Booking.com Holding B.V.
Amsterdam

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Annual Financial Statements for the year ended December 31, 2022

August 4, 2023

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Management board's report

Booking.com Holding B.V. (hereafter: "the Company") is a private limited company incorporated on May 24, 2013, having its registered office in Amsterdam. The Company together with its direct and indirect subsidiaries (hereafter: "the Group" or "we") provides online accommodations, flights and attractions reservation services that market a broad range of these services for guests to book throughout the world on the internet. The Group markets its services through its own websites, websites of affiliates, and online and offline advertising. The Group derives its revenue from booking commissions earned from accommodations, flights and attractions, whilst its main costs are affiliate commission, online advertising and personnel costs.

The revenue of the Company is driven by a service contract for management services for the benefit of, and upon request of Booking.com B.V., Booking.com Customer Service Holding B.V., Booking.com International B.V., Booking.com IT Services B.V., Booking.com International Services B.V., BookingSuite B.V. and Booking.com Distribution B.V. The management services may also include executive management services, administrative support services, legal support services and similar services.

The Group is headquartered in Amsterdam, the Netherlands, from where it renders its online reservation services on its website. Main operating entities are Booking.com B.V., Booking.com Brasil Servicos de Reserva de Hoteis LTDA and FareHarbor B.V. Other subsidiaries in and outside of the Netherlands provide internal support services to the Group. The local financing and operation functions of these subsidiaries are based in their respective jurisdictions.

Legal structure

The Company's ultimate parent company is Booking Holdings Inc., a company incorporated in the United States of America, whose principal place of business is in Norwalk, CT.

Priceline.com Bookings Acquisition Company Limited, having its registered office in London, United Kingdom, is the sole shareholder of the Company.

Results for the year ended December 31, 2022

The Group realized a profit after taxes of EUR 4,363.3 million (2021: EUR 1,943.6 million). This is an increase of 124.5% compared to 2021. During 2022, the Group realized an increase in revenue of 73.6% to EUR 13,130.5 million. The gross profit in 2022 amounts to EUR 11,067.0 million, an increase of 75.2% compared to the gross profit of 2021. The equity ratio (equity/total assets) of the Group is 46.5% (2021: 61.7%) and current ratio (current assets/current liabilities) is 1.8 (2021: 2.5).

The equity of the Group, as of December 31, 2022, is EUR 4,455.5 million (2021: EUR 3,853.6 million). Dividends in the amount of EUR 3,774.1 million were paid to Priceline.com Bookings Acquisition Company Limited in 2022 (2021: nil). As in the previous year, the Group had access to undrawn credit and guarantee facilities from financial institutions.

The Company realized a profit after taxes of EUR 4,273.9 million (2021: EUR 2,032.9 million). The revenue for 2022 decreased from EUR 39.6 million in 2021 to EUR 25.1 million, a decrease of 36.8% compared to the previous year. The equity ratio is 97.7% (2021: 98.3%) and current ratio is 3.2 (2021: 1.1).

Headcount

In February 2022, the Group entered into an agreement to transfer certain customer service operations of Booking.com to Majorel Group Luxembourg S.A. ("Majorel"). This agreement was effectuated in the third quarter of 2022 leading to a decrease in the total number of employees in the third quarter of 2022. Consequently, the average headcount of the Group for 2022 decreased from an average number of full-time employees (FTEs) of 10,672 in 2021 to 9,422 in 2022. 3,766 of the employees were employed outside the Netherlands (2021: 5,561).

The average number of FTEs for the Company was 1 (2021: 3). The employee works in the Netherlands.

Strategic, operational and financial risk factors

The Group provides accommodation reservation services throughout the world, and expects the local currencies to be the base of transactions. Hence, the Group has financial risk exposure to these foreign currencies. The financial risk exposure is mitigated by entering into specific hedge instruments.

The Group’s investment policy seeks to preserve capital and maintain sufficient liquidity to meet operational and other needs of the business. As at December 31, 2022, cash equivalents were restricted to money market funds, time deposits and restricted cash on accounts used to settle payments with partners.

Considering the Group’s equity ratio of 46.5% (2021: 61.7%) and current ratio of 1.8 (2021: 2.5), the liquidity risk and cash flow risk are not considered to be significant.

The Group operates in a highly competitive market where changes therein could negatively affect market share and/or financial performance. The Group has commercial risk exposures including:

- Keeping strong relationships with accommodations in order to offer guests competitive prices and availability thereby increasing market share and financial performance in the face of competition from online and traditional providers of travel and related services.

  We compete globally with both online and traditional providers of travel and related services. The markets for the services we offer are intensely competitive, constantly evolving and subject to rapid change, and current and new competitors can launch new services at a relatively low cost.

  We believe that providing an extensive collection of properties, excellent customer service and an intuitive, easy-to-use consumer experience are important factors influencing a consumer's decision to make a reservation. For many consumers, particularly in certain markets, the price of the travel service is the primary factor determining whether a consumer will book a reservation. As a result, it is increasingly important to offer travel services, such as accommodation reservations, at competitive prices, whether through incentives, coupons, closed-user group rates or loyalty programs.

- Risks relating to our environmental, social, and governance ("ESG") objectives, including climate related commitments we have made that require us to invest effort, resources, and management time, and failing to meet those objectives may adversely impact our reputation, employee retention, and willingness of customers and partners to do business with us.

  We aim to demonstrate global leadership in online travel reservation and related services by operating our business sustainably and supporting sustainable travel choices by our consumers and partners.

- Our business could be negatively affected by changes in online search and meta-search algorithms and dynamics or traffic-generating arrangements.

  We use Google to generate a significant portion of the traffic to our platforms, and, to a lesser extent, we use other search and meta-search services to generate traffic to our platforms, principally through pay-per-click marketing campaigns. The pricing and operating dynamics on these search and meta-search platforms can experience rapid change commercially, technically and competitively.

- Decline or disruptions in the travel industry could adversely affect our business and financial performance.

  Our financial results and prospects are almost entirely dependent upon the sale of travel services. Travel, including accommodations (including hotels, motels, resorts, homes, apartments and other unique places to stay) and airline ticket reservations, is significantly dependent on discretionary spending levels. Sales of travel services decline during general economic downturns and recessions and times of political or economic uncertainty as consumers engage in less discretionary spending, are concerned about unemployment or inflation, have reduced access to credit, or experience other concerns or effects that reduce their ability or willingness to travel.

- Growing guest demand for online accommodation reservation services through increasing online loyalty, affiliate and advertising programs in a cost-effective manner.

  Travel service providers, including hotel chains, attraction providers and airlines with which we conduct business, compete with us in online channels to drive consumers to their own platforms.

  We also offer various incentives to consumers and may need to offer additional or increased advantages to maintain or grow our reservation bookings, which could adversely impact our profit margins. If we are not as effective as our competitors (including hotel chains) in offering competitive prices and other incentives to consumers, our ability to grow and compete and our results of operations could be harmed. The effective performance marketing has been an important factor in our growth, and we believe it will continue to be important to our future success.

- Scaling IT infrastructure, security and other procedures to support the growth of the business.

We are an innovative technology company dependent on sophisticated software applications and computing infrastructure. If threat actors such as cyber-criminals, hackers, and state-sponsored organizations are able to circumvent our security controls and capabilities, including as a result of our own acts or omissions, it could result in a compromise or breach of consumer or employee data. In e-commerce, data security is essential to maintaining consumer and partner confidence in our services and the uninterrupted availability of our web and mobile platforms is essential for our business. Cyberattacks by individuals, groups of hackers and state-sponsored organizations are increasing in frequency and sophistication and are constantly evolving.

Any security breach whether instigated internally or externally on our systems or third-party systems could bring potential significant fines from the regulator, significantly harm our reputation, and therefore our business, brand, market share and results of operations. Consumers who use certain of our services provide us with their credit card information. We require usernames and passwords in order to access our information technology systems. We also use encryption and authentication technologies to secure the transmission and storage of data and prevent unauthorized access to our data or accounts.

We expend significant resources to protect against security breaches, and regularly increase our security-related expenditures to maintain or increase our systems' security.

- Keeping up with rapid technological, search engine and other changes.

The markets in which we compete are characterized by rapidly changing technology, evolving industry standards, consolidation, frequent new service announcements, introductions and enhancements and changing consumer demands and preferences.

As a result, our future success will depend on our ability to adapt to rapidly changing technologies, to adapt our services and online platforms to evolving industry standards and local preferences and to continually innovate and improve the performance, features and reliability of our services and online platforms in response to competitive service offerings and the evolving demands of the marketplace.

We are working toward enhancing our payments capabilities, including by offering alternative payment solutions to consumers even when those payment solutions may not be accepted by the travel service providers.

The widespread adoption of new internet, networking, or telecommunications technologies, such as artificial intelligence including machine learning ("AI"), smart home devices, chatbot, virtual reality technologies, development of the metaverse, and the creation of new "super-apps" could influence how customers search for and book travel, and require us to incur substantial expenditures to modify or adapt our services or infrastructure, which could adversely affect our results of operations or financial condition. The use of AI presents risks and challenges including that algorithms may be flawed, datasets may be insufficient, erroneous, stale, or contain biased information, or content chosen for display to users by AI systems may be discriminatory, offensive, illegal, or otherwise harmful. These deficiencies and other failures of AI systems could subject us to competitive harm, regulatory action, legal liability, and brand or reputational harm.

Our future success will depend on our ability to adapt to rapidly changing technologies, to adapt our services and online platforms to evolving industry standards and local preferences, and to continually innovate and improve the performance, features, and reliability of our services and online platforms in response to competitive service offerings and the evolving demands of the marketplace.

- Retaining and developing qualified employees.

Our performance is largely dependent on the talents and efforts of highly skilled individuals. Our future success depends on our continuing ability to identify, hire, develop, motivate and retain highly skilled employees across all areas of our organization.

The competition for well-qualified employees in all aspects of our business, including software engineering, mobile communication and other technology is intense. Our international success in particular has led to increased efforts by our competitors and others to hire our international employees. These difficulties may be amplified by evolving restrictions on immigration, travel or availability of visas or work permits for skilled technology workers. The competition for talent in our industry has in the past increased our personnel costs, and may continue to do so in the future, which may adversely affect our financial results of operations. Our continued ability to compete effectively and to innovate and develop products, services, technologies and enhancements depends on our ability to attract new employees and to retain and motivate existing employees. If we do not succeed in attracting well-qualified employees or retaining, training, managing and motivating existing employees, our business, competitive position, reputation and results of operations will be adversely affected.

- Changing legislation, regulatory investigations and related issues.

The travel and the technology industries are subject to competition, antitrust and consumer protection laws and regulations around the world. These laws and regulations evolve and change, and their interpretation, application and enforcement can also change, be unpredictable or be affected by evolving political or social pressures.

At times, online travel platforms, including ours, have been the subject of investigations and inquiries by various national competition authorities ("NCAs") and other governmental authorities. To resolve and close certain of the investigations, we have from time to time made commitments to the investigating authorities regarding future business practices or activities.

Our success depends, in part, on our ability to anticipate these risks and manage these difficulties. We are cooperating with regulators where applicable, but we are unable to predict what effect, if any, these investigations or resolutions (including the effect of any commitments we might make), will have on our business, industry practices or online commerce generally.

We believe that we have meritorious defenses to existing claims and that the impact of any related litigation will not be material to our business, financial condition or financial results of operations. Litigation is uncertain, however, and there is sometimes limited judicial precedent or interpretation of analogous claims and defenses, as applied to businesses such as ours. As a result, there can be no assurance that there will be a positive outcome to any such litigation or that an outcome would not result in an adverse (albeit not material) impact on our business, financial condition or results of operations.

Competition and consumer protection laws and regulations impact various aspects of our business. There is significant legislative and public focus on large technology companies, including in relation to the regulation of digital platforms. The Digital Markets Act ("DMA") and Digital Services Act ("DSA") give regulators in the EU more instruments to investigate and regulate digital businesses and impose new rules and requirements on platforms designated as "gatekeepers" under the DMA and online platforms more generally, with separate rules for "Very Large Online Platforms" ("VLOPs") under the DSA. If the European Commission determines that we are a gatekeeper or VLOP, we will be subject to additional rules and regulations that may not be applicable to our competitors.

- Any future expansion or shift increases the complexity of our business and places additional strain on our management, operations, technical performance, financial resources, and administrative, legal, tax, internal control, and financial reporting functions.

  In connection with the initiative to integrate and upgrade certain global financial systems and processes, we were in the early stages of a multi-year phased migration in fiscal 2022. This change is part of an initiative to implement SAP's S4/HANA and select supporting systems. We expect the system implementations and process changes to impact our internal control over financial reporting.

- We may not be able to maintain our "Innovation Box Tax" benefit.

  The Dutch corporate income tax law provides that income generated from qualifying innovative activities is taxed at the rate of 9.0% beginning in January 2021 and 7.0% prior to 2021 ("Innovation Box Tax") rather than the Dutch statutory rate of 25.8%. Effective January 1, 2022, the Dutch corporate income tax rate increased from 25.0% to 25.8%. A portion of Booking.com's earnings historically has qualified for Innovation Box Tax treatment.

  In order to be eligible for Innovation Box Tax treatment, we must, among other things, apply for and obtain a research and development ("R&D") certificate from a Dutch governmental agency every six months confirming that the activities that Booking.com B.V. intends to be engaged in over the subsequent six-month period are "innovative." The R&D certificate is current but if Booking.com B.V. fails to secure such a certificate in any future period, we may lose its certificate and, as a result, the Innovation Box Tax benefit may be reduced or eliminated. Examples where this could occur are where the governmental agency does not view Booking.com B.V.'s new or anticipated activities as innovative or if this agency determines that the activities performed in a prior period were not performed as anticipated or did not comply with the agency's requirements. We intend to apply for continued Innovation Box Tax treatment for future periods. Our application may not be accepted, however, or, if accepted, the amount of qualifying earnings may be reduced.

  The loss of the Innovation Box Tax benefit (or any material portion thereof), whether due to a change in tax law or a determination by the Dutch government that our activities are not innovative or for any other reason, could substantially increase our effective tax rate and adversely impact our results of operations and cash flows in the future.

For the risks related to legal/tax matters refer to page 50 of the consolidated financial statements.

- There are various risks associated with the facilitation of payments from consumers, including risks related to fraud, compliance with evolving rules and regulations, and reliance on third parties.

  Our results have been and will likely continue to be negatively impacted by consumer purchases made using fraudulent payment cards (such as credit, debit, prepaid, or similar cards), claims the consumer did not authorize the purchase, or consumers who have closed bank accounts or have insufficient funds in their bank accounts to satisfy payments. We may be held liable for accepting fraudulent payment cards (such as stolen or cloned cards) on our platforms or in connection with other fraudulent transactions on our platforms, as well as other payment disputes with consumers. Accordingly, we calculate and record an allowance for the resulting chargebacks. We must also continually implement and evolve measures to detect and reduce the risk of fraud, in particular as these methods become increasingly sophisticated. If we are unable to successfully combat the use of fraudulent payment cards on our platforms, our business, profit margins, results of operations, and financial condition could be materially adversely affected.

  We are processing more of our transactions where we facilitate payments from travelers through the use of payment cards and other payment methods. While this allows us to process transactions for properties that do not otherwise accept payment cards and to increase our ability to offer a variety of payment methods and flexible transaction terms to consumers, we incur additional payment processing costs (which are typically higher for foreign currency transactions) and other costs related to these transactions, such as costs related to fraudulent payments and transactions and fraud detection. As we expand our payments services to consumers and business partners, in addition to the revenues from these transactions, we may experience a significant increase in these costs, and our results of operations and profit margins could be materially adversely affected, in particular if we experience a significant increase in non-variable costs related to fraudulent payments and transactions.

  Regulators (or we) may determine, and in some cases are likely to determine, that certain aspects of our business are subject to laws that govern payments activities, such as money transmission and online payments processing, which could require us to obtain licenses to continue to operate in certain jurisdictions or result in modification of our business plans. Regulations relating to operational resilience, banking, privacy, and security of our processes could also apply to us. Further, our payments systems are susceptible to illegal and improper uses, including money laundering, terrorist financing, fraudulent sales of goods or services, and transactions by or with sanctioned parties. We have invested and will need to continue to invest substantial resources to comply with applicable laws and regulations, and failure to maintain compliance could lead to fines or require us to modify or interrupt our business practices, plans, or operations, any of which could negatively impact our business, results of operations, and profit margins.

The Internal audit, Risk and Control and Compliance functions perform operational, IT, compliance and other audits – reviews, including fraud risk assessments.

Impact of COVID-19

In response to the outbreak of COVID-19 (the "COVID-19 pandemic"), certain governments and businesses around the world continue to implement a variety of restrictive measures to reduce the spread of COVID-19. These measures have had a significant adverse effect on many of the partners on which our business relies, including hotels and other accommodation providers, airlines, as well as on our consumers, operations, and workforce. The spread of variants of COVID-19 and ongoing restrictive measures in certain places have caused uncertainty. We cannot predict the long-term effects of the pandemic on our business or the travel and restaurant industries as a whole. If the travel and restaurant industries are fundamentally changed by the COVID-19 pandemic in ways that are detrimental to our operating model, our business may continue to be adversely affected even as the broader global economy recovers.

Our financial results and prospects are almost entirely dependent on facilitating the sale of travel-related services. While the year began with the Omicron variant surge which resulted in a decrease in consumers traveling, most of the government restrictions on travel-related services have subsided and travel demand has generally returned. The ongoing impact of the COVID-19 pandemic on our business, results of operations, cash flows, and growth prospects depends on any resurgences of the pandemic; efficacy of vaccines and other medical interventions to alleviate or treat COVID-19, and their impacts on the travel and restaurant industries and consumer spending more broadly; actions taken by national, state, and local governments to contain the disease or treat its impact; employee engagement, including the health and productivity of management and our employees; any impact on our contracts and relationships with our partners; and the duration, timing, and severity of the impact on customer spending, including other economic impacts such as inflation that have resulted in part from the pandemic. The effects of the pandemic, including the imposition of travel restrictions, may continue to fluctuate throughout the world, which could continue to affect our business. If ongoing effects of the COVID-19 pandemic adversely affect our business and financial performance, it may also heighten many of the other risks identified in this section.

Restructuring

In response to the reduction in our business volumes as a result of the impact of the COVID-19 pandemic, we took actions in 2020 to reduce the size of our workforce to optimize efficiency and reduce costs.

As part of these actions, the Group consulted with its employees, works councils, employee representatives and other relevant organizations in relation to the reduction in workforce in certain countries including the Netherlands and the United Kingdom. These reductions have been substantially concluded as of December 31, 2020, and resulted in the Group executing either voluntary leaver schemes or involuntary reductions, or, in some countries, a combination of the two. The Group completed the vast majority of announcements to affected employees by December 2020. In 2021, the Group approved and communicated the final portion of workforce reductions in the Netherlands, France and several other countries.

During the year ended December 31, 2022, the Group recorded expenses of EUR 5.2 million (2021: EUR 10.5 million) for the restructuring activities. These expenses are primarily cash-based, and consist of employee severance and other termination benefits, as well as other costs. On December 31, 2022, an accrual for restructuring expenses of EUR 0.2 million (2021: EUR 2.1 million) is included in the “Provisions” line on the consolidated balance sheet.

Impact of the Russian invasion of Ukraine

On February 23, 2022, the news broke that Russia had invaded Ukraine, and we saw an immediate negative impact on our room night trends, primarily in Europe.

The Russian invasion of Ukraine has resulted in worldwide geopolitical and macroeconomic uncertainty and led us to suspend the booking of travel services in Russia and Belarus. This led to the loss of new bookings and significant cancellations in these countries. Excluding room nights from bookers in Russia, Ukraine, and Belarus in both 2022 and 2019, our overall room nights in 2022 were up about 10% versus 2019. The U.S., U.K., E.U., and other countries imposed financial and economic sanctions on certain industry sectors and parties in and associated with Russia and Belarus, and additional sanctions continue to be proposed and adopted. Compliance with the evolving sanctions regime is complex and may be subject to heightened regulatory scrutiny, particularly with respect to payments we process.

The war and our suspension of travel services in Russia and Belarus may also heighten risks relating to employee safety, cybersecurity incidents or disruptions to our information systems or supply chain, operational costs, reputational damage, and potential retaliatory action by the Russian government or other entities. We cannot predict how and to what extent the ongoing war will affect our operations, customers, or partners. The war could continue to adversely affect demand for our services, particularly in nearby areas such as Eastern Europe.

Transfer of customer service activities to a third party

In February 2022, the Group entered into an agreement to transfer certain customer service operations of Booking.com to Majorel Group Luxembourg S.A. ("Majorel"). For further details, please refer to “Group structure” within the “Notes to the consolidated financial statements”, page 28.

Sale of Campus

In December 2022, the Group entered into a sale and leaseback transaction for Booking.com’s headquarters building. The building was sold for an aggregate consideration of approximately EUR 566.0 million and the Group concurrently entered into an agreement to lease the building from the purchaser for an initial term of 16.5 years, with up to five renewal options of five years each. The annual base rent under the lease is EUR 24.3 million and will increase annually based on the consumer price index, subject to a specified ceiling. The lease commenced in December 2022 and has been classified by the Group as an operating lease. The Company recognized a gain of EUR 229.8 million on the sale and leaseback transaction, which was recorded in the "Gain on sale of building" in the consolidated financial statements.

Future expectations

We intend to continue to improve the accommodation choices available for reservation on our platforms, however the growth rate of the number of accommodations on our platforms may vary in part as a result of removing accommodations from our platforms from time to time. Many of the newer accommodations we add to our travel reservation services, especially in highly-penetrated markets, may have fewer rooms or higher credit risk and may appeal to a smaller subset of consumers (e.g., hostels and bed and breakfasts). We believe that the number, variety, and quality of accommodations on our platforms, and the corresponding access to accommodation room nights, had been a key driver of the growth of our accommodation reservation business prior to the COVID-19 pandemic. As accommodation providers recover from the COVID-19 pandemic and occupancy rates increase, they may wish to limit the amount of business that flows through certain distribution channels. Also, certain jurisdictions have instituted regulations intended to address the issues of "overtourism" and the impact of tourism on climate, including by restricting accommodation offerings in city centers or near popular tourist destinations, such as by restricting construction of new hotels or the renting of homes or apartments, introducing quota or registration systems, or increasing visitor fees or taxes. Such restrictions could also include limiting the number of tourists permitted to visit and stay near popular areas during peak seasons or as a general matter. As a result, we may experience constraints on the number of listings, or accommodation room nights, actually available to us or could experience a decrease in demand if consumers cannot book the experiences they would like during their trip, which could negatively impact our business growth rate and results of operations.

Our employees are fundamental to delivering on our mission to make it easier for everyone to experience the world. Our goal is to attract, develop, and retain highly-skilled talent with a significant focus on a diverse workforce operating in an inclusive environment. While the COVID-19 pandemic resulted in a significant shift to office and remote working environments, we are committed to engaging with our employees across our Company and maintaining a productive workforce that is proud to work for the Group.

We believe that a diverse workforce operating in an inclusive environment is critical to leveraging our human capital to achieve our long-term strategic goals. We strive for our leadership and workforce to reflect the broad spectrum of customers and partners we work with throughout the world because we believe this is the best way for us to connect with the viewpoints, backgrounds, and experiences of our customers and partners.

We recognize that expectations for the ways and places in which employees work have shifted dramatically as a result of the COVID-19 pandemic. We are exploring more flexible work arrangements, including hybrid work from office and home flex programs, and evaluating long-term fully remote arrangements.

We focus on relentless innovation to grow our business by, among other things, providing a best-in-class user experience with intuitive, easy-to-use online platforms to ensure that we are meeting the needs of online consumers while aiming to exceed their expectations. As part of these ongoing efforts, we have a long-term strategy to build a seamless offering of multiple elements of travel, allowing us to provide a more tailored and flexible consumer experience, which we refer to as the "Connected Trip," and we expect these efforts to increase room night growth and revenue growth over time. We may see a negative impact on our operating margins in the near term as we incur the expenses associated with Connected Trip-related investments.

Further, to the extent our non-accommodation services (e.g., airline ticket reservation services) have lower margins and increase as a percentage of our total business, our operating margins may be negatively affected.

Historically, our growth has primarily been generated by the worldwide accommodation reservation business. The Group included over 2.7 million properties on its website at December 31, 2022, consisting of over 400,000 hotels, motels, and resorts and approximately 2.3 million alternative accommodation properties (including homes, apartments, and other unique places to stay), and representing an increase from approximately 2.4 million properties at December 31, 2021. The year-over-year increase in total properties was driven primarily by an increase in alternative accommodation properties.

Although we believe that providing an extensive collection of properties, excellent customer service, and an intuitive, easy-to-use consumer experience are important factors influencing a consumer's decision to make a reservation, for many consumers, the price of the travel service is the primary factor determining whether a consumer will book a reservation. Discounting and couponing (i.e., merchandising) occurs across all of the major regions in which we operate, particularly in Asia. In some cases, our competitors are willing to make little or no profit on a transaction, or offer travel services at a loss, in order to gain market share. As a result, it is increasingly important to offer travel services, such as accommodation reservations, at a competitive price, whether through discounts, coupons, closed-user group rates or loyalty programs, increased flexibility in cancellation policies, or otherwise. These initiatives have resulted and, in the future, may result in lower Average Daily Rates (ADRs) and lower revenue as a percentage of gross bookings. Total revenue as a percentage of gross bookings was negatively impacted by investments in merchandising in 2022 compared to 2021 and 2019.

Research and development

During the year, the Group has performed multiple research and development (R&D) activities and expects to continue to do so in the future. These R&D activities were primarily focused on projects to improve digital infrastructure to enhance the customer/partner experience and continuous development of an algorithm to acquire web marketing services. When it becomes probable that an R&D project will be completed and the software will be used to perform the function intended, the costs associated with the R&D project are capitalized. All other costs associated with R&D activities are charged to the profit and loss account in the year they are incurred.

Internal controls

The managing directors believe internal controls over financial transactions were sufficient and effective during 2022.

Code of conduct

Booking leads a global business that touches the lives of millions of people every day. The Group believes diversity is a major part of what makes it unique and it is committed to listening, learning, and creating a work environment that is free from prejudice and discrimination. This is embodied in the Booking Code of conduct which represents the Group's legal and ethical standards. The Code states what is expected of the Group and its employees. Each employee is personally responsible for adhering to the Code at all times.

The Code of Conduct is available through the www.bookingholdings.com website and any amendments to or waivers of the Code of Conduct will be disclosed on that website.

Special corporate governance regime

Booking.com Holding B.V. meets the criteria of the special corporate governance regime (Dutch “structuurregime”). In 2019, in line with the legal requirements, the Company had introduced a two-tier management board regime, appointed the supervisory board and amended the Articles of Association. The supervisory board is responsible by law for supervising the policy pursued by the management board and the general course of affairs in the Company and its business. The supervisory board also advises the management board.

Diversity, Equity and Inclusion

Our mission is to make it easier for everyone to experience the world, and to achieve that, our organization should reflect the diverse and vibrant communities we serve. We want our employees to feel acknowledged and valued for who they are and we want to ensure equal treatment of all employees independent of gender, age, religion, race, social background, disability, ethnicity, nationality, membership in workers’ organizations, political affiliation, sexual orientation, or any other personal characteristic protected by law. By understanding each other better, we can improve the working environment at Booking.com and better serve our customers worldwide. It is important to us to abide by the laws and regulations that govern our employment practices and we do not tolerate unlawful discrimination of any type.

Our workplaces embrace the different cultures of our diverse employees. We strive for our leadership and workforce to reflect the broad spectrum of customers we work with throughout the world because we believe this is the best way for us to connect with the viewpoints, backgrounds, and experiences of our customers.

At Booking.com we work with a three pillar structure of Diversity, Equity and Inclusion. Our commitment to Diversity, Equity, and Inclusion means honoring all experiences, valuing all voices, and leading with empathy on our journey to become a more inclusive company where everyone belongs. We have established Employee Resource groups including for women (B.Equal) as well as for a range of communities including LGBTQ+ (B.Proud), those with disabilities (B.Able) and the black community (B.Bold). In 2022 this was expanded to include B.Gente and B.Harmony for our LatinX and Asian colleagues respectively.

This year we also launched ‘Be You @Booking.com’, an initiative to seek expanded self-identified demographic data from our employees. Using aggregated data only, this means we will be able to measure representation across a range of identities including disability, gender, ethnicity, sexual orientation and languages spoken, which will better inform our DEI Strategy for specific communities.

Gender diversity

We have a global, organization-wide aspiration of gender parity (45.0-55.0%) across all roles and levels. On 31 December 2022, 46.2% of the Group's employees were women. We are committed to making further progress on gender diversity at all levels of the organization.

Senior Management positions

On December 31, 2022, 32.5% of senior management positions of the Group were filled by women compared to 29.0%, respectively, on January 1, 2022. Senior management is defined as the Extended Leadership team (ELT) and Leadership team (LT) of the Booking.com brand entities, which are our (senior) directors and executives.

In 2022, we set ambitious global gender diversity targets for 40.0% of our senior management positions (ELT/LT) at Booking.com to be held by women by the end of 2027.

Supervisory Board

The supervisory board of the Group consists of 3 members, one of whom is a woman (33.3%) on January 1, 2022 as well as on December 31, 2022. We have set a target to maintain a balanced representation of (at least) 33.0% women by the end of 2027.

Management Board

As per January 1, 2022, the Dutch Gender Balance Act (Wet Evenwichtige Verhouding Man/Vrouw, hereinafter the "Act")) entered into effect. The Booking.com entities that fall in scope of this Act are: Booking.com B.V., Booking.com Customer Service Center (Netherlands) B.V., Booking.com Holding B.V., Booking.com International B.V., Booking.com Customer Service Holding B.V. and FareHarbor B.V.

On January 1 and on December 31, 2022, 33.3% of the combined management board positions of the aforementioned entities consisted of women. We have set a combined target of 37.0% of women in management board positions by the end of 2027. It is worth noting that, when zooming in at an entity level, the representation of women in the management board of Booking.com Holding B.V. and Booking.com B.V. was 40.0% in 2022 and we aspire to maintain (at least) 40.0% women in these board positions by the end of 2027.

Plan of Approach

In order to achieve the above-mentioned gender targets, we have integrated these targets into our overarching People Strategy and identified key stakeholders from across the organization who are responsible for ensuring equity in our people processes. These stakeholders will form a Gender Diversity Taskforce who will meet quarterly to discuss and share progress and initiatives related to improving gender balance and reducing gaps in employee experience by gender. We have dedicated work streams that include but are not limited to:

- Talent Acquisition to enhance access to careers for women and under-represented genders and ensure we are offering attractive roles and are positioning ourselves in the market as an employer of choice for women. We have a range of initiatives in this workstream varying from diverse interview panels to gendered language assessment for posted roles. In 2023 we were the headline sponsor for the EU Women in Tech Summit;

- Performance and Promotion processes to reduce gender based gaps and offer specific targeted interventions for women and under-represented genders to enhance career progression. We run mentoring and talent programs as well as leadership events with a focus on diversity. In 2022, we ran our Women in Leadership program for the seventh year running, designed to support the advancement and development of high-performing women with the goal of building and enabling gender diversity in our executive pipeline. We also ran our B.Champion Women's Mentoring programme for our mid-level managers to improve our pipeline of women for leadership roles and are expanding this to become a Mentoring & Sponsorship programme; and

- Compensation and Benefits. In 2022, we launched global life events benefits, one of which was equal parental leave for birthing and non-birthing parents. We are committed to pay equity, regardless of gender, race or ethnicity. With the help of an independent compensation consultant, we conduct pay equity studies every other year and in the off years we work on remediation plans to address any potential outliers.

Booking.com Holding B.V.
Amsterdam

Amsterdam, August 4, 2023

Management board:

G. Fogel	S. D'Emic
Director and Chief Executive Officer	Director
M. Barros	P.A. Pisano
Director	Director
H.J. Dijk	
Director	

Supervisory board:

J. Docter

Chairman

D. Goulden

Director

J. Beek

Director

Financial Statements for the year ended December 31, 2022

- Consolidated Financial Statements
- Company-only Financial Statements

Consolidated Financial Statements

- Consolidated balance sheet as at December 31, 2022
- Consolidated profit and loss account 2022
- Notes to the consolidated Financial Statements

Booking.com Holding B.V.
Amsterdam

Consolidated balance sheet as at December 31, 2022

(Before proposed appropriation of the net result)

	Note	12.31.2022		12.31.2021	
			EUR 000		EUR 000
Assets					
Fixed assets					
Intangible fixed assets	1		124,706		82,917
Tangible fixed assets:	2				
Assets under construction for operating activities		28,731		327,034	
Furniture and other equipment		20,183		32,386	
Hardware		36,058		25,404	
Other		-	84,972	-	384,824
Financial fixed assets					
Long-term other assets	3		159,808		151,106
Deferred tax asset			19,710		16,011
Current assets					
Trade debtors		289,538		89,451	
Due from related parties	4	6,432,416		3,842,516	
Loan to related parties	4	425,545		356,550	
Other assets	3	1,447,417	8,594,916	897,550	5,186,067
Short-term investments	5	69,276		35,074	
Cash	6	530,652	599,928	387,824	422,898
			9,584,040		6,243,823

	Note	12.31.2022		12.31.2021	
			EUR 000		EUR 000
Equity and liabilities					
Shareholder's equity	7				
Share capital		72		72	
Share premium		99,641		99,641	
Legal reserves		103,406		58,349	
Other reserves		(13,988)		(26,780)	
Retained earnings		(96,885)		1,778,660	
Unappropriated net result		4,363,277	4,455,523	1,943,637	3,853,579
Provisions					
Accrued restructuring expenses		169		2,126	
Asset retirement obligation		11,078	11,247	8,925	11,052
Long-term liabilities					
Long-term liabilities	8		16,741		144,756
Current liabilities					
Trade creditors	9	2,701,373		1,208,151	
Payable to related parties	10	374,359		223,247	
Corporate income tax		733,451		57,835	
Taxation, social security contributions and pension	11	85,626		36,841	
Other liabilities	12	1,205,720	5,100,529	708,363	2,234,437
			9,584,040		6,243,823

Consolidated profit and loss account 2022

	Note		2022		2021
			EUR 000		EUR 000
Revenue from customers	13	13,092,605		7,526,707	
Revenue from related parties	13	37,922		35,954	
Cost of sales		(2,063,553)		(1,244,276)	
Gross profit			11,066,974		6,318,385
Operating expenses:					
Selling expenses	14	(1,850,171)		(1,080,169)	
Other general and administrative expenses	15	(4,058,902)		(2,642,709)	
Total operating expenses			(5,909,073)		(3,722,878)
Operating result			5,157,901		2,595,507
Interest income		50,754		8,420	
Interest expense		(11,907)		(12,172)	
Foreign exchange gains/(losses)		(73,529)		(10,055)	
Result of financial income and expenses			(34,682)		(13,807)
Gain on sale of building	17		229,776		-
Result before taxes			5,352,995		2,581,700
Tax expense	18		(989,718)		(638,063)
Result of the Group			4,363,277		1,943,637
Total amount recognized directly in equity:					
Other changes in equity			12,792		13,181
Total net result of the Group			4,376,069		1,956,818

Notes to the consolidated financial statements

General

All amounts are expressed in thousands of euros, unless stated otherwise.

Group structure

Booking.com Holding B.V. (hereafter referred to as: "**the Company**"), was founded in the Netherlands on May 24, 2013 and registered with Dutch Commercial Register number 57987823. The Company has its registered office in Amsterdam and its principal place of business at Oosterdokskade 163, 1011 DL Amsterdam, The Netherlands.

The Company is the parent of the group of legal entities. Group Companies are those that are directly or indirectly owned subsidiaries controlled (definition as stated in RJ 217.202) by the Company (hereafter: "**the Group**").

Priceline.com Bookings Acquisition Company Limited, a company incorporated in the United Kingdom, having its registered office in London, is the 100% shareholder of the Company.

The Company's ultimate parent company is Booking Holdings Inc., a company incorporated in the United States of America ("**U.S.A.**"), whose principal place of business is in Norwalk, CT.

Related parties are understood to mean all the other subsidiaries of Booking Holdings Inc., except for the Group Companies as defined above.

The financial information of the Company is included in the consolidated financial statements of Booking Holdings Inc. that are available at the Trade Register at the Chamber of Commerce in Amsterdam, the Netherlands.

A summary of the information required under articles 2:379 and 2:414 of the Dutch Civil Code is provided below.

As at December 31, 2022, investments in subsidiaries owned by the Company comprise of:

Legal entity	**Country and City of registration**	**Percentage of Ownership**
Booking.com Consulting Services (USA), Inc.	New York, USA	100%
Booking.com Ljubljana, družba za podporne storitve, d.o.o.	Ljubljana, Slovenia	100%
Bookingdotcom ehf.	Reykjavik, Iceland	100%
Booking.com Consulting Services (Japan) KK	Tokyo, Japan	100%

Booking.com Consulting Services (Singapore) Ptd.Ltd.	Singapore, Singapore	100%
Booking.com Myanmar Co.	Yangon, Myanmar	100%
BookingSuite B.V.	Amsterdam, Netherlands	100%
Booking.com (Lithuania) UAB	Vilnius, Lithuania	100%
Booking.com (Lao) Sole Co. Ltd.	Vientiane, Laos	100%
Booking.com (Ghana) Limited	Accra, Ghana	100%
Booking.com (Georgia) LLC	Tbilisi, Georgia	100%
Booking.com Puerto Rico LLC	Puerto Rico, Puerto Rico	100%
Bdot Blue Infrastructure Russia LLC	Moscow, Russia	100%
Booking.com Costa Rica S.A.	San Jose, Costa Rica	100%
Booking.com (Malta) Limited	Birkirkara, Malta	100%
Booking.com Real Estate Amsterdam B.V.	Amsterdam, Netherlands	100%
Canada Booking.com Customer Service Center Inc.	Toronto, Canada	100%
Bookingdotcom Support Services Nigeria Limited	Victoria Island Lagos, Nigeria	100%
Booking.com Consulting Services Israel (BCSI) Ltd.	Tel Aviv, Israel	100%
Booking.com (Argentina) Srl.	Bouenos Aires, Argentina	100%
FareHarbor B.V.	Amsterdam, Netherlands	100%
FareHarbor (Australia) Pty. Ltd.	Sydney, Australia	100%
Evature Technologies Limited	Ness Ziona, Israel	100%
Booking.com B.V.	Amsterdam, Netherlands	100%
Booking.com (Deutschland) GmbH	Berlin, Germany	100%
Booking.com (France) SAS	Paris, France	100%
Bookings Hispanica S.L.	Barcelona, Spain	100%
Booking.com (Italia) Srl.	Rome, Italy	100%
Priceline Booking.com (Portugal) Viagens Online, Unipessoal Lda	Faro, Portugal	100%
Booking.com (Osterreich) GmbH	Vienna, Austria	100%

Booking.com FZ-LLC	Dubai, United Arab Emirates	100%
Booking.com South Africa Pty Ltd.	Johannesburg, South Africa	100%
Booking.com (Singapore) Pte. Ltd.	Singapore, Singapore	100%
Booking.com Brasil Servicos de Reserva de Hoteis LTDA	Sao Paulo, Brazil	100%
Booking.com SP. Z.o.o. (Poland)	Warsaw, Poland	100%
Bookingdotcom Sverige AB	Stockholm, Sweden	100%
Booking.com (New Zealand) Ltd.	Auckland, New Zealand	100%
Priceline Booking.com Hellas Support services in the hotel market EPE	Athens, Greece	100%
Booking.com (Australia) Pty Ltd.	Sydney, Australia	100%
Booking.com Japan K.K.	Tokyo, Japan	100%
Booking.com Russia LLC	Moscow, Russia	99%
Booking.com (Schweiz) AG	Zurich, Switzerland	100%
Bookingdotcom Destek Hizmetleri Limited Sirketi	Istanbul, Turkey	100%
Booking.com (Hong Kong) Ltd.	Hong Kong, Hong Kong	100%
Canada Booking.com Online Reservations Inc.	Vancouver, Canada	100%
Priceline Booking (Ireland) Limited	Dublin, Ireland	100%
Booking.com (Shanghai) Ltd.	Shanghai, China	100%
Booking.com (Thailand) Co., Ltd.	Bangkok, Thailand	100%
Booking.com (Denmark) ApS	Copenhagen, Denmark	100%
Booking.com (Norway) AS	Oslo, Norway	100%
Booking.com (Belgium)	Brussels, Belgium	100%
Booking.com d.o.o.	Zagreb, Croatia	100%
Booking Dot Com Malaysia SDN. BHD.	Kuala Lumpur, Malaysia	100%
Booking.com (Czech Republic) s.r.o.	Prague, Czech Republic	100%
Servicios Booking.com Mexico S.A. de C.V.	Mexico City, Mexico	100%

Booking.com Online Hotel Reservations Maroc	Casablanca, Morocco	100%
Booking.com (Finland) Oy	Helsinki, Finland	100%
Booking.com (Bulgaria) EOOD	Sofia, Bulgaria	100%
Booking.com Korea Limited	Seoul, South Korea	100%
Pt. Booking Indonesia	Mangupura, Indonesia	100%
Booking.com Egypt LLC	Cairo, Egypt	100%
Booking.com Hungary Kft.	Budapest, Hungary	100%
Booking.com India Support & Marketing Services Private Limited	Mumbai, India	100%
Booking.com Ukraine, LLC	Kiev, Ukraine	100%
Booking.com Saudi Arabia Limited	Jeddah, Saudi Arabia	100%
Booking.com Philippines Inc.	Manila, Philippines	100%
Booking.com (Cyprus) Ltd.	Nicosia, Cyprus	100%
Booking.com (Vietnam) Co. Ltd.	Ho Chi Minh, Vietnam	100%
Booking.com (USA) Inc.	New York, USA	100%
Booking.com Chile Spa	Santiago, Chile	100%
Booking.com Lanka (Private) Limited	Colombo, Sri Lanka	100%
Booking.com (Dominican Republic) SRL	Santo Domingo, Dominican Republic	100%
Booking.com Taiwan Limited	Taipei, Taiwan	100%
Booking.com (Romania) Srl.	Bucharest, Romania	100%
Booking.com Israel Online Hotel Reservations Ltd.	Tel Aviv, Israel	100%
Booking.com Colombia S.A.S.	Bogota, Colombia	100%
Booking.com (Peru) S.A.	Lima, Peru	100%
Booking.com Customer Service Center (Shanghai) Co. Ltd.	Shanghai, China	100%
Booking.com Customer Service Center (Netherlands) B.V.	Amsterdam, Netherlands	100%
Booking.com International B.V.	Amsterdam, Netherlands	100%

Booking.com Customer Service Holding B.V.	Amsterdam, Netherlands	100%
Booking.com Distribution B.V.	Amsterdam, Netherlands	100%
Booking.com Customer Service Center (UK) Limited	Cambridge, UK	100%
Booking.com Estonia OU	Tallinn, Estonia	100%
SIA Booking.com (Latvia)	Riga, Latvia	100%
Booking.com (Slovakia) s.r.o.	Bratislava, Slovakia	100%
Booking.com IT Services B.V.	Amsterdam, Netherlands	100%
Booking.com International Services B.V.	Amsterdam, Netherlands	100%
Bdot Blue Infrastructure Germany GmbH	Berlin, Germany	100%
Frezza.Net Srl.	Rome, Italy	100%
Booking.com (Kenya) Ltd.	Nairobi, Kenya	100%
Bo Bin Information Technology (Shanghai) Co. Ltd	Shanghai, China	100%
Booking.com Risk Purchasing Group LLC	New York, USA	100%
Booking.com (Mauritius) Limited	Port Louis, Mauritius	100%
Booking.com Online Hotel Reservation (Cambodia) Ltd.	Phnom Penh, Cambodia	100%
Booking.com Uruguay S.A.	Montevideo, Uruguay	100%
Stichting Calamiteitenfonds Booking.com	Amsterdam, Netherlands	100%

The subsidiary Evature Technologies Limited is currently in the process of liquidation.

Booking.com (Ghana) Limited is currently in liquidation proceedings.

On January 1, 2022, five Brazilian entities merged together with Booking.com Brasil Serviços de Reserva de Hoteis LTDA to form one single legal entity with the same name. The entities are listed below:

Booking.com Belo Horizonte Prestação de Serviços Ltda.

Booking.com Natal Prestação de Serviços LTDA.

Booking.com Porto Alegre Prestação de Serviços LTDA.

Booking.com Rio de Janeiro Prestação de Serviços LTDA.

Booking.com Salvador Prestação de Serviços LTDA

On February 10, 2022, Booking.com Customer Service Holding B.V., together with other Booking.com entities, entered into a Framework Agreement with Majorel Group Luxembourg S.A. to sell certain shares and assets comprising its customer service centers. Through this transaction Booking.com Customer Service Holding B.V. sold its shares in nine of its subsidiaries at book value as listed below:

Booking.com Customer Service Center (U.S.A.) Inc

Booking.com Customer Service Center Korea Limited

Booking.com Customer Service Center (Singapore) Pte. Ltd.

Booking.com Customer Service Center (Thailand) Co. Ltd

Bcom Customer Service Center Germany GmbH

Booking.com Customer Service Center (Japan) KK

Booking.com Customer Service Center (Lithuania) UAB

Booking Customer Service Center (Spain) SL

Booking.com Customer Service Center (France) SAS

Subsequent events

The subsidiary Booking.com (Lao) Sole Co. Ltd. has been permanently dissolved on May 4, 2023.

Activities

The activities of the Group primarily consist of providing online accommodations, flights and attractions reservation services that market a broad range of these services for guests to book throughout the world on the internet. The Group markets its services through its own websites, websites of affiliates, and online and offline advertising.

Consolidation principles

Financial information relating to the Company and to the Group Companies controlled by the Company have been consolidated in the financial statements of Booking.com Holding B.V. All inter-company accounts and transactions have been eliminated in consolidation.

The results of newly acquired Group Companies and the other legal entities and companies included in the consolidation are consolidated as from the acquisition date. On that date, the assets and liabilities acquired are measured at fair value. Goodwill is recorded if the acquisition price exceeds the fair value of the acquired assets and liabilities and is amortized over the expected economic life.

If the acquisition price is lower than the fair values of the acquired assets and liabilities, this results in negative goodwill. There is no negative goodwill recognized in the consolidated financial statements.

Cash flow statement

As the consolidated financial information of the Company, including its cash flows, is included in the consolidated financial statements of Booking Holdings Inc., the presentation of a cash flow statement in these financial statements has been omitted, in accordance with Dutch GAAP RJ 360.104. The financial statements of Booking Holdings Inc. can be obtained here: https://ir.bookingholdings.com/financial-information/annual-reports.

Related party transactions

Group Companies have entered into various agreements with its related parties.

Certain companies within the Group have entered into cash pooling arrangements with a related party. Furthermore, certain Group Companies have entered into Treasury Management Agreements with a related party relating to In-House Bank services.

The participating entities under the cash pool structures sweep multi-currency operating cash balances to the main cash pool accounts held with related parties. In accordance with the contractual agreement under the cash pool and In-House Bank arrangement, interest is charged on the daily balance.

There are no loans granted to the Directors of the Company.

Accounting principles for the preparation of the consolidated financial statements

General

The consolidated financial statements have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code (further the "**Dutch GAAP**").

Valuation of assets and liabilities and determination of the result are based upon historical cost convention, unless presented otherwise.

Income and expenses are accounted for on an accrual basis. Profit is only included when realized on the balance sheet date. Liabilities and any losses originating before the end of the financial year are recorded if they have become known before preparation of the financial statements.

The preparation of financial statements in conformity with Dutch GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and footnotes thereto. Actual results may differ significantly from those estimates. The estimates underlying the Group's consolidated financial statements relate to, among others, the valuation of goodwill, other long-lived tangible and intangible assets, income taxes, stock-based compensation and the allowance for doubtful accounts.

Going concern

The financial statements are prepared on the basis of going concern, which the managing directors believe to be appropriate for the following reasons: the Group reported a profit of EUR 4,363.3 million for the year ended December 31, 2022 and the equity ratio and current ratio as at December 31, 2022 of 46.5% and 1.8, respectively, reflect a strong financial position.

The Group's ultimate parent company has indicated its intention to continue to make available such funds as are needed by the Group for at least 13 months from the date of signing the financial statements. Consequently, the managing directors are confident that the Group will have sufficient funds to continue to meet its liabilities during this period and, therefore, have prepared the financial statements on a going concern basis.

Impact of COVID-19

In response to the outbreak of COVID-19 (the "COVID-19 pandemic"), certain governments and businesses around the world continue to implement a variety of restrictive measures to reduce the spread of COVID-19. These measures have had a significant adverse effect on many of the partners on which our business relies, including hotels and other accommodation providers, airlines, as well as on our consumers, operations, and workforce. The spread of variants of COVID-19 and ongoing restrictive measures in certain places have caused uncertainty. We cannot predict the long-term effects of the pandemic on our business or the travel and restaurant industries as a whole. If the travel and restaurant industries are fundamentally changed by the COVID-19 pandemic in ways that are detrimental to our operating model, our business may continue to be adversely affected even as the broader global economy recovers.

Our financial results and prospects are almost entirely dependent on facilitating the sale of travel-related services. While the year began with the Omicron variant surge which resulted in a decrease in consumers traveling, most of the government restrictions on travel-related services have subsided and travel demand has generally returned. The ongoing impact of the COVID-19 pandemic on our business, results of operations, cash flows, and growth prospects depends on any resurgences of the pandemic; efficacy of vaccines and other medical interventions to alleviate or treat COVID-19, and their impacts on the travel and restaurant industries and consumer spending more broadly; actions taken by national, state, and local governments to contain the disease or treat its impact; employee engagement, including the health and productivity of management and our employees; any impact on our contracts and relationships with our partners; and the duration, timing, and severity of the impact on customer spending, including other economic impacts such as inflation that have resulted in part from the pandemic. The effects of the pandemic, including the imposition of travel restrictions, may continue to fluctuate throughout the world, which could continue to affect our business. If ongoing effects of the COVID-19 pandemic adversely affect our business and financial performance, it may also heighten many of the other risks identified in this section.

Impact of the Russian invasion of Ukraine

On February 23, 2022, the news broke that Russia had invaded Ukraine, and we saw an immediate negative impact on our room night trends, primarily in Europe.

The Russian invasion of Ukraine has resulted in worldwide geopolitical and macroeconomic uncertainty and led us to suspend the booking of travel services in Russia and Belarus. This led to the loss of new bookings and significant cancellations in these countries. Excluding room nights from bookers in Russia, Ukraine, and Belarus in both 2022 and 2019, our overall room nights in 2022 were up about 10% versus 2019. The U.S., U.K., E.U., and other countries imposed financial and economic sanctions on certain industry sectors and parties in and associated with Russia and Belarus, and additional sanctions continue to be proposed and adopted. Compliance with the evolving sanctions regime is complex and may be subject to heightened regulatory scrutiny, particularly with respect to payments we process.

The war and our suspension of travel services in Russia and Belarus may also heighten risks relating to employee safety, cybersecurity incidents or disruptions to our information systems or supply chain, operational costs, reputational damage, and potential retaliatory action by the Russian government or other entities. We cannot predict how and to what extent the ongoing war will affect our operations, customers, or partners. The war could continue to adversely affect demand for our services, particularly in nearby areas such as Eastern Europe.

Foreign currencies

These consolidated financial statements are presented in euro, which is the Company's functional currency and the Group's presentation currency.

For Group Companies with euro as their functional currency, transactions in foreign currencies are translated at the rates approximating those in effect at the dates of the transactions. At period end, assets and liabilities denominated in foreign currencies are translated into euros at the rate of the exchange existing at the balance sheet date. The resulting exchange differences are recognized in the consolidated profit and loss account.

The functional currency of foreign Group Companies is generally the respective local currency. For foreign Group Companies, assets and liabilities are translated into euro at the rate of exchange existing at the balance sheet date. Profit and loss accounts are translated at monthly average exchange rates applicable for the period. The exchange rate differences that arise from conversion of local functional currency into euro, the presentation currency, are directly recognized in the Group's shareholder's equity and presented within "Other reserves" in the consolidated balance sheet.

Principles of valuation of assets and liabilities

Intangible fixed assets

Intangible fixed assets consist of internally developed software, software, domain names, purchased technology and goodwill.

The intangible fixed assets are valued at historical cost, being the purchase price or internal cost price less accumulated amortization and, if applicable, less impairments in value. Amortization is calculated on a straight-line basis with a maximum of 20 years. Goodwill is amortized on a straight-line basis over 5 years.

Intangible fixed assets are reviewed for impairment on an annual basis or if events or changes in circumstances indicate that the carrying value exceeds the fair value of the related asset.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets:

- Furniture and other equipment: 4-10 years
- Hardware and software: 3 years

The Group reviews the carrying values of long-lived assets whenever events and circumstances indicate the net book value of an asset may not be recovered through expected cash flows from its use and eventual disposition.

Capital expenditure related to the construction in progress of the building complex and connected land use rights is presented as fixed assets under construction.

The capital expenditure recognized includes the construction costs that are directly attributable to bringing the building complex to the condition necessary for it to be capable of operating in the manner intended by management.

Once the building complex is put in use (in the second quarter of 2023), the building complex costs will be broken out into components with depreciation expenses recognized over their useful lives.

The Group reviews the carrying values of fixed assets under construction whenever events and circumstances indicate the net book value of an asset may not be recovered through expected cash flows from its use and eventual disposition.

Financial instruments

Financial instruments include loans and receivables from related parties, trade debtors and trade payables. Upon initial recognition, receivables are valued at fair value and then revalued at amortized costs less a provision for doubtful debt. These provisions are determined by individual assessment of the receivables. Upon initial recognition, payables are stated at fair value and then valued at amortized costs.

Derivative financial instruments

Upon initial recognition, financial derivatives are recognized at fair value and then revalued at fair value as at the balance sheet date. The profit or loss from the revaluation to fair value as at the balance sheet date is recognized directly in the profit and loss account. The Group does not apply hedge accounting.

Short-term investments

Short-term investments include money market funds and time deposits. Unrealized gains and losses are presented in the fair value reserve. Realized gains and losses as well as the effective interest are recognized in the profit and loss account. Impairment losses are recognized in the profit and loss account.

Cash

Cash is at free disposal or restricted on accounts used to settle payments with partners and stated at nominal value.

Provisions

Unless stated otherwise, provisions are valued at the face value of the expenditures that are expected to be necessary for settling the related obligations.

Pensions

The Group has a defined contribution pension plan in the Netherlands and in certain countries. The pension charge to be recognized for the period is equal to the pension contributions payable to the respective pension insurer for the period. Insofar as the payable contributions have not yet been paid as at balance sheet date, a liability is recognized. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognized to account for any repayment by the fund or settlement with contributions payable in future.

Long-term and short-term liabilities

Upon initial recognition, the loans and liabilities recorded are stated at fair value and then valued at amortized cost.

Other assets and liabilities

All other assets and liabilities which have not been mentioned above are stated at nominal value, which is stated close to its fair value.

Principles for the determination of the result

Profits are taken into account as soon as they are realized; losses are taken into account when they arise or as soon as they can be foreseen.

Revenue

Revenue primarily relates to the commission charged for accommodations, flights and attraction reservation services. In accordance with Dutch Accounting Standard 270.101a, the Group has applied the recognition, measurement and disclosure principles of IFRS 15 to its revenue. Revenue is recognized at a point in time upon check-in date of the actual stay of the traveler or when the travel begins. Sales are net of value added taxes.

The Group’s revenues are primarily derived from travel-related transactions. These include travel reservation commissions and transaction net revenues (i.e., the amount charged to travelers, including the impact of merchandising, less the amount owed to travel service providers), revenues from facilitating payments, such as credit card processing rebates and customer processing fees. The commission invoices to travel service providers are issued in the subsequent month after the month when travel is completed. In case the Group facilitates payments from travelers for the services provided, the cash collected from travelers which includes the amounts owed to the travel service providers and the Group’s commission and fees, is recorded as liability related to deferred bookings until the arranged travel service begins.

While the Group generally refers to a consumer that books travel reservation services on the Group's platforms as its customer, for accounting purposes the Group's customers are the travel service providers. The Group's contracts with travel service providers give them the ability to market their reservation availability without transferring responsibility to deliver the travel service to the Group. These contracts include payment terms (14 days per Booking's General Terms) and establish the consideration to which the Group is entitled.

Revenue is measured based on the expected consideration specified in the contract with the travel service provider, considering the effects of factors such as discounts and other sales incentives. Estimates for sales incentives are based on historical experience, current trends, and forecasts, as applicable.

The Group offers loyalty programs where participating consumers may be awarded loyalty points on current transactions that can be redeemed in the future. The estimated value of the incentives granted and the loyalty points expected to be redeemed is generally recognized as a reduction of revenue at the time they are granted.

Cost of sales

Cost of sales represents primarily expenses related to meta-search websites and affiliated partners. They are recognized when incurred on the basis of accrual accounting.

Selling expenses

Selling expenses mainly represent expenses related to marketing on online search engines and are recognized when incurred on the basis of accrual accounting.

Other general and administrative expenses

These expenses mainly include payroll costs including salaries, share based compensation expenses, bonuses, payroll taxes, employee health and other benefits, depreciation, amortization and lease rental expenses. These expenses are recognized when incurred on the basis of accrual accounting.

Corporate income tax

Corporate income tax is calculated at the applicable rate based upon the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes.

Deferred tax

For amounts of taxation payable in the future, due to differences between the valuation principles in the annual report and the valuation for taxation purposes of the appropriate balance sheet items, a provision or asset has been formed for the aggregate of these differences, multiplied by the future rate of taxation. Deferred tax liabilities are reduced by amounts of taxation recoverable in the future in respect of the carry-forward of unused tax losses, to the extent that it is probable that future tax profits will be available for settlement. The provision for deferred tax liabilities is valued at nominal value.

Deferred tax assets are also measured at future tax rates and valued at nominal value. Part of the deferred tax assets has a long-term character.

Restructuring costs

The Group records employee severance and other termination costs that meet the requirements for recognition in accordance with RJ 252. The liability for the involuntary termination benefits that are not provided under the terms of an ongoing benefit arrangement is recognized once the restructuring plan is approved by the management, the plan is communicated to the employees and the plan is not expected to change significantly. For ongoing benefit arrangements, inclusive of statutory requirements, employee termination costs are accrued when the existing situation or set of circumstances indicates that an obligation has been incurred, it is probable the benefits will be paid, and the amount can be reasonably estimated. Termination benefits associated with voluntary leaver schemes are recorded when the employee irrevocably accepts the offer and the amount can be reasonably estimated.

Government grants

Government grants income is recognized when there is a reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. Government grants are recognized in profit or loss over the period in which the Group recognizes the related costs as expenses for which the grants are intended to compensate.

Share based compensation

The Group does not apply Dutch Accounting Standard 275.103a as share based compensation accounting is applied on the level of Booking Holdings Inc.

The Group recognizes the grant expenses related to share based compensation for all employees within the Group Companies. The grant expenses related to the share-based compensation are recognized in Booking.com B.V. over the vesting period. Grant expenses are based on the share price of Booking Holdings Inc. at the date of the grant. Upon vesting, the difference in fair value and share price as of grant date is charged to Booking.com B.V. and recognized in Booking.com B.V. as an expense. Additionally, upon vesting, Booking.com B.V. charges the vesting expenses to the related entities based on where the employees are employed during the vesting period. Vesting expenses are based on the share price of Booking Holdings Inc. at the date of the vesting.

Notes to the specific items of the balance sheet

1. Intangible fixed assets

	Internally developed software	Other intangible assets	Domain names	Goodwill	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Cost value:					
Balance as at January 1, 2021	38,674	33,136	35,632	5,074	112,516
Investments	38,681	10,038	-	-	48,719
Divestments	(3,228)	(15,731)	-	-	(18,959)
Balance as at December 31, 2021	74,127	27,443	35,632	5,074	142,276
Accumulated depreciation, amortization and impairment:					
Balance as at January 1, 2021	(11,650)	(21,949)	(30,125)	(4,061)	(67,785)
Amortization	(6,108)	(767)	(1,397)	(1,013)	(9,285)
Divestments	1,980	15,731	-	-	17,711
Balance as at December 31, 2021	(15,778)	(6,985)	(31,522)	(5,074)	(59,359)
Net book value:					
Balance as at January 1, 2021	27,024	11,187	5,507	1,013	44,731
Balance as at December 31, 2021	58,349	20,458	4,110	-	82,917

	Internally developed software	Other intangible assets	Domain names	Goodwill	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Cost value:					
Balance as at January 1, 2022	74,127	27,443	35,632	5,074	142,276
Investments	59,347	-	-	-	59,347
Divestments	(3,778)	(671)	-	-	(4,449)
Balance as at December 31, 2022	129,696	26,772	35,632	5,074	197,174
Accumulated depreciation, amortization and impairment:					
Balance as at January 1, 2022	(15,778)	(6,985)	(31,522)	(5,074)	(59,359)
Amortization	(11,374)	(1,222)	(1,375)	-	(13,971)
Divestments	862	-	-	-	862
Balance as at December 31, 2022	(26,290)	(8,207)	(32,897)	(5,074)	(72,468)
Net book value:					
Balance as at January 1, 2022	58,349	20,458	4,110	-	82,917
Balance as at December 31, 2022	103,406	18,565	2,735	-	124,706

Purchased technology contained within other intangible assets and relating to artificial intelligence software acquired through the subsidiary PriceMatch SAS in 2015 was written off in 2021. As of December 31, 2022, it is no longer in use and no future benefits are expected to arise from it.

In 2022, we began a multi-year implementation to integrate and upgrade certain cross-brand global financial systems and processes, including but not limited to SAP S4 Hana ("SAP") which is the main driver for the increase in internally developed software.

Subsequent events

In 2022, we began a multi-year implementation to integrate and upgrade certain cross-brand global financial systems and processes, including but not limited to SAP S4 HANA ("SAP"). The first phase of this implementation became operational in 2022 at select financially immaterial entities at Booking.com. The second phase of this implementation became operational in July 2023 at the remaining Booking.com entities. As the phased implementation of SAP continues, there are certain changes to our processes and procedures that impact our internal control over financial reporting. We believe we are taking the necessary steps to monitor and maintain appropriate internal control over financial reporting during this period of change and we will continue to evaluate the operating effectiveness of related key controls during subsequent periods. While we expect this implementation to strengthen our internal financial controls by automating certain manual processes and standardizing business processes and reporting across our organization, management will continue to evaluate and monitor our internal controls as each of the affected areas evolves.

2. Tangible fixed assets

	Assets under construction for operating activities	Land and building	Furniture and other equipment	Hardware	Other	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Cost value:						
Balance as at January 1, 2021	250,517	-	143,896	279,860	35	674,308
Investments	76,517	-	2,543	14,212	-	93,272
Divestments	-	-	(7,451)	(12,825)	-	(20,276)
Balance as at December 31, 2021	327,034	-	138,988	281,247	35	747,304
Accumulated depreciation and impairment:						
Balance as at January 1, 2021	-	-	(95,466)	(231,974)	(33)	(327,473)
Depreciation	-	-	(18,140)	(36,372)	(2)	(54,514)
Depreciation on divestments	-	-	7,004	12,503	-	19,507
Balance as at December 31, 2021	-	-	(106,602)	(255,843)	(35)	(362,480)
Net book value:						
Balance as at January 1, 2021	250,517	-	48,430	47,886	2	346,835
Balance as at December 31, 2021	327,034	-	32,386	25,404	-	384,824

	Assets under construction for operating activities	Land and building	Furniture and other equipment	Hardware	Other	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Cost value:						
Balance as at January 1, 2022	327,034	-	138,988	281,247	35	747,304
Investments	36,929	-	8,659	30,940	-	76,528
Transfers	(335,232)	335,232	738	(738)	-	-
Divestments	-	(335,232)	(31,362)	(31,261)	-	(397,855)
Balance as at December 31, 2022	28,731	-	117,023	280,188	35	425,977
Accumulated depreciation and impairment:						
Balance as at January 1, 2022	-	-	(106,602)	(255,843)	(35)	(362,480)
Depreciation	-	(731)	(13,899)	(19,023)	-	(33,653)
Depreciation on divestments	-	731	23,661	30,736	-	55,128
Balance as at December 31, 2022	-	-	(96,840)	(244,130)	(35)	(341,005)
Net book value:						
Balance as at January 1, 2022	327,034	-	32,386	25,404	-	384,824
Balance as at December 31, 2022	28,731	-	20,183	36,058	-	84,972

During 2021 assets under construction represent the capital expenditure that relates to the construction in progress of the office building for Booking.com's headquarters and connected land use rights.

In November 2022, the Group substantially finished the Booking.com building and started depreciating it. In December 2022, the Group entered into a sale and leaseback transaction and sold it, together with connected land use rights, for an aggregate consideration of approximately EUR 566.0 million. The remaining assets under construction represent building fit-out that wasn't part of the sale transaction. The amount is depreciated as of July 2023 when the building was fully put into use.

Tangible fixed assets include the asset retirement obligation and tenant improvement fee in a total amount of EUR 5.7 million (2021: EUR 6.4 million).

3. Other assets

Long-term other assets

	12.31.2022	12.31.2021
	EUR 000	EUR 000
Tax assessments	117,922	119,703
Prepayments	36,121	25,029
Other assets	5,765	6,374
	159,808	151,106

Tax assessment prepayments represent payments done by the Group as a result of tax assessments for ongoing tax audits run by tax authorities in different countries. For further details, please refer to Note 12 "Other liabilities, Other items (contingencies), Tax matters". Other assets are mainly represented by the security deposits.

Short-term other assets

	12.31.2022	12.31.2021
	EUR 000	EUR 000
Amounts to be invoiced	1,208,282	754,997
Prepayments	87,352	54,080
VAT receivable	24,996	64,442
Other receivables	126,787	24,031
	1,447,417	897,550

Prepayments represent current prepaid expenses for insurance, IT, marketing and other services.

Other receivables predominantly consists of EUR 64.1 million of tax receivables (please refer to Note 12 "Other liabilities, Other items (contingencies), Tax matters") and EUR 18.4 million (2021: EUR 2.1 million) related to the short-term derivative financial instruments (foreign currency swaps and forwards) which are used by the Group to mitigate the foreign currency risks. Further details on derivative financial instruments are provided in Note 16.

4. Loans to and receivables from related parties

	12.31.2022	12.31.2021
	EUR 000	EUR 000
Short-term: Due from related parties	6,432,416	3,842,516
Short-term: Loans to related parties	425,545	356,550
	6,857,961	4,199,066

Short-term loans to related parties include a loan provided by Booking.com B.V. to Booking.com Limited at the amount of EUR 249.0 million (2021: EUR 249.0 million) to cover the payment to the French tax authorities in January 2019, further see note "Other items (contingencies) tax matters" on page 50. A fixed interest rate of 90 basis points per annum above EURIBOR 1 month benchmark rate is applied, provided, however, that if the 1-month benchmark rate would be less than 0.0%, the benchmark rate shall be set at 0.0%. The loan is due to mature on January 23, 2024.

The remainder of short-term loans to related parties consists of a loan provided by Booking.com USA Inc. to Booking Holdings Treasury Company in the amount of EUR 156.5 million (2021: EUR 87.0 million). The loan provided by Booking.com Customer Service Center (USA) Inc. to Booking Holdings Treasury Company was fully repaid on May 20, 2022 and the loan agreement was terminated (2021: EUR 20.6 million). The interest rate applied for both loans is based on the applicable short-term US federal rate.

On August 1, 2022, FareHarbor B.V. entered into a loan agreement with Priceline Group Treasury Company B.V. with a facility limit of EUR 50.0 million. The purpose of this loan is to centralize excess cash held by FareHarbor B.V. On September 2, 2022, FareHarbor B.V. sent the first advance of EUR 20.0 million to Priceline Group Treasury Company B.V.

The lender and borrower may terminate these loan agreements on request, and as such, the loans are presented as short term.

Certain companies within the Group have entered into cash pooling arrangements with a related party. Furthermore, certain Group Companies have entered into Treasury Management Agreements with a related party relating to In-House Bank services. The participating entities under the cash pool structure sweep multi-currency operating cash balances to the main cash pool accounts held with related parties. As a result, the Group has associated related party receivables of EUR 6,417.2 million (2021: EUR 3,835.3 million). In accordance with the contractual agreement under the cash pool and In-House Bank arrangement, interest is charged on the daily balance. The applicable interest rate applied to intercompany relationships for cash pool and In-House Bank participants is determined by referencing an interbank offered rate. From January 1, 2022, certain interbank offered rates were no longer deemed an appropriate reference rate. For USD interest rates, this has resulted in a change of interest conditions with the LIBOR benchmark being replaced by the US Dollar Secured Overnight Financing Rate.

The interest rate term and benchmark for EUR currency changed in 2022. This has resulted in the credit interest rate applied on EUR depository balance being "European Central Bank Deposit Rate (ECB Deposit Facility)" -5 basis point per annum and the debit interest rate applied on EUR borrowings being "European Central Bank Deposit Rate (ECB Deposit Facility)" +58 basis point per annum effective from September 23, 2022. Furthermore, following the phase out of LIBOR benchmarks effective January 1, 2022 certain interbank offer rates were switched over to the corresponding alternative reference rates.

For amounts due from related parties, there are no balances older than one year.

Subsequent events

On March 20, 2023, Booking.com Limited repaid the loan provided by Booking.com B.V. in full.

In January and April 2023, Priceline Group Treasury Company B.V. repaid EUR 10.0 million and EUR 5.0 million, respectively, to FareHarbor B.V.

5. Short-term investments

The movement in short-term investments can be specified as follows:

	Short-term investments
	EUR 000
Balance as at January 1, 2021	32,369
Movements:	
Purchases	630,346
Sales, redemptions, maturities	(628,849)
Realized gains/(losses)	1,208
Balance as at December 31, 2021	35,074
Movements:	
Purchases	1,045,647
Sales, redemptions, maturities	(1,013,872)
Realized gains/(losses)	2,427
Balance as at December 31, 2022	69,276

Short-term investments

	Cost value	Unrealized gain	Unrealized loss	Market value
	EUR 000	EUR 000	EUR 000	EUR 000
Money market funds and time deposits	69,276	-	-	69,276

The Group's investment policy seeks to preserve capital and maintain sufficient liquidity to meet operational and other needs of the business. As at December 31, 2022, investments were held in money market funds (MMF) and time deposits; the weighted average life (WAL) of the Group's investment portfolio was ranging from zero to 35 days for time deposits and zero days for MMF. The 7-day average annualized yield is 2.2% for the MMF. The credit quality for time deposits is BB-/B and A1/A+; for money market funds credit quality was AAAmmf(chn).

6. Cash

	12.31.2022	12.31.2021
	EUR 000	EUR 000
Cash	530,652	387,824

The above amount contains EUR 217.1 million (2021: EUR 182.1 million) related to restricted cash placed on accounts used to settle balances with the Group's partners.

The Group has an uncommitted short-term revolving credit facility of EUR 25.0 million (2021: EUR 25.0 million) with Deutsche Bank AG. This facility was undrawn as at December 31, 2022 (2021: nil).

The Group also has uncommitted guarantee facility agreements with Deutsche Bank AG and Citibank Europe Plc and HSBC France for an aggregated amount of EUR 112.5 million (2021: EUR 80.6 million) principally utilized to support third-party provision of trade and payment guarantees.

In April 2020, Booking.com B.V. set up the foundation Stichting Calamiteitenfonds Booking.com (“Stichting”). To comply with the European Package Travel Directive, entities within the Group are required to ensure that suitable financial securities are put in place to protect third parties from financial loss. To comply with these requirements, the Group has set up an insolvency protection scheme for its customers in 2021. The facility with Deutsche Bank AG to support regulatory obligations was increased to EUR 800.0 million effective from March 1, 2022. The facility was reduced to EUR 600.0 million from August 1, 2022.

Subsequent events

The facility with Deutsche Bank AG to support regulatory obligations was increased to EUR 850.0 million effective from February 1, 2023. The facility was reduced to EUR 600.0 million from August 1, 2023.

7. Shareholder's equity

The movement in shareholder's equity can be specified as follows:

	Share capital	Share premium	Legal reserves	Other reserves	Retained earnings	Unappropriated net result	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Balance as at January 1, 2021	72	99,641	27,024	(39,961)	1,031,080	778,905	1,896,761
Net change in legal reserves	-	-	31,325	-	(31,325)	-	-
Net change in other reserves	-	-	-	13,181	-		13,181
Net result for the year	-	-	-	-	-	1,943,637	1,943,637
Transferred to retained earnings	-	-	-	-	778,905	(778,905)	-
Balance as at December 31, 2021	72	99,641	58,349	(26,780)	1,778,660	1,943,637	3,853,579
Balance as at January 1, 2022	72	99,641	58,349	(26,780)	1,778,660	1,943,637	3,853,579
Interim dividend paid	-	-	-	-	(3,774,125)	-	(3,774,125)
Net change in legal reserves	-	-	45,057	-	(45,057)	-	-
Net change in other reserves	-	-	-	12,792	-	-	12,792
Net result for the year	-	-	-		-	4,363,277	4,363,277
Transferred to retained earnings	-	-	-	-	1,943,637	(1,943,637)	-
Balance as at December 31, 2022	72	99,641	103,406	(13,988)	(96,885)	4,363,277	4,455,523

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated August 4, 2023

Share capital

The Company's authorized share capital amounts to EUR 72.0 thousand and consists of 72,018 shares of EUR 1 each. The total number of issued ordinary shares is 72,018. The issued share capital of the Company amounts to EUR 72.0 thousand. This was paid upon the incorporation of the Company in May 2013. The issued capital has not changed during the year 2022.

Priceline.com Bookings Acquisition Company Limited is the parent company of the Company and holds 100% of the shares.

Dividends

During 2022, the Company distributed dividends in the amount of EUR 3,774.1 million (2021: EUR nil) to Priceline.com Bookings Acquisition Company Limited. The dividend per share was EUR 52,405.3.

Legal reserves

Reference is made to page 73 of the notes to the Company-only financial statements for the specification of amounts disclosed.

Subsequent events

In June 2023, dividends in the amount of EUR 1,860.0 million were distributed to Priceline.com Bookings Acquisition Company Limited.

8. Long-term liabilities

	12.31.2022	12.31.2021
	EUR 000	EUR 000
Tax liability	4,869	128,915
Accrued rent	-	15,817
Other long-term liabilities	11,872	24
	16,741	144,756

No interest is charged on the long-term liabilities. There are no long-term liabilities due in more than 5 years.

9. Trade creditors

	12.31.2022	12.31.2021
	EUR 000	EUR 000
Liability related to deferred bookings	1,385,346	464,865
Trade payables	1,316,027	743,286
	2,701,373	1,208,151

Cash payments received from travelers in advance of the Group completing its performance obligations are included in "Liability related to deferred bookings" which includes the amounts owed to the travel service providers and the Group’s commission and fees. The amounts are mostly subject to refunds for cancellations. The Group expects to complete its performance obligations generally within one year from the reservation date.

10. Loans from and payables to related parties

	12.31.2022	12.31.2021
	EUR 000	EUR 000
Payables to related parties	374,359	223,247
	374,359	223,247

The loans and payables to related parties have a maturity date of less than one year after year-end.

Payables to related parties include EUR 173.5 million (2021: EUR 161.6 million) that is a payable to Booking Holdings Inc.

11. Taxation, social security contributions and pension

	12.31.2022	12.31.2021
	EUR 000	EUR 000
Wage tax and social security contributions	37,385	25,511
Pensions liability	3,122	1,394
Other	45,119	9,936
	85,626	36,841

12. Other liabilities

	12.31.2022	12.31.2021
	EUR 000	EUR 000
Accrued costs of sales (affiliate fees)	316,104	190,946
VAT payable	192,253	25,893
Accrued other expenses	170,313	202,690
Accrued bonuses employees	162,789	132,010
Digital service tax	98,021	42,921
Accrued incentives	86,486	49,331
Accrued unpaid leave	42,268	39,527
Accrued payroll expenses	22,830	8,075
Derivative financial instrument liability	10,672	6,670
Other liabilities	103,984	10,300
	1,205,720	708,363

The liabilities are expected to be paid within 1 year.

Derivative financial instrument liability represents foreign currency swaps and forwards which are used by the Group to mitigate the foreign currency risks. Further details on derivative financial instruments are provided in Note 16.

Off-balance sheet commitments

Lease commitments

The lease commitment for the Group is as follows:

	12.31.2022	12.31.2021
	EUR 000	EUR 000
Period not exceeding twelve months from December 31	77,171	67,088
Period exceeding one year but not five years from December 31	170,154	89,651
Period exceeding the period after five years from December 31	284,175	10,996
	531,500	167,735

Leases primarily relate to Real Estate leases. Significant increase in lease commitments is caused by the sale and leaseback of the Campus in 2022. The lease commitments are not discounted.

Construction commitments

In September 2016, the Group's wholly owned subsidiary Booking.com Real Estate Amsterdam B.V. signed a turnkey agreement to construct an office building for Booking.com's future headquarters in the Netherlands for EUR 270 million. Upon signing this agreement, the Group paid EUR 43 million for the acquired land-use rights. In addition, since signing the turnkey agreement the Group made several payments principally related to the construction of the building. Considering the building was sold in December 2022 there are no further obligations in terms of construction payments as of December 31, 2022.

The future construction payments in EUR (000's) are as follows:

	12.31.2022	12.31.2021
To be paid in a period not exceeding 12 months from Dec. 31	-	12,948
Total construction commitments	-	12,948

Considering the building and connected land was sold in December 2022, the Group has no further remaining obligation over term of the land lease.

Future land lease commitments in EUR (000's) are as follows:

	12.31.2022	12.31.2021
To be paid in a period not exceeding 12 months from Dec. 31	-	1,628
To be paid in a period exceeding 1 year but less than 5 years from Dec. 31	-	6,512
To be paid in a period exceeding 5 years from Dec. 31	-	62,675
Total land lease commitments	-	70,815

Indexation of the future leasehold commitments is not reflected, therefore, commitments are not discounted.

The Group has made and will continue to make additional capital expenditures to fit out and furnish the office space.

Future fit out commitments in EUR (000's) are as follows:

	12.31.2022	12.31.2021
To be paid in a period not exceeding 12 months from Dec. 31	31,461	16,471
Total fit out commitments	31,461	16,471

The future construction commitments related to the fit out were discounted using the discount rate of 2.7% per annum (2021: 2.7% per annum).

Other contractual commitments

Other contractual commitments for the Group is as follows:

	12.31.2022	12.31.2021
	EUR 000	EUR 000
Period not exceeding twelve months from December 31	62,177	18,110
Period exceeding one year but not five years from December 31	135,084	43,767
	197,261	61,877

Other contractual commitments represent significant non-cancelable contractual obligations individually greater than EUR 10.0 million. The obligations are primarily related to sponsorship and cloud hosting arrangements. Purchase obligations included here are those related to agreements to purchase goods and services that are enforceable and legally binding, that specify all significant terms, including the quantities to be purchased, price provisions and the approximate timing of the transaction.

Other contractual commitments are not discounted.

Other items (contingencies)

Competition and Consumer Protection Reviews

At times, online platforms, including online travel platforms, have been the subject of investigations or inquiries by various national competition authorities ("NCAs") or other governmental authorities regarding competition law matters, consumer protection issues or other areas of concern. The Group is and has been involved in many such investigations. For example, the Group has been and continues to be involved in investigations related to whether Booking.com's contractual parity arrangements with accommodation providers, sometimes also referred to as "most favored nation" or "MFN" provisions, are anticompetitive because they require accommodation providers to provide Booking.com with room rates, conditions or availability that are at least as favorable as those offered to other online travel companies ("OTCs") or through the accommodation provider's website. To resolve and close certain of the investigations, the Group has from time to time made commitments to the investigating authorities regarding future business practices or activities, such as agreeing to narrow the scope of its parity clauses, in order to resolve parity-related investigations. These investigations have resulted in fines and the Group could incur additional fines in the future. In addition, in September 2017, the Swiss Price Surveillance Office opened an investigation into the level of commissions of Booking.com in Switzerland and the investigation is ongoing. If there is an adverse outcome and Booking.com is unsuccessful in any appeal, Booking.com could be required to reduce its commissions in Switzerland. In October 2022, the Comisión Nacional de los Mercados y la Competencia in Spain opened an investigation into whether certain practices by Booking.com may produce adverse effects for hotels and other online travel agencies. In July 2023, the Polish Office of Competition and Consumer Protection opened an investigation into Booking.com's identification of private and professional hosts and its messaging in relation to obligations owed to consumers. If either of the investigations were to find that Booking.com practices violated the respective laws, Booking.com may face significant fines and/or be required to make other commitments. Some authorities are reviewing the online hotel booking sector more generally through market inquiries, and the Company cannot predict the outcome of such inquiries or any resulting impact on its business, results of operations, cash flows, or financial condition.

The Group is and has been involved in investigations or inquiries by NCAs or other governmental authorities involving consumer protection matters, including in the United Kingdom and the European Union. The Group has previously made certain voluntary commitments to competition authorities to resolve investigations or inquiries that have included showing prices inclusive of all mandatory taxes and charges, providing information about the effect of money earned on search result rankings on or before the search results page and making certain adjustments to how discounts and statements concerning popularity or availability are shown to consumers. In the future, it is possible new jurisdictions could engage the Group in discussions to implement changes to its business in those countries. The Group is unable to predict what, if any, effect any future similar commitments will have on its business, industry practices, or online commerce more generally. To the extent that any other investigations or inquiries result in additional commitments, fines, damages, or other remedies, the Group's business, financial condition and results of operations could be harmed.

The Group is unable to predict how any current or future investigations or litigation may be resolved or the long-term impact of any such resolution on its business. For example, competition and consumer-law-related investigations, legislation or issues could result in private litigation and the Group is currently involved in such litigation. More immediate results could include, among other things, the imposition of fines, payment of damages, commitments to change certain business practices or reputational damage, any of which could harm the Group's business, results of operations, brands, or competitive position.

Tax matters

In December 2015, the French tax authorities issued Booking.com assessments for unpaid income and value added taxes ("VAT") related to tax years 2006 through 2012 for approximately EUR 64 million, the majority of which represents penalties and interest. The assessments assert that Booking.com had a permanent establishment in France. In December 2019, the French tax authorities issued an additional assessment of EUR 70 million, including interest and penalties, for the 2013 tax year asserting that Booking.com had taxable income attributable to a permanent establishment in France. The French tax authorities also have issued assessments totaling EUR 117 million, including interest and penalties, for certain tax years between 2011 and 2018 on Booking.com's French subsidiary asserting that the subsidiary did not receive sufficient compensation for the services it rendered to Booking.com in the Netherlands. As a result of a formal demand from the French tax authorities for payment of the amounts assessed against Booking.com for the years 2006 through 2012, in January 2019, the Group paid the assessments of approximately EUR 64 million in order to preserve its right to contest those assessments in court. Although the Group believes that Booking.com has been, and continues to be, in compliance with French tax law, in December 2022 the Group entered into an agreement with the French tax authorities to settle all of the tax assessments for the periods 2006-2018 for a total amount of approximately EUR 104 million. The settlement amount is reflected in unrecognized tax benefits, of which the majority is included in "Corporate income tax)" in the Group's Consolidated Balance Sheet as of December 31, 2022.

The prepayments made by the Group, net of a portion of unrecognized benefits relating to the settlement, are reflected in "Other assets (current)" in the Group's Consolidated Balance Sheet as of December 31, 2022. In December 2022, the French tax authorities issued assessments on Booking.com's French subsidiary totaling EUR 38 million including interest, for the tax years 2019-2021 asserting that the subsidiary did not receive sufficient compensation for the services it rendered to Booking.com in the Netherlands. Pursuant to the terms of the settlement agreement with the French tax authorities, the Group requested that the 2019-2021 assessments be submitted to a Mutual Agreement Procedure ("MAP") between France and the Netherlands.

Between December 2018 and August 2021, the Italian tax authorities issued assessments on Booking.com's Italian subsidiary totaling approximately EUR 251 million for the tax years 2013 through 2018, asserting that its transfer pricing policies were inadequate. The Group believes Booking.com has been and continues to be in compliance with the Italian tax law. In September 2020, the Italian tax authorities approved the opening of a mutual agreement procedure (MAP) between Italy and the Netherlands for the 2013 tax year and the Italian tax authorities subsequently approved the inclusion of the tax years 2014 through 2018 in the MAP. Based on the Group's expectation that the Italian assessments for 2013 through 2018, and any transfer pricing assessments received for subsequent open years will be settled through the MAP process, and after considering potential resolution amounts, EUR 18 million have been reflected in unrecognized tax benefits, the majority of which are reflected in "Long-term other assets" in the Consolidated Balance Sheet at December 31, 2022.

In December 2019, the Group made a partial prepayment of EUR 10 million of the 2013 assessment to avoid any collection enforcement from the Italian tax authorities pending the appeal phase of the case. The payment, net of a partial reduction for unrecognized tax benefits, is included in "Long-term other assets" in the Consolidated Balance Sheet at December 31, 2022, and does not constitute an admission that the Group owes the taxes and will be refunded (with interest) to the Group to the extent that the Group prevails. Similarly, during the year ended December 31, 2022, the Group made deposits totaling EUR 64 million for the 2014 through 2018 assessments. The payments are included in "Long-term other assets" in the Consolidated Balance Sheet at December 31, 2022.

In June 2021, the investigative arm of the Italian tax authorities issued a Tax Audit Report recommending that a formal tax assessment of EUR 154 million, plus interest and penalties, be made on Booking.com B.V. for VAT related to commissions charged to certain Italian accommodation providers from 2013 to 2019. In connection with the Tax Audit Report, the Genoa Public Prosecutor has requested certain Booking.com tax information and related data. The Group is cooperating with regard to that request. While the Group continues to believe that

Booking.com has been compliant with applicable VAT laws, in July 2023 the Group entered into an agreement with the Italian tax authorities to settle the issues raised in the Tax Audit Report for the periods 2013 through 2022 for approximately EUR 93 million, which was paid in July 2023. As of December 31, 2022, the Group had a liability of EUR 93 million with respect to this matter, which is included in "Other liabilities (current)" in the Consolidated Balance Sheet.

In 2018 and 2019, Turkish tax authorities asserted that Booking.com had a permanent establishment in Turkey and issued tax assessments for the years 2012 through 2018 for approximately 855 million Turkish Lira (EUR 30 million), which includes interest and penalties through June 30, 2023. In the second quarter of 2023, the Group applied the recently enacted tax amnesty to the tax cases for the years 2012 through 2017. Participation in the tax amnesty program allows for reduced payments to settle and close those cases, and does not constitute an admission that the Group accepts the merits of the assertions set forth by the Turkish tax authorities. In addition, the Group paid certain tax base increase amounts for the years 2018 through 2022 in accordance with the tax amnesty law, which forestalls any tax audits of these years for the local subsidiary of Booking.com. As a result, the Group has recorded liabilities for VAT, withholding taxes, and income taxes totaling 207 million Turkish Lira (EUR 10 million) as of December 31, 2022, which are included in "Other liabilities (current)" in the Group's Consolidated Balance Sheet. The Group will continue to litigate its 2013 tax year income tax case and all of its 2018 tax year cases. As of June 30, 2023 and December 31, 2022, the Group has paid approximately 149 million Turkish Lira (EUR 5 million) and 118 million Turkish Lira (EUR 6 million), respectively, of the assessments in order to preserve its right to contest the 2018 tax year assessment. Such payment, which is included in "Other assets (current)" in the Consolidated Balance Sheet at December 31, 2022, does not constitute an admission that the Group owes the taxes and will be refunded to the Group, plus interest, to the extent the Group prevails.

The Group is also involved in other tax-related audits, investigations, or litigation relating to income taxes, value-added taxes, travel transaction taxes (e.g., hotel occupancy taxes), and other taxes. Any taxes or assessments in excess of the Group's tax provisions, including the resolution of any tax proceedings or litigation, could have a material adverse impact on the Group's results of operations, cash flows, and financial condition.

Other Matters

Beginning in 2014, Booking.com received several letters from the Netherlands Pension Fund for the Travel Industry (Reiswerk) ("BPF") claiming that Booking.com is required to participate in the mandatory pension scheme of the BPF with retroactive effect to 1999, which has a higher contribution rate than the pension scheme in which Booking.com is currently participating. BPF instituted legal proceedings against Booking.com and in 2016 the District Court of Amsterdam rejected all of BPF's claims. BPF appealed the decision to the Court of Appeal, and, in May 2019, the Court of Appeal also rejected all of BPF's claims, in each case by ruling that Booking.com does not meet the definition of a travel intermediary for purposes of the mandatory pension scheme. BPF then appealed to the Netherlands Supreme Court. In April 2021, the Supreme Court overturned the previous decision of the Court of Appeal and held that Booking.com meets the definition of a travel intermediary for the purposes of the mandatory pension scheme. The Supreme Court ruled only on the qualification of Booking.com as a travel intermediary for the purposes of the mandatory pension scheme and did not rule on the various other defenses brought forward by the Group against BPF's claims.

The Supreme Court referred the matter to another Court of Appeal that will have to assess the other defenses brought forward by the Group. The Group intends to pursue a number of defenses in the subsequent proceedings and may ultimately prevail in whole or in part. While the Group continues to believe that Booking.com is in compliance with its pension obligations and that the Court of Appeal could ultimately rule in favor of Booking.com, given the Supreme Court's decision, the Group believes it is probable that it has incurred a loss related to this matter. The Group is not able to reasonably estimate a loss or a range of loss because there are significant factual and legal questions yet to be determined in the subsequent proceedings. As a result, as of December 31, 2022, the Group has not recorded a liability in connection with a potential adverse ultimate outcome to this litigation. However, if Booking.com were to ultimately lose and all of BPF's claims were to be accepted (including with retroactive effect to 1999), the Group estimates that as of December 31, 2022, the maximum loss, not including any potential interest or penalties, would be approximately EUR 340 million. Such estimated potential loss increases as Booking.com continues not to contribute to the BPF and depends on Booking.com's applicable employee compensation after December 31, 2022.

From time to time, the Group notifies the competent data protection authority, such as the Dutch data protection authority in accordance with its obligations under the General Data Protection Regulation, of certain incidental and accidental personal data security incidents. Should, for example, the Dutch data protection authority decide these incidents were the result of inadequate technical and organizational security measures or practices, it could decide to impose a fine.

The Group has been, is currently, and expects to continue to be, subject to legal proceedings and claims in the ordinary course of business, including claims of alleged infringement of third-party intellectual property rights. Such claims, even if not meritorious, could result in the expenditure of significant financial and managerial resources, divert management's attention from the Group's business objectives and adversely affect the Group's business, results of operations, financial condition, and cash flows.

The Group accrues for certain legal contingencies where it is probable that a loss has been incurred and the amount can be reasonably estimated. Such accrued amounts are not material to the Group's balance sheets and provisions recorded have not been material to the Group's results of operations or cash flows.

Other Contractual Obligations and Contingencies

Booking.com offers partner liability insurance that provides protection to certain accommodation partners ("home partners") in instances where a reservation has been made via Booking.com. The partner liability insurance may provide those home partners (both owners and property managers) coverage up to USD 1.0 million (EUR 0.9 million) equivalent per occurrence, subject to limitations and exclusions, against third-party lawsuits, claims for bodily injury, or third-party personal property damage that occurred during a stay booked through Booking.com. Booking.com retains certain financial risks related to this insurance offering, which is underwritten by third-party insurance companies.

Financial instruments

For the notes to financial instruments, reference is made to the specific item by item note. The Group’s policy in respect of financial risks is included below.

General

The Group is exposed, through its operations, to various financial risks.

Currency risk

The functional currency of the Group is primarily the euro (EUR) and thus the Group is exposed to currency risk when it engages in non-euro transactions. The Group mitigates these risks by entering into specific hedge instruments. Any risks ensuing from currency positions are regularly analyzed and, if appropriate, hedged.

Interest rate risk

Interest rate risk exists when there is a mismatch between the interest rate conditions of interest sensitive assets and liabilities. A portion of the balance sheet is subject to interest rate risk. As the Group has not drawn on any external debt the interest rate risk is limited.

Liquidity risk and cash flow risk

Liquidity risk is defined as the risk that the Group would be unable to fulfill its payment obligations. An important objective in the investment guidelines is to require the Group to constantly maintain liquid assets to provide for the anticipated liquidity requirements. The Group does not have any external funding from financial institutions or parties outside of the Group Companies, except for funding from related parties. The agreements with related parties do not include financial covenants.

Credit risk

Credit risk on investments is defined as the risk of changes to the underlying bond issuer's creditworthiness. Changes in credit worthiness may impact the market value of its securities with the extreme risk being the default by the issuer on repayment of the principal of the bond. The investment guidelines stipulate that all investments must be rated investment grade. The counterparties for the investment transactions must possess only ratings that lie within the acceptable ranges and concentrations set by the investment guidelines. The counterparties should have been rated by at least two nationally recognized statistical ratings organizations as designated by the Securities and Exchange Commission in the United States.

The credit risk regarding the trade debtors and other receivables is mitigated by our credit control procedures.

Concentration risk

Concentration risk is defined as the risk of loss arising from a large exposure in a single counterparty, industry or geographical area. An excessive concentration can give rise to liquidity risk or market risk losses. In order to avoid excessive concentrations of risk, the Group's investment policy includes specific guidelines to focus on maintaining a diversified portfolio.

Fixed income government and corporate debt securities valued at fair value

The carrying values of securities valued at fair value are based on directly observable market prices for these securities.

Notes to the specific items of the profit and loss account

13. Revenue

	2022	2021
	EUR 000	EUR 000
Revenue from customers	13,092,605	7,526,707
Revenue from related parties	37,922	35,954
	13,130,527	7,562,661

The majority of the Group's revenue is generated through the Booking.com website in the Netherlands and is recognized in the Netherlands. There are no other material revenue streams other than accommodation revenues.

14. Selling expenses

	2022	2021
	EUR 000	EUR 000
Web marketing	1,850,075	1,079,472
Other selling expenses	96	697
	1,850,171	1,080,169

15. Other general and administrative expenses

Other general and administrative expenses of EUR 4,058.9 million (2021: EUR 2,642.7 million):

	2022	2021
	EUR 000	EUR 000
Employee benefit expenses	1,268,773	1,150,874
Sales and other expenses	1,018,536	405,907
General and administrative expenses	551,474	274,617
Brand marketing	320,498	167,014
Information technology	270,759	201,084
Related party expenses	222,319	182,299

Other marketing expenses	148,158	38,809
Bad debt expense	136,195	68,595
Lease expenses	69,376	79,167
Depreciation & amortization	47,624	63,799
Restructuring expense	5,190	10,544
	4,058,902	2,642,709

Related party expenses amounting to EUR 222.3 million (2021: EUR 182.3 million) cover supporting services based on various service agreements with related parties.

Included in other general and administrative expenses are personnel expenses, social security contributions and pension costs, which are as follows:

	2022	2021
	EUR 000	EUR 000
Salaries	906,669	735,510
Share based compensation	182,228	165,679
Social security contributions	108,601	99,140
Freelancers/temporary workers	44,702	31,724
Pension expenses	17,133	12,895
Severance	9,438	7,387
Government grants	2	98,539
Total employee benefit expenses	1,268,773	1,150,874

The pension expenses are incurred for the defined contribution pension plan in the Netherlands and in certain countries.

In June 2021, the Group announced the intention to return government assistance received through the Dutch wage subsidy program and the various government aid programs outside the Netherlands in which the Group participated as a result of the impact of the COVID-19 pandemic on the Group's business. The amount that the Group repaid to various governments is EUR 75.5 million. The government aid recorded in the consolidated profit and loss account in 2020, were reversed in 2021.

Share based compensation expenses consist of the following items:

	2022	2021
	EUR 000	EUR 000
Grant expenses related to plans not vested during the year	176,041	137,936
Vesting during the year	151,014	155,554
Capitalized shared based compensation	(3,124)	(4,618)
Cross charge of vesting expenses related to related parties	(6,445)	(1)
Grant expenses related to vesting during the year	(135,258)	(123,192)
	182,228	165,679

Additionally, other general and administrative expenses include restructuring costs that consist of the following items:

	2022	2021
	EUR 000	EUR 000
Impairment restructuring	4,665	4,002
Restructuring severance	369	6,290
Legal fees	145	428
Other restructuring costs	2	1,966
Social costs	9	(252)
Other personnel restructuring costs	-	292
Outplacement costs	-	(2,182)
Total restructuring costs	5,190	10,544

During the year ended December 31, 2022, the Group recorded expenses of EUR 5.2 million (2021: EUR 10.5 million) for the restructuring actions. These expenses are primarily cash-based and consist of employee severance and other termination benefits, and other costs. On December 31, 2022, an accrual for restructuring expenses of EUR 0.2 million (2021: EUR 2.1 million) is included in the “Provisions” line on the consolidated balance sheet.

In February 2022, the Group entered into an agreement to transfer certain customer service operations of Booking.com to Majorel Group Luxembourg S.A. ("Majorel").

Headcount

The average number of FTEs of the Group during the financial year, broken down by internal departmental split, was as follows:

	2022	2021
Sales, IT and operations	7,037	8,517
Marketing	957	912
Finance, legal and internal audit	794	683
Human resources	622	545
Management	12	15
	9,422	10,672

Out of the total FTE employed by the Group, 3,766 (2021: 5,561) employees worked outside the Netherlands. As a result of the transfer of certain customer service operations of Booking.com to Majorel Group Luxembourg, the total number of employees decreased by 9.9% from 10,282 (December 31, 2021) to 9,265 (December 31, 2022). As at December 31, 2022, of 9,265 FTE employed by the Group 6,375 were employed in the Netherlands and 2,890 outside of the Netherlands.

16. Derivative financial instruments

The Group provides accommodation reservation service throughout the world and expects the local currencies to be the base of transactions. The functional currency of the Group is euro and thus the Group is exposed to currency risk when it engages in non-euro transactions. The Group mitigates these risks by entering into specific hedge instruments. Any risks ensuing from currency positions are regularly analyzed and, if appropriate, hedged mainly via short-dated derivative financial instruments, currency forwards and swaps.

The Group's derivative instruments are valued using pricing models. Pricing models take into account the contract terms as well as multiple inputs where applicable, such as interest rate yield curves, option volatility and foreign currency exchange rates. The valuation of derivatives are considered "Level 2" fair value measurements. Group's derivative instruments are typically short-term in nature.

The Group reports the fair value of its derivative assets and liabilities on a gross basis in the consolidated balance sheet in "Other receivables" and "Other liabilities", respectively. Gains and losses resulting from changes in the fair values of derivative instruments are recognized in "Foreign exchange gains/(losses)" in the consolidated profit and loss account in the period that the changes occur. As of December 31, 2022 and 2021, the Group did not designate any derivatives as hedges for accounting purposes.

Estimated fair values of foreign currency exchange derivatives outstanding at December 31:

	2022	2021
	EUR 000	EUR 000
Estimated fair value of derivative assets	18,432	2,073
Estimated fair value of derivative liabilities	10,672	6,670

The effect of foreign currency exchange derivatives recorded in “Foreign exchange gains/(losses)” in the consolidated profit and loss account:

	2022	2021
	EUR 000	EUR 000
Gains/(losses) on foreign currency exchange derivatives	(45,109)	(16,714)

The Group does not use derivatives for trading or speculative purposes.

17. Gain on sale of building

In December 2022, the Group entered into a sale and leaseback transaction for Booking.com’s headquarters building. The building was sold for an aggregate consideration of approximately EUR 566.0 million and the Group concurrently entered into an agreement to lease the building from the purchaser for an initial term of 16.5 years, with up to five renewal options of five years each. The annual base rent under the lease is EUR 24.3 million and will increase annually based on the consumer price index, subject to a specified ceiling. The lease commenced in December 2022 and has been classified by the Group as an operating lease. The Company recognized a gain of EUR 229.8 million on the sale and leaseback transaction, which was recorded in the "Gain on sale of building" in the consolidated financial statements.

18. Tax expense

The calculation of the corporate income tax for the Group is as follows:

	2022	2021
	EUR 000	EUR 000
Result before taxes	5,352,995	2,581,700
Corporate income tax calculation		
Total corporate income tax charge at 25.8% (2021: 25.0%)	1,381,073	645,425
Corporate income tax charge recorded in the profit and loss account	978,326	634,975
Consolidated withholding tax expense	11,392	3,088
Total tax expense	989,718	638,063
Reconciliation of corporate income tax		
Corporate income tax expense recorded in the profit and loss account	978,326	634,975
Application of local nominal rates	4,818	(7,375)
Impact of permanent differences	389,497	140,205
Impact of temporary differences	6,417	(1,952)
Impact of prior year adjustment	(2,223)	(5,841)
Discrete tax items	4,238	(114,587)
	1,381,073	645,425

The effective current income tax rate of the Group for 2022 is 18.3% (2021: 24.6%). The lower effective tax rate, compared to the nominal tax rate of 25.8%, is mainly the consequence of an increase in innovation tax benefit that is reflected as part of the tax permanent differences.

The Dutch corporate income tax law provides that income generated from qualifying 'innovative' activities is taxed at the rate of 9.0% ('Innovation Box Tax') during 2022 (2021: 9.0%) rather than the Dutch statutory rate of 25.8%. Booking.com Holding B.V. obtained a ruling from the Dutch tax authorities in September 2017 confirming that a portion of its earnings ('qualifying earnings') is eligible for Innovation Box Tax treatment from 2017.

Other notes

Audit fees

The total professional fees recorded in relation to services provided by Deloitte Accountants B.V. to Booking.com Holding B.V. for the year is shown as follows:

	2022	2021
	EUR 000	EUR 000
Fees for statutory consolidated financial statements	145	100
Fees for group audit	3,959	2,604

The total professional fees recorded in relation to services provided by the foreign Deloitte firms to Booking.com Holding B.V. Group for the year is as follows:

	2022	2021
	EUR 000	EUR 000
Fees for financial statement audit of foreign subsidiaries	1,189	1,027

Management board and supervisory board

Remuneration management board

The total remuneration to the management board amounted to EUR 29.6 million (2021: EUR 18.7 million). The remuneration consists of salary, pension, bonus components, social security and the vesting of a share plan. Given the dual role of two managing directors, there are assignment agreements in place with the ultimate parent company Booking Holdings Inc. that determine the remuneration charge to the Group.

For the accounting policy on share-based compensation, please refer to the share-based compensation section in “Accounting principles for the preparation of the consolidated financial statements”.

Management board composition

The management board of the group consists of 3 men and 2 women.

Remuneration supervisory board

During 2022, the total remuneration to the supervisory board amounted to EUR 240.0 thousand (2021: EUR 240.0 thousand).

One Booking.com Holding B.V. director is not compensated for his/her role as a supervisory board member. He/she is an employee of the wider Booking.com Group and is compensated for his/her their role as such. Consequently, the remuneration (expense), which is publicly available, is borne completely by entities of the wider Booking.com Group, including the group's ultimate parent, Booking Holdings Inc.

Supervisory board composition

The supervisory board of the group consists of 2 men and 1 woman.

Company-only Financial Statements

- Company-only balance sheet as at December 31, 2022
- Company-only profit and loss account 2022
- Notes to the Company-only Financial Statements

Company-only balance sheet as at December 31, 2022

(Before proposed appropriation of the net result)

	Note	12.31.2022		12.31.2021			Note	12.31.2022		12.31.2021	
			EUR 000		EUR 000				EUR 000		EUR 000
Assets						**Equity and liabilities**					
Fixed assets						**Shareholder's equity**	3				
Financial fixed assets:						Share capital		72		72	
Subsidiaries	1		4,222,820		3,940,654	Share premium		99,641		99,641	
						Legal reserve for subsidiaries		103,406		58,349	
						Other reserves		(13,988)		(26,780)	
						Retained earnings		(6,196)		1,780,069	
						Unappropriated net results		4,273,887	4,456,822	2,032,917	3,944,268
Current assets						**Current liabilities**					
Other receivables		367		81		Trade creditors		46		79	
Receivable from group companies	2	337,995		15,251		Payable to group companies	4	55,419		67,291	
VAT		-	338,362	57,833	73,165	Taxation, social security contributions and pensions	5	1,282		1,229	
						VAT		46,276		-	
						Other liabilities	6	1,337	104,360	952	69,551
			4,561,182		4,013,819				4,561,182		4,013,819

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated August 4, 2023

Company-only profit and loss account 2022

	Note		2022		2021
			EUR 000		EUR 000
Revenue	7		25,060		39,643
Operating expenses:					
Other general and administrative expenses	8	(22,768)		(35,384)	
Total operating expenses			(22,768)		(35,384)
Operating result			2,292		4,259
Interest income		633		-	
Interest expenses		(522)		(530)	
Foreign exchange gains/(losses)		(125)		(126)	
Result of financial income and expenses			(14)		(656)
Share in results of subsidiaries	1		4,272,197		2,030,215
Result before taxes			4,274,475		2,033,818
Tax expense	9		(588)		(901)
Result of the Group			4,273,887		2,032,917

Notes to the Company-only financial statements

General

The Company-only financial statements have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code.

All amounts are expressed in thousands of euros, unless stated otherwise.

Group structure

Reference is made to page 23 of the notes to the consolidated financial statements.

Activities

The principal activity of the Company is to provide management services to certain Group Companies.

Cash flow statement

Reference is made to page 29 of the notes to the consolidated financial statements.

Related party transactions

The Company has entered into management service agreements with Booking.com B.V., Booking.com Customer Service Holding B.V., Booking.com International B.V., Booking.com IT Services B.V., Booking.com International Services B.V., BookingSuite B.V. and Booking.com Distibution B.V.

There are no loans granted to Directors of the Company.

The Company has entered into a cash pooling arrangement with a related party. Furthermore, the Company has entered into a Treasury Management Agreement with a related party relating to In-House Bank services. Under the cash pool structures the Company sweeps multi-currency operating cash balances to the main cash pool accounts held with a related party.

In accordance with the contractual agreements under the cash pool and In-House Bank arrangements, interest is charged on the daily balance.

Furthermore, following the phase out of LIBOR benchmarks effective January 1, 2022 certain interbank offer rates were switched over to the corresponding alternative reference rates.

Accounting principles for the preparation of the financial statements

General

Assets and liabilities are shown at the amounts for which they were acquired or incurred, unless stated otherwise. The financial statements are prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Valuation of assets and liabilities and determination of the result take place under the historical cost convention, unless presented otherwise.

Income and expenses are accounted for on an accrual basis. Profit is only included when realized on the balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Going concern

Reference is made to page 30 of the notes to the consolidated financial statements.

Foreign currencies

Assets and liabilities expressed in foreign currencies are converted into euros at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are converted at the rates approximating those in effect at the dates of the transactions. The resulting exchange differences are recognized in the profit and loss account.

Principles of valuation of assets and liabilities

Financial fixed assets

Financial fixed assets of the Company include investments in subsidiaries. Investments in these Group Companies are valued at net equity value, but not lower than nil. This net equity/net asset value is based on the same accounting principles as applied by Booking.com Holding B.V. If the net asset value is negative, the subsidiary is valued at nil. This likewise takes into account other long-term interests that should effectively be considered part of the net investment in the subsidiary. If the Company fully or partly guarantees the liabilities of the subsidiaries concerned, or has the effective obligation respectively to enable the subsidiaries to pay their (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the subsidiaries are taken into account.

Financial instruments

Financial instruments include receivables and payables from Group Companies, other receivables, trade creditors and other liabilities. Upon initial recognition receivables are valued at fair value and then revalued at amortized costs less a provision for doubtful debt. These provisions are determined by individual assessment of the receivables. Upon initial recognition, payables are stated at fair value and then valued at amortized costs.

Cash

All cash is at free disposal and stated at nominal value.

Pensions

The pension plan is a defined contribution plan, insured by a pension insurance company. The pension charge to be recognized for the period is equal to the pension contributions payable to the pension insurer for the period. Insofar as the payable contributions have not yet been paid as at balance sheet date, a liability is recognized. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognized to account for any repayment by the fund or settlement with contributions payable in future.

Other assets and liabilities

All other assets and liabilities which have not been mentioned above are stated at nominal value, which is stated close to their fair value.

Principles for the determination of the result

Revenue

The revenue of the Company is driven by a service contract for management services for the benefit of, and upon request of Booking.com B.V., Booking.com Customer Service Holding B.V., Booking.com International B.V., Booking.com IT Services B.V., Booking.com International Services B.V., BookingSuite B.V. and Booking.com Distribution B.V. The management services may also include executive management services, administrative support services, legal support services and other similar services.

Services are net of value added taxes. All costs are recognized on the basis of accrual accounting.

Other general and administrative expenses

These expenses mainly include payroll costs including share-based compensation expenses, and other operating costs. These expenses are recognized when incurred on the basis of accrual accounting.

Corporate income tax

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes.

The Company is part of a fiscal unity. As part of the fiscal unity, the Company is individually liable for the tax liabilities of the fiscal unity.

It was agreed with the Dutch tax authorities that Booking.com B.V., a wholly owned subsidiary, would pay the total current income tax liabilities of the fiscal unity. Therefore, the current tax liability of the fiscal unity is presented at the balance sheet of Booking.com B.V. rather than at the balance sheet of the Company. The current tax liability of the Company is included within payables to Group Companies.

Deferred tax positions as a result of temporary differences are recognized at the level of Booking.com B.V.

Share-based compensation

The Company does not apply Dutch GAAP RJ 275 as share-based compensation accounting is applied on the level of Booking Holdings Inc.

The Company recognizes share-based compensation expenses upon vesting of the granted shares and not at the grant date of these shares. The grant expenses related to the share-based compensation are recognized in Booking.com B.V. spread over the vesting period. Grant expenses are based on the share price of Booking Holdings Inc. at the date of the grant. Upon vesting, Booking.com B.V. charges the vesting expenses to the related entities based on where the employees are employed during the vesting period. This is when share based compensation expenses are recognized by the Company. Vesting expenses are based on the share price of Booking Holdings Inc. at the date of the vesting.

Notes to the specific items of the balance sheet

1. Subsidiaries

As at December 31, 2022, investments in subsidiaries directly owned by the Company comprises:

Name	Country	Percentage of Ownership
		%
Booking.com B.V.	the Netherlands	100
Booking.com International B.V.	the Netherlands	100
Booking.com Customer Service Holding B.V.	the Netherlands	100
Booking.com International Services B.V.	the Netherlands	100
Booking.com IT Services B.V.	the Netherlands	100
Booking.com Real Estate Amsterdam B.V.	the Netherlands	100
BookingSuite B.V.	the Netherlands	100
FareHarbor B.V.	the Netherlands	100
Booking.com Distribution B.V.	the Netherlands	100

A summary of the movements in the investments in subsidiaries is given below:

	2022	2021
	EUR 000	EUR 000
Balance as at January 1	3,940,654	1,897,258
Capital contributions to subsidiaries	77,000	27,000
Share in result of subsidiaries	4,272,197	2,030,215
Translation differences	12,794	13,181
Dividend distribution from subsidiaries	(4,079,825)	(27,000)
Balance as at December 31	4,222,820	3,940,654

For the subsidiaries having negative equity, the impact in 2022 amounted to EUR 89.4 million (2021: impact of EUR 89.3 million) and as at balance sheet date, the cumulative losses amounted to EUR 1.3 million (2021: EUR 90.7 million).

Subsequent events

In June 2023, the Company received dividends of EUR 1,860.0 million, 140.0 million, 24.7 million and 1.6 million, respectively, from Booking.com B.V., Booking.com Real Estate Amsterdam B.V., Booking.com International B.V. and Booking.com IT Services B.V. In June 2023, the Company also received a share premium repayment of EUR 201.0 million from Booking.com Real Estate Amsterdam B.V.

2. Receivable from Group Companies

	12.31.2022	12.31.2021
	EUR 000	EUR 000
Due from Group companies	337,995	15,251

The receivable is a trading balance related to the management services.

Based on the financial position of the counterparty, there is no provision recognized for doubtful debt. As this balance is a trading balance the amount is expected to be received within 1 year.

3. Shareholder's equity

The movement in shareholder's equity can be specified as follows:

	Share capital	Share premium	Legal reserves for subsidiaries	Other resreves	Retained earnings	Unappropriated net result	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Balance as at January 1, 2021	72	99,641	27,024	(39,961)	1,046,852	764,542	1,898,170
Interim dividend paid	-	-	-	-	-	-	-
Net change in legal reserves for subsidiaries	-	-	31,325	-	(31,325)	-	-
Net change in other reserves	-	-	-	13,181	-	-	13,181
Net result for the year	-	-	-	-	-	2,032,917	2,032,917
Transferred to retained earnings	-	-	-	-	764,542	(764,542)	-
Balance as at December 31, 2021	72	99,641	58,349	(26,780)	1,780,069	2,032,917	3,944,268
Balance as at January 1, 2022	72	99,641	58,349	(26,780)	1,780,069	2,032,917	3,944,268
Interim dividend paid	-	-			(3,774,125)		(3,774,125)
Net change in legal reserves for subsidiaries	-	-	45,057	-	(45,057)	-	-
Net change in other reserves	-	-	-	12,792	-	-	12,792
Net result for the year	-	-	-	-	-	4,273,887	4,273,887
Transferred to retained earnings	-	-	-	-	2,032,917	(2,032,917)	-
Balance as at December 31, 2022	72	99,641	103,406	(13,988)	(6,196)	4,273,887	4,456,822

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated August 4, 2023

Priceline.com Bookings Acquisition Company Limited is the Company’s parent company and holds 100% of the shares.

Share capital

The Company’s authorized share capital amounts to EUR 72.0 thousand and consists of 72,018 shares of EUR 1 each. The total number of issued ordinary shares is 72,018. The issued share capital of the Company amounts to EUR 72.0 thousand. This was paid upon the incorporation of the Company in May 2013.

Legal reserves for subsidiaries

A legal reserve has been formed in an amount of EUR 103.4 million (2021: EUR 58.3 million) which is equal to the net book value of the capitalized internally developed software of one of the Company’s subsidiaries.

Retained earnings

During 2022, the dividends received from Booking.com B.V. and other direct subsidiaries were EUR 4,079.8 million (2021: EUR nil) of which EUR 3,774.1 million (2021: EUR nil) were transferred to Priceline.com Bookings Acquisition Company Limited. The dividend per share was EUR 52,405.3.

Appropriation of the net result for the year 2021

The net result for the year 2021 has been added to retained earnings.

Proposed appropriation of the net result for the year 2022

The management proposes to add the net result for the year 2022 to retained earnings.

The above proposal has not been included in the Company’s financial statements for the year 2022 and as such the net result for the year has been presented as an unappropriated net result.

Subsequent events

In June 2023, the Company distributed dividends of EUR 1,860.0 million to Priceline.com Bookings Acquisition Company Limited.

Reconciliation of Company net result and consolidated net result

	2022	2021
	EUR 000	EUR 000
Net result according to Company only financial statements	4,273,887	2,032,917
Entities with negative equity	89,390	(89,280)
Consolidated net result	4,363,277	1,943,637

Reconciliation of Company equity and consolidated equity

	12.31.2022	12.31.2021
	EUR 000	EUR 000
Equity according to Company financial statements	4,456,822	3,944,268
Entities with negative equity	(1,299)	(90,689)
Consolidated equity	4,455,523	3,853,579

4. Payable to Group Companies

	12.31.2022	12.31.2021
	EUR 000	EUR 000
Payable to Group companies	55,419	67,291

This liability to the Group Companies is a trading balance related to the supporting services provided to the Company. As this balance is a trading balance, the amount is expected to be paid within 1 year.

5. Taxation, social security contributions and pensions

	12.31.2022	12.31.2021
	EUR 000	EUR 000
Wage tax and social security contributions	1,268	1,241
Pension	14	(12)
	1,282	1,229

6. Other liabilities

	12.31.2022	12.31.2021
	EUR 000	EUR 000
Accrual bonuses employees	960	750
Accrual unpaid leave	-	14
Accrued Dutch payroll levy	-	8
Other liabilities	377	180
	1,377	952

Financial instruments

For the notes to financial instruments, reference is made to the specific item by item note. The Company's policy in respect of financial risks is included below.

General

The Company is exposed, through its operations, to various financial risks.

Currency risk

The Company is euro (EUR) functional and thus is exposed to currency risk when it engages in non-euro activities. As the Company's revenue is driven by service contracts (in euros) to Booking.com B.V., Booking.com Customer Service Holding B.V., Booking.com International B.V., Booking.com IT Services B.V., Booking.com International Services B.V. and BookingSuite B.V., the Company has limited financial risk exposure to foreign currencies.

Interest rate risk

Interest rate risk exists when there is a mismatch between the interest rate conditions of interest sensitive assets and liabilities. A portion of the balance sheet is subject to interest rate risk. As the Company has no external debt the interest rate risk is limited.

Credit risk, liquidity and cash flow risk

Considering the revenue of the Company is driven by a service contract for management services and the fact that the Company does not have any external funding from financial institutions, the credit risk as well as the liquidity and cash flow risk are not considered significant.

Notes to the specific items of the profit and loss account

7. Revenue

	2022	2021
	EUR 000	EUR 000
Revenue	25,060	39,643

8. Other general and administrative expenses

Included in other general and administrative expenses of EUR 22.8 million (2021: EUR 35.4 million) are personnel costs, social security contributions and pension costs, which are as follows:

	2022	2021
	EUR 000	EUR 000
Share based compensation	15,194	26,961
Salaries	5,366	7,617
Holiday allowance	29	30
Pension costs	4	11
Social security contributions (inclusive of crisis wage tax levy)	1	27
Government grants	-	75
Total employee benefit expenses	20,594	34,721

Pension costs are based on a defined contribution plan. The character of the pension agreement is a defined contribution scheme where the level of the premium is a percentage of salary.

The remaining EUR 2.2 million (2021: EUR 0.7 million) of other general and administrative expenses mainly relate to audit fees and other operating expenses.

During the financial year, the Company had on average 1 FTE (2021: 3). These employees were managing the Group and worked in the Netherlands.

9. Tax expense

The Company is part of a fiscal unity. The fiscal unity is headed by Booking.com Holding B.V. However, the Company agreed with the Dutch tax authorities that Booking.com B.V. will still pay the tax liabilities for the fiscal unity for 2022.

	2022	2021
	EUR 000	EUR 000
Result before taxes	4,274,475	2,033,818
Deduct: exempted result from subsidiaries	(4,272,197)	(2,030,215)
Total	2,278	3,603
Total corporate income tax charge at 25.8% (2021: 25.0%)	588	901

The calculation of the corporate income tax for the Company is as follows:

	2022	2021
	EUR 000	EUR 000
Result before taxes	4,274,475	2,033,818
Total corporate income tax charge at 25.8% (2021: 25.0%)	1,102,815	508,455

Reconciliation of corporate income tax:

Corporate income tax expense recorded in the profit and loss account	588	901
Impact of exempted income	1,102,227	507,554
	1,102,815	508,455

The effective current income tax rate of the fiscal unity for 2022 is 18.3% (2021: 18.5%). The lower effective tax rate, compared to the nominal tax rate of 25.8%, is mainly the consequence of the innovation box facility.

The effective current income tax rate for 2022 is 0.01% (2021: 0.04%).

The Dutch corporate income tax law provides that income generated from qualifying 'innovative' activities is taxed at the rate of 9.0% ('Innovation Box Tax') during 2022 (2021: 9.0%) rather than the Dutch statutory rate of 25.8% (2021: 25.0%). The Company obtained a ruling from the Dutch tax authorities in September 2017 confirming that a portion of its earnings ('qualifying earnings') is eligible for Innovation Box Tax treatment from 2017. As part of the fiscal unity, the Company is individually liable for the tax liabilities of the fiscal unity.

Off-balance sheet commitments

An unrecognized liability for future vesting expenses exists towards Booking.com B.V. based on the service agreement (see the note on Share-based compensation on page 69).

For information about legal proceedings reference is made to page 49 of the notes to the consolidated financial statements.

In accordance with the article 2:403 of the Dutch Civil Code, the Company assumed joint and several liability for the debts resulting from legal acts of:

Booking.com B.V.

Booking.com International B.V.

Booking.com Customer Service Holding B.V.

Booking.com International Services B.V.

Booking.com IT Services B.V.

Booking.com Real Estate Amsterdam B.V.

BookingSuite B.V.

FareHarbor B.V.

Booking.com Customer Service Center (Netherlands) B.V.

Booking.com Distribution B.V.

The Company is part of a fiscal unity for corporate income tax and VAT purposes and for that reason it is jointly and severally liable for the tax liabilities of the fiscal unity as a whole.

Other notes

Audit fees

The total professional fees recorded in relation to assurance services provided by Deloitte Accountants B.V. to Booking.com Holding B.V. for the period is disclosed on page 61 of the consolidated financial statements.

Subsequent events

Reference is made to the subsequent events in the notes to the consolidated financial statements for a description of the subsequent events relevant to the Company.

Remuneration management board and supervisory board

Reference is made to the remuneration as included in the notes to the consolidated financial statements.

Booking.com Holding B.V.
Amsterdam

Signing of the financial statements

Amsterdam, August 4, 2023

Management board:

G. Fogel	S. D'Emic
Director and Chief Executive Officer	Director
M. Barros	P.A. Pisano
Director	Director
H.J. Dijk	
Director	

Supervisory board:

J. Docter

Chairman

D. Goulden

Director

J. Beek

Director

Other information

Statutory rules concerning appropriation of the result

According to Article 16 of the Articles of Association, the result of the Company is at the disposal of the annual Shareholder's Meeting.

Independent auditor's report

Reference is made to the independent auditor's report as included hereinafter.