Trustpilot

Results for the
six months ended
30 June 2021

Half Year Report 2021

Trustpilot

Half Year Report 2021

Re-acceleration in bookings growth continues with a strong performance across all regions; LTM Net Dollar Retention Rate improved to 97 per cent; total cumulative reviews +44 per cent and active domains +42 per cent YoY

For more information visit
trustpilot.com

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Trustpilot

H1 2021 Financial Highlights

Revenue

USD62m

Revenue grew by 31 per cent to USD 62 million in H1 FY21, an increase of 22 per cent at constant currency

2021	62m
2020	47m

Bookings

28%

Bookings* growth, which provides visibility of future revenues, continued to re-accelerate, increasing to 28 per cent at constant currency in H1 FY21 (H1 FY20: 16 per cent), driven by a strong performance in all geographic regions

2021	28%
2020	16%

LTM Net Dollar Retention Rate*

97%

LTM Net Dollar Retention Rate* rose to 97 per cent, (H1 FY20: 91 per cent), up from 91 per cent for FY20

2021	97%
2020	91%

adjusted EBITDA**

+3.8m

The Group reported a loss for the period of USD 17.2 million in the first half (H1 FY20: USD 5.8 million), with adjusted EBITDA** of USD +3.8 million (H1 FY20: USD +1.6 million)

2021	3.8m
2020	1.6m

Strategic Highlights

- Number of reviewed domains* rose 41 per cent to 626 thousand (H1 FY20: 445 thousand), with number of active domains* up 42 per cent to 73 thousand (H1 FY20: 51 thousand)
- The cumulative number of reviews* on the Trustpilot platform rose by 44 per cent to 144 million (H1 FY20: 100 million)

* Key performance indicator (KPI) - further detail available on page 12
** Alternative performance measures (APM) - further detail available in note 3

Current Trading and Outlook

- We previously provided guidance for high-teens constant currency revenue growth in the current year. On the back of stronger H1 FY21 performance, we now expect to achieve a rate of constant currency revenue growth for the full year consistent with H1 FY21.

Financial summary

USD 000's	H1 FY21	H1 FY20	(+/-) % actual	(+/-) % constant currency**
Bookings*	75,478	55,007	37	28
LTM Net Dollar Retention Rate*	97	91	7	—
ARR*	134,172	98,618	36	27
Revenue	62,448	47,680	31	22
EBITDA**	(11,576)	(2,577)	349	321
Adjusted EBITDA**	3,769	1,610	134	121
Loss for the period	(17,177)	(5,826)	195	202
Adjusted profit**	(3,700)	(2,077)	78	114
EPS (cents)	(4.353)	(1.585)	175	181
Adjusted EPS (cents)**	(0.938)	(0.565)	66	100

* Key performance indicator (KPI) - further detail available on page 12

** Alternative performance measures (APM) - further detail available in note 3

About Trustpilot

Trustpilot was founded in 2007 with a vision to create an independent currency of trust.

A digital platform that brings businesses and consumers together to foster trust and inspire collaboration. We are free to use, open to everybody and built on transparency.

Trustpilot hosts reviews to help consumers shop with confidence, and deliver rich insights to help businesses improve the experience they offer. The more consumers use our platform and share their own opinions; the richer the insights we offer businesses; and the more opportunities they have to earn the trust of consumers, from all around the world.

Trustpilot has over 750 employees and is headquartered in Copenhagen, with operations in London, Edinburgh, New York, Denver, Melbourne, Berlin and Vilnius.

This excellent result is a testament to the hard work of all our employees, as well as the strength of our proposition and brand among consumers and businesses. I believe it also demonstrates that our strategy to provide the 'trust layer' for the open commerce ecosystem is working, by giving consumers confidence in their online and offline purchasing decisions, and through providing businesses with an opportunity to build trust, a key factor for their success."

– Peter Holten Mühlmann,
Founder and Chief Executive Officer

Results webcast and conference call

Trustpilot will host a webcast and conference call for analysts and investors at 09:00 (BST) today.

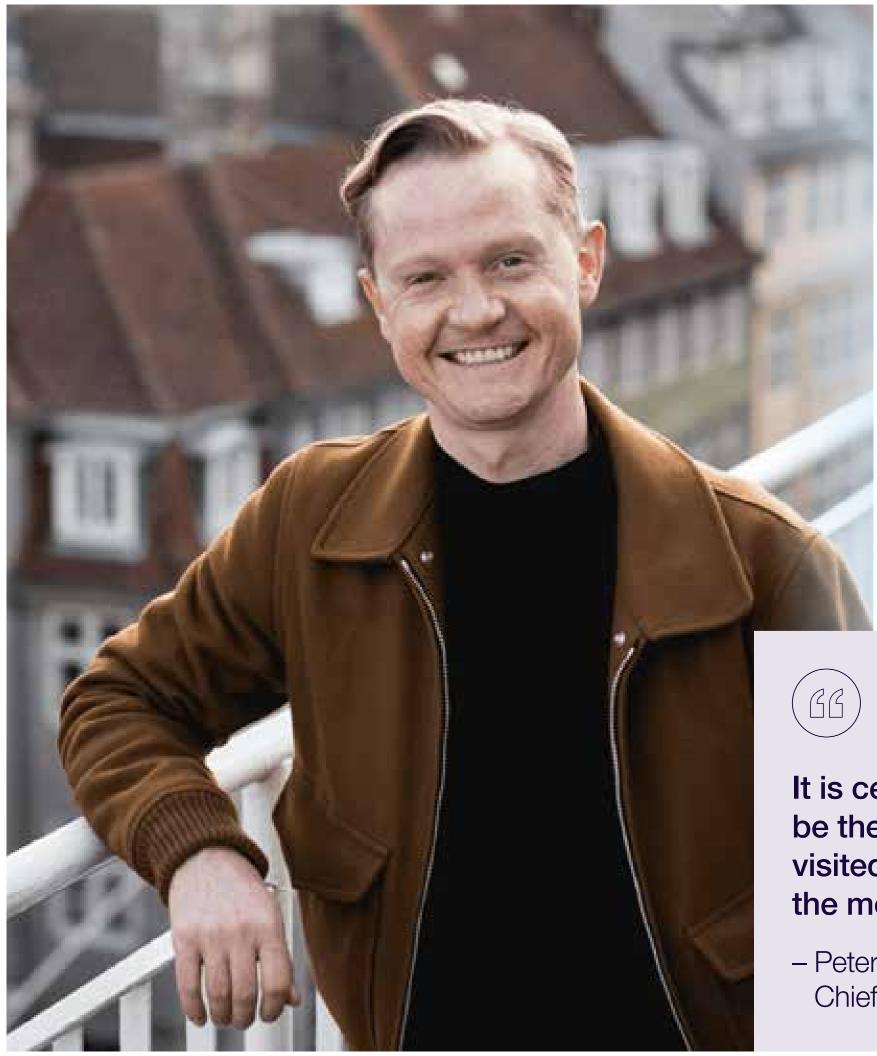
To register to access the webcast and presentation materials please visit https://investors.trustpilot.com.

A replay of the webcast will be made available on the investor website later today.

750+ employees

Chief Executive's Review

I am delighted to be reporting our first results as a publicly listed company.



$62m

First half revenue, an increase of 31 per cent year-over-year on a reported basis, or up 22 per cent at constant currency

$75m

Bookings, a strong lead-indicator of future revenue growth, up by 28 per cent at constant currency

> It is central to our strategy to be the global reviews site most visited by consumers, and to be the most trusted."
>
> – Peter Holten Mühlmann, Founder and Chief Executive Officer, Trustpilot

Summary

Our successful IPO in March marked a significant milestone for Trustpilot, raising our profile as a leading global review platform that brings businesses and consumers together to foster collaboration and trust, helping us to attract and retain the very best talent, and gaining the support of new investors as we focus on the next stages of our development and global expansion.

In line with the trading update we issued in mid-July, the Group delivered first half revenue of USD 62 million, an increase of 31 per cent year-over-year on a reported basis, or up 22 per cent at constant currency. Bookings*, a strong lead indicator of future revenue growth, increased to USD 75 million, up by 28 per cent at constant currency, and we ended June with annual recurring revenue* of USD 134 million, a constant currency increase of 27 per cent.

* Key performance indicator (KPI) - further detail available on page 12

As a subscription software business, we were encouraged to see an improvement in our LTM Net Dollar Retention Rate*, which rose to 97 per cent in the period, compared to 91 per cent a year ago and 91 per cent for the last full financial year.

We saw strong growth across all geographic regions in the period, as we continued to demonstrate our ability to scale our business efficiently.

This excellent result is a testament to the hard work of all our employees, as well as the strength of our proposition and brand among consumers and businesses. We believe it also demonstrates that our strategy to provide the 'trust layer' for the open commerce ecosystem is working, by giving consumers confidence in their online and offline purchasing decisions, and through providing businesses with an opportunity to build trust, a key factor for their success.

The growth we have achieved also reflects an element of recovery from the impact of the Covid-19 pandemic which affected H1 FY20. The subsequent re-acceleration in our business that we saw in H2 FY20 has continued, as anticipated, into the first half of this financial year.

Our strategy

It is central to our strategy to be the global reviews site most used by consumers, and to be the most trusted. At Trustpilot, we design for trust and transparency so that consumers can use and rely on our reviews platform for reassurance that they are dealing with businesses that are trustworthy. The more that consumers engage with Trustpilot, through reading and posting trusted reviews, the greater the reason for businesses to use Trustpilot. As more businesses engage with their customers on the Trustpilot platform, the more useful it becomes to consumers and businesses. This virality between the consumer and business sides of our platform, where one drives and reinforces the other, lies at the heart of Trustpilot's organic growth opportunity.

Progress against our strategic objectives

There are several performance indicators we track to assess our progress against these strategic aims.

As at the 30 June 2021, the total cumulative number of reviews hosted on the Trustpilot platform exceeded 144 million[1], compared to 100 million a year ago and 121 million as of 31 December 2020. As at the 30 June 2021, over 626 thousand domains[2] had been reviewed on Trustpilot's platform, compared to 445 thousand a year ago and 529 thousand as of 31 December 2020.

In addition to these core indicators, we also track our progress against various additional usage metrics.

1 Including reviews subsequently removed or deleted
2 Including both claimed and unclaimed domains, and those subsequently removed from the Trustpilot consumer website

Chief Executive's Review continued

These include the number of businesses actively using our platform, either as free active users or as paying business customers, by inviting reviews and, by displaying their TrustBox, showcasing their reviews and redirecting consumers to their business profile on the Trustpilot platform. We also measure the number of review invitations businesses send to their customers. From a consumer perspective, we measure the number of cumulative reviews on the platform, and how these are generated – either through an invitation to leave a review, or unprompted.

Free active business customer adoption has been accelerating, with the number of total active domains on the Trustpilot platform growing to 73 thousand as of the 30 of June 2021, compared to 51 thousand a year ago, up over 42 per cent year-on-year.

We have also seen strong growth in the number of monthly review invitations sent by businesses, which averaged over 44 million per month in the first half of the year, an increase of more than 73 per cent year-on-year. These metrics are significant as they demonstrate the viral network effect in action, and typically act as a good indicator of future growth in subscribing business customers, and ultimately bookings and ARR.

We continually assess our strategic progress with respect to trust and transparency. We measure the number of fake and misleading reviews we detect and remove, as well as our response times in investigating reviews flagged by consumers or businesses as potentially fake, misleading or in breach of our guidelines. In 2020, out of the 39 million reviews posted on Trustpilot,we removed 2.2 million that were determined to be fake or harmful, the majority of which were detected automatically by our proprietary artificial intelligence algorithms, designed to ensure the integrity of the content on the Trustpilot platform. In addition to this, in the first half of the year we published the first Trustpilot Transparency Report, providing hitherto undisclosed data and insight into the actions we are taking to protect and promote trust online.

We strengthened our executive leadership team with the appointment of Tim Hilpert to the newly created position of Chief Operating Officer. Tim has significant previous experience of scaling and leading consumer businesses, and is responsible for overseeing the global day-to-day commercial, marketing, and product development operations, as we continue our expansion in the UK, North America, and Europe.

Our Market

Trustpilot is a leading global review platform that provides businesses with the opportunity to build trust, a key factor for business success. Trustpilot is seeking to establish a 'trust layer' for the open commerce ecosystem, in addition to other 'layers' such as marketing, customer relationship management, payment and e-commerce infrastructure, across a diverse range of industries, as consumers look for ways to establish that businesses are trustworthy. The long-term total addressable global market opportunity, excluding China, has been estimated at USD 50 billion (Q1 2021 study commissioned by Trustpilot), with a current serviceable addressable market of USD 6.3 billion.

144 million
total cumulative reviews

626k
domains reviewed

Trustpilot provides an open platform, which creates a place where businesses and consumers can gain actionable insights and collaborate. Consumers can share feedback, at any time, about any business with a website and review feedback left by other consumers.

1 Including reviews subsequently removed or deleted
2 Including both claimed and unclaimed domains, and those subsequently removed from the Trustpilot consumer website

The platform not only facilitates better purchasing decisions, but also gives consumers the opportunity to recommend businesses, products, services, and locations based on their experiences. Businesses can use Trustpilot to actively engage with consumers that are reviewing their products and services. Any business can use Trustpilot's basic services for free, where they can view and respond to consumer reviews.

In addition to this free service, Trustpilot also provides several paid subscription modules for businesses, providing increasing levels of functionality and offered on a software-as-a service ("SaaS") basis. These tools enable Trustpilot's paying business customers to invite more reviews, manage those reviews, to derive high-value, actionable insights from them, and to showcase their TrustScores across their marketing channels. In this way, Trustpilot generates strong returns for businesses in raising their profiles, building and demonstrating their trust credentials, and increasing traffic, conversion, marketing efficiency, and ultimately revenues.

By fostering trust through direct, open, and collaborative engagement between businesses and consumers, Trustpilot's platform helps businesses improve the experience they offer their customers. This self-reinforcing cycle between businesses and consumers creates a powerful viral network effect, which is a key driver of Trustpilot's organic growth. Illustrating this network effect, during the first half of the year an average of 16 thousand new domains were added to the Trustpilot platform per month.

Regional Performance

The United Kingdom contributes approximately 40 per cent of revenue, Rest of World, which is dominated by Europe, contributes 36 per cent of revenue and North America contributes 24 per cent. (H1 FY20: UK contributed approximately 38 per cent, Rest of World 33 per cent, and North America approximately 29 per cent). In the United Kingdom we saw 27 per cent constant currency revenue growth in the period, reflecting strong prior-year bookings growth, the strength of our Brand, and further improvements in the efficiency of customer acquisition. Bookings in the region continued to grow strongly, increasing by 27 per cent at constant currency in the period.

2m
fake or harmful reviews detected and removed in 2020

16,000
new domains added to the platform per month in first half of the year

40%
of revenue is contributed by the UK

Trustpilot provides an open platform, which creates a place where businesses and consumers can gain actionable insights and collaborate.

Chief Executive's Review continued

For the Rest of the World region, we reported a 30 per cent constant currency increase in revenue in the period compared to a year ago, with particular strength in Europe. Bookings accelerated in the region, growing by 36 per cent at constant currency.

North America revenue increased by 6 per cent over the prior year period, this is in line with expectations and reflects the impact of lower bookings growth in FY20 which occurred as a result of Covid-19 and as we transitioned to a product-led go-to-market model and reduced direct sales headcount in the region. We saw a notable acceleration in bookings in the region, which increased by 18 per cent year-on-year.

These results were aided by a significant improvement in our LTM Net Dollar Retention Rate, which rose to 97 per cent in the period (H1 FY20: 91 per cent). Notably, an improvement in LTM net dollar retention was seen across all regions and reflects the measurable return on investment our software tools deliver to business customers, our ongoing focus on enhancing the value we deliver, and our success in capitalizing on the cross-sales opportunity that exists as a result of our modular SaaS product offering.

Innovation

During the first half we continued to invest in innovation and, in line with our strategy, prioritized four key areas: Prioritising Trust, Scaling Channels, Product Adoption, and Consumer Adoption.

– Prioritising Trust

In the first half, we continued to prioritize our investment in innovation with respect to ensuring trust and transparency on our platform, introducing 'business verification' and further highlighting 'trust signals' around domains on our platform.

– Scaling channels

Efficiently scaling our channels is central to our ability to capitalize on our market opportunity and deliver against our long-term strategy. In the first half, we launched our E-Commerce Channel in UK & Europe. Since the period end we have announced integrations into the Shopify App Store, the WooCommerce Marketplace, and WIX. These types of integrations are important as they empower merchants to tap into Trustpilot's automated review invitations while also being able to showcase their reviews without having to leave the platform. We have also extended the use of our powerful data and insights capabilities into our marketing and sales activities, enabling improved efficiency in our cost of customer acquisition.

– Product Adoption

In the period, we streamlined the ability for business customers to automatically invite consumers for reviews and to engage with the power of Trustpilot. Personalization is a key area of focus for us, and we added our first wave of personalized Actionable Insights to help customers increase the return on investment they derive from Trustpilot. We also introduced video in our Product Reviews solution, which allows consumers to upload a visual of the product they have purchased and thus enrich the reviews showcased for a better shopping experience.

– Consumer Adoption

Using machine learning models to automatically categorise domains on our platform, we have increased the value for consumers, helping them to rapidly find relevant businesses on the Trustpilot platform. We also introduced personalised insights for consumers on our engagement emails to help them gain more value from the interaction with Trustpilot.

Trust and Transparency

In the first six months of 2021 we continued to enhance our ability to detect and remove fake and misleading reviews from the platform, adding to the actions we take to help build consumer and business trust in the platform.

In February we published our first Transparency Report, demonstrating the scale of the protective and safeguarding measures we deploy as usage of the Trustpilot platform grows. The report offers an unobstructed view of the most crucial function of our business: ensuring the authenticity and credibility of Trustpilot reviews. Today, the vast majority of the fake and misleading reviews which we encounter are detected and removed automatically using our sophisticated fraud detection software.

We continue to invest in technology and processes to ensure the integrity of the content on the Trustpilot platform. Notably, during the period we deployed automated systems to ensure consistent enforcement actions are taken when fake reviews linked directly to a business are detected, and introduced technology to help us identify and act against the sale of fake and misleading reviews. This latter investment enables us to automatically block user profiles linked to review sellers, remove their reviews, and take appropriate action against businesses that have purchased these reviews.

This innovative technology-based approach sets a strong foundation as we scale our platform, and to take effective measures against the review seller industry going forward.

We have continued to automate the identification and removal of bad-fit businesses from Trustpilot. In the period we released technology to automatically block dark web domains, given the high risk they pose to consumers, and we are using automation to detect and assess other potentially harmful and illegal businesses as individuals add them to the platform. Towards the end of the first half, we released 'business verification' on Trustpilot, highlighting the steps taken by businesses to verify themselves on Trustpilot, with this information displayed on their transparency pages on the platform. This release underpins our commitment to enhancing the integrity of business verification across the platform, and further increasing trust throughout the Trustpilot community.

Sustainability

Trustpilot's Environmental, Social and Governance ("ESG") strategy is a key area of focus for the Group, overseen by a cross-functional steering committee, reporting to the senior management team and the heads of other key functional areas within the Group.

Our sense of purpose lies at the heart of our organisation and strategy, as we seek to provide a 'trust-layer' for the open commerce ecosystem, and our employees are passionate about Trustpilot's mission to become a universal symbol of trust. We recognise our responsibility to engage with all of our stakeholders and we are committed to operating with and promoting sustainable business practices. We believe that there is a correlation between corporate responsibility and our future business success.

With respect to our employees (or "Trusties"), we continue to focus on enriching their experiences both professionally and personally. We recently communicated our plan to permanently move to a hybrid model of work that will embrace the flexibility we are all now looking for, as well as the wonderful magic that happens when we have Trusties collaborating in shared office spaces together.

We also launched several initiatives aimed at improving the mental, physical, and social well-being of our Trusties and continued our investment into professional development. We are focused on building future leadership talent and in accelerating the development of our existing top talent. We also strengthened our team, building organisational capability and capacity in areas such as engineering, product development, user experience, data science and security.

Outlook

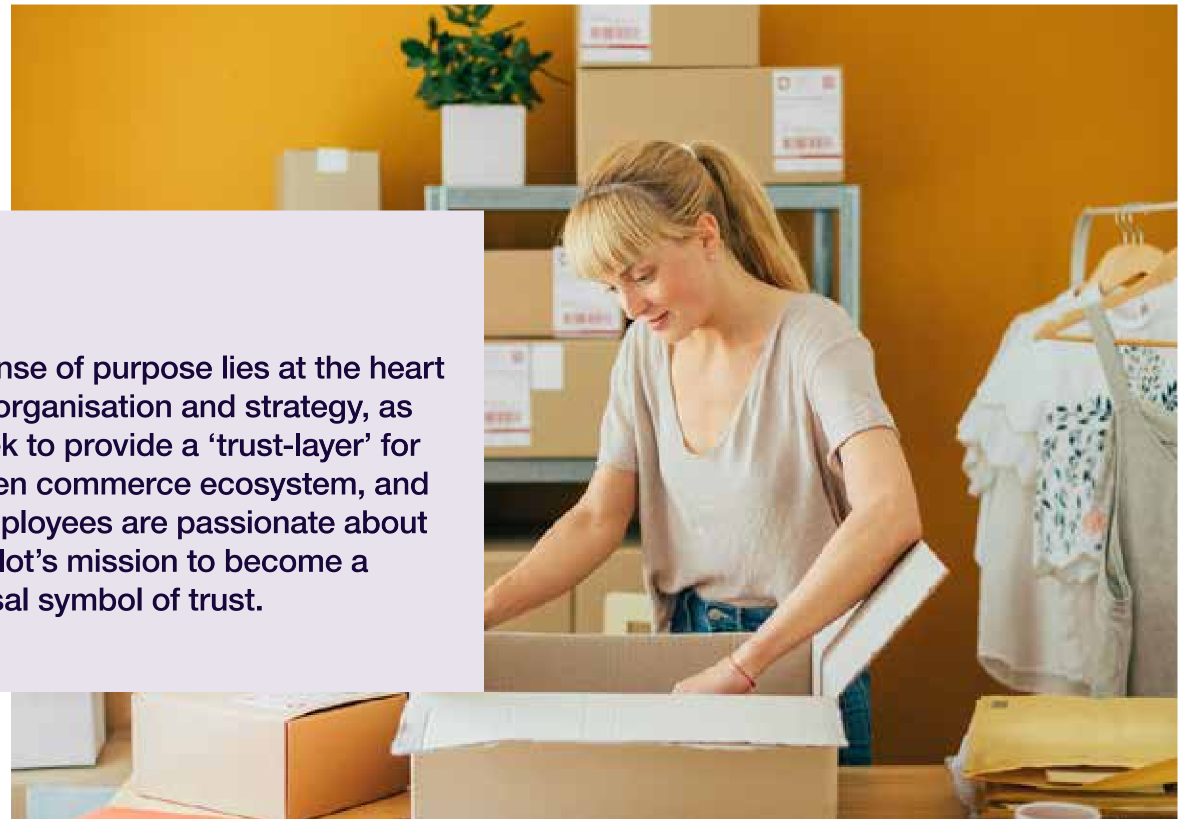
We are encouraged by the progress we have made in the first half of the year and the board remains confident in the strategy and outlook for the business. We will continue to focus on driving adoption of the Trustpilot platform by consumers and businesses and believe we can deliver sustainable revenue growth and margin expansion over the long-term.

We previously provided guidance for high-teens constant currency revenue growth in the current year. On the back of stronger H1 FY21 performance, we now expect to achieve a rate of constant currency revenue growth for the full year consistent with H1 FY21.

As noted, the bookings performance in H1 reflected an element of recovery and re-acceleration from the disruption caused by COVID a year ago, hence bookings in H2 will face a tougher comparison and the rate of growth in the period is likely to be a little lower than in H1.

Peter Holten Mühlmann,
Founder and Chief Executive Officer, Trustpilot

15th September 2021



Our sense of purpose lies at the heart of our organisation and strategy, as we seek to provide a 'trust-layer' for the open commerce ecosystem, and our employees are passionate about Trustpilot's mission to become a universal symbol of trust.

Chief Financial Officer's Review

"The financial KPIs in the first half of the year were strong across the business"

Bookings growth

28%

The first half results for 2021 saw an acceleration in bookings* growth from 16 per cent in H1 FY20 to 28 per cent in H1 FY21 on a constant currency basis

Revenue growth

31%

Revenue in H1 FY21 grew to USD 62 million, an increase of 31 per cent over the prior year or 22 per cent on a constant currency basis.

Re-acceleration of bookings growth continues"

Finance Review

Overview

The first half results for 2021 saw an acceleration in bookings* growth from 16 per cent in H1 FY20 to 28 per cent in H1 FY21 resulting in a 30 June 2021 ending Annual Recurring Revenue ("ARR")* of USD 134 million. Revenue growth of 31 per cent or 22 per cent on a constant currency basis** was driven largely by Rest of World (RoW) and UK markets. Loss for the period grew from USD 6 million (12 per cent of revenue) to USD 17 million (28 per cent of revenue) principally due to non-recurring costs relating to the Company's initial public offering (IPO) in March. Adjusted EBITDA** improved from USD 2 million (3 per cent) to USD 4 million (6 per cent) driven largely by revenue growth.

Revenue

Revenue in H1 FY21 grew to USD 62 million, an increase of 31 per cent over the prior year or 22 per cent on a constant currency basis. The actual growth rate was impacted by a weakening USD relative to the GBP and EUR when compared to the constant currency growth. Revenue continues to consist of over 99 per cent recurring revenue from software subscriptions, amortised over the subscription term.

ARR and Bookings

Annual Recurring Revenue (ARR) and bookings serve as leading indicators of revenue in subsequent periods. ARR is measured as a value at a point in time while bookings reflect the annual contract value of deals signed within that period. As of 30 June 2021, ARR was USD 134 million, an increase of 27 per cent on a constant currency basis over the prior year value of USD 99 million. H1 FY21 recorded bookings of USD 75 million, an increase of 28 per cent on a constant currency basis over the prior year bookings of USD 55 million.

Regional growth trends

As described above, regional bookings growth serves as a leading indicator of subsequent period revenue growth. For this reason, H1 FY21 regional revenue growth reflected prior year bookings growth. UK and ROW revenue growth remained strong with 27 per cent and 30 per cent growth respectively in H1 FY21 on a constant currency basis, while the 6 per cent growth reported for North America reflects weaker bookings growth in the prior year period.

Bookings growth accelerated on a constant currency basis in all regions in H1 FY21 compared with the prior year period. The acceleration in growth was particularly notable on a constant currency basis in RoW and North America, with RoW growing 36 per cent in H1 FY21 (up from 22 per cent in H1 FY20) and with North America growing 18 per cent in H1 FY21 (up from 4 per cent in H1 FY20) while the UK grew 27 per cent in H1 FY21 (up from 20 per cent in H1 FY20).

* Key performance indicator (KPI) - further detail available on page 12

** Alternative performance measures (APM) - further detail available in note 3

USD 000's	H1 FY21	H1 FY20	(+/-) % actual	(+/-) % constant currency
Bookings:				
UK	29,750	21,265	40	27
North America	17,574	14,839	18	18
Rest of the world	28,154	18,903	49	36
Total bookings	**75,478**	**55,007**	**37**	**28**
Revenue:				
UK	25,137	18,013	40	27
North America	14,692	13,827	6	6
Rest of the world	22,619	15,840	43	30
Total revenue	**62,448**	**47,680**	**31**	**22**

Cost of sales

Cost of sales, which includes network operating costs as well as the costs incurred to onboard, support, retain and upsell customers, was USD 12 million, an increase of 30 per cent on a constant currency basis, driven primarily by investments into the retention and expansion of existing customers ahead of future revenue recognition. These investments, primarily into incremental staff, have been effective at raising the LTM Net Dollar Retention Rate from 91 per cent in H1 FY20 to 97 per cent in H1 FY21. Similar to the bookings and revenue dynamic, improvements in retention bookings in the current period will be reflected in revenue in the subsequent period. As a share of revenue, cost of sales grew from 18 per cent in H1 FY20 to 19 per cent in H1 FY21.

Chief Financial Officer's Review continued

Sales and marketing costs

Sales and marketing costs fell slightly in H1 FY21 to USD 21 million, a reduction of 7 per cent on a constant currency basis compared with the prior year H1 FY20. Sales and marketing costs are lower in H1 FY21 due to an average sales and marketing headcount of 254 when compared to the prior year H1 FY20 of 328. This headcount saving is partially offset by a higher average cost per headcount, higher commissions and higher marketing expenditure. A planned adjustment to sales staff headcount took place in May 2020 in response to the crisis caused by Covid-19. As a share of revenue, sales and marketing costs fell from 45 per cent in H1 FY20 to 34 per cent in H1 FY21.

Technology and content costs

Technology and content costs grew to USD 15 million, an increase of 27 per cent on a constant currency basis over the prior year H1 FY20. Technology and content investment continues both into staff and into purchased software and professional assistance. Average technology and content headcount in H1 FY21 grew to 203 compared with the prior year H1 FY20 of 185. The focus of these efforts remains primarily on product and engineering efforts as well as securing the integrity of our content. As a share of revenue, technology and content costs grew from 23 per cent in H1 FY20 to 24 per cent in H1 FY21.

General and administrative costs

General and administrative costs grew to USD 30 million, an increase of 146 per cent on a constant currency basis over the prior year period. The growth in general and administrative costs was driven primarily by non-recurring IPO related costs of USD 10 million and an increase in share-based compensation to USD 6 million compared with a prior year cost of USD 2 million in H1 FY20. IPO costs consisted primarily of accounting, legal and advisory services to enable the March 2020 listing on the London Stock Exchange. As a share of revenue, general and administrative costs grew from 24 per cent in H1 FY20 to 48 per cent in H1 FY21.

Cash Flow

Cash outflow from operations in H1 FY21 increased to USD -12 million compared with a cash outflow from operations in H1 FY20 of USD -2 million. Non-recurring IPO costs represented the largest driver of the cash outflow increase in addition to outflows related to the annual company bonus payout.

One-off operating cash items in H1 FY21 included negative working capital contribution related to the payout of payroll tax deferral for Covid-19 relief (USD 2.7 million). One-off operating cash items in H1 FY20 included positive working capital contribution related to the shifting of the Group's bonus payout from quarterly to annual frequency (USD 0.6 million) and payroll tax deferral for Covid-19 relief (USD 2.9 million) as well as a negative working capital contribution from London office deposit (USD 1.9 million).

Capex continues to primarily consist of capitalised development costs and in H1 FY21 this increased to USD 2 million.

Cash inflow from financing activities total USD +56 million comprised primarily of equity inflows from the primary proceeds from the IPO new share issuance, as well as exercise price proceeds from employee warrants exercised at IPO. This inflow is partially offset by the equity recorded portion of IPO costs, cash outflows from repayment of term debt and from the principal elements of lease payments.

Balance Sheet

Meaningful movements in the Group balance sheet when compared to 31 December 2020 consisted primarily of the equity raise resulting in USD 91 million of cash as of 30 June 2021 and an increase in net equity to USD 65 million as of 30 June 2021. Non-current liabilities fell to USD 13 million as of 30 June 2021 with the repayment of outstanding term debt. Current liabilities fell to USD 48 million as of 30 June 2021 due in part to the release of labour accruals (USD 3.5 million) related to annual bonus payouts, partially offset by growth in contract liabilities (USD 2.7 million) driven by growth in bookings.

Foreign exchange

The Group does not hedge foreign currency profit and loss translation exposures and the statutory results are therefore impacted by movements in exchange rates. The use of constant currency translation illustrates underlying activity by neutralising the impact of currency fluctuations. Constant currency translation is applied by utilising the monthly average rate from the most recent period then applying that rate to all historical periods being compared.

Going Concern

The Group incurred a loss of USD 17 million in H1 FY21 compared with a loss of USD 6 million in H1 FY20. The Group has cash and cash equivalents of USD 91 million as of 30 June 2021 compared with a balance of USD 41 million as of 30 June 2020. The increase in cash and cash equivalents is driven primarily by primary proceeds of USD 64 million raised in connection with the IPO in March 2021. The Group has access to undrawn revolving credit facility of up to USD 30 million. The Group has not breached any associated covenants and does not forecast a breach in future periods.

In consideration of going concern, management prepares forecasts of revenue growth with associated costs and cash requirements. In addition to forecasting expectations, management prepares downside scenarios meant to illustrate the impact of reasonable worst case performance and the resulting impact to the financials, with and without mitigating actions. Even under these downside scenarios there is sufficient liquidity to finance Group operations, management does not believe there to be any reasonable downside scenario which would cause the Group to have insufficient liquidity to be considered a going concern in the forecast periods.

Hanno Damm
CFO, Trustpilot Group plc

15th September 2021

Operating metrics

Operating metrics

Trustpilot utilises a range of key performance indicators ("KPIs") to assess its performance, and this document contains certain operating measures that are not defined or recognised under IFRS. Trustpilot considers bookings, LTM Net Dollar Retention Rate, annual recurring revenue, number of reviewed domains, number of claimed domains, number of active domains, number of subscribing customers and number of reviews to be the KPIs used by Trustpilot to help evaluate growth trends, establish budgets and assess operational performance and efficiencies.

Trustpilot believes that these KPIs provide alternative measures by which to assess the operating performance of the Group and, together with IFRS measures, are useful in evaluating the Group's

operating performance. The KPIs used in this Financial Statements should not be considered superior to, or a substitute for, measures calculated in accordance with IFRS. The following table presents Trustpilot's KPIs for H1 FY21 and H1 FY20.

USD 000's except per cent and millions	H1 FY21	H1 FY20	(+/-) % actual	(+/-) % constant currency
Bookings:				
UK	29,750	21,265	40	27
North America	17,574	14,839	18	18
Rest of the world	28,154	18,903	49	36
Total bookings[1]	**75,478**	**55,007**	**37**	**28**
LTM Net Dollar Retention Rate (per cent)[2]	97	91	7	—
KPIs at period end				
Annual Recurring Revenue[3]	134,172	98,618	36	27
Number of reviewed domains[4]	626	445	41	—
Number of claimed domains[5]	481	348	38	—
Number of active domains[6]	73	51	42	—
Number of subscribing customers[7]	21	18	16	—
Number of reviews[8]	144	100	44	—

1 Bookings is defined as the annual contract value of contracts signed in a given period. Nearly all of Trustpilot's contracts with customers have a duration of 12 months, and in the event a contract length exceeds 12 months the value is adjusted to the 12-month equivalent for the purpose of calculating bookings. Bookings are a leading indicator of future revenue.

2 LTM Net Dollar Retention Rate is defined as the annual contract value of all subscription renewals in the last twelve months divided by the annual contract value of subscriptions expiring in the last twelve months. LTM Net dollar retention includes the total value of subscriptions with existing Subscribing Customers, and includes any expansion of contract value with existing Subscribing Customers through upsell, cross-sell, price expansion or winback. Twelve months of data is used as nearly all subscriptions are twelve months in duration, ensuring the appropriate alignment of renewal activities.

3 Annual recurring revenue is defined as the annual value of subscription contracts measured on the final day of a reporting period.

4 Number of reviewed domains that have been reviewed on Trustpilot's platform as at 30 June (including domains subsequently removed from the Trustpilot consumer website).

5 Number of claimed domains that have been reviewed on Trustpilot's platform as at 30 June (including domains subsequently removed from the Trustpilot consumer website) and have been claimed by the domain owner.

6 Number of domains, in the months of June, that received an invited review or were the subject of a TrustBox impression during the month.

7 Number of customers with a paid subscription for services on Trustpilot's platform as at 30 June.

8 Number of reviews hosted on Trustpilot's platform as at 30 June (including reviews subsequently removed or deleted).

Principal risks and uncertainties

At Trustpilot, we adopt a robust approach to risk management to ensure that we can achieve our mission of becoming a universal symbol of trust and grow our business in a sustainable way.

We have a dedicated risk management function that is responsible for maintaining the integrity of our platform and promoting a risk conscious culture across all levels of our organisation.

Our Board of Directors ("Board") is responsible for setting the tone in relation to our approach to risk and guides our risk management behaviours. The Board ultimately sets expectations in relation to conduct, trust and integrity, defines our risk appetite, approves material decisions around our risk profile and assesses potential risks which may impact our strategy, reputation, operations or business model.

The Board is supported by our Audit Committee, which is responsible for reviewing, reporting and managing risk. The Audit Committee reviews our internal controls and risk management systems and is accountable for the review, maintenance and updating of our risk register. The Audit Committee reports to our Board on matters within its duties and responsibilities.

Operational management of risk is the responsibility of our Executive Leadership Team ("ELT") who report to the Audit Committee and the Board.

On a day to day basis, we consider all of our employees to be risk managers and we operate a 'three lines of defence' model. The first line of defence sits with our function heads within the organisation and their teams, who are responsible for identifying and managing risks relevant to their respective areas of responsibility. The second line of defence provides an independent review and challenge to our internal controls and the first line's approach to risk management to ensure adherence to our risk appetite and policies, which is managed by our dedicated Risk function. The third line of defence provides independent assurance on the effectiveness of, and compliance with, our internal controls, which is managed by our Internal Audit team in conjunction with the Audit Committee.

Identified risks and mitigants

We monitor, review and manage existing and emerging risks to our business, which are recorded in our risk register and reported to the Audit Committee and the Board.

The Board does not consider that the risk factors relating to the Trustpilot group and its business set out in pages 7-20 the Prospectus have changed materially since it was published on 23 March 2021. These risks are expected to apply for the remaining half of the financial year and the principal risks and uncertainties are summarised as follows with a description of how we seek to mitigate them:

(1) Trust

Description of the risk and potential impact	How we mitigate the risk
Our brand and reputation for trust are of paramount importance. Our platform is open to businesses and consumers, and any failure to maintain a consistently high level of confidence in our commitment to trust and transparency, or a public perception that content on our platform is fake or misleading could adversely affect our reputation with businesses and consumers, which could lead to a reduction in the number of consumers using our platform, the number of businesses subscribing to our services and consequently a decrease in revenue.	– We have a clear mission to become a universal symbol of trust and our strategy is fully aligned to that mission. – Our company values to be 'open to all' and to act 'always with integrity' are embedded within our culture and our employees are committed to putting trust and transparency at the heart of everything we do. – We have comprehensive policies and procedures designed to ensure that we only work with businesses that align with our ethical values. These ensure our customers are committed to integrity, trust and transparency and include our Code of Ethics and Bad Fit Policy. These policies form part of our relationship with customers and we regularly monitor compliance. If a business does not align with our values, then we take appropriate enforcement action, such as removal from our platform, denial of services, termination of any paid subscription, consumers alerts, warnings and other action. – We have comprehensive policies and procedures designed to ensure that we only work with businesses that align with our ethical values. These ensure our customers are committed to integrity, trust and transparency and include our Code of Ethics and Bad Fit Policy. These policies form part of our relationship with customers and we take enforcement action in relation to non-compliance, such as consumers alerts.

(1) Trust continued

Description of the risk and potential impact	How we mitigate the risk
	– We employ automated tools for detecting fake or fraudulent reviews, including pattern and behavioural cluster analysis. Any false positives in automated removals are manually reviewed by our Content Integrity agents when reported to us. – Our automated systems analyse every review submitted to the platform to identify and quickly remove any reviews which we deem to be fake. In 2020, we removed over 2.2 million fake reviews from our platform, over 70 per cent of which were detected by our automated software. A further 1.4 million fake reviews were detected and removed in H1 2021. – We have a robust notice and take down procedure, which allows consumers and businesses to report reviews they believe to be fake, illegal, harmful or otherwise in breach of our platform terms and guidelines. Once reported, we thoroughly investigate and take prompt enforcement action, such as removing the reviews from our platform, issuing warnings to businesses and consumers for repeated breaches placing consumer alerts on the profile pages of the businesses involved, as well as issuing warnings and, in the case of paying customers, terminating the paid subscription with businesses who might be misusing our platform. – We include 'transparent flagging' information on every business profile on our platform, which allows consumers to view how often businesses flag reviews and understand what happens to the review while they are being investigated. – We include 'transparent inviting' information on every business profile on our platform, which allows consumers to see how businesses receive and collect reviews on their profile and if they are actively using automated or manual methods to collect reviews from consumers. – Our business transparency pages provide an overview of how businesses have used our platform during the preceding 12 months, including the sources of reviews, whether or not the business pays to access additional Trustpilot products and services and star distribution by review source. – Our platform labels reviews to explain to consumers if a review has been collected by a business and the collection method they have used. Where a business collects reviews using one of our automated collection methods which are automatically triggered following an experience with a business (or a consumer has otherwise given us documentation to prove their buying or service experience), we label the reviews as 'verified'. – We prohibit businesses from using incentives to gather feedback from consumers. – We have released a transparency report highlighting our commitment to trust and transparency and reporting on our efforts to combat fake reviews and misuse of our platform, and plan to regularly release subsequent reports. – We continually monitor, and where appropriate, respond to press coverage in relation to our business and proactively monitor our platform to protect businesses from any influx in negative, non-genuine reviews arising as a result of media coverage. – We continue to invest in best-in-class technology and people to further improve the trust and transparency of our platform, including fraud detection software utilising machine learning and artificial intelligence and the creation of a R&D team dedicated to trust & transparency.

Principal risks and uncertainties continued

(2) Activities of businesses and consumers

Description of the risk and potential impact	How we mitigate the risk
Our terms of use and platform guidelines prohibit businesses and consumers from using our platform to post illegal or harmful content, engage in illegal activities or make improper use of the platform. Nevertheless, businesses and consumers may engage in such prohibited activities, create or promote the creation of false or misleading reviews and otherwise attempt to use Trustpilot's platform for fraudulent purposes. Such activities could negatively impact Trustpilot's brand and reputation. Further, in many jurisdictions, laws relating to the liability of providers of online services for activities of third parties on their platforms are being tested by actions based on defamation, invasion of privacy, unfair competition, copyright and trademark infringement and on other bases. Any court ruling or other governmental regulation or action that imposes liability on providers of online services in connection with the activities of such third parties could result in Trustpilot becoming liable for the actions of businesses and consumers on the platform.	– Our terms of use and guidelines clearly prohibit problematic content and misuse of our platform, including reviews which are illegal, harmful, defamatory, misleading or otherwise not based on a genuine experience. Our terms also specifically exclude Trustpilot liability for user generated content on our platform. – As mentioned above, in connection with our efforts to maintain the trust and transparency of our platform (1), we take extensive steps to detect and remove improper content and to take action against those who post such content or engage in any misuse of our platform. – We have a dedicated Policy & Public Affairs team that works closely with regulators to help shape future legislation around liability and enable regulators to understand our business. – We have a dedicated Litigation team that robustly defends any actions seeking to impose liability on Trustpilot for user generated content and activity on the platform, and where appropriate, take proactive enforcement action. We also utilise external specialists where necessary. – We regularly take enforcement action against those who misuse our platform, employing human expertise and automated tools. For example, we issued 695 automated cease and desist letters to businesses in H1 2021 and blocked 9,778 user profiles linked to those selling reviews.

(3) Increased regulation and regulatory scrutiny

Description of the risk and potential impact	How we mitigate the risk
The growth and development of e-commerce, along with negative publicity and allegations of false or misleading information, has led to increasing regulatory scrutiny of such activities particularly in the UK, Europe and the United States. For example, in May 2020, the UK Competition and Markets Authority (the "CMA") opened an industry investigation into several major websites, including Trustpilot, that display online reviews to assess whether those websites are taking sufficient measures to protect consumers from fake and misleading reviews. Following the investigation, the CMA announced on 25 June 2021 that it has opened a formal probe into Amazon and Google over concerns that they have not been doing enough to combat fake reviews on their sites. Whilst the CMA has chosen not to launch an investigation into Trustpilot at this time, any failure to take appropriate measures to combat fake reviews or other misleading activity on its platform could lead to further or similar regulatory scrutiny from the CMA or other regulatory bodies throughout the world, ultimately leading to reputational damage and financial or criminal penalties.	As a business dedicated to trust & transparency, we are constantly making improvements and enhancements to our platform to ensure compliance with laws and regulations. Please see the extensive steps we take in relation to trust in (1) above.

(3) Increased regulation and regulatory scrutiny continued

Description of the risk and potential impact	How we mitigate the risk
In addition, as there is mounting political and social pressure to tackle illegal and harmful content online, regulators are introducing new regulations requiring platforms such as Trustpilot to take action to quickly and effectively remove such content, which could lead to increased compliance costs. Any failure to comply with these requirements or respond to regulatory changes may result in reputational damage, fines and other enforcement action.	– We proactively and voluntarily work with regulators to identify any compliance risks and build strong, positive relationships. – We regularly monitor investigations and enforcement action taken by regulators against other digital service providers to identify any changes that may be needed to our platform to ensure regulatory compliance. – Our Policy & Public Affairs team is dedicated to identifying, monitoring, assessing and responding to upcoming changes in laws and regulations and working with regulators, politicians, Governments and other lawmakers to help shape and influence future regulation. – We have dedicated internal legal expertise to implement any changes to our platform and business that are required as a result of new regulations, including product legal, regulatory compliance and privacy professionals. We also engage external counsel where appropriate. – We employ a comprehensive compliance framework, including policies, guidelines and training to ensure awareness of, and compliance with, new regulations. – Our dedicated Risk function maintains our risk register, which is updated regularly to take account of new risks that may arise from new regulations and regulatory action.

(4) Litigation and disputes

Description of the risk and potential impact	How we mitigate the risk
Due to the nature of our business and being a platform that hosts user generated content, we may be subject to litigation and other legal proceedings involving defamation, libel, consumer protection, intellectual property, commercial disputes and other matters. We may also be associated with disputes between businesses and consumers, even where we are not a party to the dispute (for example, disputes relating to the content of a review). The outcomes of such proceedings cannot be predicted and could have an adverse impact on our business due to legal costs incurred, diversion of management resources and reputational impact. As set out in our IPO prospectus in March 2021, a complaint was filed in the United States District Court for the Southern District of New York against Trustpilot Inc and Trustpilot A/S relating to Trustpilot's customer renewal practices. The claim was dismissed by the court on 29 June 2021 but the complainant has filed a motion for reconsideration and further proceedings may take place in H2 2021.	– We have a dedicated Litigation team which is responsible for handling any claims, litigation or other proceedings when issued against Trustpilot, using external counsel where necessary for jurisdiction specific advice. – We monitor and track litigation and disputes and regularly assess likelihood of success, impact to the business and potential legal costs to inform our decision making. – Our reporting processes allow businesses and consumers to report content they believe breaches our guidelines at an early stage. This allows us to identify and take action to address problems early and minimises the risk of escalation to pre-action and formal litigation – We have processes in place to identify and act on claims issued against any Group company in the locations in which we operate / where we may be subject to proceedings.

Principal risks and uncertainties continued

(5) Failure to innovate	
Description of the risk and potential impact	**How we mitigate the risk**
Failure to develop new technologies or products and services, or adapt to consumer or market trends, such as an increasing demand for trust, developments relating to security and authenticity of reviews, could adversely impact our ability to attract businesses and consumers to our platform and/or grow revenue.	– Continuous investment in technology. For example, in H1 2021 we released technology to automatically block 'dark web domains' from our platform. – Continued expansion of our R&D team, including at our R&D hub in Edinburgh, which is focused on innovation in data science and consumer trust online. – Regular horizon scanning and monitoring of emerging trends, as well as research into consumer behaviour. – Peer reviews of similar platforms around the world. – We employ an agile and collaborative way of working so that we can innovate and respond to change quickly. – We monitor global M&A opportunities to acquire technology, people and businesses which may advance our mission to become a universal symbol of trust. – We actively seek out, and enter into strategic partnerships, which will allow us to continue to grow and find new and innovative ways to reach consumers and businesses.

(6) Competitive environment	
Description of the risk and potential impact	**How we mitigate the risk**
The market for consumer reviews is evolving and highly competitive. Competition could increase in the future from established competitors and new market entrants, including companies that have their own internal ecosystem reviews such as Google and Amazon. This could impact our ability to increase revenue, maintain or increase contract renewals and maintain or increase prices.	– We monitor competitors and their offerings closely, and our ELT and Board regularly undertake competitor and market analysis. – We constantly develop, and add new features to, our platform to ensure that we continue to remain at the forefront of innovation and provide maximum value to businesses and consumers. – We regularly review and adapt our pricing strategies to ensure that we remain competitive in the market. – We continue to invest in our brand and our customer-led marketing approach helps amplify awareness of our brand and products and services. – As an open and independent platform, we have a consumer-facing proposition which allows consumers at any time to write reviews of any business with a website and see feedback left by other consumers. This continues to differentiate us from 'closed' platforms, which generally only let consumers write reviews when the business or platform invites them to do so and/or only enable businesses to interact with consumers when they pay for that capability and/or let businesses choose which reviews are published. – Our commitment to trust and transparency continues to be a key differentiator between Trustpilot and competitors.

(7) Covid-19	
Description of the risk and potential impact	**How we mitigate the risk**
The Covid-19 pandemic and the measures taken to mitigate the effects of the pandemic, could continue to cause disruption to our business and have an adverse impact on our financial results. The pandemic has caused heightened uncertainty in the global economy, which could result in a reduction of consumer transactions, and consequently the posting of reviews on Trustpilot, as consumers delay or reduce discretionary purchases. Similarly, businesses may defer or reduce investment in products and services such as those offered by Trustpilot, or existing customers may choose to terminate their subscriptions. Businesses may also fail or struggle financially, limiting their ability to make timely payments to Trustpilot. The pandemic and associated Government restrictions, could also mean further home working for employees, which could have an adverse affect on our collaborative culture and employee health and wellbeing. Further travel restrictions may also restrict the ability of our employees to meet with customers and partners to establish, build and maintain relationships, as well as adversely effect our efforts to expand internationally. The pandemic has also led to a global shortage of supply of electronic equipment (such as laptops and monitors) and other products and services, which could impact our ability to procure equipment for employees and lead to a reduction in productivity.	– We constantly monitor and evaluate consumer activity on our platform and despite the pandemic the number of reviews continues to grow significantly. Similarly, our customer base and revenue continues to rise. – Where appropriate, we support our customers by offering concessions on subscriptions, such as payment waivers or deferrals. – We successfully transitioned to remote working for all of our employees by adapting our technology and ways of working to enable employees to continue to work collaboratively. Whilst our offices will begin to reopen fully, we intend to adopt a new permanent flexible working policy, which will enable a hybrid approach of home and office based working. – Employee health and wellbeing are very important to us at Trustpilot and we adopt initiatives to support our employees, such as an enhanced employee assistance scheme and fully subsidised subscriptions to Headspace. – We engage in regular and transparent communications with our employees and provide training and guidelines to enable employees to work remotely in an effective way. – We continuously monitor government updates and advice, and implement Covid-19 safety measures in our offices to protect the physical health of our employees. – We have an established Covid-19 taskforce, made up of senior employees across various functions which regularly meet to discuss ongoing issues relating to the pandemic and the impact on our business. – We regularly monitor our supplies of equipment for employees, assess against projected hiring levels and review our third party suppliers to ensure we have sufficient equipment to ensure that employees have access to the equipment they need to perform their role. – At the outset of the Covid-19 pandemic in 2020, scenario planning and detailed monitoring of business performance led to the decision to cut spending and headcount to improve the cash flow of the business. We continue to monitor performance across measures such as sales, expenses and cash flow as the pandemic progresses.

Principal risks and uncertainties continued

(8) Reliance on third parties

Description of the risk and potential impact	How we mitigate the risk
Our platform relies on third-party products and services, such as data hosting and transmission services provided by Amazon Web Services and Google Cloud and open source software. If these services were to fail or suffer significant downtime, or we are unable to obtain or retain such products and services, this could lead to an impaired experience for consumers and businesses alike and result in a loss of such consumers and businesses and a reduction in revenue.	– Where possible, we procure services from multiple suppliers to avoid overreliance on one supplier. – Suppliers undergo a procurement and due diligence process, involving assessments of performance, security, and financial viability. – We maintain strong relationships with key suppliers and monitor performance to ensure continued quality and uptime. – We ensure we have comprehensive contracts in place with key suppliers, the terms of which are reviewed/negotiated by our dedicated in-house Legal team. – We adopt where practicable a flexible technical architecture and agile ways of working to help enable us to act quickly and change suppliers if required.

(9) People

Description of the risk and potential impact	How we mitigate the risk
Our continued success depends upon our ability to attract, recruit, retain and develop a highly skilled team, particularly in the fields of technology, data, product, systems development, digital marketing and sales. Failure to do so could result in a negative impact on our ability to develop new technologies, products and services, execute our strategy and/or increase revenue.	– Trustpilot considers its culture and diverse workforce to be vital to its success. Trustpilot believes that its value-led culture creates an atmosphere that enables it to successfully recruit and retain talented and passionate team members. Trustpilot employees are empowered to speak up and drive Trustpilot's extended purpose, which includes social and environmental activities and employee resource groups. – We use long term incentive plans for management and key employees. We also offer a company bonus based on company performance measures to incentivise employees to share in Trustpilot's success. – We offer competitive, benchmarked remuneration packages to employees at all levels and regularly review the benefits we offer to remain competitive. – We carry out regular employee engagement surveys to monitor employee sentiment. We also monitor and respond to reviews on Glassdoor. – We carry out regular assessments of employee attrition and conduct exit interviews and exit surveys to understand why people are leaving us and what we can do to improve. – We offer resources and a transparent job architecture to support employees in planning their career progression. We further offer an accelerated development program for top talents. – We are a purpose-led business with strong values around trust, integrity, collaboration and being positively human.

(9) People continued

Description of the risk and potential impact	How we mitigate the risk
	– We are significantly increasing the size of our Recruitment function to quickly hire the best talent as we build out our teams. – We have several initiatives aimed at supporting the health and wellbeing of our employees. See (7) above in respect of the measures we've put in place during the Covid-19 pandemic. – Our Board is committed to hiring and retaining the best talent. The Board regularly receives People updates, we have a dedicated NED appointed to oversee workforce engagement and our Nomination Committee is responsible for succession planning for the Board and senior management.

(10) Privacy and Security

Description of the risk and potential impact	How we mitigate the risk
Substantial or ongoing security breaches or other failures to comply with data privacy laws on our platform, whether as a result of our own internal failures or an external cyber attack, could significantly harm our reputation amongst consumers and businesses, inhibiting consumers' willingness to provide reviews and/or businesses from providing their customers' personal data to Trustpilot. This could result in a reduced demand for our products and services and a loss of revenue, as well as potential fines or other regulatory action.	– We have a dedicated Security team, who address areas including platform and product security (which includes our Cloud environments), security operations and infosec risk and compliance. The team regularly carry out penetration testing, external scanning of our web applications and review threats and vulnerabilities. We also have a public Bug Bounty scheme in place (continuous crowdsourced penetration testing). – In H1 2021, we appointed a new Chief Information Security Officer to oversee and expand our Security function. – We have a dedicated Privacy team that provide guidance and support on privacy compliance. – We have a number of policies in place to help prevent, and handle, security breaches and ensure compliance with privacy laws, including an Information Security Policy, Data Incident Policy and a Data Protection Policy. A specific incident policy is followed for security incidents and maintained and tracked. – All of our employees received regular training on information security and data protection. There are continuing awareness schemes. – We maintain a risk register, which is regularly reviewed and updated to monitor cyber security and privacy risks. The Security Team works to a specific cyber risk framework adapted for the business, covering cyber attacks, compliance, data loss, phishing & fraud and insider events. – We have an Internal Audit team which will regularly review cyber security as part of its annual audit plan. – Our Audit Committee regularly receives cyber security updates and is responsible for reviewing our policies and procedures for assessing risk relating to data security, cyber security and disaster recovery under its terms of reference. – Continual investment in our infrastructure and IT environment.

Condensed consolidated statement of profit or loss

USD '000	Note	H1 FY21 (unaudited)	H1 FY20 (unaudited)	FY20 (unaudited)
Revenue	4	62,448	47,680	101,985
Cost of sales		(11,676)	(8,389)	(18,067)
Gross profit		**50,772**	**39,291**	**83,918**
Sales and marketing		(21,265)	(21,541)	(40,442)
Technology and content		(15,205)	(10,993)	(25,161)
General and administrative		(30,129)	(11,489)	(27,750)
Operating loss		**(15,827)**	**(4,732)**	**(9,435)**
Other operating income		391	38	352
Loss before net financial items		**(15,436)**	**(4,694)**	**(9,083)**
Financial income/(expense)	6	(1,820)	(1,717)	(3,859)
Loss before tax		**(17,256)**	**(6,411)**	**(12,942)**
Income tax	7	79	585	663
Loss for the period		**(17,177)**	**(5,826)**	**(12,279)**
Earnings/(loss) per share (cents)				
Basic earnings per share	8	(4.353)	(1.585)	(3.339)
Diluted earnings per share	8	(4.353)	(1.585)	(3.339)
Adjusted earnings per share*	8	(0.938)	(0.565)	(1.068)
Adjusted Diluted earnings per share*	8	(0.938)	(0.565)	(1.068)

* Alternative performance measures (APM) - further detail available in note 3

Condensed consolidated statement of comprehensive income

USD '000	H1 FY21 (unaudited)	H1 FY20 (unaudited)	FY20 (unaudited)
Loss for the period	(17,177)	(5,826)	(12,279)
Other comprehensive income/(expense)			
Items that may be subsequently reclassified to profit or loss			
Exchange rate differences on translation of foreign operations	451	35	1,772
Other comprehensive income/(expense) for the period, net of tax	**451**	**35**	**1,772**
Total comprehensive expense for the period	**(16,726)**	**(5,791)**	**(10,507)**

Condensed consolidated balance sheet

USD '000	Note	As at 30 June 2021 (unaudited)	As at 30 June 2020 (unaudited)	As at 31 December 2020 (unaudited)
Intangible assets		6,203	4,356	5,478
Property, plant and equipment		1,790	557	2,021
Right-of-use assets		13,711	12,899	14,980
Deferred tax assets	7	17	7	11
Deposits		2,580	2,305	2,970
Total non-current assets		**24,301**	**20,124**	**25,460**
Trade receivables		5,114	3,766	5,227
Income tax receivables	7	962	576	926
Prepayments		2,216	3,527	2,099
Other receivables		2,693	1,574	1,130
Cash and cash equivalents		91,392	41,343	50,387
Total current assets		**102,377**	**50,786**	**59,769**
Total assets		**126,678**	**70,910**	**85,229**
Equity and liabilities				
Share capital	9	5,667	710	773
Share premium		66,032	162,412	177,842
Foreign currency translation reserve		(14,329)	(6,543)	(20,304)
Merger reserve		172	711	—
Accumulated Losses		(164,843)	(146,401)	(151,312)
Total equity		**65,238**	**10,178**	**6,999**
Borrowings	12	—	12,040	11,323
Lease liabilities		10,049	11,195	12,172
Other payables		3,111	2,655	3,171
Total non-current liabilities		**13,160**	**25,890**	**26,666**
Borrowings	12	—	—	1,618
Trade payables		1,209	1,458	1,277
Lease liabilities		5,084	1,682	4,432
Income tax payables	7	48	80	90
Contract liabilities		25,558	19,510	22,849
Other payables		16,381	12,112	21,298
Total current liabilities		**48,280**	**34,842**	**51,564**
Total liabilities		**61,440**	**60,732**	**78,230**
Total equity and liabilities		**126,678**	**70,910**	**85,229**

Condensed consolidated statement of changes in equity

	Note	Share capital (unaudited)	Share premium (unaudited)	Foreign currency translation reserve (unaudited)	Merger Reserve (unaudited)	Accumulated Losses (unaudited)	Total (unaudited)
Equity at 1 January 2021		**773**	**177,842**	**(20,304)**	**—**	**(151,312)**	**6,999**
Loss for the period		—	—	—	—	(17,177)	(17,177)
Other comprehensive income		—	—	451	—	—	451
Total comprehensive income/(expense) for the period		**—**	**—**	**451**	**—**	**(17,177)**	**(16,726)**
Exchange difference on share capital and premium		(23)	(5,501)	5,524	—	—	—
Transactions with owners							
Impact of group reconstruction	9	4,371	(177,082)	—	172,711	—	—
Warrants financing facility*		—	—	—	—	61	61
Warrants (exercised)	9	10	596	—	—	—	606
Employee share scheme issues	9	292	7,189	—	—	—	7,481
Issue of shares	9	244	64,102	—	—	—	64,346
Contribution of equity - Transaction Cost		—	(1,114)	—	—	—	(1,114)
Share-based payments		—	—	—	—	3,585	3,585
Total transactions with owners		**4,894**	**(111,810)**	**5,524**	**172,711**	**3,646**	**74,965**
Equity at 30 June 2021		**5,667**	**66,032**	**(14,329)**	**172,711**	**(164,843)**	**65,238**

* Warrants in Trustpilot A/S which are fully vested, have been granted to the lenders for the credit and term debt facility and the value of which is considered to be part of the effective interest rate for that facility.

Condensed consolidated statement of changes in equity

USD '000	Note	Share capital (unaudited)	Share premium (unaudited)	Foreign currency translation reserve (unaudited)	Accumulated losses (unaudited)	Total (unaudited)
Equity at 1 January 2020		**709**	**162,109**	**(6,315)**	**(141,975)**	**14,528**
Loss for the period		—	—	—	(5,826)	(5,826)
Other comprehensive income/(expense)		—	—	35	—	35
Total comprehensive income/(expense) for the period		**—**	**—**	**35**	**(5,826)**	**(5,791)**
Exchange difference on share capital and premium		—	263	(263)	—	—
Transactions with owners						
Warrants financing facility*		—	—	—	76	76
Warrant exercise**		1	40	—	—	41
Share-based payments		—	—	—	1,324	1,324
Total transactions with owners		**1**	**303**	**(263)**	**1,400**	**1,441**
Equity at 30 June 2020		**710**	**162,412**	**(6,543)**	**(146,401)**	**10,178**

USD '000	Note	Share capital	Share premium	Foreign currency translation reserve	Accumulated losses	Total
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Equity at 1 July 2020		**710**	**162,412**	**(6,543)**	**(146,401)**	**10,178**
Loss for the period		—	—	—	(6,453)	(6,453)
Other comprehensive income		—	—	1,737	—	1,737
Total comprehensive income/(expense) for the period		**—**	**—**	**1,737**	**(6,453)**	**(4,716)**
Exchange difference on share capital and premium		68	15,430	(15,498)	—	—
Transactions with owners						
Warrants financing facility*		—	—	—	165	165
Reduction of shares***		(5)	—	—	5	—
Share-based payments		—	—	—	1,372	1,372
Total transactions with owners		**63**	**15,430**	**(15,498)**	**1,542**	**1,537**
Equity at 31 December 2020		**773**	**177,842**	**(20,304)**	**(151,312)**	**6,999**

* Warrants in Trustpilot A/S which are fully vested, have been granted to the lenders for the credit and term debt facility and the value of which is considered to be part of the effective interest rate for that facility.

** In H2 FY20, 3,681 warrants have been exercised into 3,681 common shares with a nominal value of 1 DKK per share.

*** The reduction of share capital, USD 5 thousand is due to cancellation of treasury shares.

Condensed consolidated cash flow statement

USD '000	Note	H1 FY21 (unaudited)	H1 FY20 (unaudited)	FY20 (unaudited)
Loss for the period		(17,177)	(5,826)	(12,279)
Adjustments	15	9,284	3,488	9,826
Changes in net working capital	15	(2,862)	1,026	11,402
Interests received		4	9	21
Interests paid		(1,205)	(734)	(1,788)
Net cash flow from operating activities		**(11,956)**	**(2,037)**	**7,182**
Purchase of property, plant and equipment		(227)	(106)	(1,793)
Proceeds from lease sublet		—	70	70
Payments for intangible asset development		(2,037)	(1,848)	(3,261)
Net cash flow from investing activities		**(2,264)**	**(1,884)**	**(4,984)**
Principal elements of lease payments		(2,484)	(2,115)	(3,047)
Proceeds from borrowings	12	—	12,144	12,144
Repayment of borrowings	12	(13,000)	—	—
Proceeds from share issue		71,706	36	41
Cash flow from financing activities		**56,222**	**10,065**	**9,138**
Net cash flow for the period		**42,002**	**6,144**	**11,336**
Cash and cash equivalents, beginning of the period		50,387	35,016	35,016
Effects of exchange rate changes on cash and cash equivalents		(997)	183	4,035
Cash and cash equivalents at end of the period		**91,392**	**41,343**	**50,387**

Notes to the financial statements

for the half year 2021

1. General Information and basis of the preparation of the half year report

The activity of Trustpilot Group plc (the Company) and its subsidiaries (the Group), consists of developing and hosting an online review platform that helps consumers make purchasing decisions and businesses showcase and improve their service. Revenue is generated from selling its software as a service (SaaS).

Trustpilot Group plc is a listed public company on the London Stock Exchange, headquartered in Denmark. The registered office is 5th Floor The Minster Building, 21 Mincing Lane, London, United Kingdom, EC3R 7AG.

On 20 February 2021, The Trustpilot Group established a new corporate structure of the Trustpilot Group (the "Restructuring"). As part of the initial public offering (IPO) process to become a listed company on the London Stock Exchange in March 2021, a restructuring was performed. The restructuring involved a tax free merger and the insertion of a UK parent company, Trustpilot Group plc, where former shareholders of Trustpilot A/S exchanged their shares in Trustpilot A/S with shares in Trustpilot Group plc followed by a listing on London Stock Exchange of Trustpilot Group plc. The restructuring is accounted for as a group restructuring, where the assets and liabilities of Trustpilot A/S and its subsidiaries are accounted for using predecessor accounting at their carrying values and not revalued to fair value at the transaction date.

As the restructuring is accounted for as a group restructuring thus predecessor accounting is applied to show the results of the group as a continuance of the former Trustpilot A/S group and the consolidated financial statements for the Trustpilot Group is presented in the legal name of Trustpilot Group plc.

Due to the nature of the horizontal merger, the 31 December 2020 consolidation was only prepared at Trustpilot A/S level because of the way the structuring was performed and the 31 December 2020 figures remains therefore the comparatives of the Trustpilot Group plc UK listed group.

This interim financial report for the first half year of 2021 comprises the interim financial statements of Trustpilot Group plc and subsidiaries controlled by Trustpilot Group plc.

The interim financial report for the first half year of 2021 follows the same accounting policies as the annual report for 2020. This interim financial report does not include all of the notes of the type normally included in an annual financial report and should therefore be read in conjunction with the Trustpilot A/S annual report for 2020 that can be accessed via the Danish Business Authority.

Basis of preparation

The interim financial report has been prepared in accordance with Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and UK adopted International Accounting Standard 34 'Interim Financial Reporting' and the requirements in Companies Act 2006 for the presentation of half year interim reports by listed companies. These interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Most recent statutory accounts for the year ended 31 December 2020 for Trustpilot A/S were dated 1 March 2021, and adopted by the annual general meeting of shareholders on 17 March 2021 and subsequently delivered to the Danish Business Authority. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

The condensed financial statements have been prepared on a historical cost basis.

The condensed financial statements have been rounded to the nearest thousand.

The condensed financial statements are presented in US Dollars (USD).

The financial statements aren't materially impacted by seasonality due to revenue recognition amortisation over subscription term.

The condensed financials disclosed for H1 FY21, H1 FY20 and FY20 are unaudited by PWC UK. FY20 consolidated financials were prepared for the Trustpilot A/S Group prior to establishment of the Trustpilot Group plc. Trustpilot A/S group financials had been prepared in accordance with international accounting standards in conformity with the requirements of the Danish Companies Act and audited by PWC Denmark.

Going Concern

The Board of Directors of Trustpilot Group plc (Directors), in their detailed consideration of going concern, have reviewed the Group's future revenue projections and cash requirements, which they believe are based on prudent interpretations of market data and past experience. The Directors have also considered the Group's level of available liquidity under its undrawn credit facility which was renewed in April 2021 for a three year period. The Group has not breached any associated covenants and does not forecast a breach in future periods. The Directors have carried out a robust assessment of the potential implications from the Covid-19 outbreak. In 2020, active measures were taken to reduce the cost base of the Group, including reducing headcount, hiring and marketing spend, ensuring the Group to perform in line with expectations for 2020.

The directors have updated forecasts for a period of at least 12 months from the date of approval of this financial information, which are based on their best assessment of the current trading outlook, including considering the ongoing impact of Covid-19.

A number of downside sensitivities have been considered and the Directors are of the view that in the most severe but plausible downside scenario they can continue to meet their obligations as they fall due and the severe but plausible downside scenarios modelled do not indicate any material uncertainty over going concern. As a result, the financial statements have been prepared on a going concern basis.

Basis of consolidation

The consolidated financial statements include the parent company, Trustpilot Group plc, and its subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Presentation of profit or loss

In accordance with IAS 1.99, management believes the presentation of the statement of profit or loss best represents the activities of the Group and is best aligned with similar firms in our sector. Below is a further description of the activities within the functions disclosed:

- **Cost of sales** consists of the cost to deliver the Group's software service. Cost of sales includes the hosting and related technologies to deliver the software service as well as the ongoing customer success and customer support efforts that continue to be aligned with customers over the term of their subscription. Cost of sales primarily consists of the labour costs associated with customer success and customer support efforts.
- **Sales and marketin**g consists of the efforts primarily directed at new customer acquisition. Sales costs include direct sales support functions such as sales operations and partnerships while marketing costs consist of both marketing staff labour costs as well as marketing program expenditures.
- **Technology and content** includes research and development costs incurred by the work of the product and engineering teams directly on the platform, whether expensed in the period or recognised as amortisation of internally developed intangible assets due to these efforts supporting revenue in many periods. Also included are the content costs critical to securing the integrity and trust in our product.
- **General and administrative** expenses comprise costs incurred by the back-office functions such as finance, legal and human resources, including wages, costs under share-based programmes and other office costs. General and administrative expenses include a proportion of depreciation and amortisation, primarily consisting of right-of-use asset depreciation.

Notes to the financial statements continued

for the half year 2021

1. General Information and basis of the preparation of the half year report continued

Share-based payments

Share-based compensation benefits are provided to employees and board members under two separate warrant programs and two restricted share schemes.

The warrant programs and restricted share schemes are classified as equity arrangements. As such, the fair value of the warrants and restricted shares granted under the programs are recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the warrants and restricted shares granted including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options or restricted shares that are expected to vest based on the respective market vesting, non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Further information about the warrant and restricted share programs are disclosed in note 5.

New standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the Group.

It concerns the following standards:

- Amendments to IAS 1 presentation of financial statements on classification of liabilities to be effective for the annual period beginning on or after 1 January 2022
- Amendments to IFRS 3, IAS 16, IAS 17 to be effective for the annual period beginning on or after 1 January 2022
- Annual improvements on IFRS 1, IFRS 9, IAS 41, and IFRS 16 to be effective for the annual period beginning on or after 1 January 2022
- IFRS 17 insurance contracts to be effective for the annual period beginning on or after 1 January 2023

These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Earnings per share

Following the IPO, the Group will begin publishing earnings per share (EPS) figures previously unpublished. EPS for the Group is calculated in accordance with IAS 33. The following types of EPS are reported:

(i) - Basic earnings per share

Group earnings or losses after taxes, divided by the weighted average number of ordinary shares outstanding for the period.

(ii) - Diluted earnings per share

Group earnings or losses after taxes, divided by the weighted average number of ordinary shares outstanding for the period as well as all potentially convertible securities. The impact of potentially dilutive ordinary shares is excluded when they would be anti-dilutive.

Details for any alternative measures of earnings per share can be found in note 3.

2. Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

The judgements, estimates as well as the related assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The critical judgements and estimates, including the assumptions are consistent with the those described in the year ended 31 December 2020 financial statements and, should be read together with the 31 December 2020 publicised accounts. 31 December 2020 financial statements for Trustpilot A/S can be accessed via the Danish Business Authority.

Critical accounting estimates

Critical accounting estimates are expectations of the future based on assumptions, that to the extent possible are supported by historical trends or reasonable expectations. The assumptions may change to adapt to the market conditions and changes in economic factors etc. The Group believe that the estimates are the most likely outcome of future events.

3. Alternative performance measures

Trustpilot utilises a range of alternative performance measures ("APMs") to assess its performance and this document contains certain measures that are not defined or recognised under IFRS. Trustpilot considers EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted profit, Adjusted EPS and constant currency basis to be APMs that provide meaningful, additional measures of Group performance.

Trustpilot believes these APMs provide alternative measures by which to assess the operating performance of the Group and, together with IFRS measures, are useful in evaluating the Group's operating performance. The APMs used in this Financial Statements should not be considered superior to, or a substitute for, measures calculated in accordance with IFRS.

EBITDA

EBITDA is defined as earnings before interest, tax, depreciation, amortisation. Trustpilot believes EBITDA is meaningful as a profitability measure before non-cash activity, financing and tax impacts.

USD '000	H1 FY21 (unaudited)	H1 FY20 (unaudited)	FY20 (unaudited)
Loss before net financial items	**(15,436)**	**(4,694)**	**(9,083)**
Depreciation and amortisation	3,860	2,117	5,738
EBITDA	**(11,576)**	**(2,577)**	**(3,345)**

Adjusted EBITDA

Trustpilot measures the overall performance of the Group by reference to Adjusted EBITDA which is a non-IFRS measure. Trustpilot believes Adjusted EBITDA is a meaningful representation of core operating profit as it adjusts for certain non-recurring or non-cash items with associated taxes. The following definition of Adjusted EBITDA was also determined based on what management believes provides the best comparability to the same metric provided by similar firms in our sector.

Adjusted EBITDA is defined as EBITDA (earnings before interest, tax, depreciation, amortisation) adjusted to exclude share-based compensation, including associated social security costs, non-recurring transaction costs such as those related to IPO preparation and restructuring costs, which relate to one-time costs associated with a material organisational change such as severance payments.

Notes to the financial statements continued

for the half year 2021

3. Alternative performance measures continued

Adjusted EBITDA continued

USD '000 other than per cent	H1 FY21 (unaudited)	H1 FY20 (unaudited)	FY20 (unaudited)
Loss before net financial items	**(15,436)**	**(4,694)**	**(9,083)**
Depreciation and amortisation	3,860	2,117	5,738
EBITDA	**(11,576)**	**(2,577)**	**(3,345)**
Non-recurring transaction costs	9,830	563	4,263
Restructuring costs	—	1,744	1,580
Share-based compensation, including associated social security costs	5,515	1,880	3,619
Adjusted EBITDA	**3,769**	**1,610**	**6,117**
Adjusted EBITDA margin (per cent)	**6**	**3**	**6**

Adjusted EBITDA improved from USD 1,610 thousand in H1 FY20 to USD 3,769 thousand in H1 FY21. Adjusted EBITDA margin improved from 3 per cent in H1 FY20 to 6 per cent in H1 FY21. Improvements in Adjusted EBITDA and Adjusted EBITDA margin are driven primarily by growth in revenue partially offset by staff cost growth. Included in the H1 FY21 share-based payments is a non-cash charge of USD 4,091 thousand (H1 FY20 of USD 1,324 thousand) and associated social security costs of USD 1,424 thousand (H1 FY20 of USD 556 thousand).

Non-recurring transaction costs relate to professional and legal fees associated with corporate financing activities, in H1 FY21 this consisted exclusively of IPO related costs. IPO costs consisted primarily of accounting, legal and advisory services that were expensed as the services were provided, largely between the fourth quarter of 2020 and the first quarter of 2021. H1 FY20 non-recurring transaction costs consisted of early preparation costs for the IPO before the efforts accelerated in the forth quarter of 2020. Restructuring costs relate to redundancies and cost reduction measures undertaken in H1 FY20 as a response to the uncertainty caused by the Covid-19 pandemic.

Functional distribution of adjustments

H1 FY21	Group (unaudited)	Sales & Marketing (unaudited)	Tech & Content (unaudited)	General & Admin (unaudited)
Loss before net financial items	**(15,436)**			
Depreciation and amortisation	3,860	—	1,227	2,633
Non-recurring transaction costs	9,830	—	—	9,830
Restructuring costs	—	—	—	—
Share-based compensation, including associated social security costs	5,515	—	—	5,515
Adjusted EBITDA	**3,769**			

H1 FY20	Group (unaudited)	Sales & Marketing (unaudited)	Tech & Content (unaudited)	General & Admin (unaudited)
Loss before net financial items	**(4,694)**			
Depreciation and amortisation	2,117	—	279	1,838
Non-recurring transaction costs	563	—	—	563
Restructuring costs	1,744	1,426	120	198
Share-based compensation, including associated social security costs	1,880	—	—	1,880
Adjusted EBITDA	**1,610**			

Functional distribution of adjustments continued

FY20	Group (unaudited)	Sales & Marketing (unaudited)	Tech & Content (unaudited)	General & Admin (unaudited)
Loss before net financial items	**(9,083)**			
Depreciation and amortisation	5,738	—	1,100	4,638
Non-recurring transaction costs	4,263	—	—	4,263
Restructuring costs	1,580	1,219	132	229
Share-based compensation, including associated social security costs	3,619	—	—	3,619
Adjusted EBITDA	**6,117**			

Adjusted profit/(loss)

Trustpilot introduced a new APM for adjusted profit/(loss) since filing the IPO prospectus. Adjusted profit/(loss) was introduced to enable an adjusted earnings per share (adjusted EPS) figure to be reported. Adjusted profit/(loss) and adjusted EPS serve to illustrate performance without the impact of certain non-recurring or non-cash items with associated taxes. Additional detail for adjusted EPS can be found in note 8.

USD '000	H1 FY21 (unaudited)	H1 FY20 (unaudited)	FY20 (unaudited)
Loss for the period	**(17,177)**	**(5,826)**	**(12,279)**
Non-recurring transaction costs	9,830	563	4,263
Restructuring costs	—	1,744	1,580
Share-based compensation	5,515	1,880	3,619
Tax impact of above adjustments (19 per cent)*	(1,868)	(438)	(1,110)
Adjusted loss	**(3,700)**	**(2,077)**	**(3,927)**

* Tax impact excludes share-based compensation

Adjusted EPS

Adjusted earnings per share (adjusted EPS) was introduced to illustrate earnings per share adjusted for certain non-recurring or non-cash items with associated taxes.

Adjusted basic earnings per share is defined as earnings or losses after taxes adjusted to exclude share-based compensation, including associated social security costs, non-recurring transaction costs related to the one- time IPO preparation costs and restructuring costs, divided by the weighted average number of ordinary shares outstanding for the period.

Adjusted diluted earnings per share is defined as earnings or losses after taxes adjusted to exclude share-based compensation, including associated social security costs, non-recurring transaction costs related to the one- time IPO preparation costs and restructuring costs, divided by the weighted average number of ordinary shares outstanding for the period as well as all potentially convertible securities. The impact of potentially dilutive ordinary shares is excluded when they would be anti-dilutive.

USD '000, except per share	H1 FY21 (unaudited)	H1 FY20 (unaudited)	FY20 (unaudited)
Ordinary shares	394,605	367,673	367,727
Adjusted loss	(3,700)	(2,077)	(3,927)
Adjusted loss per share (cents)*			
Basic	(0.938)	(0.565)	(1.068)
Diluted	(0.938)	(0.565)	(1.068)

* Given the Group incurred losses in H1 FY21, H1 FY20 and FY20, the impact of potentially dilutive ordinary shares have been excluded as they would otherwise be anti-dilutive in accordance with IAS 33.

Notes to the financial statements continued

for the half year 2021

3. Alternative performance measures continued

Constant currency basis

Given the Group operates in multiple currencies, Trustpilot believes illustrating period-to-period comparisons on a constant currency basis is meaningful to see differences before the impact of currency fluctuations. The Group's constant currency calculations are performed by applying the monthly average exchange rates from the last month in the most recent period to prior periods, which provides a like-for-like comparison excluding the effect of exchange rate fluctuations.

4. Operating segments

For management purposes and based on internal reporting information, the Group is organised in only one operating segment, as the information reported includes operating results at a consolidated group level only. The costs related to the main nature of the business, being the Group´s online review platform which serves the Group customers, are not attributable to any specific revenue stream or customer type and are therefore borne centrally. The results of the single reporting segment, comprising the entire Group, are shown in the consolidated statement of comprehensive income.

The Executive Leadership Team is the Chief Operating Decision Maker (CODM), which is made up of the senior leadership across the respective functional areas, responsible for the strategic decision making and for the monitoring of the operating results of the single operating segment for the purpose of performance assessment.

Whilst Group operations are distributed globally with a large presence in Denmark and shares are listed on the London Stock Exchange, the UK and North America are the Group's primary markets where revenue generated consists of approximately 40 per cent and 24 per cent (H1 FY20: UK: approx. 38 per cent and North America: approx. 29 per cent), respectively. Other geographical locations besides the UK and North America are defined as 'Rest of the world' where no individual country exceeded more than 6 per cent of the consolidated revenue in H1 FY21 (H1 FY20: 7 per cent).

Trustpilot has customers in many regions around the world but is organised globally from an operation perspective. For this reason, while operating assets may be recorded in Denmark for example, they will be supporting customers around the world. Therefore, a single operating segment is reported with revenue disclosed by region based on the location of the customer. Non-current operating assets are similarly based on geographic location. The measurement of liabilities by geographic location is not included in this disclosure as this information is not regularly reviewed by the CODM for decision making purposes.

The following table displays external revenue and non-current operating assets by geographic area:

USD '000	H1 FY21 (unaudited)	H1 FY20 (unaudited)	FY20 (unaudited)
Revenue:			
UK	25,137	18,013	39,159
North America	14,692	13,827	27,872
Rest of the world	22,619	15,840	34,954
Total revenue	**62,448**	**47,680**	**101,985**
Non-current operating assets:			
UK	14,551	13,184	14,952
North America	2,405	1,873	3,308
Rest of the world	7,839	5,840	7,189
Total	**24,795**	**20,897**	**25,449**

Non-current assets consist of intangible assets, property, plant and equipment, right-of-use assets and deposits.

5. Share-based payment plans

Prior to completion of the IPO on 26 March 2021, Trustpilot A/S had two group-wide equity-settled warrant programmes with the vesting and exercise conditions summarised below:

- For the "Employee Programme", vested warrants could only be exercised in the event of an exit event (including an IPO of Trustpilot A/S) during the exercise period. Upon an exit event, the board of Trustpilot A/S could decide to continue or replace the unvested warrants (or accelerate vesting). Any vested warrants not exercised at the exit event would lapse, unless otherwise decided by the board.
- For the "Selected Employees and Board Members Program", vested warrants could be exercised at any time during the exercise period. On an IPO of Trustpilot A/S or non-IPO exit event, the board of Trustpilot A/S could decide to continue or replace the unvested warrants (or accelerate vesting). Vested warrants not exercised at an IPO exit event would continue or be replaced. Vested warrants not exercised at a non-IPO exit event would lapse, unless otherwise decided by the board.

In connection with the IPO, Trustpilot has restructured its warrant programmes:

- All outstanding warrants in Trustpilot A/S (as of 26 March 2021: 818,784) have been cancelled and replaced on 26 March 2021 by new warrants in Trustpilot Group plc in the proportion 1 to 78. This exchange was part of an overall restructuring of Trustpilot, whereby the new ultimate parent company is now Trustpilot Group plc. This transaction was evaluated as having no impact on the programme itself - i.e. it is considered a non-vesting event as the employees under the programmes have equivalent rights and benefits after the exchange as before.
- The new warrants in Trustpilot Group plc were intended to operate as the previous warrants in Trustpilot A/S would have done if an IPO of Trustpilot A/S had occurred. As permitted under the previous warrant terms, the warrant holders under the Employee Programme were not required to exercise their vested warrants upon the IPO of Trustpilot Group plc, but could retain their vested warrants and exercise them (and any unvested warrants that subsequently vest) at any time until the expiry of the exercise period.

  As a result, only an equivalent of 124,638 out of 323,737 warrants under the restructured Employee Programme were exercised at the IPO.

The increase in fair value of the Employee Programme right after the modification compared to the fair value just before the modification has been accounted for as follows:

- For vested warrants, the increase in the fair value is recognised as an expense immediately as a one-off adjustment, when the modification has been agreed.
- For not vested warrants, the increase in the fair value is expensed over the remaining vesting period together with the remaining unrecognised original fair value of the outstanding warrants prior to the adjustment

The impact of the fair value adjustment on the 26 March 2021is summarised below:

USD '000	Total (unaudited)
Total fair value adjustment	**1,750**
Of which immediately expensed	126
Of which will be expensed over remaining vesting period	1,624

For the six months ended 30 June 2021, the Group has recognised the following warrant expense in the statement of profit and loss (for both the Employee Programme and Selected Employees and board members Programme).

Notes to the financial statements continued

for the half year 2021

5. Share-based payment plans continued

H1 FY21 expense	(USD) (unaudited)
Total Expense H1 FY21	3,423
Total	**3,423**

For the six months ended 30 June 2021 a total of 84,650 warrants have been granted in February 2021 in Trustpilot A/S prior to the IPO. 17,600 of those warrants were granted to employees under the employee programme and 67,050 were granted to selected employees and board members. The total amount of outstanding warrants in Trustpilot Group plc at the end of June 2021 is 40,659,450 (which would be equivalent to 521,275 outstanding warrants prior to the IPO restructuring).

The Group implemented two new share schemes after the IPO, a Long Term Incentive Plan and Restricted Share Plan:

Long Term Incentive Plan

A Long Term Incentive Plan ("LTIP") was established post-IPO to ensure the alignment of incentives for management and the performance of the Group. Incentives are established across three complementary measures of shareholder return performance, revenue growth and trust to ensure balanced priorities for management for the long term advancement of the Group. The Board of Directors resolved to adopt the LTIP on 5 March 2021.

In March 2021, conditional awards over 1,215,246 ordinary shares in the Company were granted to management under the LTIP. The price of the awards when vested is be 1 pence per each share, equal to the nominal share value. The LTIP is administered at the discretion of the Board's Remuneration Committee and no individual has a contractual right to participate. These LTIP awards will ordinarily vest on 1 April 2024, subject to the award recipient's continued service and the Remuneration Committee's assessment of the extent to which the award's performance measures are satisfied. The awards granted to Executive Directors are subject to a two year post-vesting holding period. Targets for each of the three performance measures are set with a lower bound and upper bound. If performance falls below the lower bound there will be no vesting. If performance meets or exceeds the upper bound it will result in 100 per cent vesting. Performance between the lower and upper bounds will result in vesting between 25 per cent and 100 per cent on a straight-line basis, as further detailed below.

Total shareholder return ("TSR") performance measure

The vesting of 55 per cent of such LTIP awards (the "TSR Part") is subject to the Company's TSR performance over a three year period that commenced on 26 March 2021 (the date of the Company's admission to trading on the London Stock Exchange) relative to the TSR performance over the same period of the constituents of the FTSE 250 Index (excluding investment trusts and the Company) as at 26 March 2021. 25 per cent of the TSR Part will vest for median ranking performance, rising on a straight-line basis up to 100 per cent vesting of the TSR Part for upper quartile ranking (or better) relative TSR performance.

Annual recurring revenue ("ARR") performance measure

The vesting of 25 per cent of such LTIP awards (the "ARR Part") is subject to the compound annual growth rate ("CAGR") in the Group's ARR over the period 1 January 2021 to 31 December 2023. 25 per cent of the ARR Part will vest for CAGR in ARR over the measurement period of 20 per cent, rising on a straight-line basis up to 100 per cent vesting of the ARR Part for CAGR in ARR over the measurement period of 30 per cent (or better).

Trust performance measure

The vesting of 20 per cent of such LTIP awards (the "Trust Measure Part") is subject to targets set for the average of the trust performance measures taken at the end of 2021, 2022 and 2023 respectively. The trust performance measure takes into account the average star rating of reviews gathered in the respective periods for Trustpilot on the Trustpilot platform. 25 per cent of the Trust Measure Part shall vest for threshold performance, rising on a straight-line basis up to 100 per cent vesting for stretch performance or better. As an additional condition, no part of such LTIP awards will vest unless the Remuneration Committee is satisfied as to overall Company performance over the period until vesting - and, as required by the UK Corporate Governance Code, the Remuneration Committee will retain a power to moderate the vesting levels from awards if this is appropriate in all of the circumstances, including consideration of shareholder experience.

Settlement of vested awards is expected to be satisfied by the issue of new ordinary shares in the Company. LTIP awards contributed USD 136 thousand to the share-based compensation expense in the H1 FY21 financials. Targets and fair value treatment are summarised as follows:

Measure	Fair Value Method	Weighted Avg Fair Value	Lower Bound	Upper Bound
TSR	Stochastic Model	1.57	Equal to Median	Upper Quartile or Greater
ARR	Black-Scholes	2.53	CAGR of 20%	CAGR of 30% or Greater
Trust	Black-Scholes	2.53	Average Trust Measure of 3.5	Average Trust Measure of 4.2 or Greater

Fair Value Factors	Input	Chaffe Input (Executive Director)
Closing share price on date of grant (pence)	265.00	N/A
Price (pence)	1.00	265.00
Expected term	3.01 yrs	+2.00 yrs holding period
Risk-free interest rate	0.21%	0.40%
Expected dividend yield	—%	—%
Expected volatility	34.34%	34.93%

Note: Chaffe model used to fair value the impact of the two year holding period for Executive Directors

Restricted Share Plan

In addition to the LTIP established for management, a Restricted Share Plan ("RSP") was established post-IPO for select employees. Though vesting is subject to the condition of continued service only rather than performance measures, the RSP aligns the interest of award recipients with shareholders and serves to help retain employees over the vesting periods. The Board of Directors resolved to adopt the RSP on 5 March 2021.

In April 2021, conditional awards over 209,422 ordinary shares in the Company were issued to employees under the RSP. Vesting typically takes place over a four year period with settlement of vested awards expected to be satisfied by the issue of new ordinary shares in the Company. The RSP is administered at the discretion of the Board's Remuneration Committee and no individual has a contractual right to participate. The price of the awards when vested will be 1 pence per each share, equal to the nominal share value, and the fair value of GBP 3.22 is determined using a Black-Scholes model. RSP awards contributed USD 37 thousand to the share-based compensation expense in the H1 FY21 financials.

Fair Value Factors	Input
Closing share price on date of grant (pence)	322.60
Price (pence)	1.00
Expected term	Tranche 1 (one employee) - 0.43 yrs
	Tranche 1 - 0.93 yrs
	Tranche 2 - 1.93 yrs
	Tranche 3 - 2.93 yrs
	Tranche 4 - 3.93 yrs
Risk-free interest rate	0.21%
Expected dividend yield	—%
Expected volatility	34.34%

In accordance with IAS 34.16A(e), the group has disclosed the issuance of shares and terms under new LTIP and RSP schemes as these are deemed to be material to the results in the reporting period and impact future expectations.

Notes to the financial statements continued

for the half year 2021

6. Financial income and expense

USD '000	H1 FY21 (unaudited)	H1 FY20 (unaudited)	FY20 (unaudited)
Financial income	4,874	3,172	6,611
Financial expense	(6,694)	(4,889)	(10,470)
	(1,820)	**(1,717)**	**(3,859)**

7. Income tax

USD '000	H1 FY21 (unaudited)	H1 FY20 (unaudited)	FY20 (unaudited)
Current tax	424	(581)	(655)
Current tax - prior year adjustment	351	—	—
Deferred tax	(6)	(4)	(8)
Total Tax Credit	**(79)**	**(585)**	**(663)**
Tax creditor	48	80	90
Tax debtor	(962)	(576)	(926)
Net Tax Debtor	**(914)**	**(496)**	**(836)**
Deferred tax asset	(1,145)	(537)	(1,139)
Deferred tax liability	1,128	530	1,128
Net Deferred Tax Asset	**(17)**	**(7)**	**(11)**

Income tax disclosure

In line with the requirements of IAS 12, the deferred tax assets and liabilities are offset as they have a legal right to set off and relate to income tax with the same taxation authority.

The Group had unrecognised tax assets of USD 139 million as at 31 December 2020 that related to tax losses carried forward, which is the result of previous years' taxable income. Due to uncertainties regarding future utilisation, the Group did not decide to recognise net deferred tax assets on the tax losses carried forward.

Income tax expense is recognised at interim based on management's estimate of the effective annual income tax rate expected for the full financial year.

The estimated average annual tax rate for 2021 is 2 per cent, compared to the average annual tax rate for 2020 of 6 per cent.

The estimated tax rate for 2021 is lower due to the impact of costs related to the flotation of Trustpilot Group plc on the London Stock Exchange.

8. Earnings per share

	H1 FY21 (unaudited)	H1 FY20[1] (unaudited)	FY20[1] (unaudited)
Weighted average number of shares (000s):			
Ordinary shares	**394,605**	**367,673**	**367,727**

1 In accordance with IAS 33, pre-IPO share count recalculated using share multiplier of 78 at IPO illustrating comparable total share count.

In addition to the ordinary shares above, Trustpilot Group plc had potential shares outstanding that would be dilutive if the Group generated positive income for the period. As of June 30th, 2021 total potential shares was 33,736 thousand, of which 32,426 thousand relate to employee warrants and 1,310 thousand relate to restricted shares. As of June 30th, 2021 vested potential shares amounted to 13,798 thousand employee warrants and zero restricted stock units.

USD '000	H1 FY21 (unaudited)	H1 FY20 (unaudited)	FY20 (unaudited)
Loss for the period	(17,177)	(5,826)	(12,279)
Adjusted loss[2]	(3,700)	(2,077)	(3,927)
Loss per share (cents)[3]			
Basic	(4.353)	(1.585)	(3.339)
Diluted	(4.353)	(1.585)	(3.339)
Adjusted loss per share (cents)[2 3]			
Basic	(0.938)	(0.565)	(1.068)
Diluted	(0.938)	(0.565)	(1.068)

2 Alternative performance measures (APM) - further detail available in note 3.

3 Given the Group incurred losses in H1 FY21, H1 FY20 and FY20, the impact of potentially dilutive ordinary shares have been excluded as they would otherwise be anti-dilutive in accordance with IAS 33.

9. Share capital

	30 June 2021		31 December 2020	
Shares issued and fully paid:	**Number of shares (unaudited)**	**Nominal value (USD '000) (unaudited)**	**Number of shares (unaudited)**	**Nominal value (USD '000) (unaudited)**
Common-shares	409,204,774	5,667	802,605	132
A shares	—	—	1,109,129	183
B shares	—	—	670,752	111
C shares	—	—	514,561	85
D shares	—	—	1,052,307	174
E shares	—	—	535,020	88
Total shares issued	**409,204,774**	**5,667**	**4,684,374**	**773**

At the start of the period, 01 January 2021, all shares had a nominal value of DKK 1. Due to the transactions triggered by the IPO which have been explained further below, the closing nominal value at 30 June 2021 is GBP 0.01 per share.

The share capital of Trustpilot A/S as of 30 June 2021 consists of common shares only. There are no special rights attached to the common shares. With the completion of the public offering of shares in Trustpilot Group plc, the holders of preference shares in Trustpilot A/S had their preference shares converted into common shares on a one-for-one basis.

Notes to the financial statements continued

for the half year 2021

9. Share capital continued

	Number of Shares (unaudited)	Nominal value (USD '000) (unaudited)
Changes in share capital		
Opening balance at 01 January 2021	4,684,374	773
Employee share scheme issues (1)	27,623	4
Lender warrants exercised (2)	37,525	6
Exchange rate impact	—	(23)
Share Capital pre-public offering	**4,749,522**	**760**
Share Capital post public offering		
Conversion of basic shares (3)	370,462,716	5,131
Employee share scheme issues (4)	21,121,152	292
Issue of shares (5)	17,620,906	244
Ending Balance 30 June 2021	**409,204,774**	**5,667**

(1) On 3 March 2021, 20,780 warrants were exercised into 20,780 common shares in Trustpilot A/S, followed on 12 March 2021 by a further 6,843 warrants exercised into 6,843 common shares in Trustpilot A/S. The total of 27,623 new shares with a nominal value of USD 4 thousand resulted in share capital increasing by USD 4 thousand

(2) Shortly prior to the IPO on 26th March 2021, three lender-related entities exercised a total of 37,525 warrants into 37,525 common shares, with a nominal value of USD 6 thousand. The total exercise of 65,148 new shares increased the share premium by USD 596 thousand.

(3) As part of the IPO restructuring on 26 March 2021, 4,749,522 common and preference shares in Trustpilot A/S were converted into ordinary shares in Trustpilot Group plc. A multiplier was applied resulting in 78 ordinary shares in Trustpilot Group plc being issued for each share held by existing shareholders in Trustpilot A/S, resulting in 370,462,716 ordinary shares in Trustpilot Group plc and increase of share capital by 5.1millon. Further as part of the IPO restructuring and basic share conversion, the difference between the share capital and share premium recognised in Trustpilot A/ S and the new Trustpilot Group plc was taken to a merger reserve on consolidation.

(4) On 26 March 2021, 21,121,152 ordinary shares were then issued in Trustpilot Group plc as a result of warrants exercised by current and former employees in connection with share-based payment schemes, resulted in share capital increase by USD 292 thousand and share premium increase of USD 7.2 million. Further detail related to these schemes is disclosed in note 5, share-based payment plans.

(5) In addition, on 26 March 2021, an additional 17,620,906 ordinary shares in Trustpilot Group plc were issued as a result of the company's primary offering for a net consideration of USD 64.3 million and resulted share capital increase by USD 244 thousand and share premium increase by USD 64.1 million.

Specification of merger reserve

	Share capital (unaudited)	Share premium (unaudited)	Merger reserve (unaudited)
Balances at 1 January 2021	**773**	**177,842**	**—**
Exchange difference on share capital			
and premium	(23)	—	—
Warrants (Exercised)[1]	10	—	—
Balance pre group reconstruction	**760**	**177,842**	—
Elimination of ordinary shares as part of:			
Business combination[2]	(760)	760	—
Conversion of basic shares[2]	5,131	(177,842)	172,711
Movement merger reserve H1 FY21	**4,371**	**(177,082)**	**172,711**
Merger balance at June 30 2021	**—**	**—**	**172,711**

1 In March 2021, 65,148 warrants were exercised into common shares in Trustpilot A/S with a nominal value of USD 10 thousand resulted in a share capital increasing by USD 10 thousand in Trustpilot A/S.

2 As part of the reconstruction on March 26 2021, 4,749,522 common and preference shares in Trustpilot A/S (nominal value USD 760 thousand) were converted into 370,462,716 ordinary shares in Trustpilot Group plc (nominal value USD 5,131 thousand), which together with share premium of USD 177.8 million in Trustpilot A/S was converted into net USD 172.7 million merger reserve in Trustpilot Group plc.

10. Capital management

The Group's objective when managing capital is to:

Safeguard the ability to continue as a going concern, so that the Group can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

The Group's strategy is to finance the operations of the business with the cash on the balance sheet and only access the credit facility if additional opportunities present themselves. There has been no change in the policies for managing capital compared to last year.

The Group has access to a revolving credit facility up to USD 30 million after repaying and refinancing the former credit facility in the period, which consisted of both term debt and revolving credit. As of 30 June 2021, no credit was drawn on the credit facility. Access to the revolving credit facility is determined by the Group monthly recurring revenue (MRR). Funds are available in either USD, EUR or GBP with interest rates determined on a base plus margin basis with an interest rate floor. For the calculation of the interest base rate, USD borrowings will utilise a Wall Street Prime Rate, EUR borrowings will utilise a European Central Bank base rate and GBP borrowings will utilise a Bank of England base rate. In addition to this base rate, a margin will be applied based on the Group EBITDA* in the most recently completed relevant period. As a consequence of this borrowing structure, the Group has interest rate exposure to fluctuations in the above reference rates.

*EBITDA in this context is the same as adjusted EBITDA illustrated in note 3 with the following additional adjustments:

- after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests
- after deducting the amount of any profit of any Non-Group Entity to the extent that the amount of the profit included in the financial statements of the Group exceeds the amount actually received in cash by members of the Group through distributions by the Non-Group Entity

Notes to the financial statements continued
for the half year 2021

11. Contingent liabilities

Subsidiaries of Trustpilot Group plc are parties to various litigation claims from time to time. Other than the claim below, the outcome of claims pending are not expected to constitute risk for economic outflow of material importance to the Group's financial position.

In January 2021, a complaint was filed in the United States District Court for the Southern District of New York against Trustpilot Inc. and Trustpilot A/S (the Plaintiffs later dropped the claim against Trustpilot A/S).

The Plaintiffs allege that Trustpilot designed its email systems so that a reminder email about renewal of Trustpilot subscriptions would be sent from a Trustpilot.net email address and go directly to the recipient's junk email folder and that, as a result, Trustpilot customers paid for Trustpilot subscriptions that they would not have renewed had they received the reminder email.

The claim was dismissed in its entirety by the Court on 29 June 2021. On 14 July the Plaintiffs filed a 'motion to reconsider' the dismissal of the case. Trustpilot filed its opposition to this 'motion to reconsider' on 28 July 2021. Trustpilot will await the ruling on this motion and continue defending itself to the extent necessary.

Based on the facts and circumstances known at this time, group management have no reason to consider that it is probable there will be an unfavourable outcome in respect of the litigation at this stage and therefore no provision has been recognised. Should developments cause a change in Trustpilot's determination as to an unfavourable outcome, or result in a final adverse judgement or settlement, there could be a material adverse effect on Trustpilot's results of operations and cash flows.

12. Changes in liabilities arising from borrowings

This section sets out an analysis of liabilities arising from borrowings and the movements in each of the periods presented.

USD '000	1 January 2021 (unaudited)	Cash flows (unaudited)	Foreign exchange movement (unaudited)	30 June H1 FY21 (unaudited)
Loans and borrowings	**12,941**	**(13,000)**	**59**	**—**

USD '000	1 January 2020 (unaudited)	Cash flows (unaudited)	Foreign exchange movement (unaudited)	30 June H1 FY20 (unaudited)
Loans and borrowings	—	12,144	(104)	12,040

USD '000	1 July 2020 (unaudited)	Cash flows (unaudited)	Foreign exchange movement (unaudited)	31 December 2020 (unaudited)
Loans and borrowings	12,040	—	901	12,941

The Group accessed the credit facility in H1 FY20 to strengthen the cash position through the uncertainty of the Covid-19 pandemic. As of 30 June 2020, a combination of GBP 6.6 million and USD 4 million term debt was outstanding, reported as a non-current borrowing on the balance sheet. In H1 FY21 the credit facility was repaid and refinanced shortly following the IPO.

13. Related parties

As part of the initial public offering (IPO) process to become a listed company on the London Stock Exchange in March 2021, a restructuring was performed. Trustpilot Group plc was established as a plc by a current shareholder and Trustpilot Group plc established a transitory merger subsidiary in the form of a new Danish public limited company, Trustpilot Galaxy A/S, to conduct a tax free merger.

More information about the initial public offering (IPO) can be found in note 1.

There have been no other material transaction with related parties in H1 FY21.

14. Events after the balance sheet date

On 12 August 2021, Trustpilot S.r.l. was established in Italy, a wholly owned subsidiary of Trustpilot A/S which is a wholly owned subsidiary of Trustpilot Group plc. On 17 August 2021, Trustpilot B.V. was established in the Netherlands, a wholly owned subsidiary of Trustpilot A/S which is a wholly owned subsidiary of Trustpilot Group plc. Both legal entities were established for the purposes of expanding access to local talent in the Italian and Dutch markets.

15. Cash flow specifications

USD '000	H1 FY21 (unaudited)	H1 FY20 (unaudited)	FY20 (unaudited)
Changes to net working capital			
Decrease/(increase) in trade receivables	(18)	35	(989)
Increase in other assets	(1,158)	(1,428)	(1,227)
Decrease/(increase) in prepayments	(163)	(1,820)	158
(Decrease)/increase in trade payables	(58)	246	(295)
(Decrease)/increase in other liabilities	(4,763)	3,832	11,931
Increase in contract liabilities	3,298	161	1,824
	(2,862)	**1,026**	**11,402**

USD '000	H1 FY21 (unaudited)	H1 FY20 (unaudited)	FY20 (unaudited)
Adjustments			
Income tax	(79)	(584)	(663)
Amortisation and impairment of intangible assets	1,131	206	947
Depreciation and impairment of tangible assets and right-of-use assets	2,729	1,911	4,791
Finance income	(4)	(9)	(21)
Finance expenses	(1,922)	640	2,076
Share-based compensation	3,585	1,324	2,696
	9,284	**3,488**	**9,826**

16. List of group companies

	Type	Place of incorporation	Ownership interest
Trustpilot A/S	Subsidiary	Denmark	100%
Trustpilot Galaxy A/S[1]	Subsidiary	Denmark	100%
Trustpilot Inc.	Subsidiary	US	100%
Trustpilot Ltd.	Subsidiary	UK	100%
Trustpilot GmbH	Subsidiary	Germany	100%
Trustpilot PTY Ltd	Subsidiary	Australia	100%
Trustpilot UAB	Subsidiary	Lithuania	100%

1 Trustpilot Galaxy A/S was a wholly owned subsidiary of Trustpilot Group plc, incorporated on 18 February 2021 prior to a merger with Trustpilot A/S on 26 March 2021.

Following the reorganisation and merger of Trustpilot A/S and Trustpilot Galaxy A/S, Trustpilot A/S is a wholly owned subsidiary of Trustpilot Group plc with all remaining subsidiaries wholly owned by Trustpilot A/S. As mentioned in note 14, Trustpilot S.r.l. and Trustpilot B.V. were established after the reporting date as wholly owned subsidiaries of Trustpilot A/S.

Statement of Directors' responsibilities

Each of the directors of Trustpilot Group plc, whose names and functions are listed on the Trustpilot Group plc website, investors.trustpilot.com, confirms to the best of his or her knowledge that:

(a) the condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34) as adopted for use in the UK; and

(b) the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R of the Disclosure and Transparency Rules of the UK's Financial Conduct Authority, namely:

(i) an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

(ii) disclosure of related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period, and any changes in the related party transactions described in the last annual report that could do so.

By order of the board of directors of Trustpilot Group plc

Hanno Damm
Chief Financial Officer

15 September 2021

Independent review report to Trustpilot Group plc
Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Trustpilot Group plc's condensed consolidated interim financial statements (the "interim financial statements") in the Half Year Report 2021 of Trustpilot Group plc for the 6 month period ended 30 June 2021 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Condensed consolidated balance sheet as at 30 June 2021;
- the Condensed consolidated statement of profit or loss and Condensed consolidated statement of comprehensive income for the period then ended;
- the Condensed consolidated cash flow statement for the period then ended;
- the Condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Year Report 2021 of Trustpilot Group plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Half Year Report 2021, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half Year Report 2021 in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Half Year Report 2021 based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half Year Report 2021 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
East Midlands

15 September 2021

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