

11 September 2024

Profitability ahead of market expectations; further £20 million share buyback

- Significant strategic progress, with product innovation delivering new features and packages:
 - Supported a 19% constant currency** ("cc") increase in bookings¹ to \$118 million, and an improvement in Last Twelve Months (LTM) net dollar retention rate² to 101% (H1'23: 99%).
 - Platform users continue to grow, with 67 million unique monthly users⁹, up 28% and now over 300 million reviews on the platform, demonstrating the network effects;
- Group revenue increased 18% to \$100 million, with annual recurring revenue³ up 17% to \$211 million;
- Adjusted EBITDA* ahead of expectations at \$11 million (H1'23: \$6 million) with a 3.9ppt increase in adjusted EBITDA margin* due to operating leverage;
- Continued operating cash generation with period end cash of \$76 million (FY23: \$91 million) after completing the £20 million (\$26 million) share buyback;
 - Launching a further share buyback of up to £20 million today given strong cash position and confidence in future cash generation;
- Outlook for mid-teens constant currency revenue growth for the full year maintained and now expect adjusted EBITDA* to be towards the top end of market expectations¹⁰.

\$m unless stated otherwise	H1'24	H1'23	(+/-) % actual	(+/-) % constant currency
Bookings ¹	117.5	98.1	20 %	19 %
Revenue	99.8	84.6	18 %	17 %
EBITDA*	6.8	2.3	193 %	
Adjusted EBITDA*	10.6	5.7	86 %	
Adjusted EBITDA margin (%)*	10.6	6.7	3.9 ppt	
Operating profit/(loss)	1.8	(2.1)	189 %	
Profit/(loss) after tax for the period	7.7	(2.5)	407 %	
Basic EPS (cents)	1.8	(0.6)	407 %	
Diluted EPS (cents)	1.7	(0.6)	388 %	
Operating cash flow	11.4	9.2	24 %	
Adjusted free cash flow*	5.9	6.2	(6 %)	

* Alternative performance measures (APM) - further detail available in note 3 on page 22;

** See page 3 for the definition of constant currency

Adrian Blair, CEO, commented:

"When I joined Trustpilot a year ago, I said that I aimed to bring greater strategic clarity, rigorous execution, and increasing profitability. We have made good progress across these areas.

"Our strategy is clear. We are an open, trusted review platform for consumers to help each other make the right choices, and provide insights for businesses to build trust, grow and improve. By targeting key focus markets and verticals, we maximise the inherent network effects of the platform.

"We executed well against the strategy in the first half. Consumer adoption of the platform continues to grow, with unique monthly users⁹ up 28% over the same period last year. For businesses, we released a series of new product features to our software platform in April which provide unique insights into consumer behaviour and market dynamics, and we are pleased with the early feedback we have received.

"As a result we delivered strong bookings¹ growth and adjusted EBITDA* ahead of expectations in the first half, alongside a significant improvement in the net dollar retention rate. There is still plenty to do and we are excited by the significant growth opportunities available to us in our focus markets and beyond. We remain confident in delivering sustainable growth and improving operating leverage over the long term."

Additional business information

\$m unless stated otherwise	H1'24	H1'23	(+/-) % actual	(+/-) % constant currency
Bookings				
UK [†]	46.9	38.4	22 %	19 %
Europe and Rest of the World	44.7	38.6	16 %	16 %
North America [†]	25.9	21.1	23 %	23 %
Total bookings¹	117.5	98.1	20 %	19 %
Revenue				
UK [†]	39.9	33.4	19 %	16 %
Europe and Rest of the World	39.0	33.1	18 %	18 %
North America [†]	20.9	18.1	16 %	16 %
Total revenue	99.8	84.6	18 %	17 %
† For presentation purposes, the Isle of Man, Jersey and Guernsey are included within the UK. North America includes the USA and Canada.				
LTM Net Dollar Retention Rate (%) ²	101	99	2 %	— %
KPIs at period end				
Annual Recurring Revenue (\$m) ³	211	180	17 %	18 %
Number of reviewed domains ('000) ⁴	1,171	980	19 %	
Number of claimed domains ('000) ⁵	933	760	23 %	
Number of active domains ('000) ⁶	121	106	14 %	
ACV per customer (\$) ⁷	8,221	6,951	18 %	
Number of reviews (m) ⁸	296	238	24 %	
Number of monthly unique users ('000) ⁹	67,091	52,445	28 %	

¹ Bookings is defined as the annual contract value of contracts signed or renewed 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 a 12 month term, 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 win back. 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 (ARR) is defined as the annual value of subscription contracts measured on the final day of a reporting period.

⁴ Number of 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 Annual Contract Value (ACV) per customer defined as total annual bookings for the year to 30 June 2024 divided by the total number of paying subscribing customers at the period end.

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

⁹ The average monthly number of unique users that visited the Trustpilot platform in the period.

¹⁰ The current analyst consensus range for FY24 adjusted EBITDA is \$18 million to \$22 million with a mean of \$20 million. This is based on company compiled consensus of 7 analysts, as published on 21 June 2024.

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 at the entity level. Further adjustment is made in the Danish entity, Trustpilot A/S, to fix the transactional impact of GBP to DKK arising from individual GBP transactions, mainly relating to sales to UK customers.

Analyst and investor call

Adrian Blair, CEO and Hanno Damm, CFO, will host an analyst and investor briefing at 09:00 (BST) today, 11 September 2024, at the London Stock Exchange. The event will also be available via [webcast and conference call](#). To access the presentation materials please visit <https://investors.trustpilot.com>. A replay of the webcast will be made available on the investor website after the event.

Future reporting

The Group will provide a trading update on 16 January 2025 and report 2024 full year results on 18 March 2025.

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About Trustpilot

Trustpilot began in 2007 with a simple yet powerful idea that is more relevant today than ever — to be the universal symbol of trust, bringing consumers and businesses together through reviews. Trustpilot is open, independent, and impartial — we help consumers make the right choices and businesses to build trust, grow and improve.

Today, we have more than 300 million reviews and 67 million monthly active users across the globe, with 127 billion annual Trustpilot brand impressions, and the numbers keep growing. We have more than 900 employees and we're headquartered in Copenhagen, with operations in Amsterdam, Denver, Edinburgh, Hamburg, London, Melbourne, Milan and New York.

Overview

We operate a subscription software business model whereby we invest to drive bookings growth in the near term, which provides good visibility over future revenue at the beginning of each trading period.

In the first half of the year the Group delivered revenue of \$99.8 million (H1'23: \$84.6 million), up 17% at constant currency ("cc") and in line with our expectations given prior-period bookings growth. Bookings are recognised as revenue over the contract term, usually twelve months. Revenue growth was driven by an 18% increase in the average contract value (ACV) to \$8,221 as we focus on higher value Enterprise customers. The number of paying customers, net of churn, increased 2% year on year to 26,031. We ended June 2024 with annual recurring revenue (ARR) of \$211.0 million (H1'23: \$180.0 million), up 18% cc, with 70% (H1'23: 69%) coming from our focus markets of the UK, US, Germany and Italy.

In the second quarter, we reorganised our sales and marketing teams by customer size so that we are better able to address their unique needs. Whilst early days, this has driven an improvement in retention rates and LTV/CAC. In April we introduced new product features, including market insights and AI assisted review responses, alongside new pricing and packaging models which have now been rolled out globally. Early feedback has been positive, particularly in North America, where these have helped deliver a significant improvement in retention rates. Overall we are pleased with the LTM net retention rate of 101%, compared to 99% a year ago.

Bookings in the first half increased to \$117.5 million (H1'23: \$98.1 million), up 19% at constant currency. We are focused on four key markets, the UK, US, Germany and Italy and bookings in these markets have been strong.

Gross margin was slightly down year on year at 81.3% (H1'23: 82.2%) as a result of higher sales commissions, particularly in North America where prior year bookings were weak and sales teams exceeded targets in the first half of this year driving a material improvement in retention rates. We expect commissions to settle back to more normal levels going forward. Sales and marketing costs grew to \$27.1 million (H1'23: \$23.8 million) and included \$0.7 million of costs associated with the reorganisation of the sales and marketing functions.

Adjusted EBITDA* was ahead of expectations at \$10.6 million (H1'23: \$5.7 million), with the adjusted EBITDA margin* increasing 3.9ppt to 10.6% as we improved operating leverage across the cost base, but particularly in general and administrative expenses. EBITDA* was \$6.8 million (H1'23: \$2.3 million).

For the first time the Group delivered an operating profit, amounting to \$1.8 million versus the \$2.1 million operating loss reported for the same period last year. Net profit was \$7.7 million (H1'23: \$2.5 million loss).

During the first six months of the year, the cash generated from operations was \$11.4 million (H1'23: \$9.2 million). Capital expenditure totalled \$3.5 million, up from \$1.5 million in the prior year, as a result of the investment in product and technology. Our new product release plan delivered additional functionality across the first half with major features released in April. Adjusted free cash flow* was \$5.9 million (H1'23: \$6.2 million). Cash at 30 June 2024 was \$75.6 million, or \$101.2 million prior to the impact of the \$25.6 million share buyback in the period. This contrasts with year end cash of \$91.5 million.

Capital allocation

As outlined in March this year, our capital allocation strategy prioritises the following:

- Continuing to invest in organic top-line growth, including innovation and our people and culture
- Flexibility to engage in targeted M&A
- Returning excess capital to shareholders

Given our strong cash position and expectations for future cash generation, today we are announcing an additional share buyback of up to £20 million (c.\$26 million at current exchange rates).

* Alternative performance measures (APM) - further detail available in note 3 on page 22;

Regional performance

United Kingdom

\$m	H1'24	H1'23	(+/-) % actual	(+/-) % constant currency
Bookings	46.9	38.4	22 %	19 %
Revenue	39.9	33.4	19 %	16 %

Note: for presentation purposes, the Isle of Man, Jersey and Guernsey are included within the UK.

The UK is the most advanced of our regional markets where the viral network effect has been established, enabling us to achieve attractive unit economics. In the first half of the year, the UK contributed 40% of Group bookings at \$46.9 million, up by 19% cc. Revenue grew to \$39.9 million (H1'23: \$33.4 million) an increase of 16% cc, measured against a period of very strong growth in the prior year period. Net dollar retention in the UK continues to be above group average, with a particularly strong performance in the Enterprise segment with customers including National Express, Next and Sage.

Due to the viral nature of our business, we see the success we have already had in establishing a powerful and trusted UK consumer brand as an effective enabler for further market penetration and expansion both in the UK and as replicable elsewhere.

Europe and Rest of the World (RoW)

\$m	H1'24	H1'23	(+/-) % actual	(+/-) % constant currency
Bookings	44.7	38.6	16 %	16 %
Revenue	39.0	33.1	18 %	18 %

Europe and RoW contributed 38% of total Group bookings, at \$44.7 million, up by 16%, against a tough H1'23 comparator. Within this region, our focus markets of Germany and Italy are growing fast with bookings growth ahead of the Group average as we reallocated sales resource to these markets. Revenue in the first half was \$39.0 million (H1'23: \$33.1 million), up 18% cc. Net dollar retention rates are good in our focus markets, with slightly lower rates across the rest of the world.

We have now appointed general managers in Italy and Germany and recently opened our new office in Hamburg, which will bring more structure and drive growth, particularly in the Enterprise segment. Customers across the region include Luxotica, Klarna, Interflora, HelloFresh and Samsung Electronics.

North America

\$m	H1'24	H1'23	(+/-) % actual	(+/-) % constant currency
Bookings	25.9	21.1	23 %	23 %
Revenue	20.9	18.1	16 %	16 %

Note: for presentation purposes, the USA and Canada are included within North America.

In North America, the momentum that we saw in H2 '23 has continued and the region delivered bookings of \$25.9 million, up by 23% in the first half. This was 22% of total Group bookings and was driven by an eight percentage point improvement in the net dollar retention rate which supports future revenue. Revenue grew to \$20.9 million (H1'23: \$18.1 million) an increase of 16% as a result of prior year bookings growth. Contribution margin in the region, whilst still below the Group average, is improving.

Our go-to-market strategy to focus on high customer lifetime value (HCLV) market verticals, such as financial services and education, is driving brand awareness and business adoption, fuelling the fly-wheel and supporting bookings growth. The new product features such as market insights and review spotlight have been well received, and we are encouraged by the number of customers moving up onto higher plans. We won several large customers in period, including Verizon, Chime, LexisNexis and Coinbase, and we saw customers such as Uber, Teladoc and SoFi renew or expand their contracts. In Q2 we were included on a customer advertisement for My English School in Times Square, New York for the first time.

Strategic update

Trust is essential to a functioning economy. It enables buyers to transact quickly with reputable sellers and without it transactions either don't happen, take too long or happen with the wrong people. Trustpilot is an open, independent and impartial platform to bring consumers and businesses together through reviews. Our vision is to be the universal symbol of trust.

Our strategy is clear:

- We operate an open, trusted review platform for consumers to help each other make the right choices; and for businesses to build trust, grow, and improve;
- We maximise the platform's inherent network effects by concentrating on depth in focus markets (UK, US, Germany and Italy);
- With business customers, we drive a SaaS upgrade cycle with positive net dollar retention, underpinned by product innovation.

We executed well against the strategy in H1:

- We continued to grow consumer adoption of the platform, with unique monthly users up 28% year on year;
- We drove strong progress in focus markets - particularly the US, where growth accelerated materially. In target verticals we won notable customers including Coinbase and Verizon;
- We released a well-received series of features providing businesses with AI-driven insights into customer behaviour and market dynamics. These releases underpinned a significant improvement in the Net Dollar Retention rate from 99% to 101% year on year.

The result was improved profitability, with a 3.9ppt improvement in adjusted EBITDA margin. There is still plenty to do, as we capitalise on the powerful network effects inherent in our model. Looking ahead, we are excited by the significant market opportunities in our focus markets of the UK, US, Germany, Italy, and beyond. We remain confident in delivering sustainable growth and operating leverage over the long term.

Product development

We have put a renewed focus on product development to ensure we deliver features that our customers can derive value from. To support this we have defined clear value propositions for both consumers and businesses:

- Trustpilot helps businesses to build trust, grow and improve by better understanding their customers.
- Consumers help each other make the right choice with Trustpilot, by sharing their experiences with others.

Clearly articulating these propositions enables us to better focus on developing and delivering product enhancements that align with customer needs.

We have refreshed the product development cycle, with a clear product release plan according to the significance of the feature. In April this year, we launched significant new features for businesses including:

- AI assisted review responses - for enterprise customers to increase efficiency in responding to reviews;
- Market insights - helps businesses better analyse competitors, market trends and topics; and
- Review spotlight - analysis of review data to identify where a business excels and which areas require improvement.

Looking ahead, we are focused on developing a multi year product roadmap to drive retention, new business and upsell on one side, and increased consumer engagement on the other.

Trust and transparency

In order to become the universal symbol of trust, we need to ensure the integrity of content on our platform, and be transparent in how we do that.

We have spent many years developing our bespoke technology so that we can spot and remove fake reviews and we continuously implement changes to keep up with the evolving review landscape. Our systems look at behavioural analysis rather than solely review content, utilising machine learning as well as more recent generative AI technology. We monitor hundreds of unique data points for each review submitted and where we don't believe it is genuine, this is flagged and removed from the platform until it is investigated by our fraud and investigation or content integrity teams. All businesses and consumers that sign up to Trustpilot commit to adhere to our guidelines and if they repeatedly breach, we take action. In the first half of the year we have removed 2.4 million reviews from the platform. Trust and transparency are integral to our business and we will continue to invest in the tools we need to protect it.

In the US, the Federal Trade Commission (FTC) recently published its final Rule on the Use of Consumer Reviews and Testimonials. We have been supportive of the FTC work as it aligns with our own position on stamping out fake reviews and are pleased to see that it bans certain incentivized reviews, review suppression and the sale or purchase of fake reviews. As such, we welcome the new rule and expect it to bolster efforts to crack down on bad actors, including those who seek to mislead consumers through fake reviews. Much of this rule aligns with our existing, zero tolerance, approach and in several areas we already go further than what is being mandated. Reviews have a valuable role to play for consumers and businesses alike and we are committed to working with the FTC and other partners to uphold the benefit of trusted reviews.

Climate action

As a mission driven business, acting in a sustainable way is a key part of how we operate. Whilst we are not a business with heavy scope 1 and 2 emissions, we still want to play our part in helping to address the challenge of climate change. During the first half of the year we developed near-term carbon reduction plans which have been submitted to the Science Based Target Initiative for validation, as outlined in our 2023 annual report.

Trusties and culture

In the first half of the year we refreshed the values that underpin our culture. We have taken all the positive attributes that have built Trustpilot into the company it is today and layered on a more commercial focus. The refreshed values are:

- We start with the customer
- We act with integrity
- We are positively human
- We make it happen
- We win together

These have been very positively received by the organisation and embraced by Trustees old and new.

We welcomed two new members of the Executive Leadership team: Brian Green as Chief Revenue Officer from Adobe, and Carrie Ryan as Chief Strategy Officer from Prosus. We promoted Dave Williams to Chief Technology Officer and Anoop Joshi to Chief Trust Officer.

Current trading and outlook

We have delivered another strong performance in the first half, with adjusted EBITDA ahead of expectations demonstrating operating leverage. Following a strong first half, we maintain our outlook for mid-teens constant currency revenue growth for the full year and now expect that adjusted EBITDA to be towards the top end of market expectations. We remain confident in delivering sustainable growth and operating leverage over the long term given the significant market opportunity.

Adrian Blair,
Chief Executive Officer, Trustpilot Group plc
10 September 2024

Financial Review

Reconciliation of adjusted EBITDA

\$m other than per cent	H1'24 (unaudited)	H1'23 (unaudited)
Operating profit/(loss)	1.8	(2.1)
Depreciation, amortisation and impairment	5.0	4.4
EBITDA	6.8	2.3
Transaction costs	0.1	—
Share-based payments, including associated social security costs	3.7	3.4
Adjusted EBITDA	10.6	5.7
Adjusted EBITDA margin (per cent)	10.6	6.7

The difference between EBITDA and adjusted EBITDA is largely due to share-based payments.

The increase in Adjusted EBITDA and Adjusted EBITDA margin were driven primarily by growth in revenue partially offset by staff cost growth. Included in the H1'24 share-based payments charge is a non-cash charge of \$2.9 million (H1'23: \$3.4 million) and associated social security charge of \$0.8 million (H1'23: credit of \$— million). Transaction costs relate to costs incurred in the execution of the share buyback and capital reduction. The definition of adjusted EBITDA also includes restructuring costs of which there were none in the current or prior period.

Reconciliation of adjusted EBITDA by function

\$m	H1'24 (unaudited)	Adjustment (unaudited)	H1'24 Adjusted (unaudited)	H1'23 (unaudited)	Adjustment (unaudited)	H1'23 Adjusted (unaudited)
Revenue	99.8	—	99.8	84.6	—	84.6
Cost of sales	(18.6)	—	(18.6)	(15.0)	—	(15.0)
Gross profit	81.2	—	81.2	69.6	—	69.6
Sales and marketing	(27.1)	—	(27.1)	(23.8)	—	(23.8)
Technology and content	(28.5)	2.1	(26.4)	(25.3)	1.5	(23.8)
General and administrative	(22.4)	6.7	(15.7)	(21.8)	6.3	(15.5)
Impairment losses on trade receivables	(1.5)	—	(1.5)	(0.9)	—	(0.9)
Other operating income	0.1	—	0.1	0.1	—	0.1
Operating profit/(loss)	1.8			(2.1)		
Adjusted EBITDA			10.6			5.7

Cost of sales

Cost of sales includes network operating costs as well as the costs incurred to onboard, support, retain and upsell customers. In the first half of the year these costs amounted to \$18.6 million (H1'23: \$15.0 million). As a proportion of revenue, cost of sales increased slightly to 19% (H1'23: 18%) in H1'24 as a result of higher sales commission, particularly in North America given the strong bookings growth. As a result, the gross margin fell slightly to 81% (H1'23: 82%).

Sales and marketing

Sales and marketing costs were \$27.1 million (H1'23: \$23.8 million), falling to 27% of revenue, versus 28% in H1'23. The increase was driven by higher sales commissions, however the relative reduction was largely down to proportionately lower people costs following the reorganisation of the sales and marketing functions, delivering better operating efficiency.

Technology and content costs

Technology and content costs grew to \$28.5 million (H1'23: \$25.3 million) or 29% of revenue (H1'23: 30%). On an adjusted basis; excluding depreciation, amortisation and impairment, costs were 26% of revenue, down from 28% last year. The absolute increase was driven by our continued investment in technology and product, with a 10% increase in headcount as we focus on product development. The relative reduction is in part driven by higher capitalisation of product development labour costs given the launch of the new features, and in part by improving operating efficiency.

General and administrative costs

General and administrative expenses were \$22.4 million, up \$0.6 million in absolute terms including share based payments, but significantly reduced as a proportion of revenue to 22% (H1'23: 26%). On an adjusted basis; excluding share based payments, depreciation, amortisation and impairment, costs were 16% of revenue, down from 18% last year. This was driven by good cost control and operating leverage resulting from strong revenue growth in the period.

Impairment losses on trade receivables

Impairment losses on trade receivables were \$1.5 million in the first half of the year, up from \$0.9 million in H1'23. As a proportion of revenue, the impairment losses accounted for 1.5%, up from 1.0% in the same period last year. The increase has been driven by write off of aged receivables which were previously considered recoverable.

Cash flow

Cash flow from operating activities in H1'24 was \$11.4 million (H1'23: \$9.2 million), with the increase in profit being offset by slightly lower working capital inflow, due to timing differences.

Capital expenditure primarily consists of capitalised development costs and in H1'24 these increased to \$3.5 million (H1'23: \$1.5 million). The increase was driven by greater product development activity and more clarity on how new products and features will deliver revenue. Additionally, principle lease payments increased to \$2.1 million (H1'23: \$1.5 million) due to expiration of discounted rates in our New York office.

During the period we announced and completed a \$25.6 million share buyback. Associated transaction costs of \$0.2 million were also incurred during the period. This was offset by cash inflow from exercises of employee share options of \$4.7 million (H1'23: \$0.2 million).

The resulting net cash outflow for the period was \$15.2 million (H1'23: \$6.5 million inflow). At 30 June 2024 the cash and cash equivalents position was \$75.6 million (30 June 2023: \$82.7 million).

Adjusted free cash flow was slightly down year on year at \$5.9 million (H1'23: \$6.2 million) as a result of the higher capital expenditure and an increase in lease payments.

Balance sheet

Notable balance sheet movements largely relate to an increase in deferred tax assets as a result of the improving forecasts and expectation of using tax losses in the UK entities. Contract acquisition costs increased in line with higher new business during the half. Other payables reflect bonus accruals and other labour-related accruals.

The cash and cash equivalents balance on 30 June 2024 was \$75.6 million (FY23: \$91.5 million), reflecting the share buyback and free cash flow generation since the year ended 31 December 2023.

During H1'24 we completed a capital reduction of \$73.2 million, reflecting the decrease in the share premium account and accumulated losses.

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.

Capital allocation

Trustpilot has a strong balance sheet and the business is generating positive operating cash flow. As we consider our capital allocation policy, our priorities include continuing to invest in people, innovation and go-to-market to drive organic top-line growth and retention. We also aim to maintain the flexibility to engage in targeted M&A, assessed against rigorous returns criteria, to accelerate our product strategy or to strengthen our presence in specific regions. We are committed to returning excess capital, not required for other priorities, to shareholders.

Related party transactions

During H1'24 and H1'23, there were no material transactions with related parties. Please see note 9.

Going concern

The Group incurred a profit after tax of \$7.7 million in H1'24 compared with a loss after tax of \$2.5 million in H1'23. The Group has cash and cash equivalents of \$75.6 million as of 30 June 2024 compared with a balance of \$91.5 million as of 31 December 2023. The Group has access to an undrawn revolving credit facility of up to \$30 million expiring in October 2026, but the Group is not in any way reliant on this facility. The Group has not breached any associated covenants and does not forecast a breach in future periods.

In consideration of going concern, management have performed a going concern assessment for the Group by preparing monthly cash flows for an 18 month period and sensitising for what the Directors consider to be the most severe but plausible scenario that could arise. Based on the assessment, the Directors have a reasonable expectation that the Group has adequate resources to continue to operate for 18 months from the date of approval of the financial statements. As a result, the Directors consider it appropriate for the Group to continue to adopt the going concern basis in the preparation of the financial statements.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Group and its approach to internal control and risk management are set out on pages 85-95 of our [2023 Annual Report](#). The Board has carried out a robust assessment of such risks and considered the relative significance of each risk for the remainder of the year, and since we last reported there have been no material changes to our principal risks and uncertainties.

Principal risk	Summary
Confidence in our commitment to trust and transparency	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 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.
Misuse of platform	Activities of businesses and consumers, such as posting illegal or harmful content or creating and promoting false and misleading reviews could negatively impact Trustpilot's brand and reputation.
Litigation and disputes	Trustpilot is subject to litigation and disputes including defamation, libel, consumer protection, intellectual property, commercial disputes and other matters.
Changing and varied regulatory landscape	Regulators and legislators continue to focus and scrutinise the technology sector. Failure to meet the requirements of a changing and varied regulatory landscape could result in reputational damage or an increase in action brought against Trustpilot.
Data and cyber security	Any failure in our security practices or data breaches could negatively impact trust in the platform, and discourage both customers and consumers from signing up and using Trustpilot. This could result in reduced demand for our products and services, loss of revenue, and potential fines or other regulatory action.
Reliance on search engine relationships	We rely on search engine relationships to enhance our products and services and to drive traffic for Trustpilot and our customers.
Failure to innovate	Failure to innovate new technologies or products and services, or adapt to emerging trends could hinder our ability to grow.
People and culture	Inability to recruit and retain a right-sized and highly skilled workforce to deliver our objectives and build the culture we want to see.
Competitive environment	The market for consumer reviews is evolving. Our own continued growth relies on our ability to grow brand awareness. Failure to achieve this in our focus markets could impact growth.
Macroeconomic environment	Global markets continue to be volatile and upcoming elections bring an added layer of uncertainty, which can influence decision-making and foster a more cautious approach to budget allocation. This can affect our ability to meet growth targets in key markets.

Hanno Damm
 Chief Financial Officer
 10 September 2024

Condensed consolidated statement of profit or loss

	Note	H1'24 (unaudited) \$ '000	H1'23 (unaudited) \$ '000
Revenue	4	99,797	84,568
Cost of sales		(18,628)	(15,015)
Gross profit		81,169	69,553
Sales and marketing		(27,097)	(23,847)
Technology and content		(28,478)	(25,301)
General and administrative*		(22,417)	(21,797)
Impairment losses on trade receivables*		(1,471)	(865)
Other operating income		131	195
Operating profit/(loss)		1,837	(2,062)
Finance income	6	1,727	733
Finance expenses	6	(1,010)	(2,655)
Profit/(loss) before tax		2,554	(3,984)
Income tax credit for the period	7	5,118	1,481
Profit/(loss) for the period		7,672	(2,503)
Earnings/(loss) per share (cents)			
Basic earnings/(loss) per share	8	1.8	(0.6)
Diluted earnings/(loss) per share	8	1.7	(0.6)

* See note 1 for details regarding the re-presented.

Condensed consolidated statement of comprehensive income

	H1'24 (unaudited) \$ '000	H1'23 (unaudited) \$ '000
Profit/(loss) for the period	7,672	(2,503)
Other comprehensive (expense)/income		
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange rate differences on translation of foreign operations	(301)	2,620
Other comprehensive (expense)/income for the period, net of tax	(301)	2,620
Total comprehensive income for the period	7,371	117

Condensed consolidated balance sheet

	Note	As at	
		30 June 2024	31 December 2023
		(unaudited) \$ '000	\$ '000
Intangible assets		8,290	7,355
Property, plant and equipment		2,212	2,756
Right-of-use assets		20,259	21,021
Deferred tax assets		19,937	12,428
Deposits and other receivables		2,452	2,276
Total non-current assets		53,150	45,836
Trade receivables		8,938	9,820
Contract acquisition costs		5,841	3,981
Prepayments		4,739	4,036
Deposits and other receivables		599	1,235
Cash and cash equivalents		75,553	91,464
Total current assets		95,670	110,536
Total assets		148,820	156,372
Equity and liabilities			
Share capital	10	5,271	5,338
Share premium	10	178	68,790
Capital redemption reserve	10	134	—
Foreign currency translation reserve		5,537	5,795
Merger reserve		148,854	148,854
Accumulated losses		(106,010)	(165,664)
Total equity		53,964	63,113
Lease liabilities		18,378	18,572
Provisions		720	703
Other payables		2,985	3,043
Total non-current liabilities		22,083	22,318
Lease liabilities		3,832	4,292
Provisions		357	369
Income tax payables		2,011	899
Contract liabilities		38,176	37,841
Other payables		24,288	23,059
Trade payables		4,109	4,481
Total current liabilities		72,773	70,941
Total liabilities		94,856	93,259
Total equity and liabilities		148,820	156,372

Condensed consolidated statement of changes in equity

	Note	Share capital (unaudited) \$ '000	Share premium (unaudited) \$ '000	Capital redemption reserve (unaudited) \$ '000	Foreign currency translation reserve (unaudited) \$ '000	Merger reserve (unaudited) \$ '000	Accumulated losses (unaudited) \$ '000	Total (unaudited) \$ '000
As at 1 January 2024		5,338	68,790	—	5,795	148,854	(165,664)	63,113
Profit for the period		—	—	—	—	—	7,672	7,672
Other comprehensive expense		—	—	—	(301)	—	—	(301)
Total comprehensive income for the period		—	—	—	(301)	—	7,672	7,371
<i>Transactions with owners</i>								
Employee share scheme issues	10	95	4,647	—	—	—	—	4,742
Contribution of equity - transaction costs	10	—	—	—	—	—	—	—
Share buyback programme and cancellation of shares	10	(134)	—	134	—	—	(25,576)	(25,576)
Capital reduction	10	—	(73,244)	—	—	—	73,244	—
Capital reduction - transaction costs	10	—	—	—	—	—	(178)	(178)
Share-based payments	5	—	—	—	—	—	2,851	2,851
Share-based payments - related tax		—	—	—	—	—	1,641	1,641
Exchange adjustments		(28)	(15)	—	43	—	—	—
Total transactions with owners		(67)	(68,612)	134	43	—	51,982	(16,520)
As at 30 June 2024		5,271	178	134	5,537	148,854	(106,010)	53,964

Condensed consolidated statement of changes in equity (continued)

	Note	Share capital (unaudited) \$ '000	Share premium (unaudited) \$ '000	Foreign currency translation reserve (unaudited) \$ '000	Merger reserve (unaudited) \$ '000	Accumulated losses (unaudited) \$ '000	Total (unaudited) \$ '000
As at 1 January 2023		5,006	64,537	6,602	148,854	(179,163)	45,836
Loss for the period		—	—	—	—	(2,503)	(2,503)
Other comprehensive income		—	—	2,620	—	—	2,620
Total comprehensive income for the period		—	—	2,620	—	(2,503)	117
<i>Transactions with owners</i>							
Employee share scheme issues	10	24	237	—	—	—	261
Contribution of equity - transaction cost	10	—	(29)	—	—	—	(29)
Share-based payments	5	—	—	—	—	3,404	3,404
Related tax		—	—	—	—	—	—
Exchange adjustments		264	3,407	(3,671)	—	—	—
Total transactions with owners		288	3,615	(3,671)	—	3,404	3,636
As at 30 June 2023		5,294	68,152	5,551	148,854	(178,262)	49,589

Condensed consolidated cash flow statement

	Note	H1'24 (unaudited) \$ '000	H1'23 (unaudited) \$ '000
Profit/(loss) for the period		7,672	(2,503)
Adjustments to operating cash flows	11	2,050	8,257
Changes in net working capital	11	1,096	3,723
Interest received ¹		1,665	733
Interest paid		(1,010)	(1,100)
Income taxes (paid)/received		(37)	132
Net cash inflow from operating activities		11,436	9,242
Purchase of property, plant and equipment		(265)	(122)
Payments for intangible asset development		(3,241)	(1,377)
Net cash outflow from investing activities		(3,506)	(1,499)
Principal elements of lease payments		(2,073)	(1,513)
Proceeds from share issue		4,742	232
Capital reduction - transaction costs		(178)	—
Share buyback programme ²		(25,576)	—
Proceeds from borrowings		—	30,000
Repayment of borrowings		—	(30,000)
Net cash outflow from financing activities		(23,085)	(1,281)
Net cash flow for the period		(15,155)	6,462
Cash and cash equivalents at the beginning of the period		91,464	73,459
Effects of exchange rate changes on cash and cash equivalents		(756)	2,804
Cash and cash equivalents at the end of the period		75,553	82,725

1 Interest received includes interest income of \$178 thousand (H1'23: \$733 thousand) and other similar income of \$1,487 thousand (H1'23: nil), refer to note 6.

2 On 10 January 2024, the Group entered into a share buyback programme for an amount of up to £20,000 thousand (\$25,398 thousand) excluding £140 thousand (\$178 thousand) of associated transaction costs.

Notes to the interim financial statements

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

Trustpilot Group plc (the “**Company**”) is a public company limited by shares, incorporated on 8 February 2021, domiciled in the United Kingdom and registered in England & Wales with company number 13184807, and having its registered office at 5th Floor, The Minster Building, 21 Mincing Lane, London EC3R 7AG, United Kingdom.

The activity of the Company and its subsidiaries (together, 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”).

This interim financial report for H1'24 follows the same accounting policies as the [2023 Annual Report](#) except for the estimation of income tax and the adoption of new and amended standards as set out below. 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 [2023 Annual Report](#).

These condensed interim financial statements were approved for issue on 10 September 2024.

Basis of preparation

This interim financial report for H1'24 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'. These interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The most recent statutory accounts for the year ended 31 December 2023 for Trustpilot Group plc were dated 18 March 2024 and adopted by the annual general meeting of shareholders on 21 May 2024.

The [2023 Annual Report](#) was filed with the Registrar of Companies. The auditors’ report on the accounts in the [2023 Annual Report](#) 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, unless otherwise indicated. Where a balance is zero this is stated as nil.

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

The financial statements are not materially impacted by seasonality due to revenue recognition amortisation over subscription term.

The condensed consolidated interim financial statements were approved by the Board of Directors on 10 September 2024 and have been reviewed and not audited by PricewaterhouseCoopers LLP, the auditors and its report is set out at the end of this document.

The accounting policies adopted are consistent with these of the previous interim review period, except for the adoption of new and amended standards as set out below.

Going concern

The directors of the Company (the “Directors”), in their detailed consideration of going concern, have performed a going concern assessment for the Group by preparing monthly cash flows for an 18 month period and then sensitising for what the Directors consider to be the most severe but plausible scenario that could arise. The assessment was tied to specific risks identified in the principal risk and uncertainty section including 'confidence in our commitment to trust and transparency', 'misuse of platform', 'changing and varied regulatory landscape', 'litigation and disputes' and 'macroeconomic environment'.

As at 30 June 2024, the Group has a cash and cash equivalents balance of \$75,553 thousand (FY23: \$91,464 thousand) with zero debt on the balance sheet. In addition to cash on the balance sheet, the Group has access to a revolving credit facility for up to \$30,000 thousand (FY23: \$30,000 thousand), available in multiple currencies, which has been considered as part of headroom when considering going concern. The revolving credit facility is subject to both balance sheet and revenue to plan covenants, both of which are considered in the course of scenario planning.

Having considered the severe but plausible downside scenario, the Directors have a reasonable expectation that the Group has adequate resources to continue to operate for 18 months from the date of signing these financial statements. As a result, they continue to adopt the going concern basis in preparing the consolidated financial statements.

Key events

The key events for the Group in the interim period were:

- reported revenue grew by 18% to \$99,797 thousand in H1'24 (H1'23: \$84,568 thousand).
- completion of a share buyback programme for £20,000 thousand in H1'24.
- completion of a capital reduction enabling future share buybacks, in line with our stated capital allocation strategy.
- Reflecting the improving forecasts and expectation of using tax losses in the UK entities (Trustpilot Limited and Trustpilot Group plc) due to contract renewals for existing UK customers moving from Trustpilot A/S to Trustpilot Limited in 2024, the Group has recognised an additional deferred tax asset of \$9,960 thousand (2023: nil) at the half year.

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. They are deconsolidated from the date that control ceases.

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.

Climate-related risks

When preparing the consolidated financial statements, management considers climate-related risks, where these could have a potential impact on the reported amounts materially or where climate-related risks could have an impact on items in the statement of profit and loss or on balance sheet.

In the preparation of the interim financial statement, it is management’s assessment that climate-related risks have not had a material impact on the reported amounts for the period ended 30 June 2024.

Specifically, we have considered the following areas:

- The physical and transition risks associated with climate change; and
- The actions the Group is taking to ensure it meets carbon reduction and net zero targets.

As a result, the Group has assessed the impacts of climate change on the interim financial statements, and in particular, on the following areas:

- The carrying value of the Group's assets, in particular the recoverable amounts of intangible assets and property, plant and equipment; and
- Any changes to our estimates of the useful economic lives of intangible assets and property, plant and equipment.

Management are committed to reducing the Group's carbon emissions and target achieving net zero by 2050. Keeping this in mind, the Group selects its suppliers, shares knowledge, technology and support its customer with the effort of being the driving force for change.

Re-representation of impairment losses on trade receivables

Consistent with the [2023 Annual Report](#), impairment losses on trade receivables have been shown separately in accordance with IAS 1 'Presentation of Financial Statements'; previously these were presented within general and administrative expenses. There is no difference to the operating loss for the period ended 30 June 2023.

	H1'23 As reported (unaudited) \$ '000	H1'23 Reclassification (unaudited) \$ '000	H1'23 Re-presented (unaudited) \$ '000
General and administrative	(22,662)	865	(21,797)
Impairment losses on trade receivables	—	(865)	(865)

New standards and interpretations

A number of new or amended standards became applicable for the current reporting period, the details of these standards can be found in the pages 175-176 of the [2023 Annual Report](#). The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

The Group has adopted Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants- Amendments to IAS 1, as issued in 2020 and 2022. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current liabilities that are subject to covenants within 12 months after the reporting period.

The Group's liabilities were not impacted by the amendments.

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. The Group does not expect these amendments to have a material impact on its operations or financial statements.

Financial instruments

There are no changes in the business or economic circumstances that affect the fair value of the Group's financial assets and liabilities. There are no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments. The Group does not hold any level three financial instruments. There are no changes in the classification of financial assets as a result of a change in the purpose or use of those assets.

Contributed equity

Where the Company purchases any of the Company's equity instruments, for example as the result of a share buyback, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

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. Actual results may differ from these 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.

The critical judgements and estimates, including the assumptions are consistent with the those described in the year ended 31 December 2023 financial statements, except for the change as set out below:

Critical accounting estimate - Recognition of deferred tax assets

Deferred tax assets are reviewed at each reporting date. In considering their recoverability, the Group assesses the likelihood of the asset being recovered within a reasonably foreseeable timeframe considering the future expected profit profile and business model of each relevant country, as well as any restrictions on use. As the Group has a history of making taxable losses, IAS 12 Income Taxes further requires that convincing evidence is available to support management's assessment that sufficient taxable profits will be available in the future.

Reflecting the improving forecasts and expectation of using tax losses in the UK entities (Trustpilot Limited and Trustpilot Group plc) due to contract renewals for existing UK customers moving from Trustpilot A/S to Trustpilot Limited in 2024, the Group has recognised an additional deferred tax asset of \$9,960 thousand (2023: nil) at the half year, representing full recognition. Current forecasts indicate that the recognised losses will be utilised over the next 5 years. Trustpilot A/S continues to generate taxable profits and therefore deferred tax assets are fully recognised.

For Trustpilot, Inc., the Group's approved budgets does not show with sufficient confidence that they are able to generate taxable profits in the foreseeable future, management has concluded that it will not be able to meet the strict criteria in IAS 12 to provide 'convincing evidence', as the budgets are sensitive to the timing and level of investments in the Trustpilot platform and similar factors. Consequently, no additional deferred tax assets have been recognised for the Group's tax loss carry-forwards.

3. Alternative performance measures

The Group 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. The Group considers EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Free Cash Flow to be APMs that provide meaningful, additional measures of Group performance. These measures have limitations for example may not be comparable across companies or may exclude recurring business transactions for example share-based payments.

EBITDA

EBITDA is defined as earnings before interest, tax, depreciation, amortisation and impairment. Depreciation and amortisation includes any non-cash impairment charges functioning as accelerated depreciation or amortisation. The Group believes EBITDA is meaningful as a profitability measure before non-cash activity, financing and tax impacts in addition to being used widely by investors and other interested parties.

	H1'24 (unaudited) \$ '000	H1'23 (unaudited) \$ '000
Operating profit/(loss)	1,837	(2,062)
Depreciation, amortisation and impairment	5,001	4,397
EBITDA	6,838	2,335

Adjusted EBITDA

The Group measures the overall performance by reference to Adjusted EBITDA which is a non-IFRS measure. Although we consider these APMs relevant to management for assessing business performance we recognise their inherent limitations versus other GAAP measures. However, management uses Adjusted EBITDA as a measure for internal profitability as it adjusts for certain non-recurring or non-cash items, and is therefore used to develop budgets and measure performance against those budgets. While some non-cash items such as share-based payments are recurring, management finds the exclusion of these costs from Adjusted EBITDA to be meaningful given their non-cash nature. Whilst management acknowledges they may not be used in, or comparable across all companies, they are comparable with similar firms within the technology sector.

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

Adjusted EBITDA margin is defined as adjusted EBITDA (as described above) to a percentage of total revenue. The Group uses Adjusted EBITDA margin as a profitability measure and is used by management.

Profit-related APMs frequently exclude significant recurring business transactions for example share-based payments that impact financial performance and cash flows.

\$ '000 other than per cent	H1'24 (unaudited)	H1'23 (unaudited)
Operating profit/(loss)	1,837	(2,062)
Depreciation, amortisation and impairment	5,001	4,397
EBITDA	6,838	2,335
Transaction costs	79	—
Share-based payments, including associated social security costs	3,650	3,361
Adjusted EBITDA	10,567	5,696
Adjusted EBITDA margin (per cent)	10.6	6.7

The increase in Adjusted EBITDA and Adjusted EBITDA margin were driven primarily by growth in revenue partially offset by staff cost growth. Included in the H1'24 share-based payments is a non-cash charge of \$2,851 thousand (H1'23: \$3,404 thousand) and associated social security charge of \$799 thousand (H1'23: credit of \$(43) thousand). Transaction costs relate to costs incurred in the execution of the share buyback and capital reduction. The definition of adjusted EBITDA also includes restructuring costs of which there were none in the current or prior period.

Functional distribution of adjustments

H1'24	Group (unaudited) \$ '000	Cost of Sales (unaudited) \$ '000	Sales and marketing (unaudited) \$ '000	Technology and content (unaudited) \$ '000	General and administrative (unaudited) \$ '000
Operating profit	1,837				
Depreciation, amortisation and impairment	5,001	—	—	2,116	2,885
Transaction costs	79	—	—	—	79
Share-based payments, including associated social security costs	3,650	—	—	—	3,650
Adjusted EBITDA	10,567				

H1'23	Group (unaudited) \$ '000	Cost of Sales (unaudited) \$ '000	Sales and marketing (unaudited) \$ '000	Technology and content (unaudited) \$ '000	General and administrative (unaudited) \$ '000
Operating loss	(2,062)				
Depreciation, amortisation and impairment	4,397	—	—	1,521	2,876
Transaction costs	—	—	—	—	—
Share-based payments, including associated social security costs	3,361	—	—	—	3,361
Adjusted EBITDA	5,696				

Adjusted Free Cash Flow

Adjusted Free Cash Flow is defined as net cash flow from operating activities, adjusted for transaction costs, restructuring costs, principal lease payments and capital expenditure. Although we consider these APMs relevant to management for assessing business performance we recognise their inherent limitations versus other GAAP measures. However, management uses Adjusted Free Cash Flow to understand the Group's potential for cash generation. Management finds the exclusion of certain costs from Adjusted Free Cash Flow to be meaningful given their one off nature. Whilst management acknowledges they may not be used in, or comparable across all companies, they are comparable with similar firms within the technology sector.

\$ '000	H1'24 (Unaudited)	H1'23 (Unaudited)
Net cash inflow from operating activities	11,436	9,242
Transaction costs	79	—
Restructuring costs	—	—
Principal lease payments	(2,073)	(1,513)
Capital expenditure ¹	(3,506)	(1,499)
Adjusted free cash flow	5,936	6,230

¹ Capital expenditure consists of purchase of property, plant and equipment and payments for intangible assets development

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's 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 Condensed consolidated statement of comprehensive income. These are a single business segment for the sale of company subscription plans, generally for a period of twelve months, where the invoicing varies from monthly to annually.

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% and 21% (H1'23: UK: approx. 40% and North America: approx. 21%), respectively. Other geographical locations besides the UK and North America are defined as 'Rest of the world' where no individual country exceeded more than 5% of the consolidated revenue in H1'24 (H1'23: 6%).

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 following table displays external revenue (based on customer location) and non-current operating assets by geographic area:

	H1'24 (unaudited) \$ '000	H1'23 (unaudited) \$ '000
Revenue		
UK ¹	39,868	33,406
Europe and Rest of the World	39,026	33,066
North America ¹	20,903	18,096
Total revenue	99,797	84,568
Non-current operating assets	30 June 2024 (unaudited)	31 December 2023²
UK ¹	9,852	10,742
Europe and Rest of the World	9,911	9,241
North America ¹	11,211	11,149
Total non-current operating assets	30,974	31,132

¹ For presentation purposes, the Isle of Man, Jersey and Guernsey are included within the UK. North America includes the USA and Canada.
² Balances have been re-presented to exclude financial instruments.

Non-current operating assets consist of intangible assets, property, plant and equipment, right-of-use assets and other receivables.

5. Share-based payment plans

The Group currently operates four share schemes: Employee Warrants, Long Term Incentive Plan, Restricted Share Plan and Deferred Share Bonus Plan.

For the six months ended 30 June 2024 and 30 June 2023, the Group has recognised the following share-based payment expense in the condensed consolidated statement of profit or loss, and the relating tax expense in the condensed consolidated statement of changes in equity.

	H1'24 (unaudited) \$ '000	H1'23 (unaudited) \$ '000
Employee Warrants	78	781
Long Term Incentive Plan	592	688
Restricted Share Plan	2,169	1,935
Deferred Share Bonus Plan	12	—
	2,851	3,404

Deferred Share Bonus Plan

The company introduced in April 2024 a deferred share bonus plan (DSBP) for certain key executives, pursuant to which participants are entitled to receive bonuses in the form of the Company's shares at a future date. The plan is designed to incentivise retention of key personnel. The awards are not conditioned by a continued service or any performance achievements.

Fair value treatment is summarised as follows:

Fair Value Factors	April 2024 Grant (unaudited)
Closing share price on date of grant (pence)	192.40
Price (pence)	0.00
Expected term	1.94 yrs
Risk-free interest rate	N/A
Expected dividend yield	– %
Expected volatility	N/A

Long Term Incentive Plan

A Long Term Incentive Plan (LTIP) ensures the alignment of incentives for management and the performance of the Group. Incentives are established across complementary measures of shareholder return performance and trust to ensure balanced priorities for management for the long term advancement of the Group. Targets and fair value treatment are summarised as follows:

Measure	Fair Value Method	Weighted Avg Fair Value	Lower Bound	Upper Bound
TSR	Stochastic Model	1.26	Equal to Median	Upper Quartile or Greater
Trust	Black-Scholes	1.79	Average Trust Measure of 4.0	Average Trust Measure of 4.40 or Greater

Total shareholder return (“TSR”) performance measure

The Group’s TSR performance over a three year period is measured relative to the TSR performance over the same period of the constituents of the FTSE 250 Index (excluding investment trusts and the Group).

Trust performance measure

The Group’s Trust measure is based on the average of Trustpilot’s own TrustScores (i.e. the star ratings of reviews gathered for Trustpilot on the Trustpilot platform) taken at the end of each financial year.

Fair Value Factors	April 24 grant (unaudited)	Additional Finnerty April 24 grant (Executive directors) (unaudited)
Closing share price on date of grant (pence)	189.40	189.40
Price (pence)	1.00	1.00
Expected term	3.00 yrs	5.00 yrs
Risk-free interest rate	4.20 %	4.04 %
Expected dividend yield	– %	– %
Expected volatility	60.05 %	60.60 %

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

Restricted Share Plan

The Restricted Share Plan (RSP) is offered to selected employees and aligns the interest of award recipients with shareholders and serves to help retain employees over the vesting periods. Vesting periods are subject to the condition of continued service only rather than performance measures. Fair value treatment is summarised as follows:

Fair Value Factors	April 2024 Grant (unaudited)	May 2024 Grant (unaudited)
Closing share price on date of grant (pence)	192.40	220.50
Price (pence)	1.00	1.00
Weighted average contractual life	1.89 yrs	1.84 yrs
Risk-free interest rate	4.51-4.76%	4.60-4.82%
Expected dividend yield	— %	— %
Expected volatility	60.63 %	61.08 %

6. Finance income and expenses

	H1'24 (unaudited) \$ '000	H1'23 (unaudited) \$ '000
Foreign exchange rate gains	62	—
Interest income	178	733
Other similar income ¹	1,487	—
Finance income	1,727	733

	H1'24 (unaudited) \$ '000	H1'23 (unaudited) \$ '000
Foreign exchange rate losses	—	(1,555)
Financing costs	—	(37)
Interest expenses ²	(256)	(252)
Provisions: unwinding of discount	(20)	—
Lease interest expenses	(734)	(811)
Finance expenses	(1,010)	(2,655)

¹ Other similar income relates to income earned on money market funds which are held at fair value through profit or loss.

² Interest expenses includes \$256 thousand (H1'23: \$252 thousand) of fees for the undrawn revolving cash facility.

7. Income tax

	H1'24 (unaudited) \$ '000	H1'23 (unaudited) \$ '000
Current tax charge	1,183	48
Deferred tax credit	(6,301)	(1,529)
Total tax credit	(5,118)	(1,481)
Deferred tax credit - equity	(1,641)	—
Total tax credit - equity	(1,641)	—

The Group's tax charge will continue to be influenced by the profile of profits earned in the different countries in which the Group's subsidiaries operate. The Group could be affected by changes in tax law in the future, as we expect countries to amend legislation in respect of international tax.

No amounts of current or deferred tax (2023: nil) are recognised in other comprehensive income.

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 2024 is (200)%, compared to the estimated average annual tax rate for 2023 of (37)%. The effective annual tax rates shown incorporate expected credits relating recognition of deferred tax assets within the year.

Deferred tax assets are reviewed at each reporting date. In considering their recoverability, the Group assesses the likelihood of the asset being recovered within a reasonably foreseeable timeframe considering the future expected profit profile and business model of each relevant country, as well as any restrictions on use. Reflecting the improving forecasts and expectation of using tax losses in the UK entities (Trustpilot Limited and Trustpilot Group plc) due to contract renewals for existing UK customers moving from Trustpilot A/S to Trustpilot Limited in 2024, the Group has recognised an additional deferred tax asset of \$9,960 thousand (2023: nil) at the half year. Current forecasts indicate that the losses will be utilised over the next five years. Other key movements include utilisation of \$2,040 thousand (2023: nil) of deferred tax assets relating to Trustpilot A/S against taxable profits in the period. The closing balance of deferred tax assets as at 30 June 2024 is \$19,937 thousand (2023: \$12,428 thousand).

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

8. Earnings/(loss) per share

	H1'24 (unaudited) \$ '000	H1'23 (unaudited) \$ '000
Profit/(loss) for the period	7,672	(2,503)
Earning/(loss) per share (cents)		
Basic	1.8	(0.6)
Diluted	1.7	(0.6)

The weighted average number of shares used as the denominator for H1'23 was 416,836 thousand. Due to there being a profit after tax in H1'24, a reconciliation of weighted average number of shares of shares used as the denominator is included below:

	H1'24 (unaudited)
Weighted average number of shares used as the denominator (000s):	
Weighted average number of ordinary shares issued	416,579
Weighted average number of treasury shares held	(201)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	416,378
Adjustments for calculating diluted earnings per share:	
Employee warrants and restricted share options	26,548
Weighted average number of shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	442,926

Given the Group incurred losses in H1'23, the impact of potentially dilutive ordinary shares have been excluded as they would otherwise be anti-dilutive in accordance with IAS 33.

Information concerning the classification of securities

Options granted to employees under the warrants, LTIP, RSP and DSBP Options Plans are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share if the required performance conditions would have been met based on the company's performance up to the reporting date, and to the extent to which they are dilutive. Details relating to the warrants and options are set out in note 5.

A total of 3,436 thousand (H1'23: 13,735 thousand) warrants and restricted share options have not been included in the calculation of diluted earnings per share, because they are antidilutive for the period ended 30 June 2024. These options could potentially dilute basic earnings per share in the future.

As of 30 June 2024, the number of dilutive vested warrants amounted to 20,652 thousand (H1'23: 6,993 thousand) and nil (H1'23: nil) vested restricted stocks units.

9. Related parties

During H1'24 and H1'23, there were no material transactions with related parties.

10. Share capital

<i>Authorised, allotted and fully paid:</i>	30 June 2024		31 December 2023	
	Number of shares (unaudited)	Nominal value (\$ '000) (unaudited)	Number of shares	Nominal value (\$ '000)
Ordinary shares	416,739,017	5,271	419,783,461	5,338
Total shares	416,739,017	5,271	419,783,461	5,338

The share capital of the Company as of 30 June 2024 consists of a single class of ordinary shares, each share having a nominal value of GBP 0.01. The ordinary shares carry no right to fixed income. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

	Number of Shares (unaudited)	Share Capital	Share Premium	Capital redemption reserve
		Nominal value (\$ '000) (unaudited)	Nominal value (\$ '000) (unaudited)	Nominal value (\$ '000) (unaudited)
<i>Changes in share capital</i>				
Opening balance at 1 January 2024	419,783,461	5,338	68,790	—
Employee share scheme issues ¹	7,550,016	95	4,647	—
Share buyback programme and cancellation of shares ²	(10,594,460)	(134)	—	134
Capital reduction ³	—	—	(73,244)	—
Exchange adjustments	—	(28)	(15)	—
Ending Balance 30 June 2024	416,739,017	5,271	178	134

1 From 1 January 2024 to 30 June 2024 (inclusive), 7,550,016 ordinary shares were issued in the Company to satisfy the exercise of warrants and vesting of restricted stock units in the Company, resulting in a share capital increase by \$95 thousand and share premium increase of \$4,647 thousand. Further detail related to these schemes is included in note 5.

2 From 1 January 2024 to 30 June 2024 (inclusive), 10,594,460 ordinary shares were repurchased by the Company under the Group's share buyback programme, held as treasury shares and then subsequently cancelled. No treasury shares are held at 30 June 2024. The shares were acquired at an average price of 188.78p per share, with prices ranging from 156.10p to 221.50p. The total cost of \$25,576 thousand (£20,140 thousand), including \$178 thousand of transaction costs, was deducted from equity. A transfer of \$134 thousand was made from share capital to the capital redemption reserve.

3 Following approval by shareholders at the Annual General Meeting on 21 May 2024, the Registrar of Companies approved and registered the cancellation of \$73,244 thousand (£57,641 thousand) of the Company's share premium account on 25 June 2024. Transaction costs of \$178 thousand were debited to accumulated losses.

	Number of Shares (unaudited)	Share Capital	Share Premium
		Nominal value (\$ '000) (unaudited)	Nominal value (\$ '000) (unaudited)
<i>Changes in share capital</i>			
Opening balance at 1 January 2023	416,241,641	5,006	64,537
Employee share scheme issues ¹	1,937,003	24	237
Contribution of equity - transaction cost	—	—	(29)
Exchange adjustments	—	264	3,407
Ending Balance 30 June 2023	418,178,644	5,294	68,152

1 From 1 January 2023 to 30 June 2023 (inclusive), 1,937,003 ordinary shares were issued in the Company to satisfy the exercise of warrants and vesting of restricted stock units in the Company, resulting in a share capital increase by \$24 thousand and share premium increase of \$237 thousand. Further detail related to these schemes is included in note 5.

11. Reconciliation to operating cash flows

	H1'24 (unaudited) \$ '000	H1'23 (unaudited) \$ '000
Adjustments to operating cash flows		
Income tax credit	(5,118)	(1,481)
Amortisation and impairment of intangible assets	2,063	1,446
Depreciation and impairment of property, plant and equipments and right-of-use assets	2,938	2,951
Loss on termination of lease	33	—
Loss on disposals of property, plant and equipment	—	15
Finance (income)/expenses	(717)	1,922
Share-based payments	2,851	3,404
	2,050	8,257

	H1'24 (unaudited) \$ '000	H1'23 (unaudited) \$ '000
Changes to net working capital		
Decrease in trade receivables	630	1,523
Decrease in deposits and other receivables	423	452
Increase in prepayments	(830)	(292)
Increase in contract acquisition costs	(1,959)	(2,285)
Decrease in trade payables	(277)	(236)
Increase in provisions	20	918
Increase in other payables	1,728	1,496
Increase in contract liabilities	1,361	2,147
	1,096	3,723

12. Commitments and contingent liabilities
Pledges and security

In connection with a revolving credit facility of \$30,000 thousand, the Company, Trustpilot A/S, Trustpilot, Inc. and Trustpilot Ltd have granted security over all of their assets and undertaking, including bank accounts, trademarks and shares (excluding the Company).

No security has been provided for the Group's leaseholds.

Statement of Directors' responsibilities

Each of the directors of Trustpilot Group plc confirms to the best of his or her knowledge that:

- a. the condensed consolidated interim financial statements 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 UK's Financial Conduct Authority; 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 Guidance and Transparency Rules sourcebook 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 [2023 Annual Report](#) that could do so.

The maintenance and integrity of Trustpilot Group plc website (investors.trustpilot.com) is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that might have occurred to the interim financial statements since they were initially presented on the website.

The directors of Trustpilot Group plc are listed in the [2023 Annual Report](#) and there have been no changes in the list of directors for the reporting period. A list of current directors is maintained on the Trustpilot Group Plc website: investors.trustpilot.com.

By order of the board of directors of Trustpilot Group plc

Hanno Damm
Chief Financial Officer
10 September 2024

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 2024 of Trustpilot Group plc for the 6 month period ended 30 June 2024 (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.

The interim financial statements comprise:

- the Condensed consolidated balance sheet as at 30 June 2024;
- 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 2024 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.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). 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 2024 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Half Year Report 2024, 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 2024 in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half Year Report 2024, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half Year Report 2024 based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. 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.

PricewaterhouseCoopers LLP
Chartered Accountants
East Midlands
10 September 2024