

Annual Report and Financial Statements

Momondo A/S

For the year ended 31 December 2022

Momondo A/S

Farvergade 10, 1,
DK-1463,
Copenhagen K
CVR No. 20181397

Annual report 2022

The Annual General Meeting adopted the
annual report on 14.06.2023

Daniel Stephen Hafner

Chairman of the General Meeting

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Entity details

Entity

Momondo A/S

Farvergade 10, 1, DK-1463,

Copenhagen K

Business Registration No.: 20181397

Registered office: Farvergade

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Tore Pein Jensen

Daniel Stephen Hafner

Peer d'Artagnan Büller

Susana Alves D'Emic

Executive Board

Tore Pein Jensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Momondo A/S for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 14.06.2023

Executive Board

Tore Pein Jensen

Board of Directors

Tore Pein Jensen

Daniel Stephen Hafner

Peer d'Artagnan Büller

Susana Alves D'Emic

Independent auditor's report

To the shareholders of Momondo A/S

Opinion

We have audited the financial statements of Momondo A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 14.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Christian Sanderhage

State Authorised Public Accountant
Identification No (MNE) mne23347

Management commentary

Financial highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/(loss)	85,042	65,271	100,491	349,600	261,714
Operating profit/(loss)	(7,011)	(15,013)	(19,297)	208,165	104,588
Net finance income	839	1,200	546	192	(584)
Profit/(loss) for the year	(8,672)	(13,641)	(14,809)	163,380	107,749
Total assets	338,658	342,339	362,669	384,936	229,080
Investments in property, plant and equipment	4,922	206	73	1,086	2,324
Equity	273,295	281,967	295,608	310,417	147,037
Average number of employees	70	63	109	159	205
Ratios					
Return on equity (%)	(3.12)	(4.72)	(4.89)	71.43	246.36
Equity ratio (%)	80.84	82.36	81.51	80.64	64.19

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

The Company's primary activity is to provide online travel related services to the users of its platforms.

Development in activities and finances

Booking Holdings Inc. (NASDAQ: BKNG) acquired ownership of Momondo Group Holdings Limited through its wholly owned subsidiary, Priceline.com International Limited, in July 2017. Following the acquisition, Momondo A/S has been managed by KAYAK, a division of Booking Holdings Inc. Equity at the end of the year is 273m DKK.

Profit/(loss) for the year in relation to expected developments

Momondo A/S's operating results improved in 2022 as revenues increased by 121% whilst staff costs increased by 15% corresponding to 12.2m DKK. Depreciation, amortization and impairment losses decreased from 0.9m DKK to 0.5m DKK.

Outlook

The Company continues to focus on providing online travel related services to the users of its platforms, and will do so for the foreseeable future.

In 2023, market conditions are favourable with consumer activity expected to improve towards pre-pandemic levels. Accordingly, the Company expects increased demand for its online travel related services.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/(loss)	2	85,042,460	65,270,501
Staff costs	3	(91,523,491)	(79,371,249)
Depreciation, amortisation and impairment losses	4	(529,666)	(911,772)
Operating profit/(loss)		(7,010,697)	(15,012,520)
Other financial income	5	6,066,313	1,633,258
Other financial expenses	6	(5,227,154)	(433,489)
Profit/(loss) before tax		(6,171,538)	(13,812,751)
Tax on profit/(loss) for the year	7	(2,500,057)	171,538
Profit/(loss) for the year	8	(8,671,595)	(13,641,213)

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Development projects in progress	10	0	749,796
Intangible assets	9	0	749,796
Other fixtures and fittings, tools and equipment		846,205	508,531
Leasehold improvements		2,268,654	174,891
Property, plant and equipment in progress		1,694,727	0
Property, plant and equipment	11	4,809,586	683,422
Deferred tax	13	8,744,215	8,773,870
Other receivables	12	1,288,560	0
Financial assets	12	10,032,775	8,773,870
Fixed assets		14,842,361	10,207,088
Trade receivables		1,261,313	697,498
Receivables from group enterprises		263,619,667	281,550,556
Other receivables		1,428,462	5,270,447
Tax receivable		0	10,430,376
Prepayments	14	480,393	839,280
Receivables		266,789,835	298,788,157
Cash		57,025,366	33,343,546
Current assets		323,815,201	332,131,703
Assets		338,657,562	342,338,791

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital	15	1,672,600	1,672,600
Retained earnings		271,622,443	280,294,039
Equity		273,295,043	281,966,639
Other payables		2,619,998	0
Other provisions	16	18,428,472	20,923,728
Non-current liabilities and provisions		21,048,470	20,923,728
Prepayments received from customers		13,162	502,696
Trade payables		12,463,438	17,198,753
Payables to group enterprises		18,219,800	2,924,017
Other payables		13,617,649	18,822,958
Current liabilities other than provisions		44,314,049	39,448,424
Liabilities other than provisions		46,934,047	39,448,424
Equity and liabilities		338,657,562	342,338,791
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
Transactions with related parties	19		
Controlling party	20		

Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,672,600	280,294,038	281,966,638
Profit/(loss) for the year	0	(8,671,595)	(8,671,595)
Equity end of year	1,672,600	271,622,443	273,295,043

Notes

1 Events after the balance sheet date

At the date the annual report was signed, no events have occurred which would influence the evaluation of this annual report.

2 Gross profit/(loss)

In the 2021 gross profit/(loss) is included a cost of 4,142,952 DKK related to repayment of all government grants received in relation to COVID-19. There are no such costs in 2022.

3 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	86,335,592	75,231,979
Pension costs	3,099,851	2,696,056
Other social security costs	247,727	165,635
Other staff costs	1,840,321	1,277,579
	91,523,491	79,371,249
Average number of full-time employees	70	63

Information on remuneration to management has been omitted with reference to the Annual Accounts Act, section 98b, paragraph 3.

4 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Depreciation of property, plant and equipment	706,132	907,811
Profit/(loss) from sale of intangible assets and property, plant and equipment	(176,466)	3,961
	529,666	911,772

5 Other financial income

	2022	2021
	DKK	DKK
Other interest income	2,352,183	1,404,622
Exchange rate adjustments	3,714,130	228,636
	6,066,313	1,633,258

6 Other financial expenses

	2022 DKK	2021 DKK
Other interest expenses	37,245	74,952
Exchange rate adjustments	5,189,909	358,537
	5,227,154	433,489

7 Tax on profit/(loss) for the year

	2022 DKK	2021 DKK
Current tax	0	0
Change in deferred tax	29,655	(2,339,710)
Adjustment concerning previous years	2,470,402	2,168,172
	2,500,057	(171,538)

8 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Retained earnings	(8,671,595)	(13,641,213)
	(8,671,595)	(13,641,213)

9 Intangible assets

	Acquired intangible assets DKK	Development projects in progress DKK
Cost beginning of year	150,965	749,796
Additions	0	0
Disposals	0	(749,796)
Cost end of year	150,965	0
Amortisation and impairment losses beginning of year	(150,965)	0
Amortisation and impairment losses end of year	(150,965)	0
Carrying amount end of year	0	0

10 Development projects

Internally Developed Software costs are capitalised once it meets the capitalisation criteria and will be amortised once the project is complete for its intended use.

11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	DKK	DKK	DKK
Cost beginning of year	4,319,359	2,457,366	0
Additions	932,887	2,294,727	1,694,727
Disposals	(1,135,932)	(1,521,404)	0
Cost end of year	4,116,314	3,230,689	1,694,727
Depreciation and impairment losses beginning of year	(3,810,828)	(2,282,475)	0
Depreciation for the year	(512,301)	(193,831)	0
Reversal regarding disposals	1,053,020	1,514,271	0
Depreciation and impairment losses end of year	(3,270,109)	(962,035)	0
Carrying amount end of year	846,205	2,268,654	1,694,727

12 Financial assets

	Deferred tax	Other Receivables
	DKK	DKK
Cost beginning of year	8,773,870	0
Additions	0	1,288,560
Disposals	(29,655)	0
Cost end of year	8,744,215	1,288,560
Carrying amount end of year	8,744,215	1,288,560

13 Deferred tax

	2022	2021
	DKK	DKK
Intangible assets	0	1,613
Property, plant and equipment	323,692	498,031
Provisions	4,055,174	4,603,220
Liabilities other than provisions	(913)	501,400
Tax losses carried forward	4,366,262	3,169,606
Deferred tax	8,744,215	8,773,870
	2022	2021
	DKK	DKK
Changes during the year		
Beginning of year	8,773,870	6,434,159
Recognised in the income statement	(29,655)	2,339,711
End of year	8,744,215	8,773,870

Deferred tax assets

The deferred tax assets are expected to be realized over the next 3-5 years.

14 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

15 Share capital

	Number	Par value DKK	Nominal value DKK
Stocks	16,726	100	1,672,600
	16,726		1,672,600

16 Other provisions

Other provisions comprise of contractual liabilities regarding restricted stock units in Booking Holdings Inc. acquired by employees in Momondo A/S.

17 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	34,094,933	7,995,891

During the year, Momondo A/S entered into a new lease for office space at Farvergade 10, 1, DK-1463, Copenhagen K. The new lease agreement matures in April 2026. Accordingly, following the new lease agreement, the total financial commitments has increased.

18 Contingent liabilities

A business partner sued Momondo A/S for breach of licence agreement in 2017. The size of any claim for damages against the company has not yet been made specific, as such a provision for such claim has not been made in the financial statements apart from a provision for legal expenses related to the lawsuit.

19 Transactions with related parties

Only non-arm's-length transactions with related parties are disclosed in the financial statements. All related party transactions carried out during the financial year have been made in an arm's length basis.

20 Controlling party

The Company's ultimate parent undertaking and controlling party is Booking Holdings Inc., a company incorporated in the United States of America, whose principal and registered office is, and whose financial statements can be obtained at 800 Connecticut Avenue, Norwalk, Connecticut, 06854, United States. This is both the smallest and largest group in which the results of the Company are consolidated.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the user. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, social security contributions and pension contributions.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme.

Tax on profit/(loss) for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Intellectual property rights**

Intellectual property rights comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement., but over no more than 5 years.

Intellectual property rights are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	2-4 years
Leasehold improvements	5 years

For leasehold improvements, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Equipment are written down to the lower of recoverable amount and carrying amount.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise contractual liabilities.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Cash flow statement

Pursuant to section 86 (4) of the Danish Financial Statement Act, no cash flow statement has been prepared.

The cash flow statement is included in the Consolidated Financial Statement of the Company's ultimate parent and controlling party, Booking Holdings Inc., a company incorporated in the United States of America, whose principal and registered office is, and whose financial statements can be obtained at 800 Connecticut Avenue, Norwalk, Connecticut, 06854, United States.