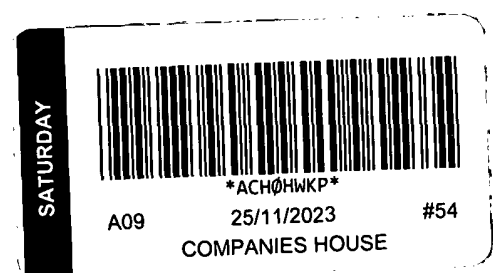


Registered number:
05612751

TRIPADVISOR LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



TRIPADVISOR LIMITED

COMPANY INFORMATION

DIRECTORS	L Frazier V McKay
REGISTERED NUMBER	05612751
REGISTERED OFFICE	7 Soho Square London W1D 3QB United Kingdom
INDEPENDENT AUDITOR	BDO LLP 55 Baker Street London W1U 7EU United Kingdom

TRIPADVISOR LIMITED

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TRIPADVISOR LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review continues to be that of the provision of online travel media services.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Tripadvisor Limited ("the Company") is an online travel company, empowering users to plan, book and have the perfect trip. The Company's indirect parent company, Tripadvisor, LLC., owns a travel research platform that aggregates reviews and opinions of members about destinations, accommodations (hotels, B&Bs, specialty lodging and vacation rentals), restaurants and activities throughout the world.

The Company derives substantially all of its revenue from advertising, primarily through click-based advertising and display-based advertising sales on the travel research platform, under license from Tripadvisor, LLC.

The Company's revenue increased 54% compared to 2021, primarily due to an increase in click-based advertising revenue following an increase in trading from 2021 as a result of the COVID-19 recovery. In addition, the Company's net assets increased 10% compared to 2021, primarily due to an increase in debtors.

Capital contributions from the Company's immediate parent company, Tripadvisor UK HoldCo Ltd, of \$Nil (2021 - \$41,410,000) were received during the year. Dividends of \$Nil (2021 - \$2,633,000) were paid during the year.

Currently, the Company does not expect any significant or material changes in the market or the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

Tripadvisor constantly invests in research and development activities. Nevertheless, in the event that new technologies, trends or systems of which we are unaware were introduced into the market place by a competitor, our market share may suffer. Equally, the Tripadvisor brand provides a trusted information source and we see any threat to the integrity of our brand as our most significant risk.

Our businesses and financial performance are affected by the health of the global economy generally as well as the travel industry and leisure travel in particular. Sales of travel services tend to decline or grow more slowly during economic downturns and recessions when consumers engage in less discretionary spending, are concerned about unemployment or economic weakness, have reduced access to credit or experience other concerns that reduce their ability or willingness to travel. Decreased travel expenditures could reduce the demand for our services and have a negative impact on our business, working capital and financial performance. In addition, the uncertainty of macro-economic factors, including future currency exchange rate volatility, increasing interest rates, Brexit, increased inflation globally, and their impact on consumer behaviour, which may differ across regions, makes it more difficult to forecast industry and consumer trends and the timing and degree of their impact on our markets and business, which in turn could adversely affect our ability to effectively manage our business and adversely affect our results of operations.

The risks and uncertainties of the Company are integrated with the risks of the group and are not managed separately.

TRIPADVISOR LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022
continued

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH
SECTION 172(1) COMPANIES ACT 2006

The directors of the Company consider, both individually and together, that they have promoted the success of the Company for the benefit of its members as a whole during the year ended 31 December 2022. Details of how the board meets these responsibilities are set out in the Directors' Report.

FINANCIAL KEY PERFORMANCE INDICATORS

% YoY growth (decline)

	2022	2021
Revenue	54%	60%
Profit/(loss) after taxation	157%	(86%)
Profitability		
Net profit/(loss) margin	0.5%	(1.3%)
Liquidity		
Current ratio	1.41	1.07
Days sales outstanding	60 days	44 days

The increase in the Company's revenue was primarily due to an increase in click-based advertising revenue. The Company's profit primarily resulted from an overall improvement in revenue due to business recovery from COVID-19.

The increase in the current ratio was primarily due to an increase in amounts due from group undertakings in current assets compared to current liabilities. The increase in days sales outstanding relates to an increase in debtors compared to revenue at 31 December 2022.

This report was approved by the board and signed on its behalf.



L Frazier
Director

Date: 20 November 2023

TRIPADVISOR LIMITED
REGISTERED NUMBER: 05612751

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company in the year under review continues to be that of the provision of online travel media services.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to a profit of \$2,051,000 (2021 – loss of \$3,603,000).

Dividends of \$Nil (2021 - \$2,633,000) were paid during the year. The Company does not recommend the payment of a final dividend for the year ended 31 December 2022 (2021 - \$Nil).

Information on financial risk management and future developments are included in the Strategic Report.

DIRECTORS

The directors who served during the year were:

V McKay
L Frazier
M Scodie (resigned on 22 November 2022)
G Wasylyshyn (resigned on 22 November 2022)

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The ultimate parent company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Acts 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

DIRECTORS' RESPONSIBILITIES STATEMENT IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022
continued

COMPLIANCE WITH SECTION 172 OF THE COMPANIES ACT 2006

The directors of the Company must act in accordance with a set of general duties, as detailed in Section 172 of the Companies Act 2006, in order to promote the success of the Company for the benefit of its members as a whole. A summary of these sections that are relevant to our business, along with the actions undertaken by the board to meet these requirements are shown below:

Future plans

The online travel industry in which the Company operates is large and growing. However, it also remains highly dynamic and competitive. The overall strategy of the Company's corporate group is to deliver more value to consumers and travel partners in order to generate additional monetization on our platform. In order to achieve this strategy, the Company's corporate group is continually working on initiatives to increase traffic quality and deepen consumer engagement on the Tripadvisor platform, including, but not limited to, membership growth, personalization, and mobile app initiatives. As consumer travel media consumption and travel commerce activity has increasingly moved online, it is believed that travel and travel-related businesses will continue to allocate greater percentages of their marketing budgets to online channels in order to grow their businesses. The Tripadvisor platform serves the needs of both the consumers and travel partners that operate within this market.

Employees

The Company believes its employees are essential to its success. Supporting its people is a foundational value for the Company. The directors believe the Company's success depends on its ability to attract, develop and retain key personnel. The skills, experience and industry knowledge of key employees significantly benefit the Company's operations and performance. The Company's directors and management oversee various employee initiatives.

The Company is committed to take all reasonable steps to be an equal opportunities employer. As such the Company's aim is to treat all employees regardless of sex, age, sexual orientation, race, religion or belief, disability or marital status equally. The Company is committed to eliminating any discriminatory treatment of employees and is keen to work in partnership with all employees in order to achieve this aim. In particular the Company will endeavour to ensure that no employee is discriminated against in relation to any compensation payment, promotion, transfer, or training which is offered to employees.

The Company systematically provides employees with information on matters which affect them and the performance of the Company through company meetings. Employee surveys are also regularly carried out in order to get the views of employees and take these opinions into account when making decisions that are likely to affect their interests.

The Company also encourages the involvement of all permanent employees in the Company's performance through a share scheme.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022
continued

COMPLIANCE WITH SECTION 172 OF THE COMPANIES ACT 2006 (CONTINUED)

Business relationships with customers, supplier and consumers

The directors recognize the importance of maintaining a good relationship with our customers and suppliers as an overall driver to the success of our business. We have a number of commercial relationships with a majority of the world's leading online travel agencies (OTAs), as well as thousands of other travel partners. We seek to implement product enhancements that deliver a more engaging and comprehensive hotel shopping experience. This includes providing rich, immersive content – reviews, photos, videos and ratings, among other contributions – as well as increasing the number of travel partners and properties as well as the available hotel supply on our platform. We believe providing consumers tools to discover, research, price shop and book a comprehensive selection of accommodations, helps increase brand awareness and brand loyalty and, over time, can result in deeper consumer engagement, more qualified leads delivered to travel partners and greater monetization on our platform.

The desirability of the Company maintaining a reputation for high standards of business conduct

The directors have consistently maintained a reputation for high standards of business conduct in the Company. We post our Code of Business Conduct and Ethics on our internal staff intranet, which applies to all directors, officers, employees, consultants, and contractors.

Acting fairly between the Company's owners

Although the Company has only a single shareholder, the directors have been mindful of the various entities that are indirect owners of the Company. The directors have sought to deliver sustainable growth and income over the long term with the appropriate balance of risk and return in the context of the wider market.

ENERGY AND CARBON REPORTING

The Company is not responsible for (a) the combustion of gas or (b) the consumption of fuel for the purposes of transport. The Company does purchase electricity for its own use, although not for the purposes of transport.

The Company has implemented certain sustainability driven initiatives over the last few years, including the replacement of single use plastics with ceramic materials for its office pantry supplies and utensils, performed an LED lighting upgrade, and added occupancy or motion sensor upgrades to its office space.

In addition to not consuming fuel for transport, the Company has limited physical presence and is not involved in any manufacturing or production. Therefore, we do not believe further detailed reporting and disclosure on energy and carbon and greenhouse gases, as regulated by Streamlined Energy and Carbon Reporting, would be meaningful to its overall financial operations.

The below table summarizes the energy consumption and GHG emissions associated with our operations in the United Kingdom during the calendar year ending 31 December 2022.

Measurement factor (1 January – 31 December 2022)	Amount	Unit
Emissions from combustion of gas tCO ₂ e (Scope 1)	19.75	tCO ₂ e
Emissions from combustion of fuel for transport purposes (Scope 1)	0.00	tCO ₂ e
Emissions from purchased electricity (Scope 2, location-based)	182.14	tCO ₂ e
Emissions from business travel (Scope 3)	350.72	tCO ₂ e
Gross Emissions (scopes 1-3)	552.61	tCO ₂ e
Gross Energy Consumption (scopes 1+2)	974,672.72	kWh
Total Revenue	\$435,846,000	USD, 2022
Revenue Intensity Ratio (scopes 1-3)	1.27	tCO ₂ e per million USD

TRIPADVISOR LIMITED
REGISTERED NUMBER: 05612751

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022
continued

RESEARCH AND DEVELOPMENT ACTIVITIES

The Company's business is inherently associated with internet technologies and trends in information exchange. The Company constantly invests in research and development activities so as to extend its activities on the one hand and to ensure that it is at the forefront of technological advances in this area. The cost of research and development activities in the year was \$469,000 (2021: \$416,000).

POST BALANCE SHEET EVENTS

In January 2023, the Company received a final notice from the Internal Revenue Service ("IRS") regarding a Mutual Agreement Procedure ("MAP") settlement for the 2009 through 2011 tax years for certain transfer pricing arrangements with its foreign subsidiaries, which the Company accepted in February 2023. The Company subsequently amended its prior year tax returns and HMRC issued a repayment notice of GBP 38,156,966 dated August 24, 2023. The Company received the refund from HMRC on August 25, 2023. There are ongoing MAPs of a similar nature in relation to subsequent tax years. If the IRS were to seek transfer pricing adjustments of a similar nature, the Company may be eligible for significant additional tax refunds in all years for which the statute of limitations remains open. As at the date of this report, the Company considers it probable that similar settlements will occur, however the timing is uncertain and the Company does not consider the amount to be quantifiable. The Company will continue to monitor any developments to identify any potential financial statement impact to the Company.

On February 26, 2023, the Company converted \$111,218,000 held in the capital contribution reserve to new ordinary shares of £92,253,059 (£1 each) issued to its immediate parent company, Tripadvisor UK HoldCo Ltd. On February 27, 2023, the capital of the Company was reduced by means of the cancellation of this newly issued share capital of £92,253,059 (£1 each), with the corresponding credit recorded to the profit and loss account of the Company. On March 7, 2023, a cash dividend of \$60,000,000 was paid by the Company to Tripadvisor UK HoldCo Ltd. On March 8, 2023, an agreement was made between the Company and Tripadvisor UK HoldCo Ltd to set off the dividend of \$60,000,000 against amounts due from group undertakings, which arose from advance cash payments of \$60,000,000 by the Company to Tripadvisor UK HoldCo Ltd during the year ended 31 December 2022. On September 13, 2023, the Company converted \$603,000 held in the capital contribution reserve to new ordinary shares of £475,212 (£1 each) issued to its immediate parent company, Tripadvisor UK HoldCo Ltd. The transactions noted here reduce the capital contribution reserve, as at 31 December 2022, to \$Nil.

On 8 March 2023, the Company renewed a number of expiring lease commitments for office premises. The new lease commitments run through to 30 June 2025. The renewal resulted in an annual rent commitment of \$789,550 for the periods 23 June 2023 through 30 June 2025, which has decreased from the annual commitment of \$843,347 for the year ended 23 June 2023.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.

This report was approved by the board and signed on its behalf.


L. Frazier
Director

Tripadvisor Limited, 7 Soho Square, London W1D 3QB
Date: 20 November 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRIPADVISOR LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of TripAdvisor Limited ("the Company") for the year ended 31 December 2022 which comprise Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the of Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine 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, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have 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 (UK) 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory framework applicable to the company and determined that the most significant which are directly relevant to the specific assertions in the financial statements are those related to the reporting framework (Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006);
- We determined how the company is complying with those legal and regulatory frameworks by making enquiry of management, internal audit, and those responsible for legal and compliance procedures, corroborating our enquiries through our review of board minutes.
- We used an engagement team with appropriate competence and capabilities to identify non-compliance with laws and regulations; and

Auditor's responsibilities for the audit of the financial statements (continued)

- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management from various parts of the business to understand where it is considered there was susceptibility to fraud. We also considered the processes and controls that the Company has established to address the risks identified, or that otherwise prevent, deter and detect fraud, and how senior management monitors those processes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing journals based on risk criteria and reviewing key areas of judgement and estimation for potential bias, and were designed to provide reasonable assurance that the financial statements were free of fraud or error.

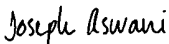
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:


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Joeseeph Aswani (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
Date: 21 November 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

TRIPADVISOR LIMITED
REGISTERED NUMBER: 05612751

STATEMENT OF COMPREHENSIVE INCOME/(LOSS)
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Note	\$000	\$000
Turnover	3	435,846	282,322
Cost of sales		<u>(38,268)</u>	<u>(23,870)</u>
Gross profit		397,578	258,452
Administrative expenses		(343,878)	(262,655)
Other operating income		<u>887</u>	<u>-</u>
Operating profit/(loss)		54,587	(4,203)
Income from share in group undertakings	8	492	1,349
Interest receivable and similar income	9	1,279	-
Interest payable and similar expense	10	(4,754)	(280)
Impairment of fixed asset investments	15	<u>(33,588)</u>	<u>-</u>
Profit/(loss) for the financial year before taxation		18,016	(3,134)
Taxation charge on profit/(loss)	11	<u>(15,965)</u>	<u>(469)</u>
Profit/(loss) for the financial year after taxation		<u>2,051</u>	<u>(3,603)</u>

The results for the years above derive entirely from continuing operations.

There was no other comprehensive income or expenses in 2022 or 2021.

The notes on pages 16 to 32 form part of these financial statements.

TRIPADVISOR LIMITED
REGISTERED NUMBER: 05612751

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 \$000	2021 \$000
Fixed assets			
Intangible assets	13	5,946	6,833
Tangible assets	14	1,769	1,919
Investments	15	38,526	72,114
		<u>46,241</u>	<u>80,866</u>
Current assets			
Debtors	16	125,801	48,539
Cash at bank and in hand	17	43,415	45,747
		<u>169,216</u>	<u>94,286</u>
Creditors: amounts falling due within one year	18	(120,052)	(87,763)
Net current assets		<u>49,164</u>	<u>6,523</u>
Total assets less current liabilities		<u>95,405</u>	<u>87,389</u>
Creditors: amounts falling due after more than one year	19	(1)	(720)
Provisions for liabilities	21	(1,579)	(1,548)
Net assets		<u>93,825</u>	<u>85,121</u>
Capital and reserves			
Called up share capital	22	-	-
Profit and loss account		(30,064)	(32,115)
Capital contribution		111,821	111,821
Other reserve		12,068	5,415
Shareholder's funds		<u>93,825</u>	<u>85,121</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


L Frazier
Director

Date: 20 November 2023

The notes on pages 16 to 32 form part of these financial statements.

TRIPADVISOR LIMITED
REGISTERED NUMBER: 05612751

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2021 AND AS AT 31 DECEMBER 2022

	Called up share capital	Profit and loss account	Capital contribution	Other reserve	Total shareholder's funds
	\$000	\$000	\$000	\$000	\$000
At 1 January 2022	-	(32,115)	111,821	5,415	85,121
Comprehensive Income/(loss) for the year					
Profit for the year	-	2,051	-	-	2,051
Contributions by and distributions to owners					
Dividends (see note 12)	-	-	-	-	-
Equity-settled share based payment transactions (see note 23)	-	-	-	6,653	6,653
At 31 December 2022	-	(30,064)	111,821	12,068	93,825
	Called up share capital	Profit and loss account	Capital contribution	Other reserve	Total shareholder's funds
	\$000	\$000	\$000	\$000	\$000
At 1 January 2021	-	(25,879)	70,411	3,585	48,117
Comprehensive Income/(loss) for the year					
Loss for the year	-	(3,603)	-	-	(3,603)
Contributions by and distributions to owners					
Dividends (see note 12)	-	(2,633)	-	-	(2,633)
Equity-settled share based payment transactions (see note 23)	-	-	-	1,830	1,830
Capital contribution from parent	-	-	41,410	-	41,410
At 31 December 2021	-	(32,115)	111,821	5,415	85,121

Capital contribution represents the cumulative value of the contributions by the Company's immediate parent company. These contributions were paid in cash and therefore qualify as distributable reserves without any restrictions. As such, during the year ended 31 December 2021, sufficient distributable reserves existed at the time the dividends were authorised.

The notes on pages 16 to 32 form part of these financial statements.

TRIPADVISOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

Tripadvisor Limited ("the Company") is a private company limited by share capital and domiciled in England and Wales in the UK.

These financial statements were prepared in accordance with the Companies Act 2006 and the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see Note 2).

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7
- the requirement to disclose the key management personnel compensation in total as required by FRS 102 paragraph 33.7

This information is included in the consolidated financial statements of Tripadvisor, Inc. as at 31 December 2022 and these financial statements may be obtained from www.tripadvisor.com.

The Company has taken advantage of the exemption from presenting group accounts under s401 Companies Act 2006, on the grounds that it is a wholly owned subsidiary of Tripadvisor, Inc., a company incorporated in the United States of America, which prepares consolidated financial statements that include the results and transactions of the Company.

The following principal accounting policies have been applied:

1.2 Reserves

The Company's reserves are as follows:

- Called up share capital represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid.
- Capital contribution represents the cumulative value of the contributions by the Company's immediate parent company.
- Other reserve represents the cumulative impact of share based payments, issued for services provided to the Company, and for shares issued by the ultimate parent company.

1.3 Other operating income

Other operating income arises from the sublet of rental properties. Since this not considered to be part of the main revenue generating activities, the company presents this income separately from revenue.

TRIPADVISOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES (continued)

1.4 Revenue

Turnover comprises revenue recognised by the company in respect of online travel media services supplied during the year, exclusive of Value Added Tax and trade discounts.

We recognise revenue from our services rendered when the amount of revenue can be measured reliably, it is probable the economic benefits of the transaction will flow to the Company, and the costs incurred for the transaction can be measured reliably.

Deferred revenue, which primarily relates to our subscription-based arrangement, is recorded when payments are received in advance of our performance as required by the underlying agreements.

Click-based advertising revenue is derived primarily from click-through fees charged to our travel partners for traveller leads sent to the travel partners' website. We record revenue from click-through fees after the traveller makes the click-through to the travel partners' websites. Transaction revenue is generated from our instant booking feature, which enables the merchant of record, generally an online travel agency (OTA) or hotel partner, to pay a commission to the Company for a user that completes a hotel reservation via our website.

Display advertising revenue is recognised rateably over the advertising period or upon delivery of advertising impressions, depending on the terms of the advertising contract. Subscription-based advertising revenue is recognised rateably over the related contractual period over which service is delivered.

Intercompany revenue is derived primarily from management and marketing service fees charged to related parties. Revenue is recognized monthly when the services have been provided based on expenses incurred during the period.

1.5 Intangible fixed assets and amortisation

Intangible assets

The Company has the rights to certain intangible property, which are capitalised as intangible assets and amortised over its expected useful life from the date of acquisition. Other intangible assets relate to licenses. Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is recognized within 'administrative expenses' in the statement of comprehensive income/(loss). These assets are critically reviewed each year and where it is not considered that intangible property has further use, the amount is disposed.

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future economic benefits, and are amortised on the straight-line basis over the anticipated life of the benefits arising from the completed product or project.

The estimated useful lives range as follows:

Other Intangibles	-	16% straight line
Website Development	-	33% straight line

All intangible assets are considered to have a finite useful life.

TRIPADVISOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

The estimated useful lives range as follows:

Long term leasehold property	-	Over the period of the lease
Computer equipment	-	33% straight line
Fixtures and fittings	-	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the statement of comprehensive income/(loss).

1.7 Cash, cash equivalents and marketable securities

The Company's cash equivalents consist of highly liquid investments with maturities of 90 days or less at the date of purchase.

1.8 Investments

Investments in subsidiaries are held as fixed assets and are shown at cost less provision for impairment.

At each reporting date, the Company evaluates whether there is any objective evidence that its investments in subsidiaries are impaired. Changes in the circumstances or expectations of future performance of the investment may be an indicator that the investment is impaired which requires the investment book value to be written down to its recoverable amount. Impairments are reversed if conditions for impairment are no longer present.

1.9 Operating leases: Lessee

Rentals paid under operating leases are charged to the statement of comprehensive income/(loss) on a straight line basis over the period of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the remaining term of the lease.

1.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

TRIPADVISOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES (continued)

1.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is U.S. Dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Any differences are charged to the statement of comprehensive income/(loss).

1.13 Dividends

Equity dividends are recognised when they become legally payable. This is when they are approved by the shareholders at an annual general meeting.

1.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the statement of comprehensive income/(loss) when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.15 Interest income

Interest income is recognised in the statement of comprehensive income/(loss) using the effective interest method.

1.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income/(loss) in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

TRIPADVISOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES (continued)

1.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income/(loss), except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

1.18 Share based payments

The Company participates in the Tripadvisor, Inc. 2018 Stock and Annual Incentive Plan. Pursuant to the Plan, employees can receive remuneration in the form of Stock Options, Restricted Stock Units ("RSUs") and other stock-based awards from Tripadvisor, Inc. ("Tripadvisor"), the ultimate parent and controlling entity, as set out in Note 28. The Company accounts for share based payments in accordance with FRS 102 s.26, which requires all employee share awards to be expensed in the profit and loss statement with the expense measured at fair value at the date of grant and amortised over the vesting period.

Restricted stock units ("RSU") are stock awards that are granted to employees entitling the holder to shares of common stock as the award vests, typically vest equally over a four-year requisite service period. RSUs are measured at estimated fair value on the number of shares granted and the quoted market price of Tripadvisor common stock at the date of grant.

Stock options are measured at their estimated fair value on the grant date by Tripadvisor. Our stock options generally have a term of ten years from the date of grant and typically vest equally over a four-year requisite service period. The estimated fair value of stock options is calculated using a Black-Scholes Merton option-pricing model ("Black-Scholes model"). The Black-Scholes model incorporates Tripadvisor assumptions to value stock-based awards, which includes the risk free rate of return, expected volatility, expected term and expected dividend yield.

The estimated fair value of both stock options and RSUs, are amortised over the respective vesting terms and recognised as share based payment expense, which is included in the administrative expense in the profit and loss account. The Company accounts for forfeitures in the period in which they occur, rather than estimate expected forfeitures.

TRIPADVISOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Directors believe that the critical accounting policies where judgements or estimations are necessarily applied are summarised below.

Impairment

The Directors have considered the valuation of investments in subsidiary undertakings. Changes in the circumstances or expectations of future performance of an individual asset may be an indicator that the asset is impaired requiring the book value to be written down to its recoverable amount. Impairments are reversed if conditions for impairment are no longer present. Due to their nature, evaluating whether an asset is impaired or not requires a significant degree of judgement and may to a large extent depend on the assumptions made in its evaluation. After undertaking an impairment review of the Company's investment in Holiday Lettings Holdings Limited, the Directors have recorded an impairment charge and further information on this is provided in Note 15.

Uncertain Tax Positions

The Directors have made a provision for uncertain tax treatments. This provision is based on the facts and circumstances in relation to certain ongoing tax matters. In particular, the Company has determined if it is probable that the tax authorities will accept the uncertain tax treatment, and if it is not probable, measured the tax uncertainty based on the best estimate of likely outcome. This measurement is based on the assumption that tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations. Further information on this is provided in Note 11.

Intercompany Positions

In determining whether transactions with the wider group have been conducted on an arms' length basis, these decisions involve the input of internal and external tax advisors to the wider group and Company, including analysis of comparable companies and groups who operate in similar markets to the wider group.

3. ANALYSIS OF TURNOVER

An analysis of turnover by class of business is as follows:

	2022 \$000	2021 \$000
Click-based advertising and transactions	320,424	197,189
Display-based advertising	21,738	13,239
Subscriptions	41,333	30,069
Intercompany	52,351	41,825
	435,846	282,322

Analysis of turnover by country of destination:

	2022 \$000	2021 \$000
United Kingdom	69,499	16,496
Rest of Europe	345,999	219,880
Rest of the world	20,348	45,946
	435,846	282,322

TRIPADVISOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. OPERATING PROFIT/(LOSS)

The operating loss was stated after charging/(crediting):

	2022 \$000	2021 \$000
Research and development charged as an expense	469	416
Depreciation of tangible assets	1,234	1,573
Amortisation of intangible assets	2,183	1,730
Operating lease rentals	1,631	2,558
Sublease income	(887)	(884)
Foreign currency exchange differences, net	5,543	3,407
Share based payments expense (see note 23)	9,509	8,656
Defined contribution pension cost	929	877
	<u>38,929</u>	<u>37,941</u>

5. AUDITOR'S REMUNERATION

	2022 \$000	2021 \$000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	61	52
	<u>61</u>	<u>52</u>

6. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2022 \$000	2021 \$000
Wages and salaries	24,387	23,317
Share based payments (see note 23)	9,509	8,656
Social security costs	4,104	5,091
Defined contribution pension cost	929	877
	<u>38,929</u>	<u>37,941</u>

Staff costs of \$1,296,000 (2021 - \$1,517,000) were capitalized in development costs within intangible assets (Note 13) in the year.

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Technology and content	98	96
Sales and marketing	69	60
Administrative	37	36
Customer care	5	6
	<u>209</u>	<u>198</u>

TRIPADVISOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. DIRECTORS' REMUNERATION

	2022	2021
	\$000	\$000
Directors' remuneration	410	596
Amounts receivable under long term incentive schemes	204	306
	<u>614</u>	<u>902</u>

The directors' remuneration above included the payments for two directors of the Company (2021 – three). Remuneration for the other directors was paid by and has been included in the accounts of Tripadvisor, Inc., the Company's ultimate parent company. All remuneration is received for work performed for Tripadvisor, Inc. as a group company and may not be for services related specifically to Tripadvisor Limited.

The aggregate of remuneration and amounts receivable under long-term incentive schemes of the highest paid director was \$371,415 (2021 – \$391,238) from the Company. During the year, no director exercised options (2021 – one).

8. DIVIDEND INCOME

	2022	2021
	\$000	\$000
Income from share in group undertakings	492	1,349
	<u>492</u>	<u>1,349</u>

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	\$000	\$000
Bank interest income	1,279	-
	<u>1,279</u>	<u>-</u>

10. INTEREST PAYABLE AND SIMILAR EXPENSE

	2022	2021
	\$000	\$000
Intercompany interest expense	458	346
Interest expense/(income)	4,296	(66)
	<u>4,754</u>	<u>280</u>

TRIPADVISOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. TAXATION

	2022	2021
	\$000	\$000
Corporation tax		
Current tax on profits for the year	15,239	129
Adjustments in respect of previous periods	(514)	415
Foreign exchange on tax liability	(31)	(37)
Foreign tax suffered	31	-
Total current tax	14,725	507
Deferred tax		
Origination and reversal of timing differences	663	183
Adjustments in respect of prior periods	530	(4)
Effect of changes in tax rates	47	(217)
Total deferred tax	1,240	(38)
Total taxation charge on profit/(loss) on ordinary activities	15,965	469

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is more than (2021: more than) the standard rate of corporation tax in the UK of 19.00% (2021 – 19.00%). The differences are explained below:

	2022	2021
	\$000	\$000
Profit/(loss) on ordinary activities before tax	18,016	(3,134)
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2021 – 19.00%)	3,423	(595)
Effects of:		
Expenses not deductible for tax purposes	6,654	371
Adjustments to tax charge in respect of prior periods	16	411
Impact of changes in tax rates	47	(217)
Non-taxable income	(94)	(283)
Tax impact of exercise of employee options	993	(53)
Uncertain tax provision	12,048	137
Impact of foreign exchange	72	(45)
Capital allowances super deduction	(65)	(37)
Group relief	(7,129)	780
Total tax charge for the year	15,965	469

TRIPADVISOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. TAXATION (continued)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

In January 2021, the Group received an issue closure notice from HMRC relating to adjustments for the 2012 through 2016 tax years. These proposed adjustments are related to certain transfer pricing arrangements. Based on these notices, at the close of the audit if HMRC prevails, the Company estimates there would be an increase to the Company's income tax expense in an estimated range of \$25 million to \$35 million, exclusive of interest expense. The Company disagrees with the proposed adjustments and intends to defend its position through applicable administrative and, if necessary, judicial remedies. Based on Management's interpretation of the regulations and available case law, the Company believes the financial statements represent the best estimate and judgement concerning the outcome of the matter.

The Finance Act 2021 was substantively enacted in May 2021 and increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

12. DIVIDENDS

	2022	2021
	\$000	\$000
Dividends paid on equity capital	-	2,633

Dividends paid on equity capital were \$Nil (2021: \$26,330) per ordinary share.

13. INTANGIBLE ASSETS

	Website development	Other intangibles	Total
	\$000	\$000	\$000
Cost			
At 1 January 2022	2,312	8,334	10,646
Additions	1,296	-	1,296
At 31 December 2022	3,608	8,334	11,942
Amortisation			
At 1 January 2022	745	3,068	3,813
Charge for the year	867	1,316	2,183
At 31 December 2022	1,612	4,384	5,996
Net book value			
At 31 December 2022	1,996	3,950	5,946
At 31 December 2021	1,567	5,266	6,833

TRIPADVISOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. TANGIBLE FIXED ASSETS

	Long term leasehold property \$000	Computer equipment \$000	Fixtures and fittings \$000	Total \$000
Cost				
At 1 January 2022	8,946	3,686	731	13,363
Additions	-	1,087	-	1,087
Disposals	-	(54)	-	(54)
At 31 December 2022	8,946	4,719	731	14,396
Depreciation				
At 1 January 2022	7,910	2,816	718	11,444
Charge for the period	692	530	12	1,234
Disposals	-	(51)	-	(51)
At 31 December 2022	8,602	3,295	730	12,627
At 31 December 2022	344	1,424	1	1,769
At 31 December 2021	1,036	870	13	1,919

TRIPADVISOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. FIXED ASSET INVESTMENTS	Investments in subsidiary companies \$000
Cost	
At 1 January 2022	72,114
Impairment	(33,588)
At 31 December 2022	38,526

During the year ended 31 December 2022, an impairment loss of \$33,588,000 was recognised in respect of the investment in Holiday Lettings Holdings Limited. The impairment charge was recorded following an ongoing evaluation of the strategy and direction of the wider group, whereby investment and marketing in the holiday rentals segment has been deemphasised. After undertaking an impairment review, the Directors have now concluded that the valuation of assets as at the year-end is appropriate.

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Country of incorporation and registered address	Class of shares	Holding	Principal activity
Tripadvisor France SAS	France 70 Rue Saint-Lazare, 75009 Paris	Ordinary	100%	Travel company
Tripadvisor GmbH	Germany Von-der-Tann-Str. 2, c/o ReedSmith LLP 80539 Munich	Ordinary	100%	Travel company
Tripadvisor Spain, SL	Spain Ronda Sant Pere 52, 08010 Barcelona	Ordinary	100%	Travel company
Tripadvisor Italy, S.R.L	Italy c/o Fidiger S.r.l., Viale Castro Pretorio 122, Rome	Ordinary	100%	Travel company
Tripadvisor Australia Pty Ltd	Australia c/o Bird and Bird, Level 22, MLC Centre, Sydney, NSW 2000	Ordinary	100%	Travel company
Holiday Lettings (Holdings) Limited	UK 7 Soho Square, London W1D 3QB	Ordinary	100%	Holding company
Holiday Lettings Limited	UK 7 Soho Square, London W1D 3QB	Ordinary	100%	Travel company
HouseTrip SA	Switzerland Avenue du Theatre 7, Lausanne, 1005	Ordinary	100%	Travel company

TRIPADVISOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. DEBTORS

	2022	2021
	\$000	\$000
Trade debtors	14,251	10,628
Amounts owed by group undertakings	84,536	17,882
Other debtors (1)	1,921	1,298
Accrued income	21,512	13,703
Prepayments	2,800	2,807
Deferred taxation (2)	981	2,221
	<u>125,801</u>	<u>48,539</u>

(1) Included in this amount was a security deposit falling due after more than one year as of Nil (2021 - \$418,001).

(2) Included in this amount is the deferred tax asset recognised in respect of the share schemes operated by the Company. \$666,524 will be utilised in more than one year as of 31 December 2022 (2021 - \$969,927).

The impairment loss recognized in the Company's statement of comprehensive income/(loss) for the period, in respect of bad and doubtful trade debtors was \$1,689,968 (2021 - \$728,784).

These balances, which are unsecured and repayable on demand, are generally settled within 90 days, and therefore interest is not applicable.

17. CASH AND CASH EQUIVALENTS

	2022	2021
	\$000	\$000
Cash at bank and in hand	43,415	45,747
	<u>43,415</u>	<u>45,747</u>

TRIPADVISOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. CREDITORS: Amounts falling due within one year

	2022 \$000	2021 \$000
Trade creditors	2,983	2,397
Amounts owed to group undertakings (1)	76,843	64,525
Corporation tax payable	19,561	7,059
Taxation and social security	453	70
Other creditors	1,469	901
Accruals	12,434	6,219
Deferred income	6,309	6,592
	<u>120,052</u>	<u>87,763</u>

(1) Included in this amount are interest-bearing loans provided by the Company's subsidiary undertaking, Holiday Lettings Limited, to the Company for an approximate aggregate balance as of 31 December 2022 of \$40 million. The loans are repayable on demand and interest is calculated monthly at the Euro Interbank Offered Rate plus 200 basis points for the \$21 million loan and plus 25 basis points for the \$19 million loan, provided the interest rate is positive, as stipulated in the loan agreement. These balances, which are unsecured and repayable on demand, are generally settled within 90 days, and therefore interest is not applicable.

19. CREDITORS: Amounts falling due after more than one year

	2022 \$000	2021 \$000
Other creditors	1	720
	<u>1</u>	<u>720</u>
	2022 \$000	2021 \$000
The maturity of amounts falling due after more than one year is as follows		
In more than one year but not more than two years	1	720
	<u>1</u>	<u>720</u>

TRIPADVISOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. DEFERRED TAXATION

	Deferred tax \$000
At 1 January 2022	2,221
Deferred tax charge to income statement for the period	(710)
Adjustment in respect of prior years	(530)
	<hr/>
At 31 December 2022	981
	<hr/>

The anticipated deferred tax movement expected to occur over the next 12 months is a decrease in the net deferred tax asset of approximately \$125,683 relating to timing difference on losses and share options.

The deferred tax asset is made up as follows:

	2022 \$	2021 \$
Fixed assets timing differences	159	361
Short term timing differences	822	1,057
Losses	-	803
	<hr/>	<hr/>
	981	2,221
	<hr/>	<hr/>

21. PROVISIONS

	Dilapidations \$000
At 1 January 2022	1,548
Charged to the statement of comprehensive income/(loss)	31
	<hr/>
At 31 December 2022	1,579
	<hr/>

Provisions for liabilities represents costs associated with dilapidations, which are accrued for over the duration of the lease. Dilapidations provisions are expected to be utilised within 1 year.

TRIPADVISOR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. SHARE CAPITAL

	2022	2021
	\$	\$
Allotted, called up and fully paid		
100 - Ordinary shares of £1 each	145	145
	<hr/>	<hr/>

23. EQUITY SETTLED SHARE BASED PAYMENT TRANSACTIONS

The total share options expense recognised in the year ended 31 December 2022 was \$232,000 (2021 - \$556,000).

The total RSU expense recognised in the year ended 31 December 2022 was \$9,277,000 (2021 - \$8,100,000).

The Company operates a sell to cover arrangement and \$2,856,000 (2021 - \$6,826,000) were sold to cover the withholding tax on share options exercised and vested RSUs.

The net amount of \$6,653,000 (2021 - \$1,830,000) is recognised as the movement in the statement of changes in equity in relation to RSUs.

The net impact of the above on the statement of comprehensive income/(loss) is \$9,509,000 (2021 - \$8,656,000) and on the statement of changes in equity is \$6,653,000 (2021 - \$1,830,000).

24. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to \$928,629 (2021 - \$876,561). Contributions totalling \$186,952 (2021 - \$183,475) were payable to the fund at the balance sheet date and are included in creditors.

25. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2022, the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	\$000	\$000
Not later than 1 year	1,185	4,003
Later than 1 year and not later than 2 years	-	1,324
	<hr/>	<hr/>
	1,185	5,327
	<hr/>	<hr/>

TRIPADVISOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

26. POST BALANCE SHEET EVENTS

In January 2023, the Company received a final notice from the Internal Revenue Service ("IRS") regarding a Mutual Agreement Procedure ("MAP") settlement for the 2009 through 2011 tax years for certain transfer pricing arrangements with its foreign subsidiaries, which the Company accepted in February 2023. The Company subsequently amended its prior year tax returns and HMRC issued a repayment notice of GBP 38,156,966 dated August 24, 2023. The Company received the refund from HMRC on August 25, 2023. There are ongoing MAPs of a similar nature in relation to subsequent tax years. If the IRS were to seek transfer pricing adjustments of a similar nature, the Company may be eligible for significant additional tax refunds in all years for which the statute of limitations remains open. As at the date of this report, the Company considers it probable that similar settlements will occur, however the timing is uncertain and the Company does not consider the amount to be quantifiable. The Company will continue to monitor any developments to identify any potential financial statement impact to the Company.

On February 26, 2023, the Company converted \$111,218,000 held in the capital contribution reserve to new ordinary shares of £92,253,059 (£1 each) issued to its immediate parent company, Tripadvisor UK HoldCo Ltd. On February 27, 2023, the capital of the Company was reduced by means of the cancellation of this newly issued share capital of £92,253,059 (£1 each), with the corresponding credit recorded to the profit and loss account of the Company. On March 7, 2023, a cash dividend of \$60,000,000 was paid by the Company to Tripadvisor UK HoldCo Ltd. On March 8, 2023, an agreement was made between the Company and Tripadvisor UK HoldCo Ltd to set off the dividend of \$60,000,000 against amounts due from group undertakings, which arose from advance cash payments of \$60,000,000 by the Company to Tripadvisor UK HoldCo Ltd during the year ended 31 December 2022. On September 13, 2023, the Company converted \$603,000 held in the capital contribution reserve to new ordinary shares of £475,212 (£1 each) issued to its immediate parent company, Tripadvisor UK HoldCo Ltd. The transactions noted here reduce the capital contribution reserve, as at 31 December 2022, to \$Nil.

On 8 March 2023, the Company renewed a number of expiring lease commitments for office premises. The new lease commitments run through to 30 June 2025. The renewal resulted in an annual rent commitment of \$789,550 for the periods 23 June 2023 through 30 June 2025, which has decreased from the annual commitment of \$843,347 for the year ended 23 June 2023.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

27. RELATED PARTY TRANSACTIONS

The Company has taken advantage of exemptions available under FRS102 s.33 from disclosing transactions entered into between wholly owned members of the same group.

28. CONTROLLING PARTY

The company's immediate parent company is Tripadvisor UK HoldCo Ltd, a company incorporated in the United Kingdom.

The company's ultimate parent company and ultimate controlling party is Tripadvisor, Inc., a company incorporated in the state of Delaware, in the United States of America with a registered address of 400 1st Avenue, Needham, MA 02494 and listed on the NASDAQ stock exchange under the symbol "TRIP." The smallest and the largest group in which the Company is consolidated is that headed by Tripadvisor, Inc. The consolidated financial statements of this company are available to the public and may be obtained from www.tripadvisor.com.