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, 2021

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 1, 2021, trivago N.V. will hold a conference call regarding its unaudited financial results for the third quarter ended September 30, 2021. Copies of the operating and financial review for the third quarter of 2021, a letter to shareholders and the unaudited condensed consolidated interim financial statements as of September 30, 2021 are furnished as Exhibits 99.1, 99.2 and 99.3 hereto.

SIGNATURES

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

		trivago N.V.
Date: November 1, 2021	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 2021.
99.2	Letter to Shareholders.
99.3	Unaudited Condensed Consolidated Interim Financial Statements as of September 30, 2021.

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, 2020, “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, 2021, 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 54 localized websites and apps available in 32 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,		
	2021	**2020**	**Δ Y/Y**	**2021**	**2020**	**Δ Y/Y**
Total revenue	138.6	60.6	129%	272.3	216.6	26%
Qualified Referrals (in millions)	104.1	82.5	26%	219.9	200.0	10%
Revenue per Qualified Referral (in €)	1.31	0.71	85%	1.21	1.04	16%
Operating income/(loss)	8.6	(1.4)	n.m.	(3.1)	(243.3)	(99)%
Net income/(loss)	5.5	(2.3)	n.m.	(4.5)	(236.7)	(98)%
Return on Advertising Spend	138.7%	190.3%	(51.6) ppts	146.5%	150.6%	(4.1) ppts
Adjusted EBITDA[(1)]	15.5	6.1	154%	15.1	(8.9)	n.m.

n.m. not meaningful

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

Recent Trends

Over the last months, significant progress has been made to control the COVID-19 pandemic across many of our most significant geographic markets. Dozens of countries have lifted restrictions on daily life and permitted the resumption of regular office work, schooling and even large events. Travel restrictions are gradually being lifted, although more slowly than many had previously anticipated. With the reopening of the transatlantic travel routes in November, almost all relevant western travel restrictions will have been lifted, while travel within and to Asia and Australia remains heavily restricted, which has negatively affected traffic volumes in our Rest of World (RoW) segment.

This significant progress, particularly in Developed Europe and Americas, has caused Referral Revenue, Qualified Referrals and Revenue per Qualified Referral to recover significantly in the third quarter compared to the same period in 2020, although they remain well below the levels in the same period in 2019, and the recovery trajectory flattened in October as compared to the summer months given the remaining travel restrictions. In geographic markets where travel demand has recovered strongly, advertisers became more active and increased their bids on our marketplace. In addition, we have seen that a growing number of advertisers are leveraging our cost per acquisition (CPA) payment model to optimize their overall campaigns on our platform.

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

Our ultimate financial performance will depend on a number of factors relating to the world’s continued emergence from the COVID-19 pandemic, including the effectiveness of vaccinations against various mutations of the COVID-19 virus and the longevity of the protections brought by vaccinations. Should our recovery from the pandemic progress more slowly than we have assumed or we suffer greater setbacks, this will likely have a significant adverse effect on our future financial performance. For further detail, see the risk factors relating to the COVID-19 pandemic in the Annual Report on Form 20-F referred to above.

In making the comparisons below, we note that the COVID-19 pandemic had a drastic and unprecedented impact on our operating results starting in 2020, resulting in a 76% decline in Referral Revenue in the third quarter of 2020 compared to the same period of 2019. As noted above, our business levels in 2021 continue to be significantly below 2019 levels.

Changes to our management board

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

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 offer the option for our advertisers to participate in our marketplace on a cost-per-acquisition, or CPA, basis and continue to onboard additional advertisers to CPA billing.

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

Management has identified three reportable segments, which correspond to our three operating segments: the Americas, Developed Europe and Rest of World (RoW). Our Americas segment is comprised of Argentina, Barbados, Brazil, Canada, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, Puerto Rico, the United States and Uruguay. Our Developed Europe segment is comprised of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. Our RoW segment is comprised of all other countries. In the third quarter of 2021 the most significant countries by revenue in that segment were Turkey, Israel, Japan, Poland and Australia.

We also earn subscription fees for certain services we provide to advertisers, such as the PRO Package of Business Studio, although such subscription fees do not represent a significant portion of our revenue.

Referral Revenue by Segment & Other Revenue (€ millions)

	Three months ended September 30,				Nine months ended September 30,			
	2021	**2020**	**Δ €**	**Δ %**	**2021**	**2020**	**Δ €**	**Δ % Y/Y**
Americas	€ 48.1	€ 15.2	32.9	216%	€ 104.0	€ 76.4	27.6	36%
Developed Europe	74.7	32.5	42.2	130%	128.0	94.7	33.3	35%
Rest of World	13.2	10.6	2.6	25%	33.7	37.8	(4.1)	(11)%
Total Referral Revenue	**€ 136.1**	**€ 58.3**	**77.8**	**133%**	**€ 265.7**	**€ 208.9**	**56.8**	**27%**
Other revenue	2.6	2.4	0.2	8%	6.6	7.7	(1.1)	(14)%
Total revenue	**€ 138.6**	**€ 60.6**	**78.0**	**129%**	**€ 272.3**	**€ 216.6**	**55.7**	**26%**

Note: Some figures may not add due to rounding.

Total revenue increased by €78.0 million, or by 129%, during the third quarter of 2021 compared to the same period in 2020. Total revenue increased by €55.7 million, or by 26%, during the nine months ended September 30, 2021, compared to the same period in 2020.

In the third quarter of 2021, Referral Revenue increased to €48.1 million, €74.7 million and €13.2 million or by 216%, 130% and 25% in Americas, Developed Europe and RoW, respectively, compared to the same period in 2020. In the first nine months ended September 30, 2021, Referral Revenue increased to €104.0 million and €128.0 million in Americas and Developed Europe, while it decreased to €33.7 million in RoW, respectively.

During the third quarter of 2021, the increase in Referral Revenue was mostly driven by an increase in Qualified Referrals in Americas and Developed Europe and Revenue per Qualified Referral (RPQR) across all segments. In the nine months ended September 30, 2021, Referral Revenue increased due to significant increases in the second and third quarter of 2021 in Qualified Referrals and RPQR in Americas and Developed Europe, while RoW was negatively impacted in the second and third quarter of 2021 by lower Qualified Referrals and RPQR, particularly in Asia and Australia.

Other revenue increased by €0.2 million, or 8%, during the third quarter of 2021, driven by an increase in display ad revenue, partly offset by the decrease in subscription revenue. Other revenue decreased by €1.1 million, or 14%, during the nine months ended September 30, 2021, mainly due to a decrease in subscription revenue.

Qualified Referrals

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

Qualified Referrals by Segment (in millions)

	Three months ended September 30,				Nine months ended September 30,			
	2021	**2020**	**Δ**	**Δ %**	**2021**	**2020**	**Δ**	**Δ % Y/Y**
Americas	24.8	15.2	9.6	63%	62.2	54.9	7.3	13%
Developed Europe	53.6	40.0	13.6	34%	96.3	81.2	15.1	19%
Rest of World	25.7	27.3	(1.6)	(6)%	61.4	63.9	(2.5)	(4)%
Total	**104.1**	**82.5**	**21.6**	**26%**	**219.9**	**200.0**	**19.9**	**10%**

In the third quarter of 2021, total Qualified Referrals increased by 26% as Qualified Referrals increased by 63% and 34% in Americas and Developed Europe, while Qualified Referrals decreased by 6% in RoW, respectively, compared to the same period in 2020. Advanced roll-outs of vaccines allowed certain geographic markets, particularly in Americas and Developed Europe, to ease mobility restrictions which led to an increase in Qualified Referrals. In RoW, Qualified Referrals were negatively impacted by muted traffic volumes in certain geographic markets, particularly in Asia and Australia, that continue to be subject to significant mobility restrictions as a result of the COVID-19 pandemic.

During the nine months ended September 30, 2021, total Qualified Referrals increased by 10% compared to the same period in 2020 due to the easing of mobility restrictions in Americas and Developed Europe mentioned above. In the nine months ended September 30, 2021, Qualified Referrals increased by 13% and 19% in Americas and Developed Europe, while it decreased by 4% in RoW compared to the same period in 2020. The increase in Qualified Referrals in Americas and Developed Europe mostly resulted from significant increases in traffic volumes in the second and third quarter of 2021 as a result of the easing of mobility restrictions mentioned above. RoW was negatively impacted by continuing muted traffic volumes in certain geographic markets, particularly in Asia and Australia, due to the persistence of mobility restrictions mentioned above.

Revenue Per Qualified Referral

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

RPQR by Segment (in €)

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	Δ %	2021	2020	Δ % Y/Y
Americas	€ 1.94	€ 1.00	94%	€ 1.67	€ 1.39	20%
Developed Europe	1.39	0.81	72%	1.33	1.17	14%
Rest of World	0.51	0.39	31%	0.55	0.59	(7)%
Consolidated RPQR	**€ 1.31**	**€ 0.71**	**85%**	**€ 1.21**	**€ 1.04**	**16%**

In the third quarter of 2021, consolidated RPQR increased by 85% as RPQR increased by 94%, 72% and 31% in Americas, Developed Europe and RoW, respectively, compared to the same period in 2020. In the three months ended September 30, 2021, RPQR improved, particularly in Americas and Developed Europe, where most advertisers have increased their bids on our marketplace significantly compared to the same period in 2020.

In the nine months ended September 30, 2021, consolidated RPQR increased by 16% as RPQR increased by 20% and 14% in Americas and Developed Europe, while it declined in RoW by 7% compared to the same period in 2020. The increase in RPQR in the nine months ended September 30, 2021, was mainly driven by higher bidding levels in Americas and Developed Europe in the second and third quarter of 2021, partly offset by lower bidding levels in the first quarter of 2021.

Advertiser Concentration

We generate the large 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 27% and 24% in the third quarter of 2021 and in the nine months ended September 30, 2021, respectively, compared to 22% and 29%, respectively, in the same periods in 2020. For brands affiliated with Booking Holdings, including Booking.com and Agoda, the share of our Referral Revenue was 56% and 57% in the third quarter of 2021 and in the nine months ended September 30, 2021, respectively, compared to 53% and 44% in the same periods in 2020.

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,		
	2021	2020	Δ ppts	2021	2020	Δ ppts
ROAS						
Americas	125.7%	251.3%	(125.6) ppts	135.3%	146.7%	(11.4) ppts
Developed Europe	141.4%	163.1%	(21.7) ppts	146.2%	164.6%	(18.4) ppts
Rest of World	189.6%	227.0%	(37.4) ppts	198.2%	130.1%	68.1 ppts
Consolidated ROAS	**138.7%**	**190.3%**	**(51.6) ppts**	**146.5%**	**150.6%**	**(4.1) ppts**

In the third quarter of 2021, consolidated ROAS was 138.7%, compared to 190.3% in the same period in 2020. ROAS decreased to 125.7%, 141.4% and 189.6% in Americas, Developed Europe and RoW, respectively, compared to the same period in 2020. The decrease in Americas and Developed Europe was mainly driven by a significant increase in Advertising Spend made in response to the increase in travel demand mentioned above. In Americas, the decrease in ROAS was the most pronounced among the segments. Advertising Spend in Americas was kept at a minimum in the third quarter of 2020 in comparison to Developed Europe where we undertook some campaigns in the prior period. The decrease in ROAS in RoW was less pronounced compared to Americas as many markets in our RoW segment were and continue to be more adversely affected by the COVID-19 pandemic and related mobility restrictions, and we therefore kept our brand and performance marketing activities in those markets at a comparably lower level.

In the third quarter of 2021, Advertising Spend increased by €32.2 million, €33.0 million and €2.3 million in Americas, Developed Europe and RoW, respectively. In the nine months ended September 30, 2021, Advertising Spend increased by 47.7% and 51.9% in Americas and Developed Europe, while it decreased by 41.6% in RoW compared to the same period in 2020.

In the nine months ended September 30, 2021, consolidated ROAS decreased to 146.5%, compared to 150.6% in the same period in 2020. ROAS decreased by 11.4 ppts and 18.4 ppts in Americas and Developed Europe, respectively, because of a significant increase in Advertising Spend in the third quarter, compared to the same period in 2020, made in response to the increase in travel demand mentioned above. In RoW, ROAS increased by 68.1 ppts in the nine months ended September 30, 2021, compared to the same period in 2020. This increase was driven by a significant reduction in Advertising Spend that more than offset the declines in Qualified Referrals and RPQR, due to the decline in travel demand in Asia and Australia where many markets continue to be subject to significant mobility restrictions as a result of the COVID-19 pandemic.

Expenses

Expenses by cost category (€ millions)

	Costs and expenses					As a % of revenue		
	Three months ended September 30,					Three months ended September 30,		
	2021		2020		Δ %	2021	2020	Δ in ppts
Cost of revenue	€	3.1	€	2.6	19%	2 %	4 %	(2)%
of which share-based compensation		*0.1*		*0.1*	*—%*			
Selling and marketing		104.4		36.6	185%	75 %	60 %	15 %
of which share-based compensation		*0.3*		*0.2*	*50%*			
Technology and content		12.7		14.8	(14)%	9 %	24 %	(15)%
of which share-based compensation		*1.1*		*0.9*	*22%*			
General and administrative		9.8		8.0	23%	7 %	13 %	(6)%
of which share-based compensation		*3.6*		*2.5*	*44%*			
Amortization of intangible assets		0.0		0.0	100%	0 %	0 %	— %
Total costs and expenses	**€**	**130.0**	**€**	**62.0**	**110%**	**94%**	**102 %**	**(8)%**

	Costs and Expenses					As a % of Revenue		
	Nine months ended September 30,					Nine months ended September 30,		
	2021		2020		Δ % Y/Y	2021	2020	Δ in ppts
Cost of revenue	€	8.7	€	8.1	7%	3 %	4 %	(1)%
of which share-based compensation		*0.2*		*0.2*	*—%*			
Selling and marketing		199.1		160.8	24%	73 %	74 %	(1)%
of which share-based compensation		*0.8*		*0.9*	*(11)%*			
Technology and content		39.1		50.7	(23)%	14 %	23 %	(9)%
of which share-based compensation		*2.9*		*3.1*	*(6)%*			
General and administrative		28.5		32.3	(12)%	10 %	15 %	(5)%
of which share-based compensation		*9.2*		*7.2*	*28%*			
Amortization of intangible assets		0.1		0.4	(75)%	0 %	0 %	— %
Impairment of goodwill		—		207.6	100%	—%	96 %	(96)%
Total costs and expenses	**€**	**275.5**	**€**	**459.9**	**(40)%**	**101%**	**212 %**	**(111)%**

Cost of revenue

In the third quarter of 2021, cost of revenue increased by €0.5 million to €3.1 million, or 19%, period-over-period, and in the nine months ended September 30, 2021, increased by €0.6 million to €8.7 million, or 7%, period-over-period. The increase in the third quarter was mainly driven by higher cloud-related service provider costs. The increase in the nine months ended September 30, 2021 was driven by higher cloud-related service provider costs and higher personnel costs.

Selling and marketing

Selling and marketing expense was 75% of total revenue in the third quarter of 2021, compared to 60% in the same period in 2020.

In the third quarter of 2021, selling and marketing expense increased by €67.8 million, or by 185%, period-over-period to €104.4 million, of which €98.1 million, or 94%, was Advertising Spend. Advertising Spend increased to €38.2 million, €52.9 million and €7.0 million in Americas, Developed Europe and RoW, respectively, compared to €6.0 million, €19.9 million and €4.7 million in the same period in 2020. These increases were primarily made in response to the increase in travel demand mentioned above. Many geographic markets in our RoW segment were more adversely affected by the COVID-19 pandemic and related mobility restrictions, and we therefore kept our marketing activities in those markets at a comparably lower level compared to the markets included in our other segments.

In the nine months ended September 30, 2021, selling and marketing expense increased by 24% to €199.1 million compared to the same period in 2020. Advertising Spend increased by €24.8 million and €29.9 million or by 48% and 52% in Americas and Developed Europe, respectively, while RoW decreased by €12.1 million or by 42%. Particularly in the first quarter of 2021, we reduced our Advertising Spend in all segments significantly compared to the same period in 2020 in response to the COVID-19 pandemic. In Americas and Developed Europe, the decrease in the first quarter was more than offset by higher Advertising Spend in the second and third quarter of 2021 compared to the same periods in 2020 in response to the increase in travel demand. Many geographic markets in our RoW segment were adversely affected by the COVID-19 pandemic and related mobility restrictions, and therefore our marketing activities in those markets were at a comparably lower level compared to the markets included in our other segments.

In the third quarter of 2021, other selling and marketing expense increased by €0.3 million to €6.3 million, or 5%, period-over-period, and in the nine months ended September 30, 2021, decreased by €4.4 million to €17.7 million, or 19.9%, period-over-period.

The increase in the third quarter of 2021 was mainly driven by higher digital sales tax expenses of €0.8 million and higher marketing related expenses associated with our long-term marketing sponsorship agreement. These were partly offset by lower personnel costs, lower office-related expenses, see *"Costs across multiple categories"* below, and lower television advertisement production costs.

The decrease in the nine months ended September 30, 2021 in other selling and marketing expense was primarily driven by lower personnel costs of €4.9 million, resulting mainly from lower headcount and the non-recurrence of restructuring costs compared to the same period in 2020. The decrease was further driven by lower office-related expenses (see *"Costs across multiple categories"* below), and partly offset by higher digital sales tax expenses and television advertisement production costs.

Technology and content

In the third quarter of 2021, technology and content expense decreased by €2.1 million to €12.7 million, or 14%, period-over-period, and in the nine months ended September 30, 2021, decreased by €11.6 million to €39.1 million, or 23%, period-over-period.

The decrease in the third quarter of 2021 was primarily driven by lower personnel costs of €1.0 million, resulting mainly from lower headcount and the non-recurrence of restructuring costs compared to the same period in 2020. The decrease was further driven by lower office related costs of €0.6 million and lower depreciation expense resulting from the consolidation of our office locations in 2020, see *"Costs across multiple categories"* below.

During the nine months ended September 30, 2021, the decrease in technology and content expense was primarily driven by lower personnel costs of €7.7 million, resulting mainly from lower headcount and the non-recurrence of restructuring costs compared to the same period in 2020. The decrease was further driven by lower office-related expenses and lower depreciation expense resulting mainly from the consolidation of our office locations. These were partly offset by higher third-party IT service provider costs.

General and administrative

In the third quarter of 2021, general and administrative expense increased by €1.8 million to €9.8 million, or 23%, period-over-period, and in the nine months ended September 30, 2021, decreased by €3.8 million to €28.5 million, or 12%, period-over-period.

The increase in the third quarter of 2021 was primarily driven by an increase in share-based compensation expense of €1.1 million. The increase was further driven by higher professional fees and other expenses of €0.5 million, as other expenses in the third quarter of 2020 included a reduction of expected credit losses of €0.6 million.

The decrease in the nine months ended September 30, 2021 was primarily driven by lower personnel costs of €3.4 million, resulting mainly from the non-recurrence of restructuring costs and lower headcount compared to the same period in 2020. The decrease was further driven by lower professional fees and other expenses of €2.5 million, as other expenses in the first three quarters of 2020 included expected credit losses and the impact of a cyber-related fraud case. These were partly offset by an increase in share-based compensation expense of €2.0 million.

Amortization of intangible assets

Amortization of intangible assets was €34 thousand in the third quarter of 2021, compared to nil in the same period in 2020 as we started to amortize the intangible assets acquired in the weekengo GmbH acquisition.

In the nine months ended September 30, 2021, amortization of intangible assets was €0.1 million compared to €0.4 million in the same period in 2020, as the intangible assets recognized by Expedia Group upon the acquisition of a majority stake in trivago in 2013 were fully amortized at the end of the first quarter of 2020.

Impairment of goodwill

There was no impairment charge recorded in the nine months ended September 30, 2021. We recorded an impairment charge of €207.6 million in the first quarter of 2020, consisting of €107.5 million in Americas, €82.5 million in Rest of World, and €17.6 million in Developed Europe.

Net Income/(loss) and Adjusted EBITDA[1] (€ millions)

	Three months ended September 30,			Nine months ended September 30,		
	2021	**2020**	**Δ €**	**2021**	**2020**	**Δ €**
Operating income/(loss)	€ 8.6	€ (1.4)	10.0	€ (3.1)	€ (243.3)	240.2
Other income/(expense)						
Interest expense	(0.1)	(0.0)	(0.1)	(0.3)	(0.2)	(0.1)
Other, net	0.4	(0.4)	0.8	1.0	(1.0)	2.0
Total other income/(expense), net	**€ 0.2**	**€ (0.5)**	**0.7**	**€ 0.7**	**€ (1.2)**	**1.9**
Income/(loss) before income taxes	8.8	(1.8)	10.6	(2.5)	(244.5)	242.0
Expense/(benefit) for income taxes	3.3	0.6	2.7	2.0	(7.4)	9.4
Income/(loss) before equity method investment	**€ 5.5**	**€ (2.4)**	**7.9**	**€ (4.5)**	**€ (237.1)**	**232.6**
Income from equity method investment	—	0.1	(0.1)	—	0.3	(0.3)
Net income/(loss)	**€ 5.5**	**€ (2.3)**	**7.8**	**€ (4.5)**	**€ (236.7)**	**232.2**
Adjusted EBITDA[1]	**€ 15.5**	**€ 6.1**	**9.4**	**€ 15.1**	**€ (8.9)**	**24.0**

Note: Some figures may not add due to rounding.

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

Net income in the third quarter of 2021 was €5.5 million as compared to net loss of €2.3 million in the third quarter of 2020. The increase was driven by the recovery of our Referral Revenue. In the nine months ended September 30, 2021, net loss decreased by €232.2 million to a net loss of €4.5 million, mainly driven by an impairment of goodwill amounting to €207.6 million recorded in the first quarter of 2020.

Adjusted EBITDA increased by €9.4 million to €15.5 million in the third quarter of 2021 compared to the same period in 2020, driven by operating profit. In the nine months ended September 30, 2021, Adjusted EBITDA increased by €24.0 million to a profit of €15.1 million, compared to the same period in 2020, mostly driven by an increase in Referral Revenue by €56.8 million, partly offset by an increase in Advertising Spend by €42.7 million. Reductions in operating expenses (excluding Advertising Spend) related to the restructuring of our organization in the prior year further contributed to the increase in Adjusted EBITDA in the nine months ended September 30, 2021.

In the first quarter of 2021, the €1.2 million gain on the campus lease modification is excluded from Adjusted EBITDA. The gain is considered as a reconciling adjustment within the certain other items reconciling line as shown in the "*Tabular Reconciliations for Non-GAAP Measures*" on pages 14 to 15 herein.

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 expense was €3.3 million in the third quarter ended September 30, 2021, compared to an income tax expense of €0.6 million in the third quarter ended September 30, 2020. The total weighted average tax rate was 33.0%, which was mainly driven by the German statutory tax rate of approximately 31%. Our effective tax rate was 37.4% compared to (34.7)% in the third quarter in 2020. The difference

between the weighted average tax rate of 33.0% and the effective tax rate of 37.4% in the third quarter of 2021 is primarily attributable to share-based compensation expense, which is non-deductible for tax purposes.
Income tax expense was €2.0 million in the nine months ended September 30, 2021, compared to an income tax benefit of €7.4 million in the nine months ended September 30, 2020. Our effective tax rate was (83.4)% compared to 3.0% for the comparative period. The difference between the weighted average tax rate and the effective tax rate for the nine months ended September 30, 2021 is primarily attributable to the impact of share-based compensation expense, 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 €2.9 million as of September 30, 2021. A liability for these tax benefits was included under other long-term liabilities in the unaudited condensed consolidated financial statements.

Costs across multiple categories

In 2020 we undertook a restructuring, making significant headcount reductions and consolidating our office locations. We also reduced our office space in Düsseldorf and recorded a €1.2 million gain on the campus lease modification in the first quarter of 2021.

As a result of the reduction of the Düsseldorf office space and of the consolidation of our office locations, office expense decreased by €1.0 million and €3.3 million in the third quarter of 2021 and in the nine months ended September 30, 2021, respectively, compared to the same periods in 2020.

Office space reductions were also the main driver for the decrease in our depreciation expense of €0.7 million in the third quarter of 2021 and of €1.9 million in the nine months ended September 30, 2021, compared to the same periods in 2020.

As a result of the headcount reductions, personnel costs included restructuring costs of €0.5 million in the third quarter of 2020 and €6.2 million in the nine months ended September, 30 2020. No restructuring costs related to personnel were incurred in nine months ended September 30, 2021.

Share-based compensation increased by €1.3 million to €5.0 million in the third quarter of 2021, and by €1.6 million to €13.0 million in the nine months ended September 30, 2021 compared to the same periods in 2020.

Balance sheet and cash flows

Total cash, cash equivalents and restricted cash were €194.8 million as of September 30, 2021. The total included €194.4 million in current assets and €0.4 million of long-term restricted cash in other long-term assets in the balance sheet. As of December 31, 2020, total cash, cash equivalents and restricted cash were €210.8 million.

The decrease of €16.0 million during the nine months ended September 30, 2021 was mostly driven by negative cash flows from operating activities of €29.5 million. These were mainly driven by changes in operating assets and liabilities of €44.7 million primarily due to an increase in accounts receivable of €61.6 million resulting mostly from higher revenues in the third quarter of 2021 compared to fourth quarter of 2020, that was partly offset by an increase in accounts payable of €12.8 million resulting mostly from higher Advertising Spend. Net income adjusted by non-cash items of €15.2 million in the nine months ended September 30, 2021 further offset the cash outflows from changes in operating assets and liabilities.

Negative cash flows from operating activities were partly offset by €10.9 million of net cash provided by investing activities, mainly due to €19.3 million proceeds from sale and maturity of investments during the nine months ended September 30, 2021. These were partially offset by €4.3 million net cash outflow for a business acquisition in the first quarter of 2021 and €2.9 million net cash outflow related to capital expenditures including internal-use software and website development during the nine months ended September 30, 2021.

Our current ratio decreased from 7.5 as of December 31, 2020 to 6.4 as of September 30, 2021 as the relative increase in our current liabilities was higher than the increase in our current assets compared to December 31, 2020.

Non-cash items included in the net loss of €4.5 million consisted of share-based compensation of €13.0 million, depreciation of €6.4 million and deferred income taxes of €2.1 million partly offset by a gain of €1.2 million from the modification of the lease for our campus in Düsseldorf in the first quarter of 2021.

trivago N.V. Key Metrics

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

	Three months ended September 30,		Nine months ended September 30,	
	2021	**2020**	**2021**	**2020**
ROAS by segment				
Americas	125.7%	251.3%	135.3%	146.7%
Developed Europe	141.4%	163.1%	146.2%	164.6%
Rest of World	189.6%	227.0%	198.2%	130.1%
Consolidated ROAS	**138.7%**	**190.3%**	**146.5%**	**150.6%**
Qualified Referrals by segment (in millions)				
Americas	24.8	15.2	62.2	54.9
Developed Europe	53.6	40.0	96.3	81.2
Rest of World	25.7	27.3	61.4	63.9
Consolidated Qualified Referrals	**104.1**	**82.5**	**219.9**	**200.0**
RPQR by segment				
Americas	€1.94	€1.00	€1.67	€1.39
Developed Europe	1.39	0.81	1.33	1.17
Rest of World	0.51	0.39	0.55	0.59
Consolidated RPQR	**€1.31**	**€0.71**	**€1.21**	**€1.04**

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.

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

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

Definitions of Non-GAAP Measures

Adjusted EBITDA:

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

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

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

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

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

Tabular Reconciliations for Non-GAAP Measures

Adjusted EBITDA (€ millions)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Net income/(loss)	€ 5.5	€ (2.3)	€ (4.5)	€ (236.7)
Income from equity method investment	—	0.1	—	0.3
Income/(loss) before equity method investment	**€ 5.5**	**€ (2.4)**	**€ (4.5)**	**€ (237.1)**
Expense/(benefit) for income taxes	3.3	0.6	2.0	(7.4)
Income/(loss) before income taxes	**€ 8.8**	**€ (1.8)**	**€ (2.5)**	**€ (244.5)**
Add/(less):				
Interest expense	0.1	0.0	0.3	0.2
Other, net	(0.4)	0.4	(1.0)	1.0
Operating income/(loss)	**€ 8.6**	**€ (1.4)**	**€ (3.1)**	**€ (243.3)**
Depreciation of property and equipment and amortization of intangible assets	2.0	2.7	6.5	8.7
Impairment of, and gains and losses on disposals of, property and equipment	(0.1)	0.5	(0.0)	0.6
Impairment of intangible assets and goodwill	—	—	—	207.6
Share-based compensation	5.0	3.7	13.0	11.4
Certain other items, including restructuring	0.0	0.6	(1.3)	6.3
Adjusted EBITDA	**€ 15.5**	**€ 6.1**	**€ 15.1**	**€ (8.9)**

Note: Some figures may not add due to rounding.

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

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

- the continued material adverse effect of the COVID-19 pandemic on the global and local economy, the travel industry and our business and financial performance;
- any acceleration of long-term changes to consumer behavior and industry structure arising from the COVID-19 pandemic that may have a significant adverse effect on our business model and our future competitiveness and profitability and the speed and extent of the recovery across the broader travel industry;
- any additional impairment of goodwill;
- our dependence on a relatively 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;
- factors that contribute to our period-over-period volatility in our financial condition and result of operations;
- our dependence on general economic conditions and adverse impacts that could result from declines in travel or discretionary spending;
- the effectiveness of our Advertising Spend, including as a result of increased competition or inadequate or ineffective innovation in or execution of our advertising;
- our ability to implement our strategic initiatives;
- increasing competition in our industry;
- our ability to innovate and provide tools and services that are useful to our users and advertisers;
- our dependence on relationships with third parties to provide us with content;
- our reliance on search engines, particularly Google, which promote its own product and services that competes directly with our accommodation search and may negatively impact our business, financial performance and prospects;
- changes to and our compliance with applicable laws, rules and regulations;
- the impact of any legal and regulatory proceedings to which we are or may become subject;
- potential disruptions in the operation of our systems, security breaches and data protection; and
- impacts from our operating globally.

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, 2020 as such risks and uncertainties may be updated from time to time. Except as required by law, we undertake no obligation to update any forward-looking or other statements in this review, whether as a result of new information, future events or otherwise.

Exhibit 99.2

November 1, 2021

Dear shareholders,

Over the last few months, significant progress has been made to mitigate the impact of the COVID-19 pandemic across many markets. Many countries have lifted restrictions on daily life and permitted the resumption of regular office work, schooling and even large events. Travel restrictions are also gradually being lifted, although more slowly than many had anticipated. With the reopening of the transatlantic travel routes in November, almost all relevant western travel restrictions will have been lifted, while travel within and to Asia remains heavily restricted.

Despite these positive developments, we do not expect a full rebound in travel over winter as there continues to be some uncertainty about the development of the pandemic in the Northern hemisphere over the coming months. However, for spring and early summer 2022, we expect travel demand and behavior to approach pre-pandemic levels in Americas and Europe, with a strong rebound of city and international travel in those regions. Asia is likely to lag, and we expect that the recovery in our segment Rest of World will take more time.

Trivago in H2 2021 and 2022

Significant progress with vaccination programs in many countries in Europe and the Americas has led to a noticeable recovery in our revenue in the third quarter compared to the same period in 2020, although they remain well below the levels in the same period in 2019, and the recovery trajectory flattened in October as compared to the summer month given the remaining travel restrictions.

Based on our performance in the third quarter, we have come out of summer with confidence: we believe our strategic direction is right and offers significant opportunities for 2022 and beyond. The diversification of our product offering and our revenue streams has shown early success, and we believe it will be a driving force going forward. In 2022, we plan to focus on four strategic levers across the company: (1) improve conversion and quality of our core product, (2) improve and manage customer lifetime value, (3) offer inspiration through upper-funnel products and (4) launch and scale new B2B solutions. This focus is a continuation of our strategy in 2021. We have made significant progress and have benefited from our learnings so far:

- We have seen a significant improvement in our auction dynamics. In markets where travel demand has recovered strongly, advertisers became more active and increased their bids. In addition, we have seen that a growing number of advertisers are leveraging our CPA payment model to optimize their overall campaigns.
- We are on track with our cloud migration and expect the migration of all live applications to be completed by year end. This will improve the overall reliability and scalability of our products.
- The unprecedented impact of the COVID-19 pandemic has helped us better understand our brand marketing performance. We believe our prior television advertising campaigns continued to have a significant positive effect on direct traffic volumes, even in periods after the advertising was aired. As we significantly reduced advertising on television in 2020 and resumed such advertising at reduced levels in 2021, we anticipate that we will not benefit in the same way from prior campaigns in the next years as it had been the case in the past. As a result, we anticipate that we would need to invest in television advertising campaigns in the next years to rebuild our pre-pandemic direct traffic baseline.

- During summer we have – despite the softness in city travel and the reluctance to travel among certain customers – managed to run brand marketing campaigns with good returns in a few markets, a fact that has given us reason to believe that we can profitably invest into growing our baseline from current levels over the years to come.
- Our local travel product, trivago weekend, has launched packaged offers by rail and plane in first pilot markets. By adding more and more features, we are getting closer to offering comprehensive coverage of weekend travel and activities.
- The first tests of our Meta-as-a-Service (MaaS) offering have been very exciting, and we are currently live with the first partners, with more in testing. Interest in the product is strong, and we believe that MaaS represents a multi-million Euro contribution opportunity in the next few years.

With progress across our different strategic pillars and full recovery in sight in some of our core markets, we are excited about next year and the opportunities for us in an ever-changing travel market.

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

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

- the continued material adverse effect of the COVID-19 pandemic on the global and local economy, the travel industry and our business and financial performance;
- any acceleration of long-term changes to consumer behavior and industry structure arising from the COVID-19 pandemic that may have a significant adverse effect on our business model and our future competitiveness and profitability and the speed and extent of the recovery across the broader travel industry;
- any additional impairment of goodwill;
- our dependence on a relatively 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;
- factors that contribute to our period-over-period volatility in our financial condition and result of operations;
- our dependence on general economic conditions and adverse impacts that could result from declines in travel or discretionary spending;
- the effectiveness of our Advertising Spend, including as a result of increased competition or inadequate or ineffective innovation in or execution of our advertising;
- our ability to implement our strategic initiatives;
- increasing competition in our industry;
- our ability to innovate and provide tools and services that are useful to our users and advertisers;
- our dependence on relationships with third parties to provide us with content;

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

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, 2020 as such risks and uncertainties may be updated from time to time. Except as required by law, we undertake no obligation to update any forward-looking or other statements in this review, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

This letter contains reference to certain non-GAAP (Generally Accepted Accounting Principles) measures that our management believes provide our shareholders with additional insights into trivago’s results of operations. The non-GAAP measures referred to in this letter are supplemental in nature. They should not be considered in isolation or as a substitute for analysis of our results reported in accordance with U.S. GAAP.

Exhibit 99.3

trivago N.V.

Unaudited Condensed Consolidated Interim Financial Statements as of September 30, 2021

trivago N.V.

Condensed consolidated statements of operations

(€ thousands, except per share amounts, unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Revenue	€ 102,801	€ 47,399	€ 208,747	€ 154,279
Revenue from related party	35,838	13,243	63,592	62,298
Total revenue	**138,639**	**60,642**	**272,339**	**216,577**
Costs and expenses:				
Cost of revenue, including related party, excluding amortization [1]	3,136	2,644	8,683	8,112
Selling and marketing, including related party [1][2][3]	104,374	36,553	199,077	160,777
Technology and content, including related party [1][2][3]	12,746	14,786	39,139	50,695
General and administrative, including related party [1][2][3]	9,765	7,992	28,469	32,316
Amortization of intangible assets [2]	34	12	102	373
Impairment of goodwill	—	—	—	207,618
Operating income/(loss)	**8,584**	**(1,345)**	**(3,131)**	**(243,314)**
Other income/(expense)				
Interest expense	(106)	(45)	(308)	(150)
Other, net	353	(417)	985	(1,015)
Total other income/(expense), net	**247**	**(462)**	**677**	**(1,165)**
Income/(loss) before income taxes	**8,831**	**(1,807)**	**(2,454)**	**(244,479)**
Expense/(benefit) for income taxes	3,303	626	2,047	(7,409)
Income/(loss) before equity method investment	**5,528**	**(2,433)**	**(4,501)**	**(237,070)**
Income from equity method investment	—	120	—	333
Net income/(loss)	**€ 5,528**	**€ (2,313)**	**€ (4,501)**	**€ (236,737)**
Earnings per share available to common stockholders:				
Basic	€ 0.02	€ (0.01)	€ (0.01)	€ (0.67)
Diluted	0.02	(0.01)	(0.01)	(0.67)
Shares used in computing earnings per share:				
Basic	358,076	353,543	357,181	353,151
Diluted	368,322	353,543	357,181	353,151

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
(1) Includes share-based compensation as follows:				
Cost of revenue	€ 68	€ 70	€ 189	€ 190
Selling and marketing	259	231	784	908
Technology and content	1,135	904	2,864	3,085
General and administrative	3,566	2,490	9,206	7,199
(2) Includes amortization as follows:				
Amortization of internal use software costs included in selling and marketing	€ 19	€ 41	€ 82	€ 141
Amortization of internal use software and website development costs included in technology and content	1,159	997	3,479	2,919
Amortization of internal use software costs included in general and administrative	75	82	246	407
Amortization of acquired technology included in amortization of intangible assets	34	12	102	84
(3) Includes related party expense as follows:				
Cost of revenue	€ —	€ (32)	€ —	€ (32)
Selling and marketing	€ 28	€ 38	€ 101	€ 126
Technology and content	13	19	40	104
General and administrative	—	9	—	31

See accompanying notes

trivago N.V.

Condensed consolidated statements of comprehensive income/(loss)

(€ thousands, unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Net income/(loss)	€ 5,528	€ (2,313)	€ (4,501)	€ (236,737)
Other comprehensive income/(loss):				
Currency translation adjustments	12	(49)	4	(20)
Total other comprehensive income/(loss)	12	(49)	4	(20)
Comprehensive income/(loss)	**€ 5,540**	**€ (2,362)**	**€ (4,497)**	**€ (236,757)**

See accompanying notes

trivago N.V.

Condensed consolidated balance sheets

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

ASSETS		As of September 30, 2021		As of December 31, 2020
Current assets:				
Cash and cash equivalents	€	194,438	€	208,353
Restricted cash		—		103
Accounts receivable, net of allowance for credit losses of €573 and €348 at September 30, 2021 and December 31, 2020, respectively		55,252		11,642
Accounts receivable, related party		20,680		2,969
Short-term investments		—		19,448
Tax receivable		3,642		7,839
Prepaid expenses and other current assets		10,496		10,438
Total current assets		**284,508**		**260,792**
Property and equipment, net		17,121		26,682
Operating lease right-of-use assets		49,139		86,810
Deferred income taxes		1		1
Other long-term assets		3,313		4,399
Intangible assets, net		170,119		169,550
Goodwill		287,751		282,664
TOTAL ASSETS	**€**	**811,952**	**€**	**830,898**
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	€	19,921	€	6,755
Income taxes payable		1,013		102
Deferred revenue		1,762		2,750
Payroll liabilities		3,269		2,983
Accrued expenses and other current liabilities		16,104		14,934
Operating lease liability		2,258		7,188
Total current liabilities		**44,327**		**34,712**
Operating lease liability		45,837		85,979
Deferred income taxes		44,264		42,176
Other long-term liabilities		3,210		3,514
Stockholders' equity:				
Class A common stock, €0.06 par value - 700,000,000 shares authorized, 95,317,292 and 55,967,976 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively		5,719		3,358
Class B common stock, €0.60 par value - 320,000,000 shares authorized, 262,934,762 and 298,187,967 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively		157,761		178,913
Reserves		831,102		798,017
Contribution from Parent		122,307		122,307
Accumulated other comprehensive income/(loss)		8		4
Accumulated deficit		(442,583)		(438,082)
Total stockholders' equity		**674,314**		**664,517**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**€**	**811,952**	**€**	**830,898**

See accompanying notes

trivago N.V.

Condensed consolidated statements of changes in equity

(€ thousands, unaudited)

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

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

Three months ended September 30, 2020	Class A common stock		Class B common stock		Reserves		Retained earnings (accumulated deficit)		Accumulated other comprehensive income/(loss)		Contribution from Parent		Total stockholders' equity
Balance at July 1, 2020	€	3,307	€	178,913	€	790,629	€	(427,128)	€	91	€	122,307	€ 668,119
Net loss								(2,313)					(2,313)
Other comprehensive loss (net of tax)										(49)			(49)
Share-based compensation expense						3,695							3,695
Issued capital, options exercised		22				(3)							19
Balance at September 30, 2020	**€**	**3,329**	**€**	**178,913**	**€**	**794,321**	**€**	**(429,441)**	**€**	**42**	**€**	**122,307**	**€ 669,471**

Nine months ended September 30, 2020	Class A common stock		Class B common stock		Reserves		Retained earnings (accumulated deficit)		Accumulated other comprehensive income/(loss)		Contribution from Parent		Total stockholders' equity
Balance at January 1, 2020	€	3,049	€	181,013	€	781,060	€	(192,704)	€	62	€	122,307	€ 894,787
Net loss								(236,737)					(236,737)
Other comprehensive loss (net of tax)										(20)			(20)
Share-based compensation expense						11,382							11,382
Conversion of Class B shares		210		(2,100)		1,890							—
Issued capital, options exercised		70				(11)							59
Balance at September 30, 2020	**€**	**3,329**	**€**	**178,913**	**€**	**794,321**	**€**	**(429,441)**	**€**	**42**	**€**	**122,307**	**€ 669,471**

See accompanying notes

trivago N.V.

Condensed consolidated statements of cash flows

(€ thousands, unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Operating activities:				
Net income/(loss)	€ 5,528	€ (2,313)	€ (4,501)	€ (236,737)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in):				
Depreciation (property and equipment and internal-use software and website development)	1,958	2,653	6,366	8,279
Amortization of intangible assets	34	12	102	373
Goodwill impairment loss	—	—	—	207,618
Impairment of long-lived assets including internal-use software and website development	—	549	—	549
Share-based compensation	5,028	3,695	13,043	11,382
Deferred income taxes	2,601	508	2,088	(6,914)
Foreign exchange loss/(gain)	(365)	480	(1,029)	123
Expected credit (gains)/losses, net	142	(550)	179	1,836
Loss on disposal of fixed assets	118	60	222	144
Gain from settlement of asset retirement obligation	—	(102)	(5)	(137)
(Gain)/loss from lease termination and modification, net	4	(21)	(1,307)	(56)
Income from equity method investment	—	(120)	—	(333)
Changes in operating assets and liabilities:				
Accounts receivable, including related party	(22,798)	(14,266)	(61,596)	41,224
Prepaid expenses and other assets	6,046	4,540	(2,756)	(1,603)
Accounts payable	(12,611)	2,535	12,845	(26,011)
Payroll liabilities	107	(322)	277	(907)
Accrued expenses and other liabilities	99	(2,151)	2,452	2,881
Deferred revenue	(52)	(198)	(988)	(1,758)
Taxes payable/receivable, net	6,055	(39)	5,108	225
Net cash provided by/(used in) operating activities	**€ (8,106)**	**€ (5,050)**	**€ (29,500)**	**€ 178**
Investing activities:				
Purchase of investments	—	—	(1,351)	(8,850)
Proceeds from sales of investments	9,338	—	19,338	—
Proceeds from sale of business (net of cash sold)	—	292	—	292
Business acquisition, net of cash acquired	—	—	(4,302)	—
Capital expenditures, including internal-use software and website development	(1,103)	(1,454)	(2,901)	(4,629)
Proceeds from sale of fixed assets	38	587	110	624
Net cash provided by/(used in) investing activities	**€ 8,273**	**€ (575)**	**€ 10,894**	**€ (12,563)**
Financing activities:				
Proceeds from exercise of option awards	21	19	1,251	59
Repayment of other non-current liabilities	(42)	(67)	(174)	(202)
Net cash provided by/(used in) financing activities	**€ (21)**	**€ (48)**	**€ 1,077**	**€ (143)**
Effect of exchange rate changes on cash	633	(523)	1,538	(532)
Net increase/(decrease) in cash, cash equivalents and restricted cash	**€ 779**	**€ (6,196)**	**€ (15,991)**	**€ (13,060)**
Cash, cash equivalents and restricted cash at beginning of the period	194,001	213,679	210,771	220,543
Cash, cash equivalents and restricted cash at end of the period	**€ 194,780**	**€ 207,483**	**€ 194,780**	**€ 207,483**

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Supplemental cash flow information:				
Cash paid for interest	€ 106	€ 45	€ 302	€ 150
Cash paid for taxes, net of (refunds)	(5,340)	152	(5,180)	(737)

See accompanying notes

trivago N.V.

Notes to the condensed consolidated financial statements (unaudited)

Note 1: Organization and basis of presentation

Description of business

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

As of September 30, 2021, Expedia Group's ownership interest and voting interest in trivago N.V. is 58.3% and 76.7%, respectively. The Class B shares of trivago N.V. held by Messrs. Schrömgens, Vinnemeier and Siewert (whom we collectively refer to as our Founders) as of September 30, 2021, had an ownership interest and voting interest of 15.1% and 19.8%, respectively.

COVID-19

Our business and operating results for 2021 continue to be negatively impacted by the COVID-19 pandemic. Our ultimate financial performance will depend on a number of factors relating to the world's emergence from the COVID-19 pandemic, including rates of vaccination and the effectiveness of vaccinations against various mutations of the COVID-19 virus.

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, 2020 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, 2020, previously filed with the Securities and Exchange Commission ("SEC").

Seasonality

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

Accounting estimates

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

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

Note 2: Significant accounting policies

The significant accounting policies used in preparation of these unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2021 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, 2020, except as updated below.

Advertising expense

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

Adoption of new accounting pronouncements

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

Equity Method Investments. As of January 1, 2021, we have prospectively adopted ASU 2020-01, which clarifies the interaction between the accounting for investments in equity securities, equity method investments and certain derivative instruments. The adoption of this new guidance did not have a material impact to our 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 26% and 23% respectively, of total revenues for the three and nine months ended September 30, 2021, compared to 21% and 28%, respectively, in the same periods in 2020. The Expedia Group represent 27% and 20% of total accounts receivable as of September 30, 2021 and December 31, 2020, respectively.

Booking Holdings and its affiliates represent 55% and 56%, respectively of total revenues for the three and nine months ended September 30, 2021, compared to 51% and 42%, respectively, in the same periods in 2020. Booking Holdings and its affiliates represent 56% and 47% of total accounts receivable as of September 30, 2021 and December 31, 2020, respectively.

Restricted cash

As of September 30, 2021 and December 31, 2020, restricted cash was €0.3 million and €2.4 million, respectively. From the total balance as of September 30, 2021 and December 31, 2020, €0.3 million and €2.3 million, respectively, is classified as other long-term assets based on the expected dates the restricted cash will be refunded or made available to the Company.

Deferred revenue

As of December 31, 2020, the deferred revenue balance was €2.8 million, €2.8 million of which was recognized as revenue during the nine months ended September 30, 2021.

Note 3: Acquisitions and divestitures

Acquisitions

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

The acquisition was accounted for as a business combination using the acquisition method of accounting. Accordingly, we have allocated the consideration paid for Weekengo to the net tangible and identifiable intangible assets based on their estimated fair values. Our preliminary valuation of assets acquired and liabilities assumed, and the fair value of such amounts are included in the table below. Goodwill represents the excess of the purchase price over the fair value of the underlying net tangible and identifiable intangible assets.

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

(in thousands)		**January 12, 2021**
Cash and cash equivalents	€	85
Prepaid expenses and other current assets		54
Property and equipment, net		1,662
Goodwill		5,085
Intangible assets, net		675
Total Assets		**7,561**
Accounts payable		(121)
Other liabilities		(15)
Net assets acquired	**€**	**7,425**

The Company applied variations of the cost approach to estimate the fair values of the acquired trademark and domain “WEEKEND.com”, recognized within intangible assets, of €0.7 million with an estimated useful life of 5 years, and capitalized software and software development costs, recognized within property and equipment, of €1.6 million with an estimated useful life of 3 years. The Company additionally recognized €0.3 million of deferred tax liabilities attributable to the fair value adjustment on capitalized software and software development costs, which are offset by acquired deferred tax assets.

The preliminary estimated fair values of the assets acquired and the liabilities assumed are determined based on currently available information. We are continuing to evaluate the underlying inputs and assumptions used in the valuations. Accordingly, these preliminary estimates are subject to change during the measurement period, which is up to one year from the date of the acquisition. A change in fair values of the assets acquired and the liabilities assumed would result in a corresponding change in the amount of goodwill resulting from the acquisition.

The goodwill balance of €5.1 million has been assigned to the Developed Europe and Americas segments in the amounts of €3.2 million and €1.9 million, respectively. The goodwill largely reflects our access to Weekengo’s development team and know-how, and expected synergies to strengthen our presence in the weekend getaway market. Goodwill is not expected to be deductible for tax purposes.

Revenues from Weekengo included in the Company's condensed consolidated statements of operations for the three and nine months ended September 30, 2021 were €0.0 million and €0.0 million, respectively. Net loss from Weekengo included in the Company's condensed consolidated statements of operations for the same periods were €0.8 million and €2.0 million respectively. The Company did not incur material transaction costs with respect to the Weekengo acquisition during the three and nine months ended September 30, 2021.

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

(in thousands, unaudited)	Three months ended September 30, 2020		Nine months ended September 30, 2020	
Revenue	€	60,671	€	216,934
Net loss		(2,753)		(238,093)

The unaudited pro forma financial information in the table above includes adjustments that are directly attributable to the business combination and are factually supportable. The pro forma financial information include adjustments of €0.1 million and €0.4 million for the three and nine months ended September 30, 2021 related to application of the Company's accounting policies, depreciation and amortization related to fair value adjustment on capitalized software and software development costs and recognition of the trademark and domain, and acquisition related transaction costs.

Divestitures

In December 2020, the Company entered into an agreement to sell its minority interest (49%) in myhotelshop GmbH ("myhotelshop") for a cash consideration of €70 thousand to the majority shareholder, who is not a related party to trivago. The transaction had not closed as of December 31, 2020 as there were still some outstanding closing conditions. However, due to imminent closing of the transaction, the Company recognized an impairment loss in 2020 to write down the equity method investment as of December 31, 2020 to the cash consideration value of €70 thousand. As a result of the closing of the sale on January 28, 2021, the remaining equity method investment of €70 thousand was derecognized on our condensed consolidated balance sheet with no further gain or loss recognized between the consideration and the carrying amount. As of the closing date, myhotelshop is no longer considered a related party.

Note 4: Fair value measurement

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

As of September 30, 2021	Total		Level 1		Level 2	
(in thousands)						
Assets						
Cash equivalents:						
Money market funds	€	19,966	€	19,966	€	—
Other long-term assets:						
Term deposits		1,351		—		1,351
Total	**€**	**21,317**	**€**	**19,966**	**€**	**1,351**

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

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

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

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.

Goodwill

During the first quarter of 2020, we recognized goodwill impairment charges of €17.6 million, €107.5 million and €82.5 million in the Developed Europe, Americas and Rest of World reporting units, respectively. These impairment charges resulted from the significant negative impact of the COVID-19 pandemic on our business, which presented sufficient indicators to require us to perform an interim quantitative assessment as of March 31, 2020 in which we compared the fair value of the reporting units to their carrying value. Further details may be found in our Annual Report on Form 20-F for the year ended December 31, 2020 previously filed with the SEC.

The full duration and total impact of the COVID-19 pandemic remains uncertain and it is difficult to predict how the recovery will unfold for global economies, the travel industry or our business. As a result, we may continue to record impairment charges in the future due to the potential long-term economic impact and near-term financial impacts.

Note 5: Prepaid expenses and other current assets

(in thousands)	September 30, 2021		December 31, 2020	
Prepaid advertising	€	7,632	€	2,297
Other prepaid expenses		2,399		4,132
Other assets		465		4,009
Total	**€**	**10,496**	**€**	**10,438**

In January 2021, we entered into a long-term marketing sponsorship agreement for various marketing rights beginning July 1, 2021. The first two contractual installment payments under this agreement have been paid and as of September 30, 2021, €5.6 million has been included within prepaid advertising in the above table.

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

Note 6: Property and equipment, net

(in thousands)	September 30, 2021		December 31, 2020	
Building and leasehold improvements	€	6,964	€	15,295
Capitalized software and software development costs		26,063		22,702
Computer equipment		17,156		17,248
Furniture and fixtures		3,701		5,480
Subtotal		53,884		60,725
Less: accumulated depreciation		37,739		34,352
Construction in process		976		309
Property and equipment, net	**€**	**17,121**	**€**	**26,682**

As part of the amendment to the campus operating lease agreement on January 29, 2021 which is further discussed in *Note 7: Leases*, we transferred long-lived assets with a net book value of €7.5 million related to the terminated floor space to the landlord. This transaction is partially offset in the condensed consolidated balance sheet by the lease termination penalty. The net amount is recorded in accounts receivable as of September 30, 2021. We recognized a gain of €0.1 million on the sale of these fixed assets.

Note 7: 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 from January 1, 2021 for a penalty of €6.7 million, and from May 31, 2023 for a penalty of €2.3 million. The amendment was treated as a modification to the existing lease agreement with an effective date of January 29, 2021 and the termination penalties will be expensed over the remaining lease term. As part of the amendment, the landlord agreed to pay trivago €2.6 million as a settlement of prior claims for defects in the leased office space, which has been treated as a lease incentive and will reduce lease expense over the lease term. As a result of this lease modification, we recognized a gain of €1.2 million on the lease modification, agreed to pay €0.5 million as a settlement of prior claims for defects that had previously been accrued for and reduced our operating lease right-of-use assets and operating lease liability by €34.7 million and €36.4 million, respectively.

Note 8: Share-based awards and other equity instruments

Amendments to the 2016 Omnibus Incentive Plan

On March 2, 2021, our supervisory board amended the trivago N.V. 2016 Omnibus Incentive Plan to increase the maximum number of Class A shares available for issuance. As of September 30, 2021 the maximum number of Class A shares available for issuance are 59,635,698 Class A shares (34,711,009 as of December 31, 2020), which does not include any Class B share conversions. Class A shares issuable under 2016 Plan are represented by ADSs for such Class A shares.

Share-based compensation expense

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

	Three months ended September 30,				Nine months ended September 30,			
(in thousands)	**2021**		**2020**		**2021**		**2020**	
Cost of revenue	€	68	€	70	€	189	€	190
Selling and marketing		259		231		784		908
Technology and content		1,135		904		2,864		3,085
General and administrative		3,566		2,490		9,206		7,199
Total share-based compensation expense	**€**	**5,028**	**€**	**3,695**	**€**	**13,043**	**€**	**11,382**

Share-based award activity

The following table presents a summary of our share option activity for the nine months ended September 30, 2021:

	Options	**Weighted average exercise price**	**Remaining contractual life**	**Aggregate intrinsic value**
		(in €)	**(In years)**	**(€ in thousands)**
Balance as of December 31, 2020	26,347,149	3.29	12	28,356
Granted	5,962,197	0.06		
Exercised	3,663,117	0.34		
Cancelled	4,231,967	6.28		
Balance as of September 30, 2021	**24,414,262**	2.58	11	34,718
Exercisable as of September 30, 2021	12,484,343	4.60	16	11,624
Vested and expected to vest after September 30, 2021	**24,414,262**	2.58	11	34,718

The following table presents a summary of our restricted stock units (RSUs) for the nine months ended September 30, 2021:

	RSUs	Weighted Average Grant Date Fair Value	Remaining contractual life
		(in €)	(in years)
Balance as of December 31, 2020	1,624,461	1.39	5
Granted	1,033,015	3.81	
Vested	434,994	2.08	
Cancelled	39,639	2.87	
Balance as of September 30, 2021	2,182,843	2.37	5

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 expense was €3.3 million in the third quarter ended September 30, 2021, compared to an income tax expense of €0.6 million in the third quarter ended September 30, 2020. The total weighted average tax rate was 33.0%, which was mainly driven by the German statutory tax rate of approximately 31%. Our effective tax rate was 37.4% compared to (34.7)% in the third quarter in 2020. The difference between the weighted average tax rate of 33.0% and the effective tax rate of 37.4% in the third quarter of 2021 is primarily attributable to share-based compensation expense, which is non-deductible for tax purposes.

Income tax expense was €2.0 million in the nine months ended September 30, 2021, compared to an income tax benefit of €7.4 million in the nine months ended September 30, 2020. Our effective tax rate was (83.4)% compared to 3.0% for the nine months ended September 30, 2020. The difference between the weighted average tax rate and the effective tax rate for the nine months ended September 30, 2021 is primarily attributable to the impact of share-based compensation expense, 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 €2.9 million as of September 30, 2021. A liability for these tax benefits was included under other long-term liabilities in the unaudited condensed consolidated financial statements.

Note 10: Stockholders' equity

Each Class B share is convertible into one Class A share at any time by the holder. The share premium derived from the conversion is recognized within reserves.

During the nine months ended September 30, 2021, 35,253,205 Class B shares were converted into Class A shares. During the nine months ended September 30, 2020, 3,500,000 Class B shares were converted into Class A shares.

Note 11: Earnings per share

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

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

	Three months ended September 30,		Nine months ended September 30,	
(€ thousands, except per share data)	**2021**	**2020**	**2021**	**2020**
Numerator:				
Net income/(loss)	€ 5,528	€ (2,313)	€ (4,501)	€ (236,737)
Denominator:				
Weighted average shares of Class A and Class B common stock outstanding:				
Basic	358,076	353,543	357,181	353,151
Diluted	368,322	353,543	357,181	353,151
Net income/(loss) per share:				
Basic	€ 0.02	€ (0.01)	€ (0.01)	€ (0.67)
Diluted	€ 0.02	€ (0.01)	€ (0.01)	€ (0.67)

For the nine months ended September 30, 2021 and 2020, and for the three months ended September 30, 2020, diluted weighted average common shares outstanding does not include the effects of the exercise of outstanding stock options and RSUs as the inclusion of these instruments would have been anti-dilutive.

Note 12: Commitments and contingencies

In January 2021 we entered into a marketing sponsorship agreement in return for various marketing rights. Based on the terms of the agreement and payments made, we have an outstanding commitment value of approximately €16.3 million as of September 30, 2021.

Legal proceedings

On August 23, 2018, the Australian Competition and Consumer Commission, or ACCC, instituted proceedings in the Australian Federal Court against us. The ACCC alleged a number of breaches of the Australian Consumer Law, or ACL, relating to certain advertisements in Australia concerning the hotel prices available on our Australian site, our Australian strike-through pricing practice and other aspects of the way offers for accommodation were displayed on our Australian website. The matter went to trial in September 2019 and, on January 20, 2020, the Australian Federal Court issued a judgment finding that we had engaged in conduct in breach of the ACL. On March 4, 2020, we filed a notice of appeal at the Australian Federal Court appealing part of that judgment. On November 4, 2020, the Australian Federal Court dismissed trivago's appeal. On October 18 and 19, 2021, the Australian Federal Court heard submissions from the parties in relation to relief. In its submissions, the ACCC proposed a penalty of at least AUD90 million and an injunction restraining us from engaging in misleading conduct of the type found by the Australian Federal Court to be in contravention of the ACL. trivago submitted that an appropriate penalty for the court to impose would be in the order of up to AUD15 million. The court's decision will be forthcoming.

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

Note 13: Related party transactions

Relationships with Expedia

We have commercial relationships with Expedia Group, Inc. and many of its affiliated brands, including Brand Expedia, Hotels.com, Orbitz, Travelocity, Hotwire, Wotif, Vrbo and ebookers. These are arrangements terminable at will or upon three to seven days prior notice by either party and on customary commercial terms that enable Expedia Group’s brands to advertise on our platform, and we receive payment for users we refer to them. We are also party to a letter agreement pursuant to which Expedia Group refers traffic to us when a particular hotel or region is unavailable on the applicable Expedia Group website. Related-party revenue from Expedia Group 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 €35.8 million and €63.6 million for the three and nine months ended September 30, 2021, compared to €13.0 million and €61.3 million, respectively, in the same periods in 2020. 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 26% and 23% of our total revenue for the three and nine months ended September 30, 2021, compared to 21% and 28%, respectively, in the same periods in 2020.

For the three and nine months ended September 30, 2020 and 2021, we did not incur significant operating expenses of related-party services and support agreements with Expedia Group.

The related party trade receivable balances with Expedia Group and its affiliates as of December 31, 2020 and September 30, 2021 was €2.9 million and €20.6 million.

Guarantee

As of December 31, 2020, we had an uncommitted credit facility with Bank of America Merrill Lynch International Ltd., one of the underwriters of our initial public offering, with a maximum principal amount of €50.0 million. Advances under this facility bear interest at a rate of LIBOR, floored at zero, plus 1.0% per annum. Our obligations under this facility were guaranteed by Expedia Group. We did not utilize the credit facility during the year ended December 31, 2020. On January 7, 2021 the uncommitted credit facility was cancelled by the lender.

myhotelshop

Subsequent to the deconsolidation of myhotelshop in December 2017, myhotelshop remained a related party to trivago until January 28, 2021, when we sold our minority interest. Related-party revenue from myhotelshop for the nine months ended September 30, 2021 was not significant. Related-party revenue of €0.3 million and €1.0 million for the three and nine months ended September 30, 2020 primarily consists of referral revenue. As a result of the sale, we derecognized the remaining equity method investment of €70 thousand on our condensed consolidated balance sheet and no longer consider myhotelshop a related party.

Note 14: Segment information

Management has identified three reportable segments, which correspond to our three operating segments: the Americas, Developed Europe and Rest of World (RoW). Our Americas segment is comprised of Argentina, Barbados, Brazil, Canada, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, Puerto Rico, the United States and Uruguay. Our Developed Europe segment is comprised of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. Our Rest of World segment is comprised of all other countries 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, 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, 2021 and 2020. 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.

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

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

(€ thousands)	Three months ended September 30, 2020 Developed Europe		Americas		Rest of World		Corporate & Eliminations		Total	
Referral revenue	€	32,519	€	15,187	€	10,585	€	—	€	58,291
Subscription revenue		—		—		—		1,692		1,692
Other revenue		—		—		—		659		659
Total revenue	€	32,519	€	15,187	€	10,585	€	2,351	€	60,642
Advertising spend		19,934		6,043		4,662		—		30,639
ROAS contribution	€	12,585	€	9,144	€	5,923	€	2,351	€	30,003
Costs and expenses:										
Cost of revenue, including related party, excluding amortization										2,644
Other selling and marketing, including related party (1)										5,914
Technology and content, including related party										14,786
General and administrative, including related party										7,992
Amortization of intangible assets										12
Operating loss									€	(1,345)
Other income/(expense)										
Interest expense										(45)
Other, net										(417)
Total other income/(expense), net									€	(462)
Loss before income taxes									€	(1,807)
Expense for income taxes										626
Loss before equity method investment									€	(2,433)
Income from equity method investment										120
Net Loss									**€**	**(2,313)**

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

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

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

(€ thousands)	Nine months ended September 30, 2020 Developed Europe	Americas	Rest of World	Corporate & Eliminations	Total
Referral revenue	€ 94,715	€ 76,357	€ 37,816	€ —	€ 208,888
Subscription revenue	—	—	—	6,062	6,062
Other revenue	—	—	—	1,627	1,627
Total revenue	€ 94,715	€ 76,357	€ 37,816	€ 7,689	€ 216,577
Advertising spend	57,554	52,037	29,067	—	138,658
ROAS contribution	€ 37,161	€ 24,320	€ 8,749	€ 7,689	€ 77,919
Costs and expenses:					
Cost of revenue, including related party, excluding amortization					8,112
Other selling and marketing, including related party (1)					22,119
Technology and content, including related party					50,695
General and administrative, including related party					32,316
Amortization of intangible assets					373
Impairment of goodwill					207,618
Operating loss					€ (243,314)
Other income/(expense)					
Interest expense					(150)
Other, net					(1,015)
Total other income/(expense), net					€ (1,165)
Loss before income taxes					€ (244,479)
Benefit for income taxes					(7,409)
Loss before equity method investment					€ (237,070)
Income from equity method investment					333
Net loss					**€ (236,737)**

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

Note 15: Subsequent events

After the date of the balance sheet through the date of issuance of these unaudited condensed consolidated financial statements, 160,676 Class A shares were issued as a result of options exercised and RSUs released.