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Earnings Call Q4 and FY2017

7 February 2018

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We refer to increases in traffic quality in this presentation. We measure traffic quality by estimating booking conversion and value from data voluntarily provided to us by certain advertisers.

Special Note Regarding Forward-Looking Statements

This presentation contains statements that express the Company's opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results, in contrast with statements that reflect historical facts. Examples include discussion of our strategies, Adjusted EBITDA forecasts, financing plans, growth opportunities and market growth. In some cases, you can identify such forward-looking statements by terminology such as "anticipate," "intend," "believe," "estimate," "plan," "seek," "project" or "expect," "may," "will," "would," "could" or "should," the negative of these terms or similar expressions. While we always intend to express our best judgment when we make statements about what we believe will occur in the future, and although we base these statements on assumptions that we believe to be reasonable when made, these forward-looking statements are not a guarantee of our performance, and you should not place undue reliance on such statements. Forward-looking statements are subject to many risks, uncertainties and other variable circumstances, such as negative worldwide economic conditions and ongoing instability and volatility in the worldwide financial markets; possible changes in current and proposed legislation, regulations and governmental policies; the dependency of our business on our ability to innovate, pressures from increasing competition and consolidation in our industry, our advertiser concentration, our ability to maintain and increase brand awareness, reliance on search engines and technology, fluctuations of our operating results due to the effect of exchange rates or other factors. Such risks and uncertainties may cause the statements to be inaccurate and readers are cautioned not to place undue reliance on such statements. Many of these risks are outside of our control and could cause our actual results to differ materially from those we thought would occur. The forward-looking statements included in this presentation are made only as of the date hereof. We do not undertake, and specifically decline, any obligation to update any such statements or to publicly announce the results of any revisions to any of such statements to reflect future events or developments.

Special Note Regarding Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures, including adjusted EBITDA. Information needed to reconcile such non-GAAP financial measures to the most directly comparable measures under US GAAP can be found in this presentation in the Appendix.

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Our vision of combining the best product with a strong brand

Trusted brand

Hotel?

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Search technology

Matching

User Profiling

0.5	View	0.8
0.8	Spa	0.7
1	Gym	0.4
0.1	Beach	0.6

Accommodation Profiling

Booking the ideal hotel

Broad offering

OTAs
Hotel chains
Individual hotels

Global reach

Hotels
B&B
Private apartments
Vacation Rentals
Resorts

2017 Key achievements

Revenue exceeding €1bn in FY 2017

Back-end infrastructure revamp

Attribution Model roll-out

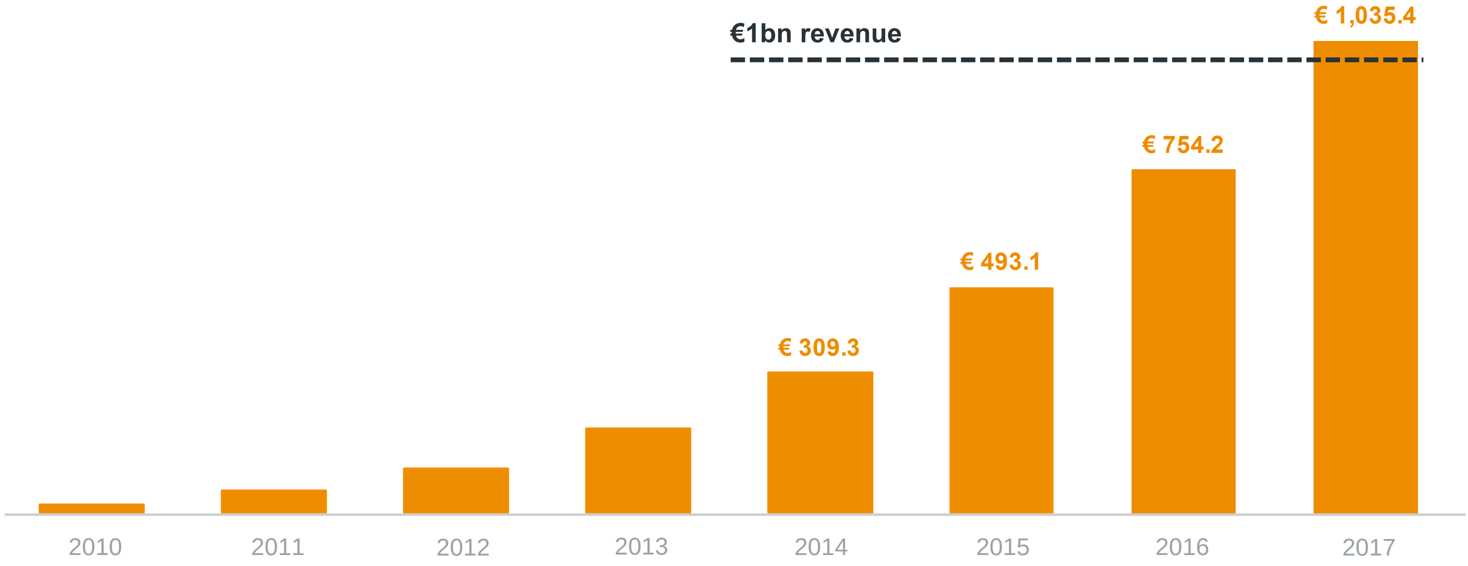
Relevance Assessment optimization

Alternative Accommodations scale-up

New Leadership Model implementation

Revenue in 2017 surpassed 1bn EUR for the first time

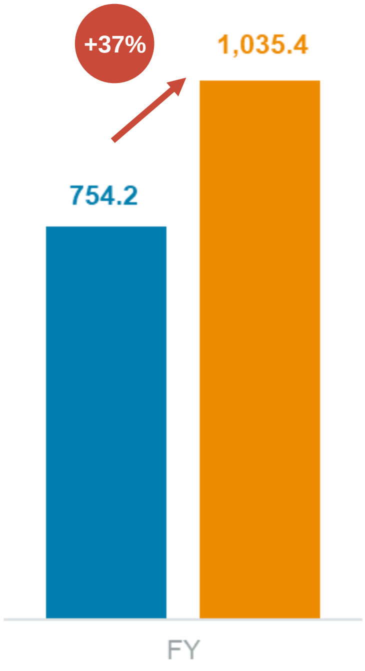
Total Revenue (€mm)



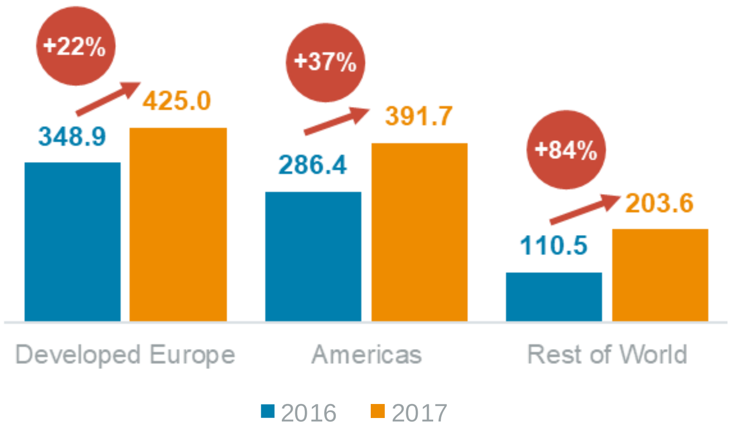
Source: 2014, 2015 and 2016: Audited US GAAP Financial Statements; 2017: Unaudited US GAAP financials; historic numbers based on HGB financials

2017 – Financial Performance

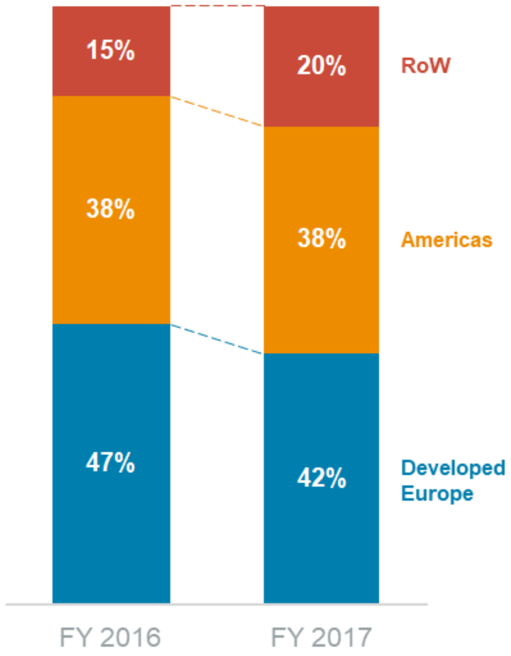
Total Revenue (€mm)



Referral Revenue by segment (€mm)



Referral Revenue distribution



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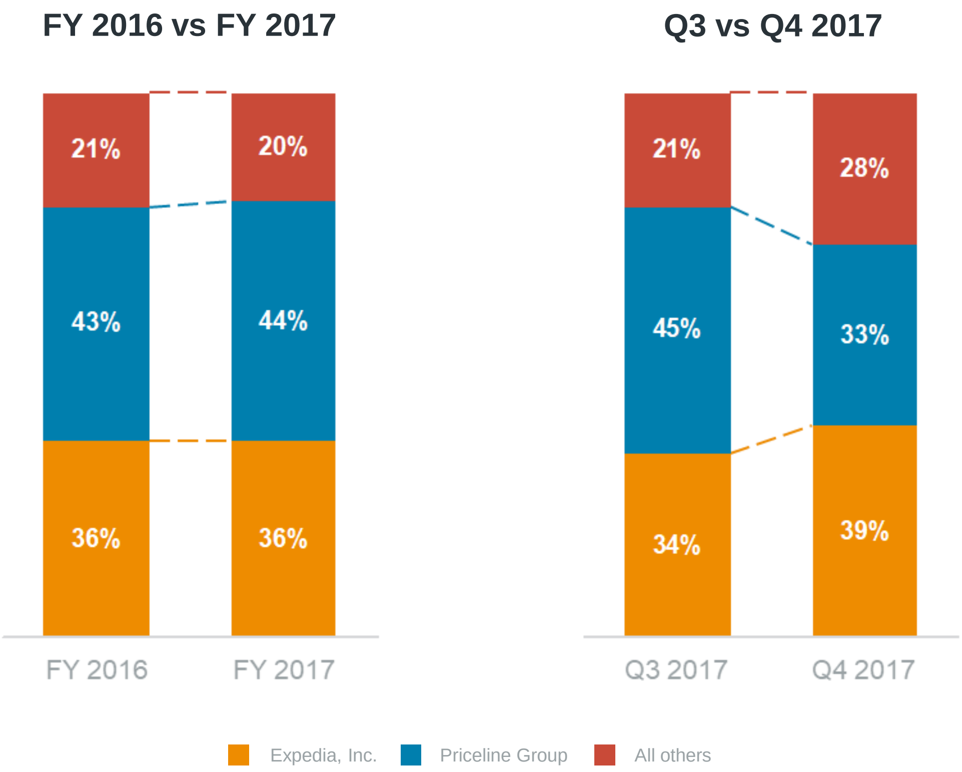
Source: unaudited US GAAP financials

Advertiser revenue share development



- The revenue share mix of our advertisers was stable for the full year 2017 compared to the full year 2016
- The revenue share mix fluctuated between the quarters with Priceline´s revenue share dropping to 33% in the fourth quarter 2017
- Significant testing activities of our advertisers allowed us to calibrate our relevance assessment

Source: internal data

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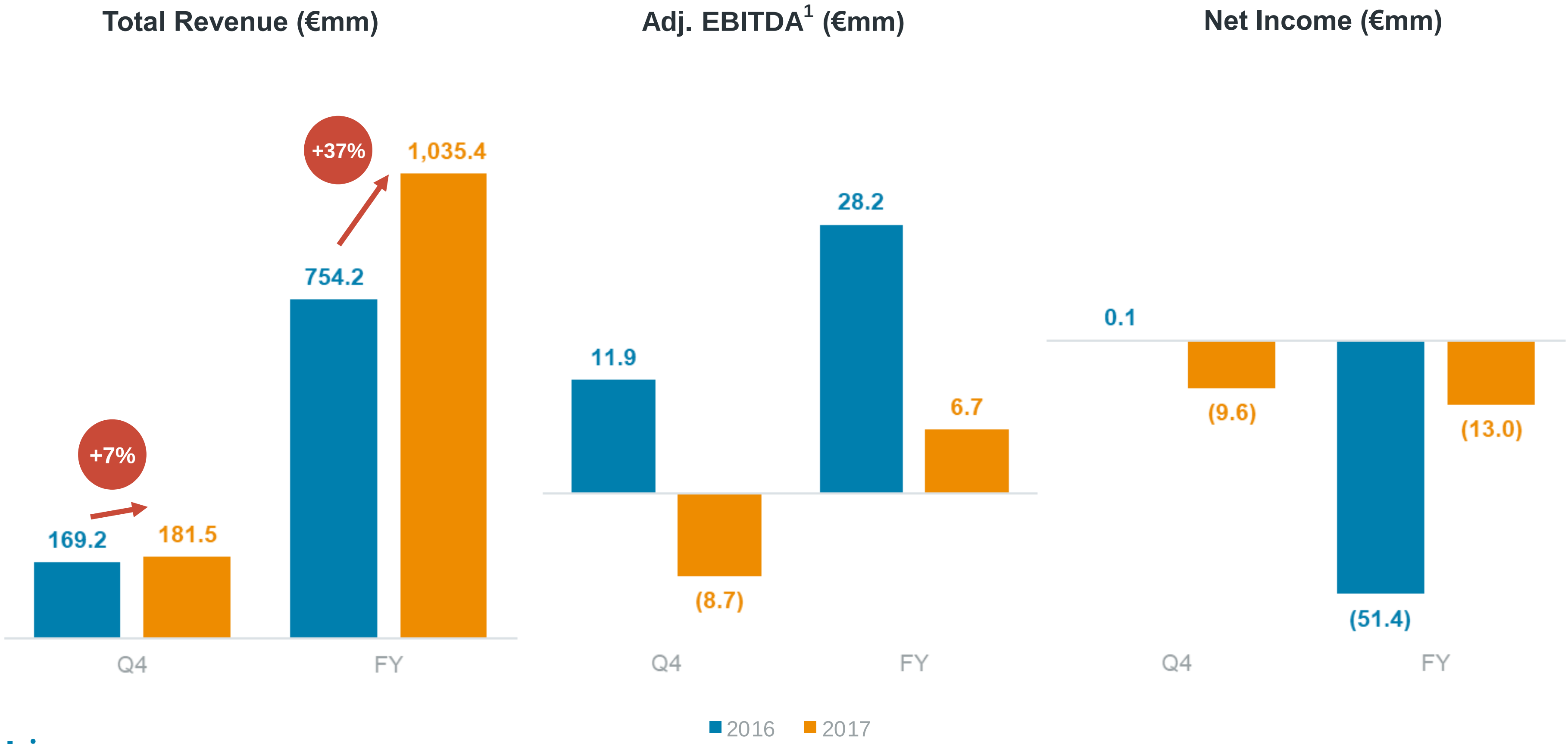
Revenue increased to over €1bn in 2017



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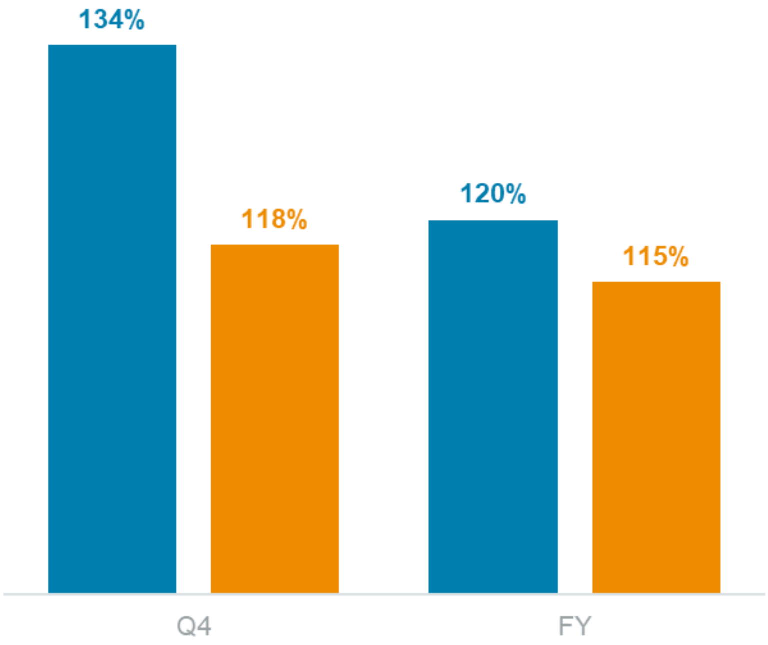
Source: unaudited US GAAP financials

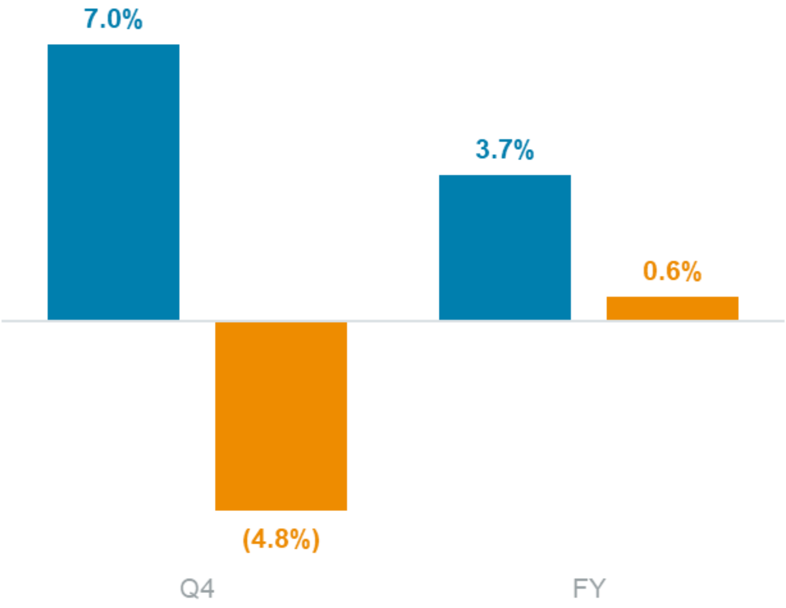
1. Adj. EBITDA is only adjusted for share-based compensation. A reconciliation to reported results is included in the Appendix

Adjusted EBITDA slowed down YoY

Return on Advertising Spend (%)



Adjusted EBITDA[1] (% of Total Revenue)



■ 2016 ■ 2017

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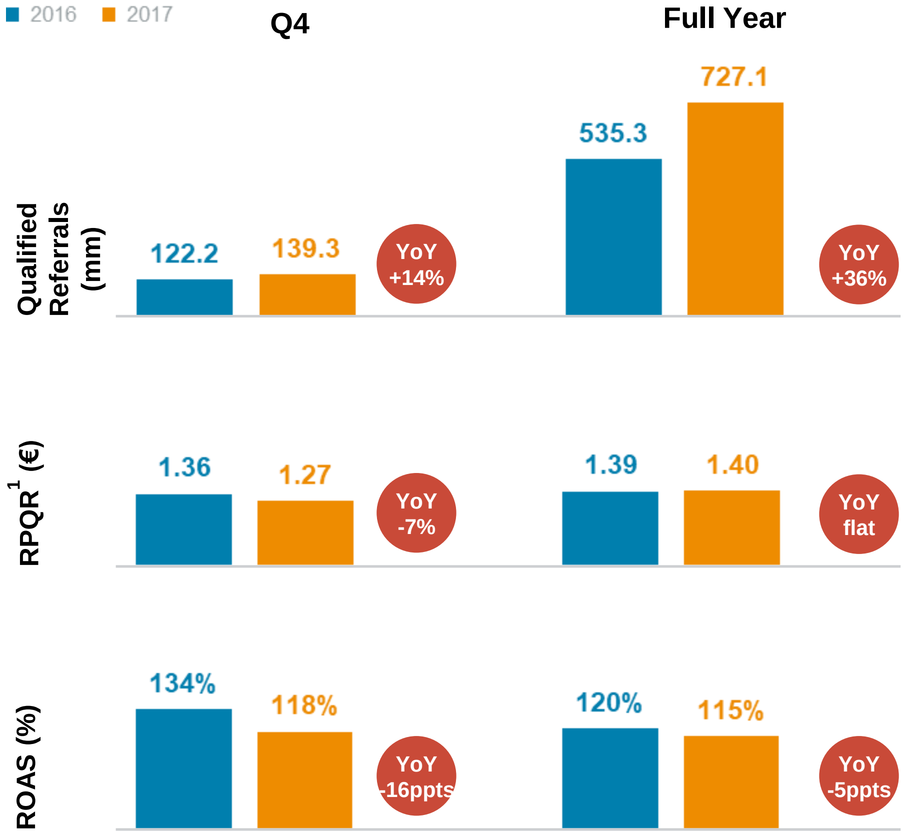
Source: unaudited US GAAP financials

1. Adj. EBITDA is only adjusted for share-based compensation. A reconciliation to reported results is included in the Appendix

KPI – Global



Key Drivers of Q4 2017 performance

Attribution model and platform optimizations

Commercialization and testing

FX effects

Attribution model and platform optimizations

Commercialization and testing

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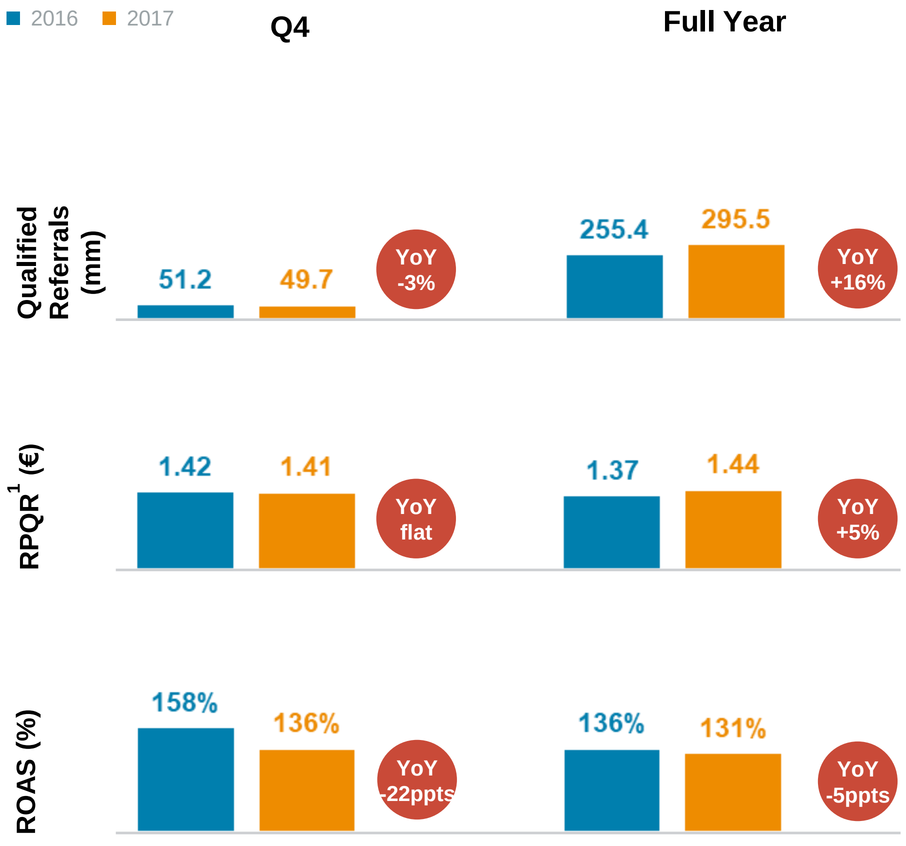
Source: internal data

1. RPQR: Revenue per qualified referral

KPI – Developed Europe



Highlights

- Qualified Referrals decreased in Q4 2017 against a strong Q4 2016 driven by lower advertising spend growth while traffic quality improved
- FY 2017 profited from a very strong H1 2017 reflecting the introduction of the relevance assessment. We invested revenues from the relevance assessment in marketing to drive additional QR growth

- RPQR for Q4 remained flat YoY as the negative impact from lower commercialization and significant advertiser testing activities was partly offset by the increase in traffic quality resulting from the attribution model and platform optimizations
- FY RPQR improved YoY driven by the introduction of the relevance assessment and the new attribution model, partly offset by lower commercialization in H2 2017

- Q4 2017 was negatively impacted by lower commercialization, advertiser testing activities and the inability to reduce planned television advertising commitments. We lowered ROAS targets to maintain revenue growth
- FY decline in ROAS resulting from reduced commercialization levels in H2 2017

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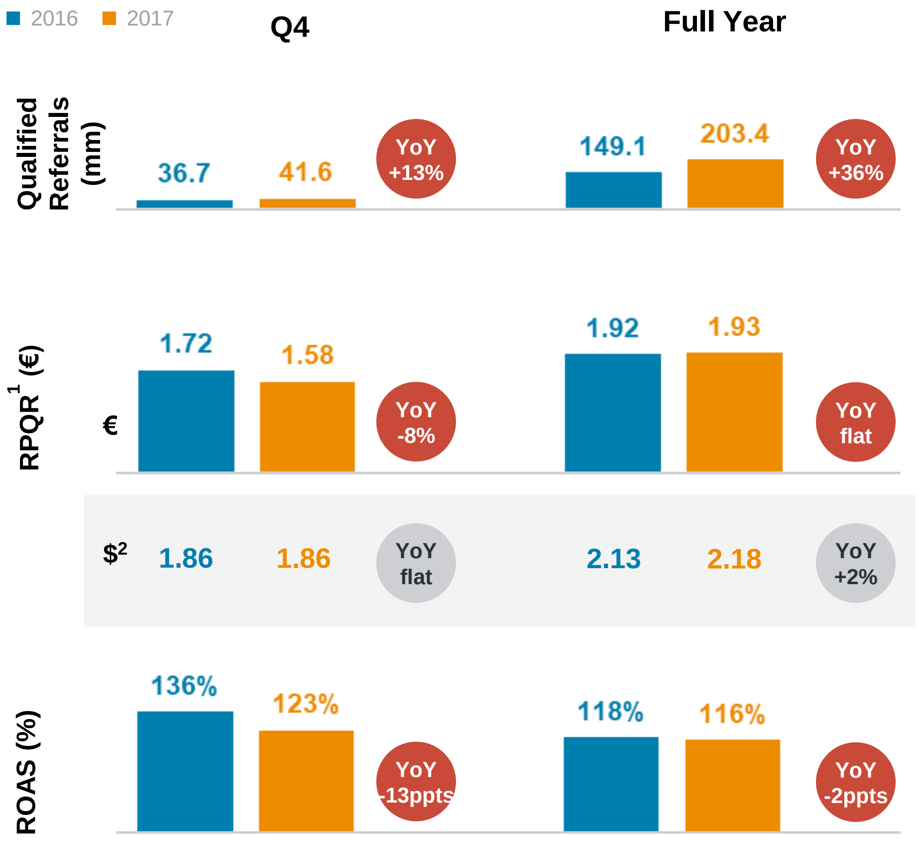
Source: internal data
1. RPQR: Revenue per qualified referral

KPI – Americas



Highlights

- Qualified Referrals growth decelerated in Q4 2017 against a strong Q4 2016 driven by lower advertising spend growth while traffic quality improved
- FY 2017 profited from a very strong H1 2017 reflecting the introduction of the relevance assessment. We invested revenues from the relevance assessment in marketing to drive additional QR growth

- RPQR decreased in Q4 driven by lower commercialization, advertiser testing activities and FX effects, in particular the weakness of the US dollar
- FY 2017 RPQR increased slightly due to positive impacts from the relevance assessment which was largely offset by lower commercialization and FX effects in H2 2017

- Q4 2017 experienced lower commercialization, advertiser testing activities and increased advertising spend. We lowered ROAS targets to maintain revenue growth
- FY decline in ROAS resulting from reduced commercialization levels in H2 2017

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Source: internal data
1. RPQR: Revenue per qualified referral

2. Note: We show these amounts to illustrate the impact of FX changes. We maintain our books and records in euros, and our reporting currency is in euros. Translations of euro amounts into U.S. dollars are solely for the convenience of the reader and were calculated using the average for the particular period of the daily foreign exchange reference rates published by the European Central Bank, which for the three months ended December 31, 2016 was €1.00 = $1.079, for three months ended December 31, 2017 was €1.00 = $1.1774, for the full year ended December 31, 2016 was €1.00 = $1.1069, and for the full year ended December 31, 2017 was €1.00 = $1.1297. You should not assume that, on that or any other date, one could have converted these amounts of euro into U.S. dollars at this or any other exchange rate..

KPI – Rest of World

Highlights

- Qualified Referrals growth decelerated in Q4 2017 against a strong Q4 2016 driven by lower advertising spend growth while traffic quality improved
- FY 2017 profited from a very strong H1 2017 reflecting the introduction of the relevance assessment. We invested revenues from the relevance assessment in marketing to drive additional QR growth

- RPQR decreased in Q4 driven by lower commercialization, advertiser testing activities and FX effects, in particular certain Asian Pacific currencies
- FY 2017 RPQR increased due to positive impacts from the relevance assessment which was partly offset by lower commercialization and FX effects in H2 2017

- Q4 2017 experienced lower commercialization, advertiser testing activities and increased advertising spend. We lowered ROAS targets to maintain revenue growth
- FY increase in ROAS resulted from higher RPQR and an increase in our brand awareness

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Source: internal data
1. RPQR: Revenue per qualified referral

2. Note: We show these amounts to illustrate the impact of FX changes. We maintain our books and records in euros, and our reporting currency is in euros. Translations of euro amounts into U.S. dollars are solely for the convenience of the reader and were calculated using the average for the particular period of the daily foreign exchange reference rates published by the European Central Bank, which for the three months ended December 31, 2016 was €1.00 = $1.079, for three months ended December 31, 2017 was €1.00 = $1.1774, for the full year ended December 31, 2016 was €1.00 = $1.1069, and for the full year ended December 31, 2017 was €1.00 = $1.1297. You should not assume that, on that or any other date, one could have converted these amounts of euro into U.S. dollars at this or any other exchange rate..

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Guidance for 2018

	H1 2018[1]	H2 2018[1]
Revenue	–	+
ROAS	–	+
OPEX	+	+
RPQR	–	flat by region
Adjusted EBITDA	–	+

Full Year 2018[1]

Total Revenue expected[2] to grow 5-10%

Adjusted EBITDA margin expected to be slightly negative

1. Year-over-Year as compared to the same period in 2017
2. Assumes constant FX rates as of January 31, 2018

Q&A

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Consolidated Financials FY 2017, trivago N.V.

(in €k)	FY 2017	FY 2016	Abs Δ vs. FY'16	Δ vs. FY'16
Referral revenue	1,020,333	745,824	274,509	36.8%
Other revenue	15,050	8,345	6,705	80.3%
Total revenue	**1,035,383**	**754,169**	**281,214**	**37.3%**
Cost of revenue	(5,930)	(4,273)	(1,657)	38.8%
% of Total revenue	*(0.6%)*	*(0.6%)*		
Selling and marketing	(946,925)	(673,224)	(273,701)	40.7%
% of Total revenue	*(91.5%)*	*(89.3%)*		
Technology and content	(52,232)	(51,658)	(574)	1.1%
% of Total revenue	*(5.0%)*	*(6.8%)*		
General and administrative	(47,444)	(55,602)	8,158	(14.7%)
% of Total revenue	*(4.6%)*	*(7.4%)*		
Amortization of intangible assets	(3,220)	(13,857)	10,637	(76.8%)
% of Total revenue	*(0.3%)*	*(1.8%)*		
Operating income (loss)	**(20,368)**	**(44,445)**	**24,077**	**(54.2%)**
Net interest and other expenses	2,555	(276)	2,831	n.m.
% of Total revenue	*0.2%*	*(0.0%)*		
Income taxes	4,764	(6,670)	11,434	n.m.
% of Total revenue	*0.5%*	*(0.9%)*		
Net income (loss)	**(13,049)**	**(51,391)**	**38,342**	**(74.6%)**
% of Total revenue	*(1.3%)*	*(6.8%)*		
Net income (loss) attributable to noncontrolling interest	568	710	(142)	(20.0%)
% of Total revenue	*0.1%*	*0.1%*		
Net income (loss) attributable to trivago N.V.	(12,481)	(50,681)	38,200	75.4%
% of Total revenue	*(1.2%)*	*(6.7%)*		

Comments

- Overview of P&L under US GAAP
- See next page for a detailed discussion of business development

Source: unaudited US GAAP financials

Consolidated Financial Information FY 2017, trivago N.V.

(in €k)	FY 2017	FY 2016	Abs Δ vs. FY'16	Δ vs. FY'16	
Referral revenue	1,020,333	745,824	274,509	36.8%	1
Other revenue	15,050	8,345	6,705	80.3%	2
Total revenue	**1,035,383**	**754,169**	**281,214**	**37.3%**	
Cost of revenue excl. SBC	(5,815)	(3,536)	(2,279)	64.5%	
% of Total revenue	*(0.6%)*	*(0.5%)*			
Selling and marketing excl. SBC	(943,411)	(662,311)	(281,100)	42.4%	
% of Total revenue	*(91.1%)*	*(87.8%)*			
Adv.exp excl.SBC	(884,685)	(623,452)	(261,233)	41.9%	3
% of Total revenue	*(85.4%)*	*(82.7%)*			
Other S&M excl.SBC	(58,726)	(38,859)	(19,867)	51.1%	
% of Total revenue	*(5.7%)*	*(5.2%)*			
Technology and content excl. SBC	(48,618)	(35,842)	(12,776)	35.6%	4
% of Total revenue	*(4.7%)*	*(4.8%)*			
General and administrative excl. SBC	(38,662)	(29,345)	(9,317)	31.7%	5
% of Total revenue	*(3.7%)*	*(3.9%)*			
Depreciation add-back	7,802	5,083	2,719	53.5%	
% of Total revenue	*0.8%*	*0.7%*			
Adj. EBITDA	**6,679**	**28,217**	**(21,538)**	**(76.3%)**	
% of Total revenue	*0.6%*	*3.7%*			
Share-based compensation (SBC)	(16,025)	(53,722)	37,697	(70.2%)	6
% of Total revenue	*(1.5%)*	*(7.1%)*			
EBITDA	**(9,346)**	**(25,505)**	**16,159**	**63.4%**	
% of Total revenue	*(0.9%)*	*(3.4%)*			
D&A	(11,022)	(18,940)	7,918	(41.8%)	
% of Total revenue	*(1.1%)*	*(2.5%)*			
Net interest and other expenses	2,555	(276)	2,831	n.m.	
% of Total revenue	*0.2%*	*(0.0%)*			
Income taxes	4,764	(6,670)	11,434	(171.4%)	
% of Total revenue	*0.5%*	*(0.9%)*			
Net income (loss)	**(13,049)**	**(51,391)**	**38,342**	**74.6%**	
% of Total revenue	*(1.3%)*	*(6.8%)*			
Net income (loss) attributable to noncontrolling interest	568	710	(142)	(20.0%)	
% of Total revenue	*0.1%*	*0.1%*			
Net income (loss) attributable to trivago N.V.	(12,481)	(50,681)	38,200	75.4%	
% of Total revenue	*(1.2%)*	*(6.7%)*			

Comments

1. Referral revenue increased 37% YoY mainly driven by strong growth in Rest of World (+84% YoY), followed by Americas (+37% YoY) and Developed Europe (+22% YoY)
2. Other revenue grew 80% YoY through subscription revenue for Hotel Manager Pro
3. Advertising expenses increased 42% YoY led by Rest of World (+80% YoY), followed by Americas (+39% YoY) and Developed Europe (+26% YoY)
4. Technology and Content increased 36% YoY driven by an increase in personnel costs as we continue to increase our headcount and make investments in hotel content expansion
5. General and Administrative expenses increased 32% YoY:
   - Personnel and recruiting costs increased by €5.4 million as we continued to build up internal expertise in finance, legal and internal audit departments
   - Professional fees, including costs incurred as a publicly traded company and consulting and advisory fees, increased by €8.1 million
6. Expedia Inc. exercised a call option in 2016 resulted in an incremental share-based compensation charge of €43.7 million

Source: unaudited US GAAP financials
Note: Several expense items above are adjusted, where indicated, for share-based compensation

Reconciliation of non-GAAP Financial Measures FY 2017, trivago N.V.

(in €mm)	FY 2017	FY 2016	Abs Δ vs. FY'16	Δ vs. FY'16
Net income (loss)	**(13.0)**	**(51.4)**	**38.4**	**74.7%**
Provision (benefit) for income taxes	(4.8)	6.7	(11.5)	(171.6%)
Income (loss) before income tax	**(17.8)**	**(44.7)**	26.9	60.2%
Add/(Deduct): Net interest and other expenses	(2.6)	0.3	(2.9)	n.m
Operating Income	**(20.4)**	**(44.4)**	24.0	54.0%
Add: Depreciation & Amortization	11.0	18.9	(7.9)	(41.8%)
EBITDA	**(9.3)**	**(25.5)**	**16.2**	**63.5%**
Share-based compensation (SBC)	16.0	53.7	(37.7)	(70.2%)
Ajusted EBITDA	**6.7**	**28.2**	**(21.5)**	**(76.2%)**

Provided below are the amounts of share-based compensation excluded from the expense items:

(in €k)	FY 2017	FY 2016
Cost of revenue, including related party	115	737
Selling and marketing	3,514	10,913
Technology and content	3,614	15,816
General and administrative	8,782	26,256
Share-based compensation	**16,025**	**53,722**

Consolidated Financials Q4 2017, trivago N.V.

(in €k)	Q4 2017	Q4 2016	Abs Δ vs. Q4'16	Δ vs. Q4'16
Referral revenue	177,246	166,500	10,746	6.5%
Other revenue	4,297	2,667	1,630	61.1%
Total revenue	**181,543**	**169,167**	**12,376**	**7.3%**
Cost of revenue	(1,575)	(1,155)	(420)	36.4%
% of Total revenue	*(0.9%)*	*(0.7%)*		
Selling and marketing	(165,752)	(136,679)	(29,073)	21.3%
% of Total revenue	*(91.3%)*	*(80.8%)*		
Technology and content	(14,104)	(11,050)	(3,054)	27.6%
% of Total revenue	*(7.8%)*	*(6.5%)*		
General and administrative	(15,291)	(11,877)	(3,414)	28.7%
% of Total revenue	*(8.4%)*	*(7.0%)*		
Amortization of intangible assets	(422)	(2,527)	2,105	(83.3%)
% of Total revenue	*(0.2%)*	*(1.5%)*		
Operating income (loss)	**(15,601)**	**5,879**	**(21,480)**	**n.m.**
Net interest and other expenses	2,502	(682)	3,184	n.m.
% of Total revenue	*1.4%*	*(0.4%)*		
Income taxes	3,503	(5,090)	8,593	(168.8%)
% of Total revenue	*1.9%*	*(3.0%)*		
Net income (loss)	**(9,596)**	**107**	**(9,703)**	**n.m.**
% of Total revenue	*(5.3%)*	*0.1%*		
Net income (loss) attributable to noncontrolling interest	28	186	(158)	(84.9%)
% of Total revenue	*0.0%*	*0.1%*		
Net income (loss) attributable to trivago N.V.	(9,568)	293	(9,861)	n.m.
% of Total revenue	*(5.3%)*	*0.2%*		

Comments

- Overview of P&L under US GAAP
- See next page for a detailed discussion of business development

Consolidated Financial Information Q4 2017, trivago N.V.

(in €k)	Q4 2017	Q4 2016	Abs Δ vs. Q4'16	Δ vs. Q4'16
Referral revenue	177,246	166,500	10,746	6.5%
Other revenue	4,297	2,667	1,630	61.1%
Total revenue	**181,543**	**169,167**	**12,376**	**7.3%**
Cost of revenue excl. SBC	(1,545)	(1,142)	(403)	35.3%
% of Total revenue	*(0.9%)*	*(0.7%)*		
Selling and marketing excl. SBC	(164,945)	(136,162)	(28,783)	21.1%
% of Total revenue	*(90.9%)*	*(80.5%)*		
Adv.exp excl.SBC	(149,716)	(124,279)	(25,437)	20.5%
% of Total revenue	*(82.5%)*	*(73.5%)*		
Other S&M excl.SBC	(15,229)	(11,883)	(3,346)	28.2%
% of Total revenue	*(8.4%)*	*(7.0%)*		
Technology and content excl. SBC	(13,331)	(10,512)	(2,819)	26.8%
% of Total revenue	*(7.3%)*	*(6.2%)*		
General and administrative excl. SBC	(13,186)	(11,233)	(1,953)	17.4%
% of Total revenue	*(7.3%)*	*(6.6%)*		
Depreciation add-back	2,803	1,752	1,051	60.0%
% of Total revenue	*1.5%*	*1.0%*		
Adj. EBITDA	**(8,661)**	**11,870**	**(20,531)**	**(173.0%)**
% of Total revenue	*(4.8%)*	*7.0%*		
Share-based compensation (SBC)	(3,715)	(1,712)	(2,003)	117.0%
% of Total revenue	*(2.0%)*	*(1.0%)*		
EBITDA	**(12,376)**	**10,158**	**(22,534)**	**n.m.**
% of Total revenue	*(6.8%)*	*6.0%*		
D&A	(3,225)	(4,279)	1,054	(24.6%)
% of Total revenue	*(1.8%)*	*(2.5%)*		
Net interest and other expenses	2,502	(682)	3,184	n.m.
% of Total revenue	*1.4%*	*(0.4%)*		
Income taxes	(3,503)	5,090	(8,593)	(168.8%)
% of Total revenue	*(1.9%)*	*3.0%*		
Net income (loss)	**(9,596)**	**107**	**(9,703)**	**n.m.**
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% of Total revenue	*0.0%*	*0.1%*		
Net income (loss) attributable to trivago N.V.	(9,568)	293	(9,861)	n.m.
% of Total revenue	*(5.3%)*	*0.2%*		

1 2 3 4 5

Comments

1. Referral revenue increased 6% YoY mainly driven by strong growth in Rest of World (+35% YoY), followed by Americas (+5% YoY) and a decline in Developed Europe (-4% YoY)
2. Other revenue grew 61% YoY through subscription revenue for Hotel Manager Pro
3. Advertising expenses increased 21% YoY led by Rest of World (+40% YoY), followed by Americas (+16% YoY) and Developed Europe (+11% YoY)
4. Technology and Content increased 27% YoY driven by an increase in personnel costs as we continue to increase our headcount and make investments in hotel content expansion
5. General and Administrative expenses increased 17% YoY as the company continued to build up internal expertise in finance, legal and internal audit departments and incurred additional consulting and advisory fees.

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Source: unaudited US GAAP financials
Note: Several expense items above are adjusted, where indicated, for share-based compensation

Reconciliation of non-GAAP Financial Measures Q4 2017, trivago N.V.

(in €mm)	Q4 2017	Q4 2016	Abs Δ vs. Q4'16	Δ vs. Q4'16
Net income (loss)	**(9.6)**	**0.1**	**(9.7)**	**n.m**
Provision (benefit) for income taxes	(3.5)	5.1	(8.6)	(168.6%)
Income (loss) before income tax	**(13.1)**	**5.2**	(18.3)	n.m
Add/(Deduct): Net interest and other expenses	(2.5)	0.7	(3.2)	n.m
Operating Income	**(15.6)**	**5.9**	(21.5)	n.m
Add: Depreciation & Amortization	3.2	4.3	(1.1)	(25.6%)
EBITDA	**(12.4)**	**10.2**	**22.2**	**n.m**
Share-based compensation (SBC)	3.7	1.7	2.0	117.6%
Ajusted EBITDA	**(8.7)**	**11.9**	**(20.6)**	**(173.1%)**

Provided below are the amounts of share-based compensation excluded from the expense items:

(in €k)	Q4 2017	Q4 2016
Cost of revenue, including related party	30	13
Selling and marketing	807	517
Technology and content	773	538
General and administrative	2,105	644
Share-based compensation	**3,715**	**1,712**

Source: unaudited US GAAP financials

Consolidated Statement of Cash Flows FY2017, trivago N.V.

(in €k)	FY 2017	FY 2016
Net Income (loss)	**(13,049)**	**(51,391)**
Adjustments to reconcile net income to net cash used:		
Depreciation	7,802	5,083
Amortization of intangible assets	3,220	13,857
Share-based compensation	16,025	53,722
Deferred income taxes	(4,851)	(4,838)
Foreign exchange (gain) loss	(217)	(16)
Bad debt (recovery) expense	78	1,589
Non-cash charge, contribution from parent	107	4,185
Gain on deconsolidation of subsidiaries	(2,007)	-
Changes in operating assets and liabilities		
Restricted cash	(1,815)	(199)
Accounts receivable, including related party	(29,734)	(11,256)
Prepaid expense and other assets	(10,434)	(6,945)
Accounts payable	13,590	13,879
Accrued expenses and other liabilities	9,183	7,486
Deferred revenue	3,863	2,814
Taxes payable/receivable, net	(2,097)	3,177
Net cash used in operating activities	**(10,336)**	**31,147**
Acquisition of business	(673)	-
Acquisition of redeemable non-controlling interest	-	(874)
Cash divested from deconsolidation	(249)	-
Capital expenditures	(17,364)	(8,121)
Net cash used in investing activities	**(18,286)**	**(8,995)**
Payments of initial public offering costs	(4,038)	(882)
Dividends paid	(158)	-
Payments on credit facility	-	(40,000)
Proceeds from issuance of credit facility	-	20,000
Net proceeds from issuance of common stock	-	207,840
Proceeds from exercise of option awards	42	685
Proceeds from exercise of members' equity awards	-	1
Tax payments for shares withheld	(3,062)	-
Net cash used in financing activities	**(7,216)**	**187,644**
Effect of exchange rate changes on cash	(1,259)	(54)
Net change in cash and cash equivalents	**(37,097)**	**209,742**
Cash and cash equivalents at beginning of the period	227,298	17,556
Cash and cash equivalents at end of the period	190,201	227,298

Comments

1. The amortization costs relate predominantly to intangible assets recognized by Expedia, Inc. upon the acquisition of a majority stake in trivago in 2013, which were allocated to trivago. The amortization expense decreased as some of these intangible assets reached the end of their useful lives.
2. Share-based compensation decreased YoY as a result of an one-time call option exercise by Expedia in 2016 for €43.7 million with respect to certain shares held by trivago employees.
3. Increased accounts receivables due to standardization of related party payment terms that delayed our receipt of revenue, thus leading to a net decrease in operating cash position

Source: unaudited US GAAP financials

Consolidated Statement of Cash Flows Q4 2017, trivago N.V.

(in €k)	Q4 2017	Q4 2016
Net Income (loss)	**(9,596)**	**107**
Adjustments to reconcile net income to net cash used:		
Depreciation	2,803	1,752
Amortization of intangible assets	422	2,527
Share-based compensation	3,715	1,712
Deferred income taxes	(2,861)	(1,448)
Foreign exchange (gain) loss	(44)	557
Bad debt (recovery) expense	(486)	(7)
Non-cash charge, contribution from parent	107	1,292
Gain on deconsolidation of subsidiaries	(2,007)	-
Changes in operating assets and liabilities		
Restricted cash	-	(104)
Accounts receivable, including related party	27,728	34,274
Prepaid expense and other assets	(7,058)	(5,854)
Accounts payable	(10,713)	(18,715)
Accrued expenses and other liabilities	5,356	2,040
Deferred revenue	(422)	449
Taxes payable/receivable, net	1,148	(1,256)
Net cash used in operating activities	**8,092**	**17,326**
Acqusition of redeemable non-controlling interests	-	(874)
Cash divested from deconsolidation	(249)	-
Capital expenditures	(5,750)	(1,758)
Net cash used in investing activities	**(5,999)**	**(2,632)**
Payments of initial public offering costs	-	(199)
Payments on credit facility	-	(10,000)
Proceeds from issuance of credit facility	-	10,000
Net proceeds from issuance of common stock	-	207,840
Proceeds from exercise of option awards	1	685
Net cash used in financing activities	**1**	**208,326**
Effect of exchange rate changes on cash	(184)	123
Net change in cash and cash equivalents	**1,910**	**223,143**
Cash and cash equivalents at beginning of period	188,291	4,155
Cash and cash equivalents at end of period	190,201	227,298

Comments

1. The amortization costs relate predominantly to intangible assets recognized by Expedia, Inc. upon the acquisition of a majority stake in trivago in 2013, which were allocated to trivago. The amortization expense decreased as some of these intangible assets reached the end of their useful lives.
2. We diluted our share in myhotelshop from 61.3% to 49.0% and present our remaining share in myhotelshop as an equity investment at fair value in investments and other assets in the consolidated balance sheet. We recognized a non-cash gain from deconsolidation of €2.0 million.

Source: unaudited US GAAP financials

Consolidated Balance Sheet FY 2017, trivago N.V.

(in €k)	Dec 31, 2017	Dec 31, 2016	
Cash and cash equivalent	190,201	227,298	1
Restricted cash	103	884	
Accounts receivable	43,062	36,658	2
Accounts receivable, related party	39,063	16,505	
Tax receivable	2,092	-	
Prepaid expenses and other current assets	18,758	11,529	3
Total Current Assets	**293,279**	**292,874**	
Property and equipment, net	114,471	46,862	6
Other long-term assets	6,955	955	4
Intangible assets, net	173,294	176,052	
Goodwill	490,455	490,503	
Total Assets	**1,078,454**	**1,007,246**	
Accounts payable	51,307	39,965	5
Income taxes payable	3,428	3,433	
Deferred revenue	8,941	5,078	
Accrued expenses and other current liabilities	14,711	12,627	
Total Current Liabilities	**78,387**	**61,103**	
Deferred income taxes	48,305	53,156	
Other long-term liablilities	97,787	38,565	6
Redeemable noncontrolling interests	-	351	
Class A common stock	1,855	1,802	
Class B common stock	191,880	125,405	
Reserves	730,431	584,667	
Contribution from parent	122,307	122,200	
Accumulated other comprehensive income	(180)	21	
Retained earnings (accumulated deficit)	(192,318)	(179,837)	
Total Stockholders' Equity attributable to trivago N.V	**853,975**	**654,258**	
Noncontrolling interest	-	199,813	
Total Stockholders'/Members' Equity	**853,975**	**854,071**	
Total Liabilities and Members' Equity	**1,078,454**	**1,007,246**	

Comments

1. Net decrease in cash and cash equivalent driven by negative cash flow from investing activities notably due to increase in capital expenditures, and negative cash flow from operating activities mainly resulting from accounts receivables increasing more than accounts payables
2. Standardization of related party payment terms delayed our receipt of revenue until after month-end close
3. As we continued scaling up brand marketing we have increased prepayments on TV spot production and advertising expenses
4. Increase driven by €2.6 million long term restricted cash reserved for new campus building lease guarantee and €1.2 million related to the deconsolidation of myhotelshop
5. Ramp-up in advertising expenses
6. Our plan to move into a newly leased campus building in Düsseldorf's media harbor results in a steadily increasing capitalization on the balance sheet of capital lease costs

trivago

Source: unaudited US GAAP financials