Trustpilot Group plc

19th September 2023

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023 (“H1'23”)

Strong H1 performance
Profitability and positive free cash flow ahead of expectations
Upgrading profitability guidance for FY23

Financial highlights - positive momentum across the business

- Revenue increased by 18% year on year ("YoY") at constant currency ("cc") and 15% on a reported basis to $84.6 million (H1’22: $73.4 million)
- Annual recurring revenue (ARR)* increased by 21% to $180.0 million (H1’22: $149.3 million)
- Bookings* increased 16% cc to $99.2 million (H1’22: $86.7 million), growing +15% cc in the UK and +21% cc in Europe and RoW, reflecting resilience against a challenging macroeconomic backdrop
- North America Bookings increased +11%, following an acceleration in Q2, an encouraging improvement in net dollar retention rate and the continuing benefits of our refreshed go-to-market strategy in the region
- Last Twelve Months* ("LTM") net dollar retention rate* was 99%, (H1’22: 100%) underscoring the resilience of the business
- Profitability ahead of expectations, with adjusted EBITDA of $5.7 million (H1’22: $(5.4) million) as reported, or $3.4 million (before the impact of capitalising sales commissions**)
- Operating cash flow was $9.2 million (H1’22: $(7.7) million) and free cash flow improved to $6.2 million, versus a $(13.1) million free cash outflow a year ago
- Positive free cash flow in H1 resulted in period-end net cash of $82.7 million (FY22: $73.5 million) and no debt
- Net loss for the period of $2.5 million (H1’22: loss of $9.2 million)
- We are committed to running an efficient balance sheet, returning excess capital, not required for other priorities, to shareholders.

Strategic and operational highlights

- Total cumulative reviews* increased 25% to 238 million
- Number of active domains* increased 13% to 106K
- Average monthly review invitations reached 61 million (H1’22: 53 million)
- Annualised run rate of TrustBox impressions* now exceeds 112 billion (H1’22: 97 billion)
- Monthly unique users on the Trustpilot platform rose to over 52 million (H1'22: 42 million)

Adrian Blair joined as Chief Executive Officer on 13th September, bringing significant operational and commercial experience in growing platform and SaaS businesses

Current trading and outlook

Our business delivered a strong first-half performance enabling us to move to adjusted EBITDA profitability and positive free cash flow earlier than originally forecast. Whilst the uncertain macro environment in Q1 affected new business and retention bookings, we subsequently saw a stronger performance in Q2. Furthermore, this positive trend has continued into Q3.

Consequently, we maintain our outlook for mid-teens constant currency revenue growth for the full year but, with further operating leverage in H2, we anticipate that adjusted EBITDA (before the impact of capitalising sales commissions) will exceed the current range of market expectations. The board remains confident in the business delivering sustainable growth and operating leverage over the long term and in the significant and growing long-term market opportunity.

** $2.3 million of sales commissions has been capitalised in the period. This treatment is explained in the Sales and marketing section of our Financial Review.

Financial summary

$ 000's	H1'23	H1'22	(+/-) % actual	(+/-) % constant currency
Bookings*	98,132	86,675	13	16
LTM Net Dollar Retention Rate* %	99	100	(1)	—
Annual Recurring Revenue (ARR)*	180,013	149,349	21	17
Revenue	84,568	73,410	15	18

* Key performance indicator (KPI) - further detail available on page 14; LTM refers to last twelve months.

Other key metrics

$ 000's	H1'23	H1'22	(+/-) % actual
EBITDA**	2,335	(6,592)	135
Adjusted EBITDA**	5,696	(5,435)	205
Operating cash flow	9,242	(7,676)	220
Free cash flow***	6,230	(13,132)	147
Loss for the period	(2,503)	(9,240)	73
EPS (cents)	(0.6)	(2.2)	73

** Alternative performance measures (APM) - further detail available in note 3; *** Free cash flow is operating cash flow, adjusted for non-recurring transaction costs, restructuring costs, principal lease payments and capital expenditure.

Peter Holten Mühlmann, Founder, commented:

“These strong half-year results show the resilience of our business. As I transition to the role of Founder and Brand Ambassador, I am very excited to welcome Adrian Blair as our new CEO. I look forward to supporting him as he builds upon the strong financial and operational foundations as our business continues to grow. We have a tremendous opportunity ahead of us as trust and transparency become ever more important for businesses and consumers.”

Adrian Blair, CEO, commented:

“This is an exciting time to join Trustpilot and I am looking forward to working with the team as we scale the business further and continue to deliver sustainable, profitable growth alongside product innovation.”

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 UK sales. This definition has been updated for the half year reflecting sales recorded in GBP transactional currency generating the majority of foreign exchange impact in the group.

Enquiries

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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.

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 850 employees and is headquartered in Copenhagen, with operations in London, Edinburgh, New York, Denver, Melbourne, Berlin, Milan and Amsterdam.

Chief Executive's Review

Summary

This was a strong start to the year, with continued growth across all regions. We achieved profitability faster than originally forecast, with adjusted EBITDA ahead of expectations and positive free cash flow, as we continued to proactively manage our business to focus on efficiently supporting top-line growth whilst delivering sustainable operating leverage and profitability.

This strong performance has been achieved against an uncertain macroeconomic backdrop, demonstrating that our value proposition is strong, our business is resilient, and our strategy is working.

Financial highlights

In the first half, the Group delivered revenue of $84.6 million, an increase of 18 per cent at constant currency, or 15 per cent year-over-year on a reported basis. We ended June with ARR of $180.0 million, up 17 per cent at constant currency.

We operate a subscription software business model whereby we invest to drive bookings growth near-term which leads to revenue growth in subsequent periods. Due to prior-period bookings growth, at the beginning of each trading period we enjoy good visibility over revenue. In addition, our growth is underpinned by network effects, whereby the more that people and businesses use Trustpilot, the more valuable it becomes to everyone. Consequently, as this consumer and business adoption continues to grow, the two sides of our platform reinforce one another, further extending our competitive advantage.

Revenue growth reflected the 20 per cent constant currency growth in bookings and ARR we achieved in 2022, as the revenue from those bookings is subsequently amortised over the contract term, usually twelve months. H1'23 revenue also highlighted an increase in the average revenue per customer and further growth in the number of paying customers. Average revenue per customer, calculated by dividing the revenue in the period by the number of paying customers at the period end, was $3.3k in the period (H1'22: $3.0k). We had 25.4k paying customers on 30 June 2023 versus 24.4k at the end of H1'22.

In 2023, we are focused on delivering pricing initiatives and a scalable, repeatable price and packaging model and strategy, and we made significant progress in the first half of the year. With a more structured and automated approach to pricing on renewal, tailored to each customer, in addition to multiplier enhancements, we were successful at implementing price increases, reflected within the 14 per cent net expansion component of our retention rate, although LTM gross retention reduced by 100 basis points YoY to 85 per cent (H1'22: 86 per cent). Consequently, the LTM net dollar retention rate was 99 per cent, compared to 100 per cent a year ago. We see this as a strong performance given the uncertain macroeconomic environment and believe that it highlights our compelling value proposition and the measurable return on investment businesses gain from our software solutions.

In the period, bookings increased to $98.1 million, up 16 per cent at constant currency YoY. Regionally, YoY constant currency bookings growth was 15 per cent in the UK, 21 per cent in Europe and RoW and 11 per cent in North America, where we saw an acceleration in Q2 helped by an encouraging improvement in the net dollar retention rate. In addition, the introduction of our new 'Growth' and 'Scale' pricing plans helped contribute to an increase in the average new business contract value YoY.

Growth in adoption of Trustpilot continued to be strong YoY, with 238 million total cumulative reviews (+25 per cent YoY), 52 million average monthly unique users, more than 760 thousand claimed domains (+23 per cent YoY) and the annualised run-rate of TrustBox impressions now exceeding 112 billion (+15 per cent YoY).

Profitability was ahead of expectations, with adjusted EBITDA of $5.7 million (H1’22: loss of $5.4 million) on a reported basis, or $3.4 million before the impact of capitalising sales commissions as discussed within the Finance Review (H1’22 loss of 5.4 million). The Group generated positive free cash flow during the period and maintains a strong balance sheet with $82.7 million net cash (31 December 2022: $73.5 million). The Group reported a loss for the period of $2.5 million (H1’22: loss of $9.2 million).

Driving new business and retention through innovation

We continued to invest in innovation to improve the features and functions within our products and platform. By doing so we are successfully driving retention, new business, upsell, and further consumer engagement. For example, during the period we introduced Single Sign-On for Enterprise, which allows customers to use their existing corporate login (O365 and Google) to access their Trustpilot account, improving user experience, reducing support requests, and increasing cybersecurity. We launched a new integration with Iterable, a tool to enable cross-channel marketing communications for our customers.

We also introduced a new relevance sorting algorithm that includes text length, readability, and information richness to determine the quality of a review to aid prioritisation when sorting by relevance. Through a new partner integration, Isendu users can streamline their eCommerce experience by sending automated Trustpilot review invitations by email and WhatsApp.

Our Review Insights customers can now input review volumes and expected scores to forecast the activity needed to hit their desired trust score. We also updated Abusive Reporting Model, introduced Apple login and introduced sentiment breakdown by topic for consumers on our iOS App.

We have also launched a Salesforce integration during Q3, which is now available on the Salesforce appexchange, and enables seamless review management, including consumer insights and reporting, from within the Salesforce platform.

Regional performance

United Kingdom

The UK contributed 39 per cent of total Group bookings, at $38.4 million, up by 15 per cent at constant currency or 9 per cent actual YoY, reflecting the translation effect of sterling weakness against our reporting currency, the US dollar. UK revenue grew to $33.4 million (H1’22: $29.9 million) an increase of 17 per cent at constant currency or 12 per cent actual YoY, measured against a period of very strong growth in the prior year period. Net dollar retention in the UK continued to be above group average and there was a further improvement in the contribution margin for the region.

The UK remains the most developed of our regional markets, where the viral network effect has taken hold and enabled us to achieve highly attractive unit economics. Due to the viral nature of our business, we see the success we have already had in establishing a powerful UK consumer brand as a powerful enabler for further market penetration and expansion.

Europe and Rest of the World (RoW)

Europe and RoW contributed 39 per cent of total Group bookings, at $38.6 million, up by 21 per cent at constant currency or 19 per cent actual YoY, the region delivered notably strong growth in the period. Europe and RoW is principally driven by certain countries in continental Europe, including Denmark, Netherlands, France, Italy and Germany, but also includes a developing presence in Australia. Revenue for the Europe and RoW region increased by 24 per cent at constant currency, or 23 per cent actual YoY, to $33.1 million (H1’22: $26.9 million).

North America

North America contributed 21 per cent of total Group bookings, with bookings of $21.1 million, up by 11 per cent YoY. Bookings growth in North America accelerated in Q2 helped by an encouraging improvement in the net dollar retention rate and new business trends. Revenue in North America grew to $18.1 million (H1'22: $16.6 million) an increase of 9 per cent YoY.

We are focused on efficient growth in all regions and implemented a new go-to-market strategy in the US in 2022, focused on high customer lifetime value vertical market segments. This strategy is central to our ability to accelerate bookings growth and an improving retention rate in the region.

Notably, North America continues along a similar trajectory to the UK with respect to the proportion of new customers that have existing, unprompted reviews on Trustpilot — a key indicator of our ability to improve sales efficiency and drive conversion to paying customers over time. In the first half of the year, 61 per cent of new customers in North America had existing, unprompted reviews, up from 48 per cent in 2020 and 26 per cent in 2017. For comparison, in the UK the proportions were 82 per cent in H1, 69 per cent in 2020 and 47 per cent in 2017.

Progress against our strategic goals

We track several strategic key metrics to help us assess the progress we are making against our strategic goals of being the most trusted online review brand and to be the most used online review platform.

Business and consumer adoption

To track usage of our platform, we assess adoption and activity metrics including the total number of cumulative reviews, the number of active businesses on the platform, the number of monthly review invitations and TrustBox impressions and how many paying customers we have.

We were pleased to see consumer and business adoption of the Trustpilot platform grow across all regions in the first half of the year. By the end of June, Trustpilot had exceeded 238.4 million total cumulative reviews*, an increase of 25 per cent YoY, with an average of 52.4 million monthly unique users and close to 9.3 million consumers leaving their first review on Trustpilot in the period. We closed the period with 980 thousand reviewed web domains and 106 thousand monthly active businesses* on the Trustpilot platform, up 21 per cent and 13 per cent YoY respectively; these active businesses help promote the Trustpilot brand, actively collecting reviews and/or displaying their TrustBox. Of these businesses, 25 thousand are paying customers*, subscribing to our software tools to help them collect, manage and derive insights from reviews – a net increase of 4 per cent YoY after churn.

During the first half of the year, our business customers sent 368.2 million review invitations (H1'22: 317.6 million), an average of 61.4 million per month (H1'22: 53 million). The Trustpilot brand continued to gain in strength, with 9 billion monthly TrustBox impressions*, up 15 per cent YoY to an annualised run-rate of 112 billion.

*Key performance indicator (KPI) - further detail available on page 14.

Trust and transparency

We also assess several metrics to track our success at ensuring the integrity of the content that consumers encounter on Trustpilot. These include:

- Consumer and business verification
- The speed and accuracy with which we detect fake reviews
- How many fake reviews are accurately flagged by our community
- The number of consumer warnings and alerts we apply in the period
- Our ability to successfully use legal enforcement as a deterrent to persistent offenders.

During the first half of the year, we made further progress tackling misuse through proactive litigation and scam prevention. For example, as part of our enforcement strategy, we successfully secured our first two court orders in March, banning a property firm and a dental practice from buying and submitting fake reviews on our platform. We initiated legal proceedings after issuing formal cease and desist notices and placing consumer warnings on the profile pages of the businesses involved. Both businesses were ordered to pay damages which, when received, will be donated to the Citizens Advice Bureau, which champions and protects consumer rights.

We also proactively engaged with regulators in our different markets to prepare for the changing regulatory landscape to help shape public policy. This included engaging with Government in the UK with respect to the forthcoming Digital Markets, Consumer and Competition Bill. In the US, we contributed to the Federal Trade Commission's report on proposed new rules to prevent the use of fake and misleading reviews. During the period, we also further developed our roadmap for compliance with the EU Data Act and Digital Services Act. We are encouraged by these new regulations as they seek to support open and transparent platforms.

We are equally focused on ensuring that legitimate reviews can still be accessed. Hence we prioritise our investment to better enable us to protect great businesses and showcase genuine consumer experiences.

This includes our focus on business and consumer verification, automated review collection methods and our extensive use of automated fraud detection systems, employing data science techniques to improve the speed and accuracy with which we identify suspicious activity and fake reviews.

We also actively remove or do not accept business customers that we deem unsuitable for our platform. For example, businesses that promote hatred or facilitate criminal activities. The steps we can take include displaying consumer warnings on business profiles, removing profiles that offer illegal or harmful services and ensuring that our sales teams do not communicate with unsuitable businesses.

Trustpilot's differentiated market position

Establishing trust is the foundation for business success. In an uncertain world it is more important than ever for consumers to be confident that the business they are transacting with is trustworthy.
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.

Trustpilot facilitates better purchasing decisions for consumers and provides them with the opportunity to help other consumers by recommending businesses, products, services and locations based on their genuine experiences. Businesses use Trustpilot to actively engage with consumers that are reviewing their products and services. Importantly, any business can use Trustpilot's basic services for free, where they can view and respond to consumer reviews.

Another differentiator is our global reach, with reviews posted in over 240 countries and territories around the world. Smaller review platforms typically only have a local presence or a presence in specific niche markets.

Businesses can engage with consumers for free on Trustpilot, but we also provide paid subscription modules that provide increasing levels of functionality. These tools enable our paying business customers to invite more reviews and manage those reviews, to derive high-value, actionable insights from them and to showcase their TrustScores across their marketing channels. In this way, we generate strong returns for businesses by raising their profiles, building and demonstrating their trust credentials and increasing traffic, conversion, marketing efficiency and ultimately revenues.

Furthermore, we are relevant to all businesses, both online and offline - from retail and healthcare to financial services and travel. Our broad appeal to a wide range of merchants means that we support them in collecting the type of feedback most relevant to their business, be it reviews based on the service they provide, products they offer, or the locations they serve. Other online reviews platforms may specialise around certain industry verticals such as hotels and restaurants, or just product reviews, consequently because our business is so broadly diversified across so many industry verticals, we have a strong competitive advantage and a bigger market opportunity.

By fostering trust through direct, open and collaborative engagement between businesses and consumers, we help 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.

Sustainability

Our purpose is to help people and businesses help each other — because when they do, people benefit, businesses benefit, and tomorrow's society benefits too. We know that this purpose is ambitious and challenging, but also that it is inherently worthwhile. Our sustainability strategy is intended to support this purpose over the long term.

We focus on three strategic areas of sustainability with clear priorities where we can have a positive impact: promoting trust online, empowering everyone and being a partner for the planet.

1. ***Promote trust online***

   Our ambition is to use our platform, resources and knowledge to help increase trust in the online world, hence our continued focus and investment in content integrity. We also actively seek to promote trust across the global online review industry, which is subject to ever increasing scrutiny and oversight. For example, we engage with governments, regulators, policy makers and other stakeholders where we believe we can make a difference.

   The subject of online harms and fake reviews is a primary focus for us, but we also engage in wider digital policy areas, for example in the field of artificial intelligence and data protection. We seek to be a constructive partner in these discussions, bringing our expertise and insights to bear and to further promote trust online.

2. ***Empower everyone***

   Recently we launched our first Diversity, Equity and Inclusion (DE&I) policy and strategy. Our goal is to maintain an inclusive workplace environment, ensuring that people of all backgrounds can be represented, with equal opportunities in recruitment, selection, training, development and promotion. We want all our employees to feel valued and respected in a culture of belonging, empowering everyone to be themselves.

   Specifically, we are becoming more data-driven in our approach to achieving true equality of opportunity, by improving our data insights around pay, promotions and recruitment, to monitor and remedy disparities where they exist.

   We have implemented goals and action plans across several areas of DE&I, supported by relevant employee resource groups (ERGs), setting minimum and high-performance standards, for example in gender equality, race and ethnicity, disability and neurodiversity, LGBTQIA+ and mental health.

3. *Partner for the planet*

Climate change is a fundamental crisis the world faces, hence we have committed to setting science-based, independently verified emissions reduction targets. We need to understand how climate change may affect our business in future, but also how we can reduce any negative environmental impact we have as a business.

At Trustpilot, we are not in the business of manufacturing anything physical, but that does not mean we do not cause emissions. We are determined to hold ourselves accountable and work towards positive change. We have recently launched a 'sustainable procurement' project to ensure that we upgrade sustainability criteria in our procurement decisions, prioritising suppliers that have emissions reduction targets of their own.

In addition, we submitted a commitment letter to the Science Based Target Initiative (SBTi) in February 2023 and have begun the process of assessing the most appropriate targets for us to for enter for SBTi validation. This represents a significant step on our journey toward meaningful climate action.

We are also taking action to ensure that our offices run on renewable energy where possible and have started work on an emissions reduction plan, based on the information we have gathered on our carbon footprint.

Recently, we reviewed our disclosures in respect of climate-related risks and opportunities and established an action plan to enhance our reporting, we continue to take steps to strengthen governance and board oversight, improve our ability to report robust data and incorporate climate-related risks into our strategy.

Current trading and outlook

Our business delivered a strong first-half performance enabling us to move to adjusted EBITDA profitability and positive free cash flow earlier than originally planned. Whilst we experienced the effects of the uncertain macro environment in Q1, which affected new business and retention bookings, we subsequently saw a more encouraging performance in Q2 which has continued into Q3.

Consequently, we maintain our outlook for mid-teens constant currency revenue growth for the full year but, with further operating leverage in H2, we anticipate adjusted EBITDA (before the impact of capitalising sales commissions) will exceed the current range of market expectations. The board remains confident in the business delivering sustainable growth and operating leverage over the long term and in the significant and growing long-term market opportunity.

Peter Holten Mühlmann, Founder, Trustpilot
18th September 2023

Finance Review

Overview

In the first half of the year we generated total bookings of $98.1 million, +13 per cent YoY (+16 per cent cc). Revenue increased to $84.6 million, +15 per cent YoY (+18 per cent cc). On 30 June, annual recurring revenue ("ARR") had increased to $180.0 million, +21 per cent (+17 per cent cc). The Group reported a first-half loss of $2.5 million, compared with a loss of $9.2 million a year ago.

Adjusted EBITDA of $5.7 million was ahead of expectations and compared with an adjusted EBITDA loss of $5.4 million a year ago. Before the impact of capitalising sales commissions, adjusted EBITDA in H1'23 would have been $3.4 million, which would also have been ahead of market expectations. Operating cash flow was $9.2 million compared to an outflow of $(7.7) million in the prior year period. At 30 June 2023, we had net cash of $82.7 million and no debt, reflecting positive free cash flow in the period.

Regional growth trends

During H1'23, we experienced macroeconomic headwinds that resulted in a notably weaker Q1 bookings performance, with some pressure on new business and retention which we flagged at the time of our results in March. This weakness was followed by a general improvement in overall bookings growth in Q2 versus Q1, with an encouraging acceleration in North America. Looking at the regional performance for the first half as a whole:

- UK revenue increased to $33.4 million (+12 per cent YoY or +17 per cent cc) and bookings at $38.4 million (+9 per cent YoY or +15 per cent cc)
- Europe and RoW revenue increased to $33.1 million (+23 per cent YoY or +24 per cent cc) and bookings at $38.6 million (+19 per cent YoY or +21 per cent cc)
- North America revenue increased +9 per cent to $18.1 million and bookings grew +11 per cent to $21.1 million

Importantly, our H1'23 LTM net dollar retention rate was broadly unchanged at 99 per cent (H1'22: 100 per cent), a resilient performance given the weaker economic climate, underpinned by good gross retention, the improvement in the retention rate in North America, new pricing packages and general price increases, which led to an increase in the average annual contract value.

We operate a subscription-based business model, where contracts typically have a twelve-month term. Hence, the revenue outcome in any given period largely reflects prior-period bookings (the annual contract value of deals signed within that period) and ARR (which measures the annualised value of all subscription contracts on the final day of a reporting period).

* Key performance indicator (KPI) - further detail available on page 14
** Alternative performance measures (APM) - further detail available in note 3

$ 000's	H1'23	H1'22	(+/-) % actual	(+/-) % constant currency
Bookings				
UK[1]	38,449	35,290	9	15
North America	21,073	18,976	11	11
Europe and Rest of the World	38,610	32,409	19	21
Total bookings	**98,132**	**86,675**	**13**	**16**
Revenue				
UK[1]	33,406	29,890	12	17
North America	18,096	16,609	9	9
Europe and Rest of the World	33,066	26,911	23	24
Total revenue	**84,568**	**73,410**	**15**	**18**

1 For presentation purposes, the Isle of Man and the British Virgin Islands are included within the UK.

Cost of sales

Cost of sales includes network operating costs as well as the costs incurred to onboard, support, retain and upsell customers, amounts to $15.0 million (H1’22: $13.4 million). As a proportion of revenue, cost of sales remained consistent at 18 per cent (H1’22: 18 per cent) in H1’23 and the gross margin of 82 per cent was unchanged.

Sales and marketing

Capitalised commission

Under IFRS 15 – “Revenue from Contracts with Customers” – the Group is required to assess the recoverability of the incremental costs of obtaining a contract at the time they are incurred, based on the anticipated contribution from revenue to be earned under the associated contract. Incremental costs for the Group relate largely to sales commissions paid to employees on new business. In previous periods, where recoverability has been assessed, our forecasts in our respective markets did not indicate the costs incurred would be recoverable, and therefore they were immediately expensed. In H1'23, as a result of the Group now forecasting improved profitability and operating leverage in all markets globally, our forecast supports the recovery of these costs, which has led to sales commissions being capitalised and amortised over the customer’s expected useful life. This represents a consistent application of our policies under IFRS 15 and we have not revised any previous estimates made, but the capitalisation of costs has reduced sales and marketing costs by $2.3 million in the period.

Before the impact of capitalising sales commissions of $2.3 million, sales and marketing costs decreased YoY to $(26.1) million (H1’22: $(29.1) million, falling to 31 per cent of revenue, versus 40 per cent in H1’22. This reduction was largely driven by the absence of non-recurring consulting services fees and other expenses that were incurred in H1’22, a reduced pace of hiring given the uncertain macroeconomic environment, and operating leverage due to the strong revenue growth in the period.

Technology and content costs

Technology and content costs grew to $25.3 million (H1’22: $20.4 million) or 30 per cent of revenue (H1’22: 28 per cent). This increase was principally driven by our continued investment in content integrity and senior hires in our technology and product teams.

General and administrative costs

General and administrative expenses increased by $1.4 million YoY to $22.7 million and as a proportion of revenue fell to 27 per cent (H1’22: 29 per cent). The reduction as a proportion of sales was driven by lower professional services fees relating to recruitment, legal and office build outs, compared to the prior-year period, as well as operating leverage resulting from strong revenue growth in the period.

Cash flow

Cash flow from operating activities in H1’23 of $9.2 million compared with a cash outflow from operations in H1’22 of $(7.7) million. Free cash flow improved to $6.2 million in H1'23, versus a free cash outflow of $(13.1) million in the prior-year period. There has been no impact to operating cash flow or free cash flow as a result of the capitalised commissions noted above under 'Sales and Marketing'.

Capital expenditure continues to primarily consist of capitalised development costs and in H1’23 decreased to $1.5 million (H1’22: $3.5 million). H1'22 included higher levels of capital expenditure relating to office fit out costs amounting to $1.2 million which are non-recurring.

Cash flow from financing activities comprised principally of cash outflows from the principal elements of lease payments, partially offset by equity inflows from share issuances.

Free cash flow	**H1'23** (unaudited) $ '000	**H1'22** (unaudited) $ '000
Net cash from operating activities	9,242	(7,676)
Principal elements of lease payments	(1,513)	(1,973)
Capital expenditure[1]	(1,499)	(3,483)
Free cash flow	**6,230**	**(13,132)**

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

Balance sheet

Notable balance sheet movements largely relate to regular lease amortisation and an increase in contract liabilities as the business grows. Other payables reflect bonus accruals and other labour-related accruals. The trade receivables balance declined as we continued to see strong collections in line with or ahead of normal trends, despite the uncertain macroeconomic environment.

The net cash balance on 30 June 2023 was $82.7 million, an improvement reflecting free cash generation since the year-ended 31 December 2022, as well as the translation effects of the strengthening of sterling and the Euro against the US dollar during the period.

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 now cash flow positive. 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.

Going concern

The Group incurred a loss of $2.5 million in H1’23 compared with a loss of $9.2 million in H1’22. The Group has cash and cash equivalents of $82.7 million as of 30 June 2023 compared with a balance of $73.5 million as of 31 December 2022. The Group has access to an undrawn revolving credit facility of up to $30 million expiring in April 2024, 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 at least 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.

Hanno Damm
Chief Financial Officer, Trustpilot Group plc
18th September 2023

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 total cumulative 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 H1'23 and H1'22:

$ 000's	H1'23	H1'22	(+/-) % actual	(+/-) % constant currency
Bookings				
UK[1]	38,449	35,290	9	15
North America	21,073	18,976	11	11
Europe and Rest of the World	38,610	32,409	19	21
Total bookings[1]	**98,132**	**86,675**	**13**	**16**
LTM Net Dollar Retention Rate (per cent)[2]	99	100	(1)	—
KPIs at period end (000's)				
Annual Recurring Revenue[3]	180,013	149,349	21	17
Number of reviewed domains[4]	980	811	21	—
Number of claimed domains[5]	760	617	23	—
Number of active domains[6]	106	94	13	—
Number of subscribing customers[7]	25	24	4	—
Total cumulative reviews[8]	238,419	190,000	25	—
Trustbox impressions[9]	112,071,493	97,280,153	15	—
Monthly unique users[10]	52,445	41,558	26	—

[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. For presentation purposes, the Isle of Man and the British Virgin Islands are included within the UK.

[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 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] 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).

[9] The number of customer webpage loads with an embedded TrustBox, but the consumer does not necessarily see the TrustBox.

[10] The average monthly number of unique users that visited the Trustpilot platform in the period.

Principal risks and uncertainties

Our Enterprise Risk Management ("ERM") framework ensures that we continually work to identify, review and manage existing and emerging risks that could threaten our business model, performance and/or future prospects.

The Board of Directors ("Board") has collective overall responsibility for the identification and management of the principal and emerging risks to the Group. 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. Further details about each of these risks and how we respond can be found on pages 70-78 of our 2022 Annual Report. Additional risks and uncertainties for the Group, including those that are not currently known or are not considered material, may individually or cumulatively also have a material effect on the Group's business, results of operations and/or financial condition.

Since we last reported on risk in our 2022 Annual Report there have been no additions to our principal risks and uncertainties. While we continue to monitor all of our principal risks, the Board recognise the magnitude of certain risks such as the regulatory landscape and macroeconomic environment.

Changing and varied regulatory landscape

Changing and varied regulatory landscape remains trending upward for the remainder of 2023. Due to the nature of policy making, legislative and regulatory changes take time to develop, approve and then enact. The focus on online platforms via initiatives on harmful and illegal content, fake reviews and unfair/ misleading business practices - as identified in 2022 - have thus continued to progress this year, particularly in the UK, Europe and the US.

We continue to closely monitor developments and to engage with policymakers through this process. We have supported efforts in the UK and US to address fake reviews. In the UK, during Parliament's scrutiny of the Digital Markets, Competition and Consumers Bill, the Business Minister positively referenced aspects of Trustpilot's input. Likewise in the US, the Federal Trade Commission's announcement of its proposed rule banning fake reviews and testimonials saw Trustpilot's written evidence referenced and credited for shaping how 'fake reviews' will be defined.

On wider platform legislation, we are preparing for the implementation of the EU's Digital Services Act as it comes into force. In the UK, we continue to engage the Government and Regulator on the Online Safety Bill. In both instances, Trustpilot is not expected to be subject to the most stringent requirements, rather included in more general obligations.

Macroeconomic environment

'Macroeconomic environment' was reported as a new principal risk in our 2022 Annual Report as inflation remains high across our key markets and we continue to see increasing cost pressures on businesses.

We have recently been experiencing pressure on the retention rate and deal cycles in some territories, particularly the UK and Europe, as a result of macroeconomic headwinds. However, our H1'23 LTM net dollar retention rate was 99 per cent, compared to 100 per cent a year ago and we saw bookings growth of 15% in the UK and 21% in Europe and RoW at cc, as well as continued improvement in our US net dollar retention rate and continuing benefits from our refreshed go-to-market strategy in the region. This serves to further highlight the strength of our value proposition and the measurable return on investment our business customers gain from deploying our software solutions.

A summary of our principal risks is outlined below. Further details about each of these risks can be found on pages 70-78 of our 2022 Annual Report:

Principal risk	Summary
Commitment to trust and transparency	Failure to maintain a high level of confidence in our commitment to trust and transparency 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.
Changing and varied regulatory landscape	Failure to meet the requirements of a changing and varied regulatory landscape.
Litigation and disputes	Trustpilot is subject to litigation and disputes including defamation, libel, consumer protection, intellectual property, commercial disputes and other matters.
Failure to innovate	Failure to innovate new technologies or products and services, or adapt to consumer or market trends.
Reliance on search engine relationships	Reliance on search engine relationships to enhance our products and services and to drive traffic for Trustpilot and our customers.
Competitive environment	The competitive environment becomes increasingly challenging, including established competitors and new market entrants.
Macroeconomic environment	Higher interest rates and inflation could impact not only our costs, but also our customers' ability to purchase Trustpilot as part of their cost base.
Privacy and Security	We may experience privacy or security breaches whether as a result of our own internal failures or an external cyber-attack.
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.

Trustpilot

Condensed consolidated statement of profit or loss

$'000	Note	H1'23 (unaudited)	H1'22 (unaudited)
Revenue	4	84,568	73,410
Cost of sales		(15,015)	(13,445)
Gross profit		**69,553**	**59,965**
Sales and marketing		(23,847)	(29,129)
Technology and content		(25,301)	(20,426)
General and administrative		(22,662)	(21,231)
Other operating income		195	462
Operating loss		**(2,062)**	**(10,359)**
Finance income *	6	733	1,904
Finance expense *	6	(2,655)	(723)
Loss before tax		**(3,984)**	**(9,178)**
Income tax credit/(charge) for the period	7	1,481	(62)
Loss for the period		**(2,503)**	**(9,240)**
Loss per share (cents)			
Basic earnings per share	8	(0.6)	(2.2)
Diluted earnings per share	8	(0.6)	(2.2)

* See note 1 for details regarding the representation.

Condensed consolidated statement of comprehensive income

$ '000	H1'23 (unaudited)	H1'22 (unaudited)
Loss for the period	**(2,503)**	**(9,240)**
Other comprehensive income/(expense)		
Items that may be subsequently reclassified to profit or loss		
Exchange rate differences on translation of foreign operations	2,620	(5,602)
Other comprehensive income/(expense) for the period, net of tax	**2,620**	**(5,602)**
Total comprehensive income/(expense) for the period	**117**	**(14,842)**

Condensed consolidated balance sheet

	Note	As at	
		30 June 2023	**31 December 2022**
		(unaudited)	
		$ '000	$ '000
Intangible assets		7,110	7,055
Property, plant and equipment		3,259	3,938
Right-of-use assets		22,326	23,569
Deferred tax assets		1,608	79
Deposits and other receivables		2,262	2,158
Total non-current assets		**36,565**	**36,799**
Trade receivables		6,871	8,275
Contract assets		2,286	—
Income tax receivables		759	962
Prepayments		3,860	3,472
Deposits and other receivables		1,397	1,816
Cash and cash equivalents		82,725	73,459
Total current assets		**97,898**	**87,984**
Total assets		**134,463**	**124,783**
Equity and liabilities			
Share capital	10	5,294	5,006
Share premium	10	68,152	64,537
Foreign currency translation reserve		5,551	6,602
Merger reserve		148,854	148,854
Accumulated losses		(178,262)	(179,163)
Total equity		**49,589**	**45,836**
Lease liabilities		20,105	21,243
Provisions		680	628
Other payables		2,973	2,858
Total non-current liabilities		**23,758**	**24,729**
Lease liabilities		3,953	3,442
Provisions		1,363	453
Income tax payables		41	44
Contract liabilities		34,837	32,210
Other payables		18,357	15,305
Trade payables		2,565	2,764
Total current liabilities		**61,116**	**54,218**
Total liabilities		**84,874**	**78,947**
Total equity and liabilities		**134,463**	**124,783**

Condensed consolidated statement of changes in equity

$ '000	Note	Share capital (unaudited)	Share premium (unaudited)	Foreign currency translation reserve (unaudited)	Merger reserve (unaudited)	Accumulated losses (unaudited)	Total (unaudited)
Equity 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/(expense) for the period		**—**	**—**	**2,620**	**—**	**(2,503)**	**117**
Transactions with owners							
Employee share scheme issues		24	237	—	—	—	261
Contribution of equity - Transaction Cost		—	(29)	—	—	—	(29)
Share-based payments	5	—	—	—	—	3,404	3,404
Exchange difference on share capital and premium		264	3,407	(3,671)	—	—	—
Total transactions with owners		**288**	**3,615**	**(3,671)**	**—**	**3,404**	**3,636**
Equity at 30 June 2023		**5,294**	**68,152**	**5,551**	**148,854**	**(178,262)**	**49,589**

Condensed consolidated statement of changes in equity

$ '000	Note	Share capital (unaudited)	Share premium (unaudited)	Foreign currency translation reserve (unaudited)	Merger reserve (unaudited)	Accumulated losses (unaudited)	Total (unaudited)
Equity at 1 January 2022		**5,576**	**70,994**	**4,648**	**148,854**	**(170,618)**	**59,454**
Loss for the period		—	—	—	—	(9,240)	(9,240)
Other comprehensive expense		—	—	(5,602)	—	—	(5,602)
Total comprehensive income/(expense) for the period		**—**	**—**	**(5,602)**	**—**	**(9,240)**	**(14,842)**
Transactions with owners							
Employee share scheme issues		22	1,079	—	—	—	1,101
Contribution of equity - Transaction Cost		—	(53)	—	—	—	(53)
Share-based payments	5	—	—	—	—	2,783	2,783
Exchange difference on share capital and premium		(569)	(7,312)	7,881	—	—	—
Total transactions with owners		**(547)**	**(6,286)**	**7,881**	**—**	**2,783**	**3,831**
Equity at 30 June 2022		**5,029**	**64,708**	**6,927**	**148,854**	**(177,075)**	**48,443**

Condensed consolidated cash flow statement

$'000	Note	H1'23 (unaudited)	H1'22 (unaudited)
Loss for the period		(2,503)	(9,240)
Adjustments to operating cash flow	11	8,257	5,512
Changes in net working capital	11	3,723	(3,191)
Interest received		733	7
Interest paid		(1,100)	(723)
Income taxes received/(paid)		132	(41)
Net cash flow from operating activities		**9,242**	**(7,676)**
Purchase of property, plant and equipment		(122)	(1,348)
Payments for intangible asset development		(1,377)	(2,135)
Net cash flow from investing activities		**(1,499)**	**(3,483)**
Principal elements of lease payments		(1,513)	(1,973)
Proceeds from share issue		232	1,057
Proceeds from borrowings		30,000	—
Repayment of borrowings		(30,000)	—
Cash flow from financing activities		**(1,281)**	**(916)**
Net cash flow for the period		**6,462**	**(12,075)**
Cash and cash equivalents at the beginning of the period		73,459	93,177
Effects of exchange rate changes on cash and cash equivalents		2,804	(7,635)
Cash and cash equivalents at the end of the period		**82,725**	**73,467**

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

Trustpilot Group plc is a public company limited by shares, incorporated on 8 February 2021, domiciled 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 "**Company**").

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.

This interim financial report for H1'23 follows the same accounting policies as the 2022 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 2022 Annual Report.

These condensed interim financial statements were approved for issue on 18th September 2023.

Basis of preparation

This interim financial report for H1'23 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 2022 for Trustpilot Group plc were dated 20 March 2023 and adopted by the annual general meeting of shareholders on 23 May 2023.

The 2022 Annual Report was filed with the Registrar of Companies. The auditors' report on the accounts in the 2022 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.

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.

Under IFRS 15 – "Revenue from Contracts with Customers" – the Group is required to assess the recoverability of the incremental costs of obtaining a contract at the time they are incurred, based on the anticipated contribution from revenue to be earned under the associated contract. Incremental costs for the Group relate largely to sales commissions paid to employees on new business. In previous periods, where recoverability has been assessed, our forecasts in our respective markets did not indicate the costs incurred would be recoverable and therefore they were immediately expensed. In H1'23, as a result of the Group now forecasting improved profitability and operating leverage in all markets globally, our forecast supports the recovery of these costs, which has led to sales commissions being capitalised and amortised over the customer's expected useful life. This represents a consistent application of our policies under IFRS 15 and we have not revised any previous estimates made, but the capitalisation of costs has reduced sales and marketing costs by $2.3 million in the period.

The condensed consolidated interim financial statements were approved by the Board of Directors on 18th September 2023 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 financial year end corresponding 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 'commitment to trust and transparency','misuse of platform', 'changing and varied regulatory landscape', litigation and disputes' and 'macroeconomic environment'. We also take into account the potential impact of changing views towards climate.

As at 30 June 2023, the Group has a cash balance of $82.7 million 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 million, available in multiple currencies, which has not been considered as part of headroom when considering going concern and expires in April 2024. 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 given that the credit facility will remain undrawn and there will be no breaches in covenants, the Directors have a reasonable expectation that the Group has adequate resources to continue to operate for at least 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, in accordance with the Companies Act 2006 applicable to companies reporting under IFRS.

Key events

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

- reported revenue grew by 15% to $84.6 million in H1'23 (H1'22: $73.4 million).
- capitalisation of $2.3 million of incremental costs of obtaining a contract with a customer as the Group now expects to recover these costs.
- following the failure of Silicon Valley Bank and its immediate rescue by HSBC, the drawdown on our $30 million revolving credit facility was immediately repaid.

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.

Climate-related risks

When preparing the interim financial statements, management considers climate-related risks, where these could have a potentially impact on the reported amounts materially or where climate-related risks could have an impact on items in the profit and loss or on balance sheet. It will be considered where appropriate in assessing areas such as impairments, property, plant and equipment or recognition of deferred tax asset. 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 2023.

Presentation of finance income and expenses on a net basis

In line with the statutory accounts for the year ended 31 December 2022, the group reassessed the presentation of financial income and expenses to present foreign exchange rate gains and losses on a net basis for the period H1'23 and its prior year comparative. There is no difference to the overall loss for the period ended 30 June 2022.

	H1'22 As reported (unaudited) $ '000	H1'22 Reclassification (unaudited) $ '000	H1'22 Represented (unaudited) $ '000
Foreign exchange rate gains	5,265	(3,368)	1,897
Interest income	7	—	7
Finance income	**5,272**	**(3,368)**	**1,904**

	H1'22 As reported (unaudited) $ '000	H1'22 Reclassification (unaudited) $ '000	H1'22 Represented (unaudited) $ '000
Foreign exchange rate losses	(3,368)	3,368	—
Financing costs	(65)	—	(65)
Interest expenses	(255)	—	(255)
Lease interest expense	(403)	—	(403)
Finance expenses	**(4,091)**	**3,368**	**(723)**

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 161-162 of the 2022 Annual Report. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

On 23 May 2023, the IASB issued narrow-scope amendments to IAS 12 'Income Taxes'. The amendments provide a temporary exception from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments to IAS 12 are required to be applied immediately (subject to any local endorsement processes) and retrospectively in accordance with IAS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’, including the requirement to disclose the fact that the exception has been applied if the entity’s income taxes will be affected by enacted or substantively enacted tax law that implements the OECD’s Pillar two model rules. This amendment has not yet been endorsed by the UK endorsement Board but is not expected to have a material impact on the group.

Financial instruments

During the period and as at 30 June 2023, there have not been any 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.

Contract balances

We consider that all our contract lives are within our normal operating cycle and therefore all our contract assets and liabilities are presented as current within the Condensed consolidated balance sheet.

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 and 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.

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 exception of changes in estimates that are required in determining the provision for income taxes and contract assets, with the those described in the year ended 31 December 2022 financial statements and should be read together with the 31 December 2022 published accounts.

During the period, the Group recognised $2.3 million incremental costs of obtaining contracts with customers. The incremental costs of obtaining a contract relate to sales commission paid to employees and are recognised as contract assets at the time of signing contracts with customers.

The capitalised costs of obtaining a contract are amortised on a straight line basis over the period of the customer life, typically three years. Previously incremental costs of obtaining a contract were expensed in full within sales and marketing expenses at the time of signing contracts with customers based on these costs not previously being deemed recoverable. If the customer useful life is changed to be two or four years, the impact is not sensitive and the difference is immaterial. Amortisation of cost to obtaining contracts is reported within sales and marketing.

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 and Adjusted EBITDA Margin to be APMs that provide meaningful, additional measures of Group performance.

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

	H1'23 (unaudited) $ '000	**H1'22** (unaudited) $ '000
Operating loss	**(2,062)**	**(10,359)**
Depreciation, amortisation and impairment	4,397	3,767
EBITDA	**2,335**	**(6,592)**

Adjusted EBITDA

The Group measures the overall performance by reference to Adjusted EBITDA which is a non-IFRS measure. The Group 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. While some non-cash items such as depreciation, amortisation and share-based compensation are recurring, management finds the exclusion of these costs from Adjusted EBITDA to be meaningful given their non-cash nature, consistent with similar firms within our sector. 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 cash settled 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.

Adjusted EBITDA margin is defined as adjusted EBITDA (as described above) to a percentage of total revenue.

Adjusted EBITDA

$ '000 other than per cent	H1'23 (unaudited)	H1'22 (unaudited)
Operating loss	**(2,062)**	**(10,359)**
Depreciation. amortisation and impairment	4,397	3,767
EBITDA	**2,335**	**(6,592)**
Non-recurring transaction costs	—	—
Restructuring costs	—	—
Share-based compensation, including associated social security costs	3,361	1,157
Adjusted EBITDA	**5,696**	**(5,435)**
Adjusted EBITDA margin (per cent)	**6.7**	**(7.4)**

Adjusted EBITDA increased from $(5,435) thousand in H1'22 to $5,696 thousand in H1'23. Adjusted EBITDA margin increased from (7.4)% in H1'22 to 6.7% in H1'23. 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 H1'23 share-based payments is a non-cash charge of $3,404 thousand (H1'22: $2,864 thousand) and associated social security credit of $(43) thousand (H1'22: $(1,707) thousand).

Functional distribution of adjustments

H1'23	Group (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
Non-recurring transaction costs	—	—	—	—
Restructuring costs	—	—	—	—
Share-based compensation, including associated social security costs	3,361	—	—	3,361
Adjusted EBITDA	**5,696**			

H1'22	Group (unaudited) $ '000	Sales and marketing (unaudited) $ '000	Technology and content (unaudited) $ '000	General and administrative (unaudited) $ '000
Operating loss	**(10,359)**			
Depreciation, amortisation and impairment	3,767	—	1,315	2,452
Non-recurring transaction costs	—	—	—	—
Restructuring costs	—	—	—	—
Share-based compensation, including associated social security costs	1,157	—	—	1,157
Adjusted EBITDA	**(5,435)**			

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 Condensed consolidated statement of comprehensive income. These reflect 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% (H1'22: UK: approx. 41% and North America: approx. 23%), 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% of the consolidated revenue in H1'23 (H1'22: 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 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 (based on customer location) and non-current operating assets by geographic area:

	H1'23 (unaudited) $ '000	**H1'22** (unaudited) $ '000
Revenue		
UK[1]	33,406	29,890
North America	18,096	16,609
Europe and Rest of the World	33,066	26,911
Total revenue	**84,568**	**73,410**
Non-current operating assets	**30 June 2023**	**31 December 2022**
UK[1]	13,583	13,867
North America	12,249	13,453
Europe and Rest of the World	9,125	9,400
Total non-current operating assets	**34,957**	**36,720**

1 For presentation purposes, the Isle of Man and the British Virgin Islands are included within the UK.

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

5. Share-based payment plans

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

For the six months ended 30 June 2023, the Group has recognised the following warrant expense in the condensed consolidated statement of profit or loss.

Expense by equity plan type

	H1'23 (unaudited) $ '000	H1'22 (unaudited) $ '000
Warrants	781	1,442
Restricted Share Plan	1,935	1,065
Long Term Incentive Plan	688	357
	3,404	**2,864**
Deferred tax	—	**(81)**
	3,404	**2,783**

Employee Warrants

The fair value at grant date is determined using a Black-Scholes model that takes into account the share price at grant date, the exercise price, the risk-free interest rate for the term of the warrants, the expected volatility and the term of the warrant (the expected maturity).

Movements in the number of share options outstanding and their related weighted average exercise prices in the six-month period ended 30 June 2023 are as follow:

Total movement in Employee Warrants

	H1'23		H1'22	
	Number of warrants (unaudited) # '000	Weighted avg exercise price (unaudited) $ '000	Number of warrants (unaudited) # '000	Weighted avg exercise price (unaudited) $ '000
Opening balance	30,590	0.72	35,041	0.78
Granted	—	—	—	—
Exercised	(740)	0.34	(1,665)	0.62
Forfeited	(150)	0.98	(1,186)	0.98
Closing balance	**29,700**	**0.72**	**32,190**	**0.69**
Number of warrants exercisable at 30 June	**21,390**	**0.58**	**15,285**	**0.49**

Employee warrants contributed $781 thousand to the share-based compensation expense in H1'23 (H1'22: $1,442 thousand). Employee warrants had exercise prices ranging from $0.13 to $1.70 with a weighted average of $0.72 (H1'22: prices ranging from $0.12 to $1.63 with a weighted average of $0.69). The weighted average remaining contractual life of warrants outstanding in the H1'23 was 5.75 years (H1'22: 6.59 years).

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 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.

In H1'23, conditional awards over 4,406 thousand (H1'22: 2,366 thousand) ordinary shares in the Company were granted to management under the LTIP.

The LTIP is administered at the discretion of the remuneration committee of the Board (the "**Remuneration Committee**") and no individual has a contractual right to participate. The LTIP awards granted in H1'23 will ordinarily vest on 24 March 2026, subject in each case 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. Settlement of any vested portion of the awards is expected to be satisfied by the issue of new ordinary shares in the Company upon the vesting date.

Executive directors of the Company are subject to a two year post-vesting holding period for the shares they receive (net of shares equal to any tax liability and nominal cost of acquisition). Targets for both 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% vesting. Performance between the lower and upper bounds will result in vesting between 25% and 100% on a straight-line basis, as further detailed below.

Total shareholder return ("TSR") performance measure
The vesting of 75% (the "**TSR Part**") of the LTIP awards granted in H1'23 is subject to the Group's TSR performance over a three year period that commenced on 24 March 2023 relative to the TSR performance over the same period of the constituents of the FTSE 250 Index (excluding investment trusts and the Group) as at 24 March 2023. 25% of the TSR Part will vest for median ranking performance, rising on a straight-line basis up to 100% vesting of the TSR Part for upper quartile ranking (or better) relative TSR performance.

Trust performance measure
The vesting of 25% (the "**Trust Measure Part**") of the LTIP awards granted in H1'23 is subject to targets set for 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 2023, 2024 and 2025 respectively. The TrustScore Part target will be stepped between an average TrustScore of 4.0 and 4.40 rising on a straight-line basis up to 100% vesting for an average TrustScore of 4.40 (or better).

As an additional condition, no part of such LTIP awards will vest unless the Remuneration Committee is satisfied as to overall Group 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 Group. LTIP awards contributed $688 thousand to the share-based compensation expense in the H1'23 financials (H1'22: $357 thousand). Targets and fair value treatment are summarised as follows:

Measure	Fair Value Method	Weighted Avg Fair Value	Lower Bound	Upper Bound
TSR	Stochastic Model	0.4876	Equal to Median	Upper Quartile or Greater
Trust	Black-Scholes	0.8379	Average Trust Measure of 4.0	Average Trust Measure of 4.40 or Greater

Fair Value Factors	Input March 23 grant (unaudited)
Closing share price on date of grant (pence)	84.70
Price (pence)	1.00
Expected term	3.00 yrs
Risk-free interest rate	3.19 %
Expected dividend yield	— %
Expected volatility	35.47 %

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

Total movement in LTIP

	H1'23 (unaudited) # '000	H1'22 (unaudited) # '000
Opening balance	3,338	1,101
Granted	4,406	2,366
Exercised	—	—
Forfeited	—	—
Closing balance	**7,744**	**3,467**
Number of LTIP exercisable at 30 June	**—**	**—**

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.

In H1'23, conditional awards over 3,881 thousand (H1'22: 3,913 thousand) ordinary shares in the Company were issued to employees under the RSP. Vesting typically takes place over a three year period with settlement of each vested portion of the awards expected to be satisfied by the issue of new ordinary shares in the Company upon the vesting date. In special cases awards with a different vesting period can occur and in H1'23 an award was granted with a 2-year vesting period.

The RSP is administered at the discretion of the Remuneration Committee and no individual has a contractual right to participate. The cost of acquisition of the awards when vested is 1 pence per each share, equal to the nominal share value and the fair value is determined using a Black-Scholes model. RSP awards contributed $1,935 thousand to the share-based compensation expense in the H1'23 financials (H1'22: $1,065 thousand).

Fair Value Factors	March 2023 Grant (unaudited)
Closing share price on date of grant (pence)	88.50
Price (pence)	1.00
Weighted average contractual life	1.82 yrs
Risk-free interest rate	3.62-4.51%
Expected dividend yield	— %
Expected volatility	35.47 %

Total movement in RSP

	H1'23 (unaudited) # '000	H1'22 (unaudited) # '000
Opening balance	5,808	814
Granted	3,881	3,913
Exercised	(1,197)	(76)
Forfeited	(375)	(106)
Closing balance	**8,117**	**4,545**
Number of RSP exercisable at 30 June	—	—

6. Finance income and expenses

	H1'23 (unaudited) $ '000	H1'22 (unaudited) $ '000
Foreign exchange rate gains*	—	1,897
Interest income	733	7
Finance income*	**733**	**1,904**

	H1'23 (unaudited) $ '000	H1'22 (unaudited) $ '000
Foreign exchange rate losses*	(1,555)	—
Financing costs	(37)	(65)
Interest expense	(252)	(255)
Lease interest expense	(811)	(403)
Finance expenses*	**(2,655)**	**(723)**

*See note 1 for details regarding the representation.

7. Income tax

	H1'23 (unaudited) $ '000	H1'22 (unaudited) $ '000
Current tax charge/(credit)	48	(86)
Deferred tax (credit)/charge	(1,529)	205
Deferred tax - prior year adjustment	—	(57)
Total tax (credit)/charge	**(1,481)**	**62**
Deferred tax charge/(credit) - equity	—	(81)
Total tax charge/(credit) - equity	**—**	**(81)**

Income tax disclosure

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. The main rate of UK corporation tax was 19% prior to 1 April 2023 and increased to 25% effective from 1 April 2023. There are no future changes announced to the Danish and US tax rates. Deferred taxes at the balance sheet date, including UK, DK and USA, have been measured using these enacted tax rates and reflected in these financial statements.

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.

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 2023 is (37)%, compared to the estimated average annual tax rate for FY22 of (3)%. In prior years, certain tax losses were sold to the Danish tax authorities allowing a realisation of an associated tax credit, which does not arise in the current 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 Danish entity, the Group has recognised a deferred tax asset of $1,529 thousand at the half year, spreading the effect through the effective tax rate. Current forecasts indicate that the losses will be utilised over the next five years.

8. Loss per share

"(**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.

	H1'23 (unaudited)	**H1'22** (unaudited)
Weighted average number of shares (000s):		
Ordinary shares	**416,836**	**414,426**

In addition to the ordinary shares above, Trustpilot Group plc had potential shares outstanding that would be dilutive if the Group generated net income for the period. As of 30 June 2023, total potential shares was 33,003 thousand (H1'22: 19,574 thousand), of which 17,142 thousand (H1'22: 11,563 thousand) relate to employee warrants and 15,861 thousand (H1'22: 8,012 thousand) relate to restricted shares. As of 30 June 2023, vested potential shares amounted to 6,993 thousand (H1'22: 9,265 thousand) employee warrants and zero restricted stock units. Warrants of 13,745 thousand have been excluded because they are anti-dilutive as of 30 June 2023. These warrants could potentially dilute basic earnings per share in the future.

	H1'23 (unaudited) $ '000	**H1'22** (unaudited) $ '000
Loss for the period	**(2,503)**	**(9,240)**
Loss per share (cents)[1]		
Basic	(0.6)	(2.2)
Diluted	(0.6)	(2.2)

[1] Given the Group incurred losses in H1'23 and H1'22, the impact of potentially dilutive ordinary shares have been excluded as they would otherwise be anti-dilutive in accordance with IAS 33.

9. Related parties

During H1'23 and H1'22, there were no material transactions with related parties.

10. Share capital

Shares issued and fully paid:	30 June 2023 Number of shares (unaudited)	30 June 2023 Nominal value ($ '000) (unaudited)	31 December 2022 Number of shares	31 December 2022 Nominal value ($ '000)
Ordinary shares	418,178,644	5,294	416,241,641	5,006
Total shares issued	**418,178,644**	**5,294**	**416,241,641**	**5,006**

The share capital of the Company as of 30 June 2023 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 Nominal value ($ '000) (unaudited)	Share Premium Nominal value ($ '000) (unaudited)
Changes in share capital			
Opening balance at 01 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 difference on items recognised directly in equity	—	264	3,407
Ending Balance 30 June 2023	**418,178,644**	**5,294**	**68,152**

[1] From 01 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 disclosed in note 5.

	Number of Shares (unaudited)	Share Capital Nominal value ($ '000) (unaudited)	Share Premium Nominal value ($ '000) (unaudited)
Changes in share capital			
Opening balance at 01 January 2022	413,747,356	5,576	70,994
Employee share scheme issues[1]	1,741,228	22	1,079
Contribution of equity - Transaction cost	—	—	(53)
Exchange difference on items recognised directly in equity	—	(569)	(7,312)
Ending Balance 30 June 2022	**415,488,584**	**5,029**	**64,708**

[1] From 01 January 2022 to 30 June 2022 (inclusive), 1,741,228 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 $22 thousand and share premium increase of $1,079 thousand. Further detail related to these schemes is disclosed in note 5.

11. Reconciliation to operating cash flows

	H1'23 (unaudited) $ '000	H1'22 (unaudited) $ '000
Changes to net working capital		
Decrease/(increase) in trade receivables	1,523	(821)
Increase in contract assets	(2,285)	—
Decrease/(increase) in other assets	452	(733)
Increase in prepayments	(292)	(583)
Decrease/(increase) in trade payables	(236)	1,055
Increase in provisions	918	—
Increase/(decrease) in other liabilities	1,496	(6,134)
Increase in contract liabilities	2,147	4,025
	3,723	**(3,191)**

	H1'23 (unaudited) $ '000	H1'22 (unaudited) $ '000
Adjustments to operating cash flows		
Income tax	(1,481)	62
Amortisation and impairment of intangible assets	1,446	1,381
Depreciation of tangible assets and right-of-use assets	2,951	2,386
Loss on disposals of tangible assets	15	—
Finance income/(expense)	1,922	(1,181)
Share-based compensation	3,404	2,864
	8,257	**5,512**

12. Commitments and contingent liabilities

Pledges and security

	H1'23 (unaudited) $ '000	H1'22 (unaudited) $ '000
The carrying amounts of the secured assets are as follows		
Intangible assets	7,110	6,530
Trade receivables	6,871	6,544
	13,981	**13,074**

In connection with a revolving credit facility of $30 million, 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 2022 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 2022 Annual Report and there have been no changes in the list of directors for the reporting period other than the appointment of Adrian Blair on 13th September 2023. 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
18th September 2023

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 2023 of Trustpilot Group plc for the 6 month period ended 30 June 2023 (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 2023;
- 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 2023 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 2023 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 2023, 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 2023 in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half Year Report 2023, 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 2023 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
18 September 2023