Booking.com Holding B.V.
Amsterdam

Trade register number 57987823

Annual Report for the year ended 31 December 2024

3 July 2025

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Management board 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”, “Booking.com”, “we” or “our”) provides online accommodations, flights, rental cars, attraction reservations and other travel related 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.

Policy, course of business and previous expectations

The Group’s mission is to make it easier for everyone to experience the world. The Group aims to provide consumers with a best-in-class experience offering the travel choices they want, with tailored language, payment, and other options, seamlessly connecting them with the Group’s travel service provider partners.

Despite challenges to our global community such as the wars in Ukraine and the Middle East and the impact of inflation, the Group continued its efforts to make our brand the most trusted and convenient platform for consumers and partners, including:

- achieving record annual room nights in 2024;
- continuing to increase brand awareness in key markets such as the U.S., including through high-profile sponsorships in the U.S.;
- growing the Group’s alternative accommodations offering;
- improving the Group’s loyalty program, particularly by expanding the Genius program at Booking.com, into more travel verticals;
- further integrating generative artificial intelligence ("Gen AI") technology into our offerings to add value for consumers and partners;
- Using Gen AI to drive efficiencies in our operations;
- seeking to more effectively manage operating expenses to increase organizational agility and create more capacity for reinvestment, with plans to continue expense reduction in 2025;
- improving and expanding our flight offering at Booking.com and offering more opportunities for consumers to discover and book Connected Trips; and
- increasing adoption of our payments platform and capabilities.

Objectives and (core) activities

Booking.com’s mission is to make it easier for everyone to experience the world.

By investing in the technology that helps take the friction out of travel, Booking.com seamlessly connects millions of travelers with memorable experiences, a range of transport options and incredible places to stay. As one of the world’s largest travel marketplaces for both established brands and entrepreneurs of all sizes, Booking.com enables properties all over the world to reach a global audience and grow their businesses.

Booking.com offers accommodations reservation services for approximately 4.0 million properties in over 220 countries and territories and in over 40 languages, consisting of approximately 500,000 hotels, motels, and resorts and approximately 3.5 million homes, apartments, and other unique places to stay. Furthermore, Booking.com offers flights in over 55 markets and in-destination tours and activities in 1,700 cities, as well as rental car reservation services in over 42,000 locations and ground transportation services at approximately 1,900 airports.

Business model

The Group derives substantially all revenues from providing online travel reservation services, which facilitate online travel purchases by travelers from travel service providers. Additional revenues are generated through other services such advertising and travel-related insurance.

Travel-related revenues are classified as “merchant” or “agency”.

Merchant revenues are derived from transactions where the Group facilitates payments from travelers for the services provided, generally at the time of booking. Merchant revenues 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); credit card processing rebates and customer processing fees; and ancillary fees, including travel-related insurance revenues.

Agency revenues are derived from travel-related transactions where the Group does not facilitate payments from travelers for the services provided. Agency revenues consist almost entirely of travel reservation commissions from reservation services.

Corporate structure and staffing

Legal structure

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

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.

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.

Headcount

The average headcount of the Group for 2024 increased from an average number of full-time employees (FTEs) of 9,628 in 2023 to 10,004 in 2024. Of the total number of FTEs, 2,804 were employed outside the Netherlands (2023: 2,873).

The average number of FTEs for the Company was 1 (2023: 1). The employee works in the Netherlands.

Financial developments

Financials

The Group’s profit after taxes increased by 27.4% in 2024 to EUR 5,982.1 million (2023: EUR 4,693.9 million) due to strong growth in net turnover. Net turnover increased by 10.4% to EUR 17,326.2 million (2023: EUR 15,693.9 million). Substantially all of our revenues are generated by providing online travel reservation services, which facilitate online travel purchases by travelers from travel service providers.

Merchant revenues increased by 31.1% to EUR 9,746.4 million (2023: EUR 7,432.1 million), while agency revenues decreased by 8.6% to EUR 7,515.6 million in 2024 (2023: EUR 8,226.1 million) primarily due to the ongoing shift from agency to merchant revenues at Booking.com. Advertising and other revenues increased by 80.3% to EUR 64.2 million in 2024 (2023: EUR 35.6 million) due to growth in advertising revenues at Booking.com.

The equity ratio (equity/total assets) of the Group is 29.4% (2023: 20.7%) and current ratio (current assets/current liabilities) is 1.5 (2023: 1.3).

The equity of the Group, as at 31 December 2024, is EUR 3,403.6 million (2023: EUR 1,809.3 million). Dividends in the amount of EUR 4,394,1 million were paid to Priceline.com Bookings Acquisition Company Limited in 2024 (2023: 7,541.0 million). As in the previous year, the Group had access to undrawn credit and guarantee facilities from financial institutions.

In June 2024, a Group’s subsidiary entered into a single entity multi-currency notional cash pool arrangement with a new cash pool provider, thus significantly decreasing the cash pool exposure with the Group's related party. As a result, Group's balances of "Due from related parties” decreased to EUR 3,479.1 million (2023: EUR 4,620.5 million), and "Short-term investments" increased to EUR 3,931 million (2023: EUR 110.8 million). Reference is made to Note 4 and Note 5 of the consolidated financial statements.

Trends

Our global room nights in 2024 increased 9% year-over-year driven primarily by healthy travel demand in Europe and Asia. We saw the booking window expand in 2024 compared to 2023, which benefited year-over-year room night growth.

The cancellation rate in 2024 was in line with the prior year. Because we recognize revenues from bookings when the traveler checks in, our reported revenues are not at risk of being reversed due to cancellations. Increases in cancellation rates can negatively impact our marketing efficiency as a result of incurring performance marketing expenses at the time a booking is made even though that booking could be canceled in the future if it was booked under a flexible cancellation policy.

In 2024, our global average daily rates ("ADRs") on a constant currency basis were in line with the prior year. Our global ADRs were negatively impacted by a higher mix of room nights from Asia, which is a lower ADR region. Excluding the changes in regional mix, our global ADRs on a constant currency basis increased year-over-year by about 1%. It is difficult to predict what the trend in industry ADRs will be in the future.

We have a long-term strategy to create an ideal traveler experience, offering our customers relevant options and connections at the times and in the language they want them, making trips booked with us seamless, easy, and valuable. We refer to this as the "Connected Trip." The goal of our Connected Trip vision is to offer a differentiated and personalized online travel planning, booking, payment, and in-trip experience for each trip, enhanced by a robust loyalty program that provides value to travelers and partners across all trips. We believe these efforts will help improve traveler loyalty, frequency, and mix of direct bookings over time.

Our mobile app is an important platform for experiencing the Connected Trip since the app travels with the traveler. The mix of our room nights booked on our mobile app in 2024 was a low-fifties percentage, up from a high-forties percentage in 2023. The significant majority of room nights booked on our mobile apps are direct, and we continue to see favorable repeat direct booking behavior from consumers in our mobile apps, which allow us more opportunities to engage directly with consumers.

As part of our strategy to provide more payment options to consumers and travel service providers, increase the number and variety of our accommodations, and enable our long-term Connected Trip strategy, Booking.com increasingly processes transactions on a merchant basis, where it facilitates payments from travelers for the services provided. This allows Booking.com to process transactions for travel service providers and to increase its ability to offer secure and flexible transaction terms to consumers, such as the form and timing of payment.

The mix of Booking.com's room nights booked for alternative accommodations properties in 2024 was approximately 35%, up versus approximately 33% in 2023. We have observed a longer-term trend of an increasing mix of room nights booked for alternative accommodations properties as consumer demand for these types of properties has grown, and as we have increased the number and variety of these properties on Booking.com.

We may experience lower profit margins due to additional costs, such as increased customer service or certain partner related costs, related to offering alternative accommodations. As our alternative accommodations business has grown, these different characteristics have negatively impacted our profit margins and this trend may continue.

Over the long term, we intend to continue to invest in marketing and promotion, technology, and personnel, as well as exploring strategic alternatives such as acquisitions, within parameters consistent with efforts to improve long-term operating results. To create room for these investments, we intend to continue to look for ways to optimize our expenses.

In November 2024, we announced our intention to implement certain organizational changes, including modernizing processes and systems, initiating an expected workforce reduction, optimizing procurement, and seeking real estate savings (the "Transformation Program"). We believe it is important to make these organizational changes in order to drive further expense efficiency, create room for reinvestment in projects and initiatives that will support the growth of our business over the long run, and further improve our organizational agility.

Increased regulatory focus on large technology companies could result in increased compliance costs or otherwise adversely affect our business. For example, the European Commission designated the Company as a gatekeeper under the Digital Markets Act in 2024 and Booking.com as a "Very Large Online Platform" under the Digital Services Act in 2023. As a result of these designations, we are subject to additional rules and regulations that may not be applicable to our competitors.

Risk and risk management

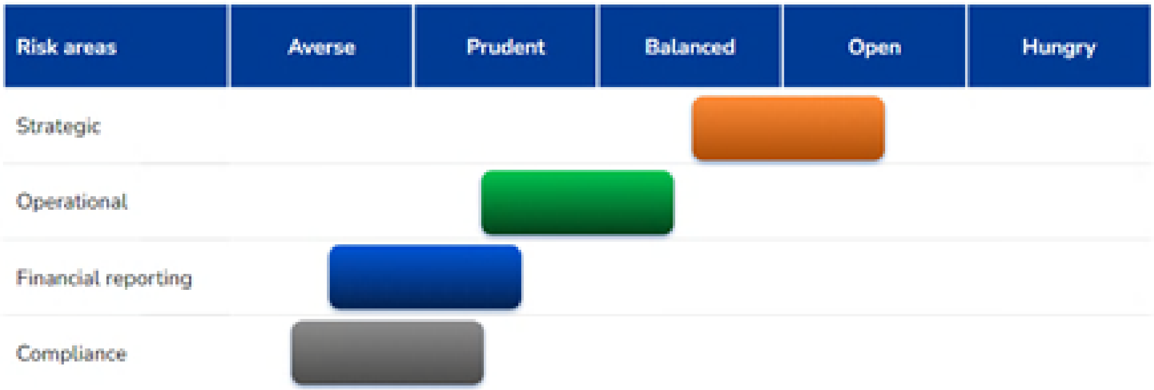
Risk management

Identifying, assessing, and managing risk is generally integrated into our overall risk management systems and processes. The Company's internal audit function assesses key risks facing the organization across functions and regions. These risks are reviewed and discussed by the Booking Holdings Inc. management-level risk committee, which is a multi-disciplinary committee including representation from senior management in the finance, internal audit, and legal functions, among others. The risk committee is tasked with ensuring risks are managed and aligning strategic objectives, with an appropriate level of risk tolerance.

The Company continues to invest in the evolution of risk management. Building on the existing risk and control mechanisms, improvements are aimed driving business ownership of risks, increasing business involvement in risk management and expanding the integrated view of risks.

Risk appetite

Management aims to balance and manage strategic and operational risk and opportunities to create and maintain sustainable value. Management is committed to operating in compliance with all applicable laws in every country where we do business and therefore takes a prudent approach to Compliance Risk. Management has a similar approach to Financial reporting risk and is committed to ensuring that our books and records are accurate and that our system of internal controls is effective and not circumvented.



Main risks and uncertainties

The Group operates in a highly competitive market where changes therein could negatively affect market share and/or financial performance.

The Group is exposed to strategic risks including:

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

  Our financial results depend upon sales of travel services, which can fluctuate based on consumer discretionary spending levels. Demand for and sales of travel services often decline during periods of perceived or actual adverse economic conditions and times of political or economic uncertainty. Economic and political uncertainty can negatively impact transaction growth rates, cancellation rates, and accommodations average daily rates.

  Other events beyond our control such as pandemics and epidemics, terrorist attacks, natural disasters, wars and regional hostilities, travel-related accidents, or increased focus on the environmental impact of travel may disrupt or limit the ability or willingness of travelers to visit certain locations, or result in declines in demand for our travel offerings. Responses to such events by governments or global organizations could restrict travel in ways that could impact our ability to conduct our business. These events and their impacts and responses to them are largely unpredictable and can adversely affect our business and consolidated income statement.

  We continuously monitor developments in the travel industry and formulate response strategies to reduce the impact of any declines or disruptions on our business and financial performance.

- Intense competition could reduce our market share and harm our financial performance.

  We compete globally with both online and traditional providers of travel and related services. The markets for the services we offer are intensely competitive and constantly evolving. Current and new competitors launch new services at a relatively low cost. The structure of the travel industry or consumer preferences could change in ways that disadvantage us and benefit competitors or new entrants. If we are unable to successfully adapt to such changes, our ability to compete, and our business and consolidated income statement, would be adversely affected.

We currently, or may in the future, compete with companies that provide a variety of products and services, including: online platforms, including accommodations and alternative accommodations search or reservation services, travel meta-search and price comparison services, and large online companies including in search, social networking, marketplace, Gen AI, and ride-sharing; travel service providers (e.g., accommodations or airlines), which may offer lower prices on their direct channel than they provide to us and companies offering AI agents powered by Gen AI.

Some of our current and potential competitors may have greater resources or stronger competitive positions in certain geographic regions than we do, benefiting from more favorable political, legal, and regulatory environments in their domiciled countries.

The accommodations market includes a diverse range of property types with significant competition from companies like Airbnb and Vrbo. Meta-search services facilitate market entry for new companies by providing a cost-effective distribution channel and may evolve into traditional Online Travel Companies ("OTC's"), while some competitors leverage super-apps and substantial marketing investments to more effectively acquire customers and establish market dominance.

For many consumers, the price of the travel service is the primary factor determining whether to book a reservation. If we are unable to effectively offer competitive prices, our market share, business, and consolidated income statement could be materially adversely affected.

To mitigate this risk, we focus on relentless innovation to grow our business by providing a best-in-class user experience with an intuitive, easy-to-use online platform that aims to exceed the expectations of online consumers. We have a long-term strategy to create an ideal traveler experience, offering our customers relevant options and connections at the times and in the language they want them, making trips booked with us seamless, easy, and valuable.

- We face risks related to the growth rate and the global expansion of our business.

We are subject to risks related to expanding our business internationally. International markets may have strong local competitors with an established brand and travel service provider making expansion in that market difficult or costly. Certain markets in which we operate have unique localized preferences and lower operating margins compared to other markets. Scaling and growing our business in such markets could require significant investment, which could have a negative impact on our profit margins.

In some markets such as China, local requirements may restrict participation by foreign businesses, making our entry into and expansion in those markets costly, difficult, or impossible. If we are unsuccessful in expanding in new and existing markets and managing that expansion, our business and results of operations could be adversely affected.

To mitigate this risk, we focus on providing a best-in-class user experience with an intuitive, easy-to-use online platform that aims to exceed the expectations of online consumers and create an ideal traveler experience.

- We are dependent on travel service providers, search platforms, and other third parties.

We rely on providers of accommodations and airline tickets to make their services available to consumers for reservation through us. A significant reduction or complete withdrawal by any major travel service provider from our services could negatively impact our business, including advertising revenue, market share, and overall operational results. Moreover, increased consolidation among travel service providers or advancements in generative AI providing more direct consumer outreach alternatives may amplify the adverse effects of such decisions by these providers.

We rely upon Google and other search and meta-search services to generate a significant portion of traffic to our platforms, principally through pay-per click marketing campaigns. Rapid changes in the pricing and operating dynamics on these platforms can negatively impact the placement of our links and increase our marketing costs, while a decline in travel search traffic affects our ability to generate traffic efficiently, thereby adversely impacting our business operations and results.

We rely on various third-party distribution channels (i.e., marketing affiliates) to distribute accommodations and airline ticket reservations. If distribution through such third parties declines, our business, market share, and results of operations could be adversely affected. Furthermore, discontinuation or unreasonably high terms from third-party insurance providers for our travel offerings could adversely impact our business and reputation.

- We face risks related to the growth of our alternative accommodations business.

Our alternative accommodations business may face risks relating to claims of liability, regulatory developments, and continued growth and profitability. Because alternative accommodations are often either a single unit or a small collection of independent units, and may have additional costs to be offered on our platform, these properties generally represent more limited booking opportunities and lower profit margins than hotels, motels, and resorts.

Alternative accommodations regulation is new and evolving, and laws, regulations, or property association rules could impose obligations on property owners and managers that limit or negatively affect their ability to rent their properties. Legal requirements applicable to alternative accommodations are evolving and can be inconsistent among individual localities, and we are unable to predict what effect they may have on our business. This dynamic regulatory environment requires us to expend significant time and resources and could negatively impact our alternative accommodations reservation business.

- We face risks relating to our marketing efforts.

We invest considerable resources in the establishment and maintenance of our brands, marketing and other brand building efforts to preserve and enhance consumer awareness of our brands, and to attract and retain customers. Performance marketing costs to grow traffic to our platforms are variable because they are dependent on others' marketing spend in the same channels. If we are unable to maintain or enhance consumer awareness and acceptance of our brands or if such efforts are not cost-effective, our business, market share, and results of operations could be materially adversely affected.

- We may not be able to keep up with rapid technological or other market changes.

We compete in markets characterized by rapidly changing technology, evolving industry standards, consolidation, frequent service developments, and changing consumer preferences. In addition, these market characteristics are heightened by the progress of technology adoption in various markets, including the continuing adoption of online commerce in certain geographies and the growth of mobile e-commerce transactions.

To keep up with these rapid changes we focus on relentless innovation. Our long-term strategy to build the Connected Trip will require increased investments that could have an adverse impact on our results of operations until we achieve the expected return on these investments. The development of the Connected Trip is subject to uncertainties, including further development of the verticals and technological capabilities (which may include developing and integrating technologies like Gen AI) necessary for the Connected Trip experience, the ability to collect, store, and use customer data in a compliant and integrated fashion, and the attraction and retention of employees dedicated to this effort. It may take longer than we expect to realize the Connected Trip vision or it may not achieve the expected return on investment.

In the future the competitive pressure to innovate could encompass a wider range of services and technologies, and our ability to keep pace may slow. Other companies, including emerging start-ups or large technology companies utilizing proprietary Gen AI or similar capabilities, may be able to innovate and focus on developing a new product or service faster than we can or may foresee consumer need for new services or technologies before we do. In addition, the widespread adoption of new technologies, such as Gen AI and machine learning, could influence how customers search for and book travel, render our existing technology obsolete, require us to modify or adapt our services or infrastructure, which could adversely affect our results of operations or financial condition.

Consumers increasingly use mobile devices and apps to make online travel bookings. The revenues earned on a mobile transaction may be less than a desktop transaction due to different purchasing patterns. To the extent mobile devices or platforms enable users to block advertising content, our advertising revenue and ability to market our brands may also be negatively affected. If we are unable to attract consumers to our mobile platforms, or app store providers like Google and Apple use their app distribution, mobile operating, or payment platforms to favor competing services to ours, we could lose market share and our business, future growth, and results of operations could be adversely affected.

As part of our strategy of relentless innovation, we are further integrating artificial intelligence technologies like Gen AI into our offerings. Furthermore, our ability to offer a variety of appropriate payment solutions is an important part of our value proposition for our partners and consumers.

- The development and use of Gen AI may result in reputational harm or legal liability and may adversely affect our business, financial condition, and results of operations.

We are seeking to incorporate Gen AI in our business, including for internal productivity purposes and in consumer- and partner-facing initiatives such as AI travel assistants, price comparison tools, and as part of enhancing the development of our Connected Trip vision. Our evolving efforts to utilize Gen AI may increase risks related to harmful content, inaccuracies, bias or discrimination, intellectual property infringement or misappropriation, data privacy, cybersecurity, or other issues. Our implementation of AI systems could result in legal liability, regulatory action, brand, reputational, or competitive harm, or subject us to new regulatory frameworks (such as the European Union Artificial Intelligence Act). Such risks are heightened if we or third-party developers or vendors lack sufficient responsible AI development or governance practices.

We are managing our AI risks by adopting a comprehensive risk management approach that leverages the National Institute of Standards and Technology (NIST) frameworks for cybersecurity and privacy. This includes regular cyber risk assessments, monitoring, tracking, and reporting of potential risks, as well as ensuring human oversight of AI-generated outputs to maintain accuracy and relevance. Additionally, the company's cybersecurity operational policies encompass all aspects of risk management, ensuring that AI tools are applied ethically and beneficially.

- We rely on the performance of highly skilled employees; and, if we are unable to retain or motivate key employees or hire, retain, and motivate well qualified employees, our business would be harmed.

Our performance relies on the talents and efforts of highly skilled individuals. Our future success depends on our continuing to attract and retain a highly skilled workforce. Our ability to attract and retain talent could be negatively impacted by factors such as the recently announced organizational changes, including an expected workforce reduction, and our hybrid work environment.

Competition for well-qualified employees, especially software engineers and other technology professionals, is intense and costly. Our success has led to increased efforts by our competitors and others to hire our employees. These difficulties may be amplified by increased ability to work remotely, evolving restrictions on immigration or availability of visas or work permits for skilled technology workers, requirements of applicable collective bargaining agreements, and laws in certain jurisdictions that make recruiting senior talent more difficult, such as the reductions in the partial tax exemption that benefits certain non-Dutch citizens working in the Netherlands. These factors combined with inflationary pressure on compensation has caused our personnel expenses to attract and retain key talent to increase, which may adversely affect our consolidated income statement . If we do not succeed in attracting and retaining well-qualified employees, our business, ability to grow and innovate, competitive position, reputation, and consolidated income statement would be adversely affected.

To continue to retain and motivate key employees and hire, retain, and motivate well qualified employees we offer competitive compensation as well as thoughtful, valuable, and even fun benefits. Furthermore, we continue to focus on our employees' engagement and mental well-being, career satisfaction, development, and succession planning.

- We face risks related to our operational and technological infrastructures.

  Our financial results depend on the successful execution of our operating plans. We previously announced our intention to implement certain organizational changes, including modernizing processes and systems, an expected workforce reduction, optimizing procurement, and seeking real estate savings (the "Transformation Program"). Through effective management of our Transformation Program we aim to achieve the estimated cost savings and realize expected benefits.

  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 controls, and financial reporting functions. Our current and planned employees and outsourced resources, systems, procedures, and controls may not be adequate to support and effectively manage growth and increased complexity, or could result in actual or perceived disruption of our service or customer support, especially as we have employees and outsourced resources in multiple geographic locations around the world and increase the number and variety of our products and payment systems.

  In addition, we are conducting a multi-year phased migration to integrate and upgrade certain systems and processes. The implementation of new information technology, payment, enterprise resource planning, or other systems is disruptive and costly and may not be successful, which could adversely affect our business and consolidated income statement . For example, during a recent upgrade of certain financial systems, some of Booking.com's partners experienced delays in receiving payment from us. Any failure to implement or adapt to new technologies in a timely manner or at all could adversely affect our ability to compete, increase our consumer acquisition costs or otherwise adversely affect our business, brand, market share, reputation, or consolidated income statement.

  To mitigate these risks, we continue to invest in educating our employees on how to operate in this increasing complex business and technological environment and update our systems, procedures and controls accordingly.

- Investments in new business strategies and acquisitions could disrupt our ongoing business and present risks not originally contemplated.

  We have invested and in the future may invest in new business strategies and acquisitions of complementary businesses. Such endeavors may not be successful. Such ventures may involve significant risks and uncertainties, including diversion of management's attention from current operations, greater than expected liabilities and expenses, increased regulatory scrutiny, inadequate return on capital, new risks with which we are not familiar, legal and compliance obligations that previously did not apply to us, integration risks, and unidentified issues not discovered in our evaluations of those strategies and acquisitions.

  To mitigate these risks, we continuously monitor the impact of new business strategies and acquisitions and formulate response strategies to deal with any adverse effects.

- We face 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.

  In response to focus by our investors and other stakeholders, we made climate-related commitments and issued a Climate Action Plan. We continue to evaluate these commitments, including those related to offering more sustainable trip options as well as ESG disclosures that may be required in certain jurisdictions.

If our ESG practices and disclosures do not meet evolving investor or other stakeholder expectations or regulatory requirements, then our reputation, ability to attract or retain employees, and our attractiveness as an investment or business partner could be negatively impacted. Similarly, our failure or perceived failure to pursue or fulfill our ESG-related objectives or to satisfy increasingly broad reporting obligations could expose us to government enforcement actions, private litigation, and actions by stockholders or stakeholders, and adversely impact our business, brands, or reputation.

Our management structure, company culture, operating model, ethics framework and robust risk management system help us maintain the highest standards. Our management board monitors progress and assesses risks in relation to our ESG.

We are actively working towards the implementation of the Corporate Sustainability Reporting Directive (CSRD). As part of these efforts, the Group has been receiving numerous requests related to CSRD from its partners and has developed a framework to handle such requests without diverting resources from its own CSRD initiatives. Additionally, Booking.com has been providing guidance on how it addresses its CSRD obligations and has been involved in related sustainability directives and reporting practices.

Following the EU ‘stop-the-clock’ directive, enactment of CSRD in Dutch law has been delayed and is not expected to take place in the short term. Under the ‘stop the clock’ directive, CSRD reporting for Booking and other non-listed large entities will be postponed to 2027.

The Group is exposed to operational risks including:

- Our processing, storage, use, and disclosure of personal data exposes us to risks of data breaches and could give rise to liabilities and/or damage our reputation.

  We depend on software and computing infrastructure (including open source software) for the operation of our business. If threat actors such as cybercriminals, hackers, or state-sponsored organizations are able to circumvent, interrupt, or adversely affect our security measures, including as a result of our own acts or omissions, it could result in a compromise or breach of consumer, partner, or employee data. 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. Consumers may provide us with their personal identity data and payment information, which in turn attracts attention from threat actors. With cyberattacks evolving and increasing in frequency and sophistication, we may not be able to successfully defend against determined adversaries. In addition, our security policies and controls may not keep pace with the innovation of our offerings and technological advances of threat actors, such as leveraging AI. We have experienced and responded to cyberattacks, which we believe have not had a material impact on the integrity of our systems or the security of data we maintain.

  Vulnerabilities in our consumer and partner account security and workflow practices could and have resulted in unauthorized access to personal and confidential data. These risks are likely to increase as we expand our offerings, integrate our products and services, incorporate AI, and store and process more data.

  We receive and store a large volume of personally identifiable data and payment information. The handling and storage of such data, as well as privacy rights of consumers, are subject to complex and evolving laws and regulations in numerous jurisdictions. While we invest significant resources to comply with regulations such as the European Union's (the "EU") General Data Protection Regulation (the "GDPR"), the California Consumer Privacy Act (the "CCPA"), the Digital Personal Data Protection Act in India, and the EU Digital Markets Act ("DMA"), they are complex, subject to uncertain interpretation, and impose significant compliance obligations and costs on us. For example, under the GDPR, violations could result in fines of up to EUR 20 million or up to 4% of the annual global revenues of the infringer, whichever is greater. These laws and their interpretations continue to develop and may be inconsistent from jurisdiction to jurisdiction.

We are dedicated to upholding our commitment to our customers, partners, and employees to manage cybersecurity, privacy, and data protection and security risk. Our approach involves various tools, processes, technologies, and controls to identify and manage such risks. Identifying, assessing, and managing cybersecurity risk is generally integrated into our overall risk management systems and processes. The Company's internal audit function, with primary oversight by the Audit Committee, assesses key risks facing the organization across functions and regions. These risks are reviewed and discussed by the Company's management-level risk committee, which is a multi-disciplinary committee including representation from senior management in the finance, internal audit, and legal functions, among others. The risk committee is tasked with ensuring risks, including those related to cybersecurity, are managed and aligning strategic objectives with an appropriate level of risk tolerance.

- Cyberattacks and system vulnerabilities could lead to sustained service outages, data loss, reduced revenue, increased costs, liability claims, or harm to our competitive position.

If our systems cannot cope with the level of demand required to service our consumers and partners, we could experience unanticipated disruptions in service, slower response times, decreased customer service and customer satisfaction, and delays in the introduction of new services. We are dependent on the internet, connectivity, and mobile systems throughout the world. Disruptions in internet access could materially adversely affect our business and consolidated income statement .

We have computer hardware for operating our services located in hosting facilities around the world. Although we have disaster recovery plans, these systems and operations are vulnerable to damage or interruption and they may not cover us in every region. If such events were to occur, we may not be able to switch to back-up systems immediately and it could result in lengthy interruptions or delays in our services.

We have experienced targeted and organized malware, phishing, and account takeover attacks, and may in the future experience these and other forms of attack such as ransomware, SQL injection (where a third party attempts to insert malicious code into our software through data entry fields in our websites in order to gain control of the system), and attempts to use our websites as a platform to launch a denial-of-service attack on another party.

We use both internally developed and third-party systems to operate our services, including transaction processing, order management, and financial and accounting systems. If the number of consumers using our services increases substantially, or if critical third-party systems stop operating as designed, we may need to repair, expand or upgrade our systems or infrastructure. If we are unable to meet the demand in a timely manner, it could have a negative impact on our business. Many of our processes and systems are highly automated and involve multiple inputs from various IT systems, which can mitigate the risk of human error but which can also make testing, troubleshooting, and auditing more difficult. As a result, it may be difficult to quickly detect and correct errors embedded in these processes or systems.

Our Cyber Risk Management Policy establishes the framework for our cybersecurity risk management and governance. Our security teams operationalize the Policy across the Company and conduct cyber risk identification, assessment, management, monitoring, tracking, and reporting. We leverage the National Institute of Standards and Technology (NIST) frameworks for cybersecurity and privacy. The NIST frameworks help us to align our security and privacy functions and provide a risk management approach across the Group. We annually measure our security and privacy program maturity against these frameworks, and engage a third party every other year to assess the current state against these frameworks. The results of these assessments are discussed with the Booking Holdings Inc. and the Cybersecurity Subcommittee of the Audit Committee.

As part of the Group's risk management strategy, we require that all employees complete regular data security and privacy trainings, and conduct phishing tests and specialized training such as secure coding training for our developers. Our security teams have established procedures for identifying, assessing, and managing, cybersecurity incidents. A cross-functional working group of security, privacy, and legal personnel review potentially significant incidents. If an incident could be deemed material, it is escalated, and we consult with outside counsel as appropriate.

- Our business relies on a global supply chain of third party services providers and we are exposed to risks because we rely on the resilience, security, and legal compliance of their products and services.

  We rely on certain third-party computer systems and third-party service providers, including global distribution systems and computerized central reservation systems of the accommodations and airline industries in connection with providing some of our services. Any damage to, breach of, or interruption in these third-party services and systems or deterioration in their performance could prevent us from booking related reservations and have a material adverse effect on our business, brand, and consolidated income statement .

  We depend upon various third parties to process payments, including credit cards, or to provide credit card numbers for payment for our merchant transactions. If any such third party were compromised or ceased or suspended operations, our cash flows could be disrupted or we may not be able to generate merchant transactions (and related revenues) for a period of time and this could have a negative effect on our business, reputation, and consolidated income statement. In certain cases, the insolvency of such a partner could result in additional payments by us and loss of the total transaction value.

  We define expected security and privacy requirements through our contracting processes with third parties and we perform third-party cyber risk assessments to monitor the cyber risk management efforts of third parties as needed.

The Group is exposed to compliance and regulatory risks including:

- We may have exposure to additional tax liabilities.

  As an international business providing services around the world, we are subject to various taxes. Although we believe that our tax filing positions are reasonable and comply with applicable law, we regularly review them and we may change our positions or determine that previous positions should be amended, either of which could result in additional tax liabilities. The final determination of tax audits or disputes may be different from what is reflected in our historical tax provisions and accruals. We have been audited in many taxing jurisdictions. If audits find that additional taxes are due, we may be subject to incremental tax liabilities, possibly including interest and penalties, which could have a material adverse effect on our results of operations, financial condition, and cash flows. An unfavorable outcome or settlement of pending litigation or audit proceedings could encourage the commencement of additional litigation, audit proceedings, or other regulatory inquiries.

  Governments have sought to increase tax revenues, which has contributed to an increase in audit activity, more aggressive positions taken by tax authorities, more time and difficulty to resolve audits or disputes, and an increase in new tax legislation. Additional taxes or other assessments may be in excess of our current tax provisions or may require us to modify our business practices in order to reduce our exposure to additional taxes going forward, any of which could have a material adverse effect on our business, consolidated income statement , and financial condition.

  Certain countries have unilaterally introduced a digital services tax to address the issue of multinational businesses carrying on business in their jurisdiction without a physical presence and therefore generally not being subject to income tax in those jurisdictions. These digital services taxes are calculated as a percentage of revenue rather than income or profits.

Additionally, there have been significant changes made and proposed to international tax laws that increase the complexity, burden, and cost of tax compliance. The Organisation for Economic Co-operation and Development ("OECD") is focused on tax reform to ensure international tax standards keep pace with changes in global business practices, which could result in tax changes. We continue to monitor the impact of the OECD's tax reform initiatives as countries implement legislation and the OECD provides additional guidance. The implementation of these rules could have a negative impact on our consolidated income statement or cash flows.

We are also subject to other non-income-based taxes, such as value-added, payroll, sales, use, excise, net worth, property, hotel occupancy, and goods and services. From time to time, we are under audit or investigation by tax authorities or involved in legal proceedings related to these non-income-based taxes or we may revise our tax positions, which may result in additional non-income-based tax liabilities.

Booking.com has a globally organized and experienced tax function, which is accountable for the definition and execution of the tax strategy and for the tax position of the company worldwide. It advises management on the tax implications of intended decisions, performs appropriate tax planning to support business goals, and ensures compliance with all local and international tax laws. Potential risks are carefully monitored and dealt with by tax specialists from relevant areas (e.g., corporate income tax, transfer pricing, indirect taxes, wage tax and tax accounting). There are extensive controls in place on processes and systems to address these risks.

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

The Netherlands corporate income tax law provides that income generated from qualifying innovative activities is taxed at the rate of 9% ("Innovation Box Tax") rather than the Dutch statutory rate of 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, Booking.com 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 intends to be engaged in over the subsequent sixmonth period are "innovative." The R&D certificate is current but should Booking.com fail to secure such a certificate in any future period - for example, because the governmental agency does not view Booking.com's new or anticipated activities as innovative, the Innovation Box Tax benefit may be reduced or eliminated.

Booking.com intends to apply for continued Innovation Box Tax treatment for future periods. However, Booking.com's application may not be accepted, or, if accepted, the amount of qualifying earnings may be reduced.

The loss or reduction of the Innovation Box Tax benefit could substantially increase our effective tax rate and adversely impact our consolidated income statement and cash flows.

Compliance with the requirements of the Innovation Box Tax treatment is monitored by the corporate income tax specialists of the company’s tax function, in collaboration with external tax advisors.

- Our business is subject to various competition, consumer protection, and online commerce laws and regulations around the world, and as the size of our business grows, scrutiny of our business by legislators and regulators in these areas may intensify.

We are subject to competition and consumer protection laws and regulations around the world. These laws and regulations evolve, and their interpretation, application, and enforcement can also change, be unpredictable, or be affected by changing political or social pressures. As we expand our business into new areas, including building the Connected Trip vision, we may become subject to additional laws and regulations. We have been the subject of investigations or inquiries by national competition authorities ("NCAs") and other governmental authorities.

In July 2024, the Comisión Nacional de los Mercados y la Competencia (the "CNMC") in Spain notified Booking.com of its decision to impose a fine and to restrict certain business practices based on the allegation that certain practices by Booking.com may produce adverse effects for hotels and other OTCs. Booking.com does not agree with the rationale stated in the decision and certain of the restrictions imposed, and has filed an appeal.

Furthermore, the Swiss Price Surveillance Office's investigation initiated in September 2017 might lead to a requirement for Booking.com to reduce its commissions in Switzerland. Although Booking.com has made commitments to resolve such investigations, the potential for legal action, fines, private litigation, and negative publicity remains, which may have unpredictable effects on its business and could encourage further regulatory inquiries.

Legislative and public focus on the technology industry has intensified as companies grow larger, with some countries implementing stricter regulations than actions taken by NCAs or other regulatory authorities. The EU's Platform to Business Regulation governs the relationship between online platforms and European business users, while the DMA and DSA provide additional tools for regulators to investigate and regulate digital businesses, imposing more rules on platforms designated as "gatekeepers" under the DMA and "Very Large Online Platforms" (VLOPs) under the DSA. Due to Booking.com's designation as a gatekeeper and a VLOP, the company faces additional rules, including prohibitions on parity arrangements and data usage requirements, which could negatively impact business operations and increase compliance costs. Booking.com has established independent compliance functions to adhere to DMA and DSA requirements, which involve additional scrutiny, obligations, and penalties for non-compliance, potentially leading to private litigation and necessitating further changes in our products and practices.

With additional attention on the size of travel or technology companies generally, our size and market share may negatively affect our ability to obtain regulatory approval of proposed acquisitions or other opportunities, our ability to expand into complementary businesses, or our latitude in dealing with travel service providers (such as by limiting our ability to provide discounts, rebates, or incentives or to exercise contractual rights), any of which could adversely affect our business, results of operations, or ability to grow and compete.

Our Legal Function closely monitors developments across the regulatory landscape to ensure Booking.com complies with all applicable laws and regulations.

- Regulatory and legal requirements and uncertainties could subject us to business constraints, increased compliance costs and complexities, or otherwise harm our business.

  Legal requirements of governments and regulatory authorities, many of which are evolving and subject to revised interpretations, impact our ability to provide our services and can result in private litigation.

  Laws in some countries relating to data localization, registration as a travel agent, and other local requirements could, if applicable to us, adversely affect our ability to conduct business in those countries. For example, in the EU and the United Kingdom (the "UK"), the Package Travel Directive and other local laws governing the sale of travel services (the "Package Directive") set out broad requirements such as local registration, certain mandatory financial guarantees, disclosure requirements, and other rules regulating the provision of single travel sales, travel packages, and linked travel arrangements, and certain liability for performance of the services. Some parts of our business are already subject to the broad scope of the Package Directive, and as our offerings continue to diversify and expand, we may become subject to additional requirements.

  The implementation of unfavorable regulations or unfavorable interpretations of existing regulations by judicial or regulatory bodies could require us to incur significant compliance costs, cause the development of the affected markets to become impractical and otherwise have a material adverse effect on our business and consolidated income statement.

  Our Legal Function closely monitors developments across the regulatory landscape to ensure Booking.com complies with all applicable laws and regulations.

- There are various risks associated with the facilitation of payments, 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, 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 fraudulent transactions on our platforms, as well as other payment disputes. Accordingly, we calculate and record an allowance for resulting chargebacks. If we are unable to successfully implement and evolve measures to detect and reduce the risk of fraud on our platforms, our business, profit margins, results of operations, and financial condition could be materially adversely affected.

  While processing transactions on a merchant basis allows for offering various payment methods and flexible transaction terms, it incurs higher payment processing costs, particularly for foreign currency transactions, as well as costs related to fraudulent payments and fraud detection. These increasing costs may materially adversely affect our consolidated income statement and profit margins as we expand our payment services to consumers and partners.

  As a greater percentage of our transactions involve us processing payments, our global systems and processes must be managed on a larger scale, which adds complexity, administrative burdens and costs, and increases the demands on our systems and controls, which could adversely affect our consolidated income statement.

  We rely on banks, card schemes, and other payment processors to execute certain components of the payments process. For inbound payments, we pay these third parties interchange fees and other processing and gateway fees to help facilitate payments from consumers to travel service providers. As a result, if we are unable to maintain our relationships with these third parties on favorable terms, if fees are increased for any reason, or if we provide security, our profit margin, business, and profit and loss account could be harmed. Additionally, if these third parties experience service disruptions or if they cease operations, consumers and travel service providers could have difficulty making or receiving payments, which could adversely impact our reputation, business, and consolidated income statement.

  We continuously monitor the effectiveness of the control measures to detect and reduce fraud risk and will implement additional control measures if required. Furthermore, we monitor business continuity measures at third parties as part of our third party cyber risk assessments.

- We face risks related to our intellectual property.

  Intellectual property is critical to our business success, and we depend on trademarks, copyrights, patents, trade secrets, and various intangible rights acquired through purchase or licensing agreements. We have applied for protection of our intellectual property in the U.S. and other jurisdictions and currently hold several issued patents across various regions. Additionally, we periodically use open source software in connection with our software development, which use could subject us to claims of ownership from other parties of what we believe to be open source software or non-compliance with open source licensing terms, or require us to disclose our proprietary source code. Further, there is uncertainty about the validity and enforceability of intellectual property rights related to our use of Gen AI.

  From time to time, in the ordinary course of our business, we may be subject to legal proceedings and claims relating to the intellectual property rights of others, and we expect that third parties will continue to assert intellectual property claims against us. Successful infringement claims against us could result in a significant monetary liability and/or prevent us from operating our business, or require us to change business practices or develop non-infringing alternatives, which could require significant effort and expense. In addition, resolution of claims may require us to obtain licenses to intellectual property rights belonging to third parties, which may be expensive to procure, or possibly require us to cease using those rights altogether. Any of these events could have an adverse effect on our business and consolidated income statement.

Our Legal Function closely monitors all legal proceedings and claims relating to intellectual property rights of others. Furthermore, we believe that our business is not materially dependent on any third party patent or license.

- Regulations and policies impacting the way corporations use cookies and other online tracking technologies could negatively impact the way we do business.

Authorities may assert, and in some cases are likely to determine, that our collection, use, or management of customer and other data is inconsistent with laws and regulations, including laws that apply to cookies or similar technology, and there may be significant penalties for non-compliance. In the EU, the ePrivacy Directive is implemented in national laws as a result of which different interpretations and requirements apply on a country by country basis. EU regulators continue to issue guidance concerning the ePrivacy Directive's requirements regarding the use of cookies and similar technologies and may impose specific measures which could impact our use of such technologies. Failure to comply with evolving privacy regulations, guidance, and interpretations could result in significant fines, government enforcement actions, private litigation, and harm to our business, consolidated income statement, or reputation.

Our Legal Function closely monitors developments across the regulatory landscape to ensure Booking.com complies with all applicable laws and regulations.

The Group is exposed to financial risks including:

- Our liquidity, credit ratings, and ongoing access to capital could be materially and negatively affected by global financial conditions and events.

Our continued access to sources of liquidity depends on multiple factors, including global economic conditions, the condition of global financial markets, the availability of sufficient amounts of financing, our operating performance, and our credit ratings. Increased volatility in the financial and securities markets in recent years has generally made access to capital less certain.

There is no guarantee that debt financing will be available in the future on commercially reasonable terms or at all, in which case we may need to seek other sources of funding. In addition, the terms of future debt agreements could include more restrictive covenants, which could restrict our business operations.

Liquidity is monitored by the Group’s Treasury department, which tracks the actual cash flow against forecasts of the liquidity requirements on both a short- and longer-term basis.

- We are exposed to fluctuations in foreign currency exchange rates.

Foreign currency exchange rate fluctuations on transactions denominated in currencies other than the functional currency (EUR) result in gains and losses that are reflected in our financial results. Furthermore, significant fluctuations in foreign currency exchange rates can affect consumer travel behavior. Consumers traveling from a country whose currency has weakened against other currencies may book lower ADR accommodations, choose to shorten or cancel their international travel plans or choose to travel domestically rather than internationally, any of which could adversely affect our gross bookings, revenues, and profit and loss account.

The Group hedges the anticipated net exposure in foreign currencies resulting from non-euro sales and purchase transactions. 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 is exposed to financial reporting risks including:

- Inaccurate or incomplete financial data due to human error, system failures, or inadequate internal controls can lead to misstatements in financial reports.

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

  We continue to monitor changes related to the ongoing implementation of the integration and upgrade of financial systems and processes to determine the impact on internal control over financial reporting. No change in our internal control over financial reporting occurred during 2024 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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

  Based on our evaluation, management concluded that our internal control over financial reporting was effective as at December 31, 2024.

Main risks/uncertainties in the past financial year

During 2024 certain risks have materialized and thus impacted the Group's financial performance.

The Comisión Nacional de los Mercados y la Competencia in Spain issued a decision to impose a fine of EUR 413 million and to restrict certain business practices based on the allegation that certain practices by Booking.com may produce adverse effects for hotels and other OTCs.

In June 2024, the Guardia di Finanza of Rome issued a tax audit report to Booking.com, proposing a tax assessment of 396 million EUR, excluding penalties and interest, for June 2017 through December 2023. The report claimed that Booking.com was required by the 2017 STR Law to withhold and remit 21% of the total transaction value for the income tax liabilities of certain short-term rental partners in Italy. Although Booking.com believes it has complied with Italian tax laws, the company settled the matter without admitting liability and paid EUR 313 million in November 2024.

In January 2024, The Hague Court of Appeal ruled that Booking.com B.V. is required to participate in the mandatory pension scheme of the Netherlands Pension Fund for the Travel Industry (Reiswerk - since 2021 part of pension fund PGB, hereafter "PGB") with retroactive effect to 1999. Booking.com B.V. filed an appeal against that judgment and this appeal was rejected by the Supreme Court in March 2025. Booking.com B.V. will now change its pension scheme retroactively and going forward in line with the outcome of the litigation and arrangement with PGB. Under this arrangement, Booking.com will align the conditions of its current pension scheme with that of PGB.

See Note 8, "Provisions", in the notes to the Consolidated Financial Statements for more information on the above.

We have experienced cybersecurity incidents and threats. We do not believe these cybersecurity incidents have had a material adverse effect on the Group, including our business strategy, results of operations, or financial condition. However, the cybersecurity threat environment is increasingly challenging, and we, along with the entire digital ecosystem, face a constant and increasing threat.

Risk management policy for financial instruments

We have exposure to several types of market risk: changes in interest rates and foreign currency exchange rates.

We manage our exposure to interest rate risk and foreign currency risk through internally established policies and procedures and, when deemed appropriate, through the use of derivative financial instruments. We use foreign currency exchange derivative contracts to manage short-term foreign currency risk.

The objective of our policies is to mitigate potential income statement, cash flow, and fair value exposures resulting from possible future adverse fluctuations in rates. We evaluate our exposure to market risk by assessing the anticipated near-term and long-term fluctuations in interest rates and foreign currency exchange rates. This evaluation includes the review of leading market indicators, discussions with financial analysts and investment bankers regarding current and future economic conditions, and the review of market projections as to expected future rates. We utilize this information to determine our own investment strategies as well as to determine if the use of derivative financial instruments is appropriate to mitigate any potential future market exposure that we may face. Our policy does not allow speculation in derivative instruments for profit or, except in certain limited situations, execution of derivative instrument contracts for which there are no underlying exposures. We do not use financial instruments for trading purposes and are not a party to any leveraged derivatives. To the extent that changes in interest rates and foreign currency exchange rates affect general economic conditions, we would also be affected by such changes.

See Note 12, “Financial instruments”, in the notes to the Consolidated Financial Statements for more information on the above.

Application and compliance with codes of conduct

Booking.com 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.com 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.

Research and development

Our business is supported by multiple systems and a platform designed with an emphasis on scalability, performance, redundancy, and security. Our systems connect us with vendors and partners. We are modernizing our technology by building new applications with modern development tools and application programming interfaces, and we increasingly rely upon public cloud infrastructure. Our applications utilize digital certificates and other security technologies to help us conduct secure communications and transactions, as appropriate.

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 are focused on projects to improve our digital infrastructure to enhance the customer/partner experience and expanding our service offering through further integrating artificial intelligence (“AI”) technology into our offerings and increasing adoption of our payments platform and capabilities.

The aggregate amount of research and development expenditure for 2024 amounts to EUR 641 million, of which development costs of EUR 56 million were capitalized in 2024. The aggregate amount of research and development expenses recognized in the income statement of 2024, including the amortization of capitalized development costs, amounts to EUR 631.7 million.

Future expectations

We focus on relentless innovation to grow our business by providing a best-in-class user experience with an intuitive, easy-to-use online platform that aims to exceed the expectations of online consumers. We have a long-term strategy to create an ideal traveler experience, offering our customers relevant options and connections at the times and in the language they want them, making trips booked with us seamless, easy, and valuable. We refer to this as the “Connected Trip”. The goal of our Connected Trip vision is to offer a differentiated and personalized online travel planning, booking, payment, and in-trip experience for each trip, enhanced by a robust loyalty program that provides value to travelers and partners across all trips. We expect these efforts to benefit our revenue growth over time, however, to the extent our non-accommodations 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.

As part of our strategy to provide more payment options to consumers and travel service providers, increase the number and variety of our accommodations, and enable our long-term Connected Trip strategy, Booking.com increasingly processes transactions on a merchant basis, where it facilitates payments from travelers for the services provided. This allows Booking.com to process transactions for travel service providers and to increase its ability to offer secure and flexible transaction terms to consumers, such as the form and timing of payment. We believe that expanding these types of service offerings will benefit consumers and travel service providers, as well as our gross bookings, room night, and earnings growth rates. However, this results in additional expenses for personnel, payment processing, chargebacks (including those related to fraud), and other expenses related to these transactions, which are recorded in “Cost of subcontracted work and other external costs” and “Wages and salaries” in our Consolidated Income Statement, as well as associated incremental revenues (e.g., payment card rebates), which are recorded in “Merchant revenue”. To the extent more of our business is generated on a merchant basis, we incur a greater level of these merchant-related expenses, which negatively impacts our operating margins despite increases in associated incremental revenues.

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 to book. Discounting and couponing (i.e., merchandising) occurs across 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 important to offer travel services 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 ADRs and lower revenues as a percentage of gross bookings.

Many taxing authorities seek to increase tax revenues and have targeted large multinational technology companies in these efforts. Many jurisdictions have implemented or are considering the adoption of a digital services tax or similar tax that imposes a tax on revenues earned from digital advertisements or the use of online platforms, even when there is no physical presence in the jurisdiction. Rates for these taxes range from 1.5% to 10% of revenues deemed generated in the jurisdiction. We record the applicable digital services taxes in " Costs of outsourced work and other external expenses" in the Consolidated Income Statement.

Over the long term, we intend to continue to invest in marketing and promotion, technology, and personnel, as well as exploring strategic alternatives such as acquisitions, within parameters consistent with efforts to improve long-term operating results. To create room for these investments, we intend to continue to look for ways to optimize our expenses.

In November 2024, we announced our intention to implement certain organizational changes, including modernizing processes and systems, initiating an expected workforce reduction, optimizing procurement, and seeking real estate savings (the "Transformation Program"). We believe it is important to make these organizational changes in order to drive further expense efficiency, create room for reinvestment in projects and initiatives that will support the growth of our business over the long run, and further improve our organizational agility. We are in the early stages of this program and we expect the majority of the run rate savings to be achieved after 2025. We expect that restructuring costs and accelerated investments related to the Transformation Program will be incurred in the next two to three years and are estimated to be, in the aggregate, approximately one times the expected annual run rate savings.

We expect to see a decrease in headcount as a result of our Transformation Program.

The Group’s operations and investments are financed through own generated cash flow. This financing structure is not expected to change going forward.

Outlook

For the forthcoming year, we expect to see continued growth in gross bookings, revenues and operating profit.

Based on the second quarter performance the Group continues to generate growth and profits in line with expectations.

Culture and behavior – soft controls

Our employees are essential to our mission to make it easier for everyone to experience the world. We strive to attract, develop, and retain highly skilled talent by fostering diverse perspectives and inclusive leadership. By bringing in innovative individuals from a wide range of backgrounds, we gain valuable insights that help us serve our global consumers and partners. We are committed to offering rich career development opportunities and competitive compensation, ensuring employees have the support and resources needed to thrive at Booking.com.

Gender diversity

On 31 December 2024, 45% of the Group’s employees were women (2023: 45%).

As per 1 January 2022, the Dutch Gender Balance Act (Wet Evenwichtige Verhouding Man/Vrouw, hereinafter the “Act”)) entered into effect. The Booking.com entities that fell in scope of this Act in 2024 were: 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., Booking.com International Services B.V. , Booking.com Distribution B.V., Booking IT Services B.V., BookingSuite B.V., Booking.com Real Estate Amsterdam B.V. and FareHarbor B.V.

Pursuant to the Act, we established a goal for 40% of our senior management positions (ELT/LT) of the aforementioned entities to be held by women by the end of 2027.

Senior Management positions

On 31 December 2024, 36% of senior management positions of the Group were filled by women (2023: 34%). Senior management positions are our Director levels and above, including Executives.

Supervisory Board

On 31 December 2024, 25% of the Group's supervisory board were women (2023: 25%). Pursuant to the Act, we have set a goal of (at least) 33% women representation on the Supervisory Board by the end of 2027.

Management Board

On December 31, 2024, 28% of the combined management board positions of the aforementioned entities consisted of women (2023: 33%).

At an entity level, the representation of women in the management board of Booking.com Holding B.V. and Booking.com B.V. was 33% in 2024 (2023: 40%).

In April 2025 H.J. Dijk resigned from the position of director from the management board of Booking.com Holding B.V. and Booking.com B.V. As of April 2025, the representation of women in the management board of both entities is 40%.

We continue to believe making further progress on gender diversity is beneficial to our business, talent attraction and retention, and in best serving the needs of our customers and partners.

Plan of Approach

We report internally to the Leadership Team on these figures quarterly. We have dedicated work streams that include but are not limited to:

- We offer fully paid **Parent Leave** for all parents—birthing and non-birthing—to support career progression regardless of gender or personal circumstances.
- **Reintegration:**We created a workstream for better Parental Reintegration support. This has included a coaching program to support new parents returning to work.
- **Compensation and Benefits:** With the help of an independent compensation consultant, we conduct annual pay equity studies. Globally, we have no statistically significant differences in pay for employees carrying out the same or similar role that are connected to gender.
- **Talent Acquisition:** We intentionally enhance our recruitment processes to be more inclusive and accessible to everyone, positioning ourselves in the market as an employer of choice.
- **Talent Management:** We analyze promotion nominations and their outcomes to help us pinpoint potential gaps within our organization. All members participating in promotion panels are required to complete conscious inclusion e-learning modules, reinforcing our commitment to fair evaluations.
- **Mentoring:** We improve access to (leadership) levels by running mentoring and sponsorship initiatives to support talent to prepare for the next step in their career.

Signatories to the financial statements

Amsterdam, July 3, 2025

Management board:	Supervisory board:
....	....
G. Fogel Director and Chief Executive Officer (current)	J. Docter Director (current)
....	....
U. Raman Director (current)	J. Beek Director (current)
....	....
M. Barros Director (current)	D. Goulden Director (current)
....	....
P.A. Pisano Director (current)	O. Coene Director (current)
....	
J. Waters Director (current)	

Financial Statements for the year ended December 31, 2024

- **Consolidated Financial Statements**
- **Company-only Financial Statements**

Consolidated Financial Statements

Consolidated balance sheet as at 31 December 2024

Balance sheet before appropriation of results

	Notes	2024	2023
		€ '000	€ '000
Non-current assets			
Intangible assets	1	161,627	153,396
Tangible fixed assets	2	152,561	133,156
Financial fixed assets	3	164,549	199,607
Total of non-current assets		478,737	486,159
Current assets			
Receivables, prepayments and accrued income	4	6,445,675	7,437,031
Short-term investments	5	3,931,345	110,832
Cash at bank	6	710,033	711,770
Total of current assets		11,087,053	8,259,633
Total of assets		11,565,790	8,745,792
Group equity	7	3,403,573	1,809,297
Provisions	8	631,390	711,791
Non-current liabilities	9	52,943	47,200
Current liabilities	10	7,477,884	6,177,504
Total of equity and liabilities		11,565,790	8,745,792

Consolidated income statement for the year ended 31 December 2024

	Notes	2024	2023
		€ '000	€ '000
Net turnover	13	17,326,209	15,693,897
Costs of outsourced work and other external expenses	14	(7,288,394)	(6,615,430)
Wages and salaries	15	(1,349,529)	(1,206,282)
Social security charges and pension costs	16	(60,152)	(381,192)
Amortization of intangible assets and depreciation of property, plant and equipment		(120,034)	(89,895)
Other operating expenses	18	(1,325,595)	(1,607,196)
Total of operating expenses		(10,143,704)	(9,899,995)
Operating result		7,182,505	5,793,902
Financial income and (expenses)	19	209,651	153,364
Total of result before tax		7,392,156	5,947,266
Income tax expense	20	(1,410,095)	(1,253,412)
Net result after tax attributable to the legal entity		5,982,061	4,693,854

	2024	2023
	€ '000	€ '000
Result after taxes	5,982,061	4,693,854
Total amount recognized directly in equity:		
Exchange rate differences foreign associated companies	4,966	(9,046)
Total comprehensive income	5,987,027	4,684,808

Notes to the Consolidated Financial Statements

General

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

Activities

The activities of the Group primarily consist of providing online accommodations, flights, rental cars, attraction reservations and other travel related 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.

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.

Except for the Group Companies as defined above, all the other subsidiaries of Booking Holdings Inc. are considered related parties. Further reference is made to the accounting policy on related party transactions.

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 31 December 2024, investments in subsidiaries owned by the Company comprised 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 (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	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	100%
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%

Legal entity	Country and City of registration	Percentage of Ownership
Booking.com (Czech Republic) s.r.o.	Prague, Czech Republic	100%
Servicios Booking.com Mexico S.A. de C.V.	Ljubljana, Slovenia	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.

The subsidiary Bo Bin Information Technology (Shanghai) Co. Ltd was liquidated in 2024.

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 and are filed at the Trade Register of the Dutch Chamber of Commerce.

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 management board, supervisory board and other key management personnel of the Company.

Accounting policies used in preparing the Consolidated Financial Statements

General

The Consolidated Financial Statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code (further the “Dutch GAAP”) and the Dutch Accounting Standards (“DAS” or “RJ”) as published by the Dutch Accounting Standards Board (“DASB” or “RJ”).

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.

Significant Accounting Estimates and Judgement

The preparation of Consolidated Financial Statements in conformity with Dutch GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Group uses judgment to determine the appropriate assumptions to be used in the determination of certain estimates and the Group evaluates estimates on an ongoing basis. Estimates are based on historical experience, terms of existing contracts, observance of trends in the travel industry, and on other assumptions that are reasonable under the circumstances. The Group’s actual results may differ from these estimates under different assumptions or conditions.

Key Sources of Estimation Uncertainty

Provisions for Legal Claims: The Group has made provisions for legal claims based on legal advice and the estimated costs likely to be incurred. However, the actual outcome of these claims may differ from these estimates. See Note 8, “Provisions”, and “Other items (contingencies)” for additional information.

Pension provision: For existing contractual or legal obligations (other than premiums to be paid) to the pension providers or commitments to employees a provision is recognized. This includes the provision that is recognized for the pension matter with the Dutch pension fund PGB. The pension provision is valued at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. This best estimate is based on the top up of the current pension scheme at pension provider BeFrank so that its conditions match those of PGB and charges for mandatory participation in collective labor agreements, in accordance with PGB’s administration and pension scheme rules. However, the actual provision may differ from this best estimate given the nature of the claim, the complexity of the facts and the methodology used to assess the claim. See Note 8, “Provisions”, for additional information.

Deferred Tax Assets and Liabilities: Deferred tax assets and liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

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 €5,982 million for the year ended 31 December 2024 which is a 27.4% increase from previous year, and has no significant long term liabilities.

The Group's operations and investments are financed through own generated cash flow. The Group's dividend distribution policy allows for distributing dividend to its parent company while making sure that the Group maintain sufficient liquidity to comply with its commitments.

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.

Changes in accounting policies

As of 2024, the Group elected to change the accounting policy for its share-based compensation and treat the recharge for the share-based payment awards as an intercompany finance arrangement. The Group formally applies the scope exemption of DAS 275.103. Under this new accounting policy, the vesting cost recharge for shares and options is recognized as an expense in the income statement when these are recharged by Booking Holdings Inc, while grant costs are no longer recognized as expense. This change in accounting policy will simplify the accounting treatment and better align it with the requirements of Dutch GAAP and preference in the available guidance. Furthermore, it will better align the accounting treatment with the accounting policies and standards used by the Group's legal parent Booking Holdings Inc. We are therefore of the opinion that this change in accounting policy will improve the insight into the financial statements. This change in accounting policy has been recognized retrospectively as per January 1, 2023, and the comparative figures have been restated. The effect on the consolidated financial statements is as follows:

	1 January 2023 before change in accounting policies	Difference	1 January 2023 after change in accounting policies	31 December 2023 before change in accounting policies	Difference	31 December 2023 after change in accounting policies
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Equity (included in retained earnings)	4,455,523	209,966	4,665,489	1,530,885	278,412	1,809,297
Payable to related parties	374,359	(209,966)	164,393	561,682	(278,412)	283,270

	1 January 2024 before change in accounting policies	Difference	1 January 2024 after change in accounting policies	31 December 2024 before change in accounting policies	Difference	31 December 2024 after change in accounting policies
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Equity (included in retained earnings)	1,530,885	278,412	1,809,297	3,061,381	342,192	3,403,573
Payable to related parties	561,682	(278,412)	283,270	628,933	(342,192)	286,741

	2023 before change in accounting policies € '000	Difference € '000	2023 after change in accounting policies € '000	2024 before change in accounting policies € '000	Difference € '000	2024 after change in accounting policies € '000
Wages, salaries and social security charges	(1,217,525)	11,243	(1,206,282)	(1,313,247)	(36,282)	(1,349,529)
Other operating expenses	(1,666,099)	58,903	(1,607,196)	(1,426,234)	100,639	(1,325,595)
Financial income and expense	155,064	(1,700)	153,364	209,651	-	209,651
Total result after tax	4,625,408	68,446	4,693,854	5,917,704	64,357	5,982,061

The accounting policy change is expected to have a significant quantitative impact on one or more subsequent financial years due to the expected growth in the share-based compensation costs.

Financial instruments

Financial instruments are both primary financial instruments (such as receivables and debts) and derivative financial instruments (derivatives).

The notes to the specific items of the balance sheet disclose the fair value of the related instrument if this deviates from the carrying amount. If the financial instrument is not recorded in the balance sheet, the information on the fair value is disclosed in the notes to the ‘Non-recognized assets and liabilities and contingent assets and liabilities’.

Primary Financial instruments

For the principles of primary financial instruments, reference is made to the recognition per balance sheet item of the ‘Principles for the valuation of assets and liabilities’.

Derivative financial instruments (derivatives)

Derivatives are initially recognized in the balance sheet at fair value and are subsequently valued at fair value. 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. The Group's derivative instruments are typically short-term in nature.

Hedge accounting

The Group does not apply hedge accounting.

Translation of foreign currencies

The Consolidated Financial Statements are prepared and presented in EUR, which is also the functional currency of the Company and the Group’s presentation currency. All amounts are expressed in thousands of EUR, unless stated otherwise.

For Group Companies with the EUR 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 EUR at the rate of the exchange existing at the balance sheet date. The resulting exchange differences are recognized in the Consolidated income statement.

The functional currency of foreign Group Companies is generally the respective local currency. For foreign Group Companies, assets and liabilities are translated into EUR 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 EUR, the presentation currency, are directly recognized in the Group's shareholder's equity and presented within "Translation differences reserve" in the Consolidated balance sheet.

If business operations in a foreign country with a different functional currency than that of the Group are disposed of, the cumulative translation differences are recognized in the income statement account as part of the result from the disposal of the business operations abroad.

Intangible assets

Intangible fixed assets consist of internally developed software, purchased 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:

- Internally developed software: 3 years
- Purchased software: 3 years
- Goodwill: 5 years
- Domain names: 20 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.

For the development costs of internally developed software a legal reserve is formed in an amount equivalent to the capitalized amount.

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 from the date an asset comes into use:

- 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 leasehold improvements are presented as tangible fixed assets under construction. Tangible fixed assets under construction are valued at manufacturing price and, if applicable, impairments are deducted.

Tangible fixed assets are capitalized if the economic ownership held by the Company, and its group companies, is governed by a finance lease agreement. The commitment arising from the finance lease agreement is accounted for as a liability. The interest included in the future lease instalments is charged to the result over the term of the finance lease agreement.

Leasing – finance leases

A lease is classified as finance lease if the risks and rewards incidental to ownership are borne wholly or almost wholly by the Group as lessee. At the commencement date of the finance lease term, the lease object and the related liability are recognized at amounts equal to the fair value of the leased object or, if lower, at the present value of the minimum lease payments.

The liabilities under the lease, excluding the interest payments, are included under long-term liabilities.

The interest component is included in the income statement account for the duration of the contract on the basis of a fixed interest percentage of the average remaining redemption component. The assets are depreciated over the remaining economic life or, if shorter, the duration of the contract.

Leasing – operating leases

Leases that do not classify as finance lease are classified as operating lease. Operating lease are lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of nor incurred by the Group. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the income statement for the duration of the contract.

Financial fixed assets

Receivables recognized under financial fixed assets are initially valued at the fair value less transaction cost (if material). These receivables are subsequently valued at amortized cost less impairments.

Trade and other current receivables

Upon initial recognition, trade and other current receivables are valued at fair value and subsequently valued at amortized costs less a provision for doubtful debt. These provisions are determined by individual assessment of the receivables.

Short-term investments

Short-term investments include money market funds and time deposits and are valued at either fair value (money market funds) or amortized cost (time deposits). For money market funds, the fair value is derived from listed market prices. Fair value gains and losses as well as the effective interest are recognized in the income statement account. Impairment losses are recognized in the income statement account.

Cash

All cash is at free disposal 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.

Pension

The Group has various pension plans. The Dutch plans are financed through contributions to pension providers, i.e., insurance companies. The foreign pension plans can be compared to how the Dutch pension system has been designed and functions. The pension obligations of both the Dutch and the foreign plans are valued according to the “obligation to pension fund approach”. This approach accounts for the contribution payable to the pension provider as an expense in the income statement account.

Based on the administration agreement it is assessed whether and, if so, which obligations exist in addition to the payment of the annual contribution due to the pension provider as at balance sheet date. These additional obligations, including any obligations from recovery plans of the pension provider, lead to expenses for the Group and are included in a provision on the balance sheet. This includes the provision that is recognized for the pension matter with the Dutch pension fund PGB.

The valuation of the obligation is the best estimate of the amounts required to settle this as at balance sheet date. Where the effect of the time value of money is material, the obligation is valued at the present value. Discounting is based on a pre-tax interest rate that reflects the current market rate.

Additions to and release of the obligations are recognized in the profit and loss account.

Other provisions

Where the effect of the time value of money is material, the other provisions are valued at the present value of the expenditures expected to be required to settle the obligations and losses. The discount rate at which the present value is determined is a pre-tax discount rate that reflects current market interest rates and the risks specific to the liability. Where the effect of the time value of money is not material, the other provisions are valued at face value. Unless stated otherwise, the other provisions are valued at the present value.

Provisions for legal cases

Provisions for legal cases (other than income tax-related contingencies) arise from actual or possible claims and assessments and pending or threatened litigation that may be brought against the Group by individuals, governments or other entities.

Based on the Group's assessment of such loss contingencies at each balance sheet date, a loss is recorded in the financial statements if it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated.

Provision for cost of operational lease cessation

A provision has been recognized for costs associated with the cessation of operational leases. It is presented as asset retirement obligation under provisions in the balance sheet of the Group.

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, to the extent that they have already been enacted by law. 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.

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.

Net turnover

Net turnover 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 net turnover. Net turnover for online (travel) reservation services is recognized at a point in time when the Group has completed its post-booking services and the travelers begin using the arranged travel services. Sales are net of value added taxes.

The Group’s net turnover is primarily derived from travel-related transactions. This includes 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.

Cash payments received from travelers in advance of the Group completing its performance obligations are included as liability related to deferred bookings in the Group's balance sheet and is comprised principally of amounts estimated to be payable to travel service providers as well as the Group's estimated future revenue for its commission or margin 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.

While the Group generally refers to a consumer that books travel reservation services on the Group's platform 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. Therefore, the Group's revenues are presented on a net basis in the Consolidated profit and loss account. These contracts include payment terms (14 days per Booking.com'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.

Revenues for online travel reservation services are classified into two categories, merchant and agency revenues.

Merchant revenues are derived from travel-related transactions where the Group facilitates payments from travelers for the services provided, generally at the time of booking. Merchant revenues are derived from transactions where travelers book accommodations and other travel related services. Merchant revenues include travel reservation commissions and transaction net revenues (i.e., the amount charged to travelers less the amount owed to travel service providers) in connection with the Company's merchant reservations services; credit card processing rebates and customer processing fees; and ancillary fees, including travel-related insurance revenues.

Agency revenues are derived from the Company's commissions on travel-related transactions where the Company does not facilitate payments from travelers for the services provided.

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.

Advertising and other revenues primarily relate to advertising placements on the Group's platform. Revenue for advertising placements is recognized based upon when a consumer clicks on an advertisement or when the platform displays an advertisement.

Other operating income

In other operating income results are recognized which are not directly attributable to the supply of services as part of the normal, non-incidental operations. Other operating income include cost recharges to related parties and incidental gains on the sale of assets.

Cost of subcontracted work and other external costs

Costs of Subcontracted work and other external costs relate to third-party services and expenses directly attributable to sales and are recognized when incurred on the basis of accrual accounting.

Wages, salaries and social security charges

Wages, salaries and social security charges consist of compensation to the Company's personnel, including salaries, bonuses and stock-based compensation and social security charges. These expenses are recognized when incurred on the basis of accrual accounting.

Other operating expenses

General and administrative expenses consist primarily of fees for certain outside professionals, occupancy and office expenses, certain travel transaction taxes, and personnel-related expenses such as travel, relocation, recruiting, and training 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.

Restructuring costs

The Group records employee severance and other termination costs that meet the requirements for recognition in accordance with DAS 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 as share-based compensation accounting is applied on the level of Booking Holdings Inc.

The Group recognizes the vesting cost recharge for shares and options as an expense in the statement of profit and loss when these are recharged by Booking Holdings Inc. Vesting expenses are based on the share or option price of Booking Holdings Inc. at the date of the vesting. Grant costs are not recognized as 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.

Notes to the consolidated balance sheet as at 31 December 2024

1. Intangible assets

Movements in intangible assets were as follows:

2024	Internally developed software	Other intangible assets	Domain names	Goodwill	Total
	€ '000	€ '000	€ '000	€ '000	€ '000
Balance at 1 January 2024					
Cost brought forward	201,239	17,369	35,632	5,074	259,314
Depreciation brought forward	(56,706)	(9,890)	(34,248)	(5,074)	(105,918)
Carrying amount at 1 January 2024	144,533	7,479	1,384	-	153,396
Transfers	(3,230)	3,230	-	-	-
Investments	55,463	537	-	-	56,000
Divestments	(470)	216	-	-	(254)
Amortization	(44,178)	(2,455)	(882)	-	(47,515)
Carrying amount at 31 December 2024	152,118	9,007	502	-	161,627
Balance at 31 December 2024:					
Cost	252,417	21,139	35,632	-	309,188
Accumulated amortization and impairments	(100,299)	(12,132)	(35,130)	-	(147,561)
Carrying amount at 31 December 2024	152,118	9,007	502	-	161,627

In 2022, the Group 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”). This is the main driver of the investments in internally developed software for 2024.

The aggregate amount of research and development expenditure for 2024 amounts to EUR 641 million, of which development costs of EUR 56 million were capitalized in 2024. The aggregate amount of research and development expenses recognized in the income statement of 2024, including the amortization of capitalized development costs amounts to EUR 631.7 million.

2. Tangible fixed assets

Movements in tangible fixed assets were as follows:

2024	Hardware	Furniture and other equipment	Assets under construction for operating activities	Other tangible assets	Total
	€ '000	€ '000	€ '000	€ '000	€ '000
Balance at 1 January 2024:					
Cost brought forward	240,965	93,416	260	21	334,662
Depreciation brought forward	(147,856)	(53,629)	-	(21)	(201,506)
Carrying amount at 1 January 2024	93,109	39,787	260	-	133,156
Investments	82,746	3,326	6,465	-	92,537
Transfers	(356)	9,006	(8,650)	-	-
Divestments	(53,394)	(22,235)	3,627	(20)	(72,022)
Depreciation	(63,879)	(8,347)	-	-	(72,226)
Depreciation on divestments	52,290	18,806	-	20	71,116
Carrying amount at 31 December 2024	110,516	40,343	1,702	-	152,561
Balance at 31 December 2024:					
Cost	269,958	83,515	1,702	1	355,176
Accumulated depreciation and impairments	(159,442)	(43,172)	-	(1)	(202,615)
Carrying amount at 31 December 2024	110,516	40,343	1,702	-	152,561

Hardware includes finance lease assets with a book value of EUR 19.7 million (2023: EUR 37.4 million) at year end 2024 for which the Group is not the legal owner.

Tangible fixed assets include the asset retirement obligation and tenant improvement fee in a total amount of EUR 0.8 million (2023: EUR 3.3 million).

3. Financial fixed assets

The movements in the financial fixed assets are as follows:

2024	Tax assessments	Prepayments	Deferred tax asset	Other assets	Total
	€ '000	€ '000	€ '000	€ '000	€ '000
Carrying amount at 1 January 2024	142,496	36,700	16,882	3,529	199,607
Additions	3	41,980	8,243	428	50,654
Netting	-	-	(4,710)	-	(4,710)
Reclassifications	(38,651)	(35,923)	(3,767)	-	(78,341)
Releases	-	-	(608)	(1,162)	(1,770)
Revaluation	(891)	-	-	-	(891)
Carrying amount at 31 December 2024	102,957	42,757	16,040	2,795	164,549

Reclassifications reflect transfers from a non-current to current assets, which are in turn disclosed within ‘Receivables, prepayments and accrued income’ in Note 4.

Tax assessments

Tax assessment include EUR 103.0 million (2023: EUR 142.5 million) prepayments related to ongoing tax audits in Italy, France and Turkey.

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 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 33 million have been reflected in net unrecognized tax benefits, the majority of which is recorded to "Financial fixed assets" in the Consolidated Balance Sheets at December 31, 2024 and 2023. This unrecognized tax benefit is partially offset by a deferred income tax benefit of EUR 15 million. As of December 31, 2024, the Group made prepayments of EUR 74 million to the Italian tax authorities to forestall collection enforcement pending the appeal phase of the case. The payments do 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. The payments are included in "Financial fixed assets" in the Consolidated Balance Sheets at December 31, 2024 and 2023.

4. Receivables, prepayments and accrued income

	2024	2023
	€ '000	€ '000
Loans to and receivables from related parties	3,677,208	4,803,924
Other current assets	1,898,625	1,749,060
Trade debtors	869,842	881,114
Deferred tax assets	-	2,933
Total	6,445,675	7,437,031

Loans to and receivables from related parties

	2024	2023
	€ '000	€ '000
Due from related parties	3,479,181	4,620,475
Loan to related parties	198,027	183,449
Total	3,677,208	4,803,924

Due from 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 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 3,440.9 million (2023: EUR 4,595.4 million).

In June 2024, a subsidiary of the Company entered into a single entity multi-currency notional cash pool arrangement with a new cash pool provider, thus significantly decreasing the cash pool exposure with the Company's related party. Applicable intercompany positions were repaid by the related party in June and July 2024. As a result, Group's balances of "Due from related parties" decreased to EUR 3,479.1 million (2023: EUR 4,620.5 million), and "Short-term investments" increased to EUR 3,931 million (2023: EUR 110.8 million).

In accordance with the contractual agreements 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.

In 2024, the reference rate for USD depository balances is the US Dollar Secured Overnight Financing Rate ("USD SOFR") -5 basis point per annum, and the reference rate for the USD borrowing balances is USD SOFR +55 basis point per annum.

In 2024, the reference rate for EUR depository balances is European Central Bank Deposit Rate (“ECB Deposit Facility”) -5 basis point per annum, and the reference rate for EUR borrowing balances is European Central Bank Deposit Rate (“ECB Deposit Facility”) +58 basis point per annum.

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

Loans to related parties

Short-term loans to related parties consist of a loan provided by Booking.com USA Inc. to Booking Holdings Treasury Company in the amount of EUR 198.0 million (2023: EUR 178.3 million). The interest rate applied is based on the applicable short-term US federal rate.

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

Other current assets

	2024	2023
	€ '000	€ '000
Amounts to be invoiced	1,301,186	1,157,106
Prepayments	369,167	423,744
VAT receivable	135,063	108,640
Receivables related to income tax	3,767	-
Other receivables	89,442	59,570
Total	1,898,625	1,749,060

Prepayments represent prepayments to payment service providers and current prepaid expenses for insurance, IT, marketing and other services.

The other receivables include EUR 50.1 million of short-term derivative financial instruments (foreign currency swaps and forwards) which are used by the Group to mitigate the foreign currency risks (2023: 23.2 million). Further details on derivative financial instruments are provided in note 12.

Trade debtors

	2024	2023
	€ '000	€ '000
Payment service providers	614,543	627,842
Accounts receivable	234,543	235,303
Other receivable	20,756	17,969
Total	869,842	881,114

Other receivables predominantly consist of EUR 20.7 million (2023: EUR 17.9 million) receivables related to customer complaints.

5. Short-term investments

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

	2024
	€ '000
Carrying amount at 1 January 2024	110,832
Purchases	22,257,198
Sales, redemptions, maturities	(18,424,711)
Realized gains/(losses)	(11,974)
Carrying amount at 31 December 2024	3,931,345

Short-term investments are composed of:

2024	Cost value	Unrealized gain	Unrealized loss	Market value
	€ '000	€ '000	€ '000	€ '000
Money market funds and time deposits	3,931,345	-	-	3,931,345

The Group's investment policy seeks to preserve capital and maintain sufficient liquidity to meet operational and other needs of the business. As at 31 December 2024, 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 4.3% for the MMF. The weighted credit quality for time deposits is B(ST)/BB+(LT); for money market funds credit quality was AAAmmf(chn).

Interest income on investments held is disclosed in Note 19, as “Interest income and (expense)”.

6. Cash at bank

	2024	2023
	€ '000	€ '000
Cash at bank	710,033	711,770
Total	710,033	711,770

The Group has an uncommitted short-term revolving credit facility of EUR 25.0 million (2023: EUR 25.0 million) with Deutsche Bank AG. This facility was undrawn as at 31 December 2024 (2023: nil).

The Group also has uncommitted guarantee facility agreements with Deutsche Bank AG, Citibank Europe Plc and HSBC France for an aggregated amount of EUR 111.1 million (2023: EUR 107.0 million) principally utilized to support third-party provision of trade and payment guarantees.

The Group has 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 January 2024, the facility with Deutsche Bank AG to support regulatory obligations was increased to EUR 750.0 million for the period to and including February 29, 2024. The facility further increased to EUR 1,000.0 million for the period on and from March 1, 2024 to and including August 31, 2024. The facility was reduced to EUR 600.0 million from September 1, 2024.

The Group entered into a bilateral Letter of Instruction with Banco Santander S.A. that resulted in the issuance on November 1, 2024, of a Bank Guarantee for EUR 223.3 million to the Stichting Pensioenfonds PGB.

Subsequent events

In January 2025, the Group entered into a new uncommitted Bank Guarantee Facility with BNP Paribas SA to support regulatory obligations for an aggregated amount EUR 800.0 million.

In April 2025, the Group entered into a bilateral letter of Instruction with BNP Paribas S.A resulting in an opened ended Bank Guarantee being issued to Spanish National Markets and Competition Commission.

7. Group equity

For the movement in equity, reference is made to the movement schedule for shareholder's equity in Note 3 of the company-only financial statements.

8. Provisions

The movement in the provision can be specified as follows:

2024	Provision for legal cases	Pension provision	Deferred tax liability	Other provisions	Total
	€ '000	€ '000	€ '000	€ '000	€ '000
Carrying amount at 1 January 2024	443,781	252,821	6,620	8,569	711,791
Additions	321,477	43,138	3,705	-	368,320
Withdrawals	(314,085)	(4,781)	(4,846)	(624)	(324,336)
Netting with deferred tax asset	-	-	(4,710)	-	(4,710)
Releases	-	(119,675)	-	-	(119,675)
Carrying amount at 31 December 2024	451,173	171,503	769	7,945	631,390

The pension provision might reasonably require settlement within a year from the balance sheet date and therefore has a predominantly short-term character. The provision for legal cases, the deferred tax liability and other provisions have predominantly long-term character. The other provisions mainly relate to a provision for removal of leasehold improvements after the leases have ended.

Provision for legal cases

The provision for legal cases mainly relates to a fine of EUR 413 million imposed by the Comisión Nacional de los Mercados y la Competencia in Spain (the "CNMC"). The CNMC further decided to restrict certain of Booking.com's business practices such as those relating to parity provisions and the ranking criteria that Booking.com can use to determine how to rank hotels in its display to customers. The Group does not agree with the rationale stated in the decision and the restrictions imposed and has filed an appeal. In February 2025, the Spanish National Court ruled that the CNMC decision, including payment of the fine, is suspended pending the outcome of the appeal. The CNMC and certain third parties have sought to clarify the scope of the court's ruling, including its suspensory effect. In connection with the suspension of the fine payment, Booking.com entered into a bank guarantee arrangement in April 2025. Although the Group disagrees with the rationale stated in the decision, the Group accrued a loss of EUR 413 million during the year ended 31 December 2023, which is reflected in "Other operating expenses" in the Consolidated profit and loss account 2023. The related liability did not change in 2024 and is included in "Provisions" in the Consolidated balance sheet as of 31 December 2024 (2023: EUR 413 million).

Furthermore, in June 2024 the Guardia di Finanza ("GdF") of Rome issued a tax audit report to Booking.com, proposing a tax assessment to the Italian Tax Authorities ("ITA") of 396 million EUR ($410 million), excluding penalties and interest, for June 2017 through December 2023. The GdF alleged that a 2017 law (the "STR Law") obliged Booking.com to withhold and remit 21% of the total transaction value for the income tax liabilities of certain short-term rental partners in Italy for the period under audit. While the Group believes that Booking.com has been and continues to be in compliance with Italian tax laws, in November 2024, the Group entered into a settlement agreement with the ITA without admitting liability and paid EUR 313 million to resolve the matter. The settlement is reflected in the “Other operating expenses” in the Consolidated profit and loss account 2024. The liability for the period of 2017 to 2023 has been fully settled at year end 2024 (2023: EUR 21 million).

Pension provision

Beginning in 2014, Booking.com B.V. received several letters from the Netherlands Pension Fund for the Travel Industry (Reiswerk - since 2021 part of pension fund PGB, hereafter "PGB") claiming that it was required to participate in the mandatory pension scheme of PGB with retroactive effect to 1999, which has a higher contribution rate than the pension scheme in which it is currently participating. PGB instituted legal proceedings against Booking.com B.V. and this litigation has been going on for many years, with multiple judgments from courts. In January 2024, The Hague Court of Appeal ruled that Booking.com B.V. is required to participate in the mandatory pension scheme of the PGB with retroactive effect to 1999. Booking.com B.V. filed an appeal against that judgment and this appeal was rejected by the Supreme Court in March 2025.

Booking.com B.V. will now change its pension scheme retroactively and going forward in line with the outcome of the litigation and arrangement with PGB. Under this arrangement, Booking.com will align the conditions of its current pension scheme with that of PGB. The provision of EUR 252.8 million that was recognized at year end 2023 was partly released in 2024, resulting in a provision of EUR 171.5 million at year end 2024. The release of the pension provision is recorded under the social charges and pension costs in the consolidated income statement.

The alignment of the current pension plan with that of PGB for the employees of Booking.com B.V. for the years 1999 to 2023 is based on the compensation of the difference between the 3% contribution up to the value of 14%, considering the Travel Industry offset and cap. For 2024 the provision is based on the compensation of the difference between the 3% contribution and the 9% employer contribution up to the Industry cap that is applied by PGB.

An amount of EUR 127 million of the pension provision is expected to be settled within one year.

9. Non-current liabilities

The movement in the long-term liabilities can be specified as follows:

2024	Finance lease liabilities	Other long term liabilities	Tax liabilities	Total
	€ '000	€ '000	€ '000	€ '000
Carrying amount at 1 January 2024	18,113	24,262	4,825	47,200
New financing	-	27,905	1,399	29,304
Repayment	(13,486)	(10,075)	-	(23,561)
Carrying amount at 31 December 2024	4,627	42,092	6,224	52,943

Finance lease obligations

The finance lease obligations for the Group are as follows:

	2024	
	Present value	Nominal value
	€ '000	€ '000
Period not exceeding 12 months from December 31	13,355	13,756
Period exceeding 1 year but not 5 years from December 31	4,627	4,689
Less: future interest	-	(463)
Total	17,982	17,982

	2023	
	Present value	Nominal value
	€ '000	€ '000
Period not exceeding 12 months from December 31	18,530	19,462
Period exceeding 1 year but not 5 years from December 31	18,113	18,510
Less: future interest	-	(1,329)
Total	36,643	36,643

The Group leases data center equipment, whereby it retains substantially all the risks and rewards of ownership of these assets. These assets are recognized on the balance sheet upon commencement of the lease contract at the lower of the fair value of the asset or the discounted value of the minimum lease payments. The lease instalments to be paid are divided into a repayment and an interest portion, using the annuity method.

The main terms and conditions included in the finance lease agreements are:

- Contract end dates in 2026;
- Contracts can be extended through a variation agreement. The agreements do not contain any right to renewal or auto-renewal clauses.

The agreements do not include a purchase option after end date.

The average interest rate is 3.54% (2023: 2.99%). The amount recognized in the income statement as conditional lease payments amounts to EUR nil.

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

10. Current liabilities

	2024	2023
	€ '000	€ '000
Liability related to deferred bookings	2,727,150	2,019,087
Trade payables	2,207,172	1,752,220
Payables relating to income tax	618,140	735,419
Payables to related parties	430,718	283,270
Wage tax and social security contributions	44,643	46,669
Current finance lease liabilities	13,355	18,530
Pension liability	1,667	1,885
Other liabilities	1,435,039	1,320,424
Total	7,477,884	6,177,504

Liability related to deferred bookings

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.

Payables to related parties

Payables to related parties have a maturity date of less than one year after year-end. These payables mainly consist of payables to sister companies Agoda, Rental Cars.com and Booking.com Ltd for commission fees and cost recharges.

Other liabilities

	2024	2023
	€ '000	€ '000
Accrued online marketing	418,897	334,500
Accrued other expenses	257,786	268,071
Accrued bonuses employees	194,145	206,047
Digital service tax	121,372	113,646
VAT payable	72,531	62,217
Accrued holiday entitlements and overtime	56,731	51,582
Accrued incentives	59,255	104,821
Derivative financial instrument liability	54,127	35,532
Accrued payroll expenses	17,481	37,210
Other liabilities	182,714	106,798
Total	1,435,039	1,320,424

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. See Note 12, “Derivative financial instruments”, in the notes to the Consolidated Financial Statements for more information on derivative financial instruments.

11. Off-balance sheet commitments

Lease commitments

The lease commitment for the Group is as follows:

	2024	2023
	€ '000	€ '000
Period not exceeding 12 months from December 31	49,090	53,536
Period exceeding 1 year but not 5 years from December 31	129,245	146,703
Period exceeding the period after 5 years from December 31	231,829	256,835
Total	410,164	457,074

Lease commitments mainly relate to real estate and datacenter operating leases. The decrease in lease commitments is mainly caused by payments on the real estate lease agreements. The lease commitments are not discounted.

The main terms and conditions included in the operating lease agreements are:

- Contract end dates for real estate leases vary from 2030 to 2039;
- Contract end dates for datacenter operating leases vary from 2026 to 2029;
- Contract extension options with one or two years.

Construction commitments

Future construction commitments are as follows:

	2024	2023
	€ '000	€ '000
To be paid in a period not exceeding 12 months from December 31	-	16,446

The future construction commitments are not discounted.

Other contractual commitments

The other contractual commitments for the Group are as follows:

	2024	2023
	€ '000	€ '000
Period not exceeding twelve months from December 31	171,363	123,531
Period exceeding one year but not five years from December 31	781,391	132,124
	952,754	255,655

Other contractual commitments represent significant non-cancelable contractual obligations individually greater than EUR 10.0 million. The obligations are primarily related to 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.

Contingent liability share-based compensation

Employees and non-employee directors of the Group participate in the share-based compensation plan of Booking Holdings Inc. Share-based compensation issued under the plan generally consists of restricted stock units, performance share units, and stock options. The Group recognizes the vesting cost recharge for shares and options as an expense in the statement of profit and loss when these are recharged by Booking Holdings Inc. The vesting period for shares and options is one to three years. The Group has a contingent liability for the shares and options which have been granted, but which have not yet vested at year end. The fair value of the shares granted which have not yet vested at year end 2024 amounts to EUR 927.9 million (2023: EUR 649.1 million).

Other items (contingencies)

Competition and Consumer Protection Reviews

Online travel platforms have been the subject of investigations or inquiries by national competition authorities ("NCAs") or other governmental authorities regarding competition law matters, consumer protection issues, and other areas. The Group is and has been involved in many such investigations. For example, the Group is involved in investigations related to whether Booking.com's contractual parity arrangements with accommodations providers are anticompetitive because they require partners to provide Booking.com with rates, conditions, and availability at least as favorable as those offered to other online travel companies (“OTCs”) or by the partner itself. To resolve certain of the parity-related investigations, the Group has from time to time made commitments regarding future business practices or activities, such as agreeing to narrow the scope of its parity clauses. Some of these investigations have resulted in fines and the Group could incur additional fines and/or be restricted in certain of its business practices in the future.

In September 2017, the Swiss Price Surveillance Office (the "Swiss PSO") opened an investigation into the level of commissions of Booking.com in Switzerland. In May 2025 the Swiss PSO ordered Booking.com to reduce the average commission rates for hotels located in Switzerland by approximately 25%. Booking.com does not agree with the rationale underlying this negative decision and the restrictions to be imposed, and has filed an appeal.

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, and the investigation is ongoing.

In 2024, the Italian Competition Authority (the "AGCM") investigated certain Booking.com business practices relating to hotels and other online travel agencies. Booking.com resolved the investigation by making certain commitments to the AGCM regarding its future business practices. If any of the investigations were to find that Booking.com practices violated the respective laws, or as part of a negotiated resolution, the Group may face significant fines, restrictions on its business practices, and/or be required to make other commitments.

The Group is and has been involved in investigations or inquiries by NCAs or other governmental authorities involving consumer protection matters. The Group has previously made certain voluntary commitments to 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, adjusting how discounts and statements concerning popularity or availability are shown, and displaying additional customer service details. It is possible new jurisdictions could negotiate with the Group to implement changes to its business. The Group is unable to predict what, if any, effect any future such commitments will have on its business. To the extent that 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 have in the past resulted in and could in the future result in private litigation. The Group is currently involved in such litigation and/or aware of such potential 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

The Group is also involved in other tax-related audits, investigations, and litigation relating to income taxes, value-added taxes, travel transaction taxes (e.g., hotel occupancy taxes), withholding 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. In some cases, assessments may be significantly in excess of the Group's tax provisions, particularly in instances where the Group does not agree with the tax authority's assessment of how the tax laws may apply to the Group's business.

Other Matters

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 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 may impose a fine or require other commitments.

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 could result in the expenditure of significant financial and managerial resources, divert management's attention, and adversely affect the Group's business, reputation, results of operations, and cash flows.

The Group accrues for certain other 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

The Group had standby letters of credit and bank guarantees issued on behalf of the Group as of December 31, 2024 and subsequently in 2025. Further reference is made to Note 6.

Booking.com offers partner liability insurance that provides protection to certain accommodations 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 EUR 1.0 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.

12. 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, namely “Due from related parties” seeing as it consists of In-House Bank and Cashpool receivables. 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 arises primarily from trade debtors, investments, and cash. The carrying amount of the assets in the financial statements represents the maximum exposure to credit risk.

The credit risk regarding the trade debtors is mitigated by the Group’s 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.

Derivative financial instruments

The Group provides accommodations reservation service throughout the world and expects the local currencies to be the basis of transactions. The functional currency of the Group is 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 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 at 31 December 2024 and 2023, the Group did not designate any derivatives as hedges for accounting purposes.

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

	2024	2023
	€ '000	€ '000
Estimated fair value of derivative assets	50,078	23,233
Estimated fair value of derivative liabilities	54,127	35,532

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

	2024	2023
	€ '000	€ '000
Gains/(losses) on foreign currency exchange derivatives	(28,405)	(57,553)

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

Notes to the consolidated income statement for the year ended 31 December 2024

13. Net turnover

	2024	2023
	€ '000	€ '000
Merchant revenue	9,746,370	7,432,124
Agency revenue	7,515,599	8,226,134
Advertising and other revenues	64,240	35,639
Total	17,326,209	15,693,897

The majority of the Group's revenue is generated through the Booking.com website in the Netherlands and is recognized in the Netherlands.

Net turnover includes EUR 161.4 million (2023: EUR 192.8 million) of related party revenues.

14. Cost of outsourced work and other external costs

	2024	2023
	€ '000	€ '000
Marketing expenses	5,025,113	4,564,443
Sales and other expenses	1,849,674	1,684,830
Information technology expenses	413,607	366,157
Total	7,288,394	6,615,430

Total cost of subcontracted work and other external costs includes EUR 163.8 million (2023: EUR 56.9 million) of related party expenses.

Marketing expenses include EUR 4,460.3 million (2023: EUR 4,060.7 million) of performance marketing expenses, EUR 400.1 million (2023: EUR 466.3 million) of brand marketing expenses and EUR 164.6 million (2023: EUR 37.4 million) of related party advertising expenses.

Sales and other expenses include EUR 962.4 million (2023: EUR 810.1 million) of credit card processing fees, EUR 452.4 million (2023: EUR 456.5 million) of subcontracted customer service fees, EUR 201.4 million (2023: EUR 200.0 million) of Digital Service Tax expenses and other expenses of EUR 233.4 million (2023: EUR 218.2 million).

15. Wages and salaries

	2024	2023
	€ '000	€ '000
Salaries	1,033,758	990,926
Share-based compensation	306,386	210,211
Severance	9,385	5,145
Total	1,349,529	1,206,282

16. Social security charges and pension costs

	2024	2023
	€ '000	€ '000
Social security contributions	136,334	131,003
Pension expenses	(76,182)	250,189
Total	60,152	381,192

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

The group's current pension plan for its Dutch employees is administered by an insurance company. This plan is a defined contribution plan. The accrual of the intended pension entitlements is always fully funded in the related calendar year through contribution payments. The capital available for the purchase of a pension equals the investment value as at pension date. The return on the contribution payments has not been guaranteed.

The annual contribution payments are 3% of the pensionable salary, which is capped at the fiscal salary maximum of EUR 137,800. Based on the administrative regulations the group has no other obligations than the annual contribution payments, besides insured risk premiums for disability and death in service.

Further reference is made to Note 8, "Provisions" for additional information related to the Netherlands pension fund matter.

17. Headcount

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

	2024	2023
Sales, IT and operations	7,035	7,000
Finance, legal and internal audit	1,519	908
Marketing	805	1,055
Human resources	630	656
Management	15	9
Total	10,004	9,628

Out of the average number of FTEs employed by the Group, 2,804 (2023: 2,873) employees worked outside the Netherlands.

18. Other operating expenses

	2024	2023
	€ '000	€ '000
Other taxes	277,262	99,999
Advertising and other expenses	245,815	402,431
Bad debt	245,292	187,173
General and administrative	202,587	129,119
Penalties and interest	88,976	438,403
Professional fees	88,536	98,108
Occupancy	67,327	93,218
Personnel related expenses	48,225	74,648
Travel and entertainment	27,295	30,898
Office expenses	26,040	40,544
Telecom	6,843	7,763
Corporate social responsibility	1,397	4,892
Total	1,325,595	1,607,196

Other taxes in 2024 primarily include the additions to the provision for legal cases for the settlement of the income tax liabilities of certain short-term rental partners in Italy. Reference is made to Note 8, “Provisions”.

Penalties and interest in 2023 include EUR 413 million related to penalty charged by the Comisión Nacional de los Mercados y la Competencia in Spain. See also Note 8, “Provisions”.

Total other operating expenses includes EUR 444.6 million (2023: EUR 539.3 million) of related party expenses.

19. Financial income and (expenses)

	2024	**2023**
	€ '000	€ '000
Interest income on investments	241,038	16,040
Interest income on related party receivables	207,288	313,104
Interest expense on overdrafts	(138,313)	(1,697)
Interest expense on related party payables	(19,291)	(53,409)
Foreign exchange gains/(losses)	(81,071)	(120,674)
Total	209,651	153,364

Interest income on investments includes EUR 226.1 million (2023: EUR 0) generated through investments in Money Market Funds, and EUR 14.9 million (2023: EUR 16.0 million) through investments in time deposits.

Interest income on related party receivables is generated on deposits held in related parties’ Cashpool and IHB.

Interest expense is incurred by using the third party Cashpool provider's overdraft facility.

Interest expense on related party payables is incurred by using related parties’ Cashpool and IHB overdrafts.

20. Tax expense

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

	2024	2023
	€ '000	€ '000
Corporate income tax charge recorded in the profit and loss account	(1,400,294)	(1,241,624)
Consolidated withholding tax expense	(9,801)	(11,788)
Total tax expense	(1,410,095)	(1,253,412)

The reconciliation between the effective and applicable tax rates in the Consolidated Financial Statements is as follows:

	2024	2023
	€ '000	€ '000
Corporate income tax expense recorded in the profit and loss account	1,400,294	1,241,624
Application of local nominal rates	5,292	5,488
Impact of permanent differences	498,600	300,208
Impact of temporary differences	(6,122)	(1,769)
Impact of prior year adjustment	9,550	(21,139)
Other differences	(438)	(7,676)
Total corporate income tax charge at 25.8% (2023: 25.8%)	1,907,176	1,516,736

The effective current income tax rate of the Group for 2024 is 18.9% (2023: 21.1%). The lower effective tax rate, compared to the nominal tax rate of 25.8%, is mainly the consequence of the innovation box 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 2024 (2023: 9.0%) rather than the Dutch statutory rate of 25.8% (2023: 25.8%). 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. This ruling was renewed in September 2021.

Pillar 2

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in The Netherlands, the jurisdiction in which the main subsidiaries of the Group are incorporated, and came into effect from 1 January 2024. The group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Under the legislation, the Group is liable to pay a top-up tax for the difference between the GloBE effective tax rate for each jurisdiction and the 15% minimum rate. Except for three jurisdictions, the Group operates in jurisdictions that have effective tax rates that exceed 15%.

The application of the Pillar Two legislation has led to the recognition of an additional tax provision of EUR 0.4 million for 2024 and therefore does not have a material impact on the Group's effective tax rate. In addition, based on the current assessment there is no material impact from exposure to Pillar Two legislation on the going concern assessment or on any asset impairment.

21. Audit fees

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

	2024		
	Deloitte Accountants B.V.	Foreign Deloitte firms	Total
	€ '000	€ '000	€ '000
Fees for Statutory Consolidated Financial Statements	172	-	172
Fees for group audit	4,517	-	4,517
Fees for financial statement audit of foreign subsidiaries	150	1,341	1,491
Other non-audit services	1,796	-	1,796
Total	6,635	1,341	7,976

	2023		
	Deloitte Accountants B.V.	Foreign Deloitte firms	Total
	€ '000	€ '000	€ '000
Fees for Statutory Consolidated Financial Statements	160	-	160
Fees for group audit	5,424	-	5,424
Fees for financial statement audit of foreign subsidiaries	-	1,323	1,323
Total	5,584	1,323	6,907

22. Management board and supervisory board

Remuneration management board

The total remuneration to the management board amounted to EUR 76.5 million (2023: EUR 45.2 million). The remuneration consists of salary, pension, bonus components, social security and share-based compensation. 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.

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

Management board remuneration is aligned to the change in accounting policy for share-based compensation and includes the vesting cost recharges in 2024 for shares and options awarded to the management board. To reflect the change in accounting policy in the comparative figures, the 2023 board remuneration has been restated. For a detailed explanation of the change in accounting policy, reference is made to the Accounting policies used in preparing the Consolidated Financial Statements. The effect of the change in accounting policy for share-based compensation on the management board remuneration is as follows:

	2023 before change in accounting policy	Difference	2023 after change in accounting policy	2024 before change in accounting policy	Difference	2024 after change in accounting policy
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Management board remuneration	57,789	(12,615)	45,174	72,703	3,784	76,487

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

Up to March 2024 the management board of the Group consisted of 3 men and 2 women. In March 2024 S. D’Emic resigned from the position of director and was replaced by U. Raman and J. Waters. As of March 2024, the management board of the Group consists of 4 men and 2 women.

Subsequent events

In April 2025 H.J. Dijk resigned from the position of director. As of April 2025, the management board of the Group consists of 3 men and 2 women.

Remuneration supervisory board

During 2024, the total remuneration to the supervisory board amounted to EUR 374.2 thousand (2023: EUR 262.5 thousand).

One Booking.com Holding B.V. director was not compensated for their role as a supervisory board member. They were an employee of the wider Booking.com Group and were compensated for their role as such. Consequently, the remuneration (expense), which is publicly available, was 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 3 men and 1 woman.

Company-only Financial Statements

Company-only balance sheet as at 31 December 2024

Balance sheet before appropriation of results

	Notes	2024	2023
		€ '000	€ '000
Assets			
Non-current assets			
Financial fixed assets	1	3,334,372	1,509,394
Total of non-current assets		3,334,372	1,509,394
Current assets			
Receivables	2	244,270	317,818
Total of current assets		244,270	317,818
Total of assets		3,578,642	1,827,212

	Notes	2024	2023
Equity	3		
Share capital		72	72
Share premium		99,641	99,641
Legal reserves		153,056	144,533
Foreign currency translation reserve		(18,068)	(23,034)
Retained earnings		(2,813,189)	(3,104,470)
Unappropriated net results		5,982,061	4,693,939
Total of equity		3,403,573	1,810,681
Current liabilities	4	175,069	16,531
Total of equity and liabilities		3,578,642	1,827,212

Company-only income statement 2024

	2024	2023
	€ '000	€ '000
Share in results of subsidiaries	5,974,135	4,685,885
Other income and expense after taxation	7,926	8,054
Result after tax	5,982,061	4,693,939

Notes to the company-only financial statements

General accounting principles for the preparation of the financial statements

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

For the general principles for the preparation of the financial statements, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated financial statements, if not presented otherwise hereinafter.

Pursuant to Article 2:402 of Book 2 of the Dutch Civil Code, the Company has elected to use the exemption from full disclosure and has presented a condensed profit and loss account, showing only the Share in results of subsidiaries, Other income and expense after taxation, and Result after tax.

Related party transactions

The Company has entered into management service agreements with a number of subsidiaries.

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.

Financial 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.

Revenues from related parties

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.

Corporate income tax

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 Accounting Standard 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 options. 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 or option price of Booking Holdings Inc. at the date of the vesting.

Notes to the company-only balance sheet as at 31 December 2024

1. Financial assets

As at 31 December 2024, investments in subsidiaries directly owned by the Company comprised of:

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:

	2024	2023
	€ '000	€ '000
Balance as at January 1	1,509,763	4,222,451
Change in accounting policy	-	209,966
Balance as at January 1	1,509,763	4,432,417
Share in result of subsidiaries	5,974,135	4,686,254
Capital contributions to subsidiaries	17,000	-
Repayment of share premium	-	(201,000)
Translation differences	4,966	(9,046)
Dividend distribution from subsidiaries	(4,171,492)	(7,399,231)
Balance as at December 31	3,334,372	1,509,394

Subsequent events

In February 2025, March 2025, April 2025, May 2025 and June 2025, the Company received dividends of EUR 1.120.0 million, EUR 465.0 million, EUR 130.0 million, EUR 429.0 million and EUR 486.0 million, respectively, from Booking.com B.V.

In April 2025, the Company received a dividend of EUR 140.0 million from Booking.com International B.V.

2. Receivables

	2024	2023
	€ '000	€ '000
Loans to and receivables from related parties	120,847	217,627
VAT receivable	123,335	100,105
Other receivables	88	86
Total	244,270	317,818

Receivables from related parties is a trading balance that consists of the management services and dividends from subsidiaries.

Based on the financial position of counterparties, 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:

2023	Ordinary shares	Share premium	Legal reserve for subsidiaries	Translation differences reserve	Retained earnings	Unappropriated net result	Total Equity
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Balance at 1 January 2023	72	99,641	103,406	(13,988)	(6,196)	4,273,887	4,456,822
Change in accounting policies	-	-	-	-	209,966	-	209,966
As at 1 January 2023	72	99,641	103,406	(13,988)	203,770	4,273,887	4,666,788
Net change in legal reserves	-	-	41,127	-	(41,127)	-	-
Net change in translation differences reserve	-	-	-	(9,046)	-	-	(9,046)
Transfer to retained earnings	-	-	-	-	4,273,887	(4,273,887)	-
Interim dividend paid	-	-	-	-	(7,541,000)	-	(7,541,000)
Result after taxes for the year 2023	-	-	-	-	-	4,693,939	4,693,939
Balance at 31 December 2023	72	99,641	144,533	(23,034)	(3,104,470)	4,693,939	1,810,681

2024	Ordinary shares	Share premium	Legal reserve for subsidiaries	Translation differences reserve	Retained earnings	Unappropriated net result	Total Equity
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Balance at 1 January 2024	72	99,641	144,533	(23,034)	(3,104,470)	4,693,939	1,810,681
As at 1 January 2024	72	99,641	144,533	(23,034)	(3,104,470)	4,693,939	1,810,681
Net change in legal reserves	-	-	8,523	-	(8,523)	-	-
Net change in translation differences reserve	-	-	-	4,966	-	-	4,966
Transfer to retained earnings	-	-	-	-	4,693,939	(4,693,939)	-
Interim dividend paid	-	-	-	-	(4,394,135)	-	(4,394,135)
Result after taxes for the year 2024	-	-	-	-	-	5,982,061	5,982,061
Balance at 31 December 2024	72	99,641	153,056	(18,068)	(2,813,189)	5,982,061	3,403,573
Equity movements categories total	72	99,641	153,056	(18,068)	(2,813,189)	5,982,061	3,403,573

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 153.1 million (2023: EUR 144.5 million) which is equal to the net book value of the capitalized internally developed software of the Company's subsidiaries.

Retained earnings

During 2024, the dividends received from Booking.com B.V. and other direct subsidiaries were EUR 4,171.5 million (2023: EUR 7,399.2 million), and EUR 4,394.1 million (2023: EUR 7,541.0 million) were transferred to Priceline.com Bookings Acquisition Company Limited. The dividend per share was EUR 61,014 (2023: EUR 104,710).

Appropriation of the net result for the prior year

The net result for the year 2023 has been added to retained earnings.

Proposed appropriation of the net result for the current year

The management proposes to add the net result for the year 2024 to retained earnings.

The above proposal has not been included in the Company's financial statements for the year 2024 and as such the net result for the year has been presented as an unappropriated net result.

Subsequent events

In 2025, the Company distributed dividends of EUR 2,770.0 million to Priceline.com Bookings Acquisition Company Limited.

Reconciliation of Company net result and consolidated net result

	2024	2023
	€ '000	€ '000
Net result according to Company only financial statements	5,982,061	4,693,939
Entities with negative equity	-	(85)
Consolidated net result	5,982,061	4,693,854

Reconciliation of Company equity and consolidated equity

	2024	2023
	€ '000	€ '000
Equity according to Company financial statements	3,403,573	1,810,681
Entities with negative equity	-	(1,384)
Consolidated equity	3,403,573	1,809,297

4. Current liabilities

	2024	2023
	€ '000	€ '000
Payables to related parties	169,195	11,747
Wage tax and social security contributions	5,579	3,618
Other liabilities	222	1,143
Trade payables	53	6
Pension liability	20	17
Total	175,069	16,531

Payables to related parties 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.

Other current liabilities

	2024	2023
	€ '000	€ '000
Accrued other expenses	199	258
Accrued payroll expenses	6	-
Accrued holiday entitlements and overtime	17	-
Accrued bonuses employees	-	885
Total	222	1,143

5. 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 64).

For information about legal proceedings reference is made to page 50 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.

Notes to the company-only income statement for the year ended 31 December 2024

6. Average number of employees

During the financial year, the Company had on average 1 FTE (2023: 1). This employee was managing the Group and worked in the Netherlands.

7. Tax expense

The Company is part of a fiscal unity. The fiscal unity is headed by Booking.com Holding B.V. Corporate income tax is charged to the other companies that form part of the fiscal unity for corporate income tax purposes, as if they were independently liable to pay tax. 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 2024.

8. 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 58 of the Consolidated Financial Statements.

9. 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.

10. Remuneration management board and supervisory board

Reference is made to the remuneration as included in the notes to the Consolidated Financial Statements.

Signatories to the financial statements

Amsterdam, July 3, 2025

Management board:	Supervisory board:
....	....
G. Fogel Director and Chief Executive Officer (current)	J. Docter Director (current)
....	....
U. Raman Director (current)	J. Beek Director (current)
....	....
M. Barros Director (current)	D. Goulden Director (current)
....	....
P.A. Pisano Director (current)	O. Coene Director (current)
....	
J. Waters Director (current)	

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.