party					30,090
Amortization of intangible assets					101
Impairment of intangible assets and goodwill					196,127
Operating loss					€ (160,998)
Other income/(expense)					
Interest expense					(7)
Interest income					4,126
Other, net					(337)
Total other income/(expense), net					€ 3,782
Loss before income taxes					€ (157,216)
Expense for income taxes					9,581
Loss before equity method investment					€ (166,797)
Loss from equity method investment					(173)
Net loss					**€ (166,970)**

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

	Nine months ended September 30, 2022									
(€ thousands)	**Developed Europe**		**Americas**		**Rest of World**		**Corporate & Eliminations**		**Total**	
Referral Revenue	€	193,745	€	174,565	€	52,033	€	—	€	420,343
Subscription revenue		—		—		—		2,685		2,685
Other revenue		—		—		—		7,087		7,087
Total revenue	€	193,745	€	174,565	€	52,033	€	9,772	€	430,115
Advertising Spend		123,980		109,822		27,272		—		261,074
ROAS contribution	€	69,765	€	64,743	€	24,761	€	9,772	€	169,041
Costs and expenses:										
Cost of revenue, including related party, excluding amortization										9,199
Other selling and marketing, including related party[1]										19,417
Technology and content, including related party										42,500
General and administrative, including related party										51,202
Amortization of intangible assets										102
Impairment of intangible assets and goodwill										184,642
Operating loss									€	(138,021)
Other income/(expense)										
Interest expense										(46)
Interest income										215
Other, net										684
Total other income/(expense), net									€	853
Loss before income taxes									€	(137,168)
Expense for income taxes										158
Loss before equity method investment									€	(137,326)
Loss from equity method investment										(313)
Net loss									**€**	**(137,639)**

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

Note 14: Subsequent events

After the date of the balance sheet through the date of issuance of these unaudited condensed consolidated financial statements, 2,147,090 Class A shares were issued as a result of options exercised and RSUs released.

In connection with the resignation announcement our of Chief Financial Officer effective December 31, 2023, an agreement was signed on October 3, 2023 to provide substantive consultancy services until March 2024. As a result, a modification was made to the vesting conditions for the unvested 9,083 market-based options and 1,027,193 service-based options as of the modification date.

On October 27, 2023, we announced that the management board has approved to change the ratio in the Company's American Depository Share ("ADS") program, comprising a change in the ratio of ADSs to Class A shares ("shares") from one (1) ADS representing one (1) share, to one (1) ADS representing five (5) shares with the effective date expected to be November 17, 2023.

Additionally, as further described in *Note 10: Stockholders' equity*, the one-time extraordinary dividend is expected to equal €0.529228 per each Class A and B share. The payment of the distribution is anticipated to be made on November 6, 2023 to holders of Class A and B shares. The payment of the dividend to holders of our ADSs is anticipated to occur on November 13, 2023.