# A universal symbol of trust transparency commerce

Trustpilot

Annual Report 2022

commerce

success





stability

growth

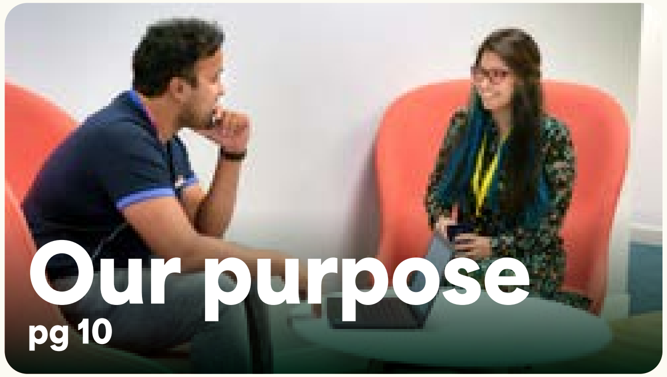


community.

# Our vision is to be a universal symbol of trust.

# 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.

2007
2022





# Our KPIs
pg 41

A universal symbol of

# trust.

## 2.6m fake reviews removed in 2022

There were 46 million new reviews posted to Trustpilot during 2022. We removed 2.6 million, or 6 per cent of these, because they were found to be fake or misleading. In fact, the number of fake reviews removed fell by 4 per cent compared to 2021, as our accuracy, speed of detection, and other deterrents have made it harder to misuse our platform.

# I spent all my savings on this trip.

# It was so worth it.

A voice from the Trustpilot community

# Highlights

**$149m**
**+13% YoY (+23% cc)**
**Revenue**
(FY21: 131m)

**$162m**
**+12% YoY (+20% cc)**
**Annual recurring revenue***
(FY21: $144m)

**$(4)m**
**Adjusted EBITDA****
(FY21: $4m)

**893k**
**+25% YoY - business websites reviewed***
(FY21: 714k)

**>100k**
**+19% YoY - active businesses***
(FY21: 84k)

**$(15)m**
**Reported loss**
(FY21: $(26)m)

* Key performance indicator (KPI) – further detail available on pg 49
** Alternative performance measure (APM) – further detail available in note 4

## At a glance

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

**893k**
**reviewed businesses***

**Who we are**
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 had over 900 employees as of December 2022 and is headquarted in Copenhagen, with operations in London, Edinburgh, New York, Denver, Melbourne, Berlin, Milan, and Amsterdam.

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

In addition to this free service, Trustpilot also provides paid software modules for businesses, providing increasing levels of functionality and offered on a SaaS basis. These tools generate measurable returns for businesses through raising their profiles, building and demonstrating their trust credentials, and increasing traffic, conversion, marketing efficiency, and ultimately revenues.

**213m**
**total reviews***

- Copenhagen
- London
- New York
- Melbourne
- Milan
- Denver
- Amsterdam
- Berlin
- Edinburgh

* Key performance indicator (KPI) – further detail available on pg 49

## **At a glance** continued

# Milestones

**07**

**Trustpilot founded by its Chief Executive Officer, Peter Holten Mühlmann, to create an independent currency of trust.**

**2012**
Offices opened in New York and London.

**2013**
Trustpilot named Danish start-up of the year by NextWeb; Peter Holten Mühlmann was named Danish entrepreneur of the year by Ernst & Young.

**2014**
Platform reaches 11 million reviews.

**2015**
Offices opened in Berlin and Melbourne; Trustpilot becomes an official partner of Google; product reviews launched.

**2016**
Trustpilot expands further into the US with a new office in Denver; platform exceeds 26 million reviews.

**2017**
Technology Development Centre opens in Vilnius, Lithuania.

**2018**
Platform exceeds 57 million reviews.

**2019**
With more than 82 million reviews on the platform, Trustpilot launches ‘Review Insights’, for sentiment analysis.

**2020**
Trustpilot achieves over US$100 million in annual recurring revenue for the first time; platform exceeds 120 million reviews; R&D hub established in Edinburgh.

**2021**
Trustpilot lists on the premium segment of the London Stock Exchange at an enterprise value of US$1.5 billion; publishes first Transparency Report; launches eCommerce integrations; platform exceeds 167m reviews.

**22**

**The platform exceeds 890K reviewed businesses domains, as c.20 million consumers leave their first review on Trustpilot during the year. In the past two years alone, the total number of reviews has grown by over 40 per cent.**

## Investment case

# Our mission and value proposition

Our mission is to be the most trusted and most used reviews platform in the world.

For consumers, we're a destination for honest information and a direct line of communication to the businesses that matter to them.

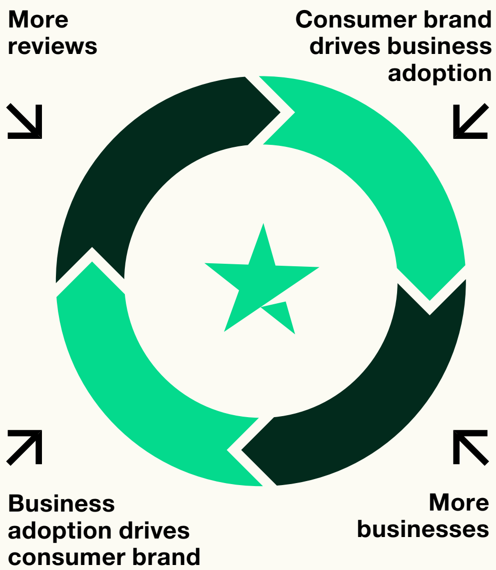
For businesses, Trustpilot reviews help them to expand their reach, attract and convert customers, and keep them coming back.

# We have a growing, global market opportunity

We have identified a global market opportunity of around 14 million businesses that could potentially be our customers, amounting to a total addressable market of around $50 billion (ex. China). Our current estimated serviceable addressable market is around $6 billion and growing.

To date, more than 890 thousand business websites have been reviewed on our platform, and over fime we expect many of these to actively engage with consumers as a result.

Those businesses that become active on our platform are valuable to us: through displaying their TrustScore and inviting or responding to reviews they are helping to promote our brand; we ended 2022 with over 100 thousand of these active businesses.



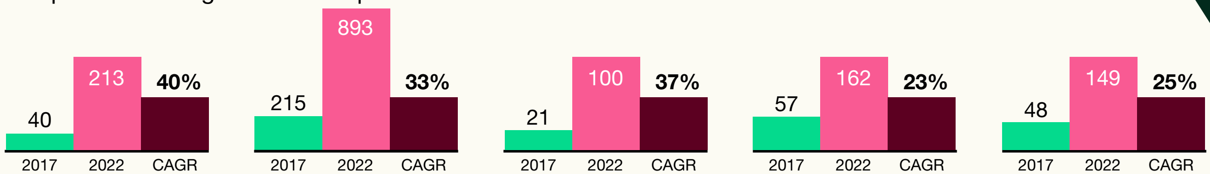
**Investment case** continued

# Network effects and long track-record of growth

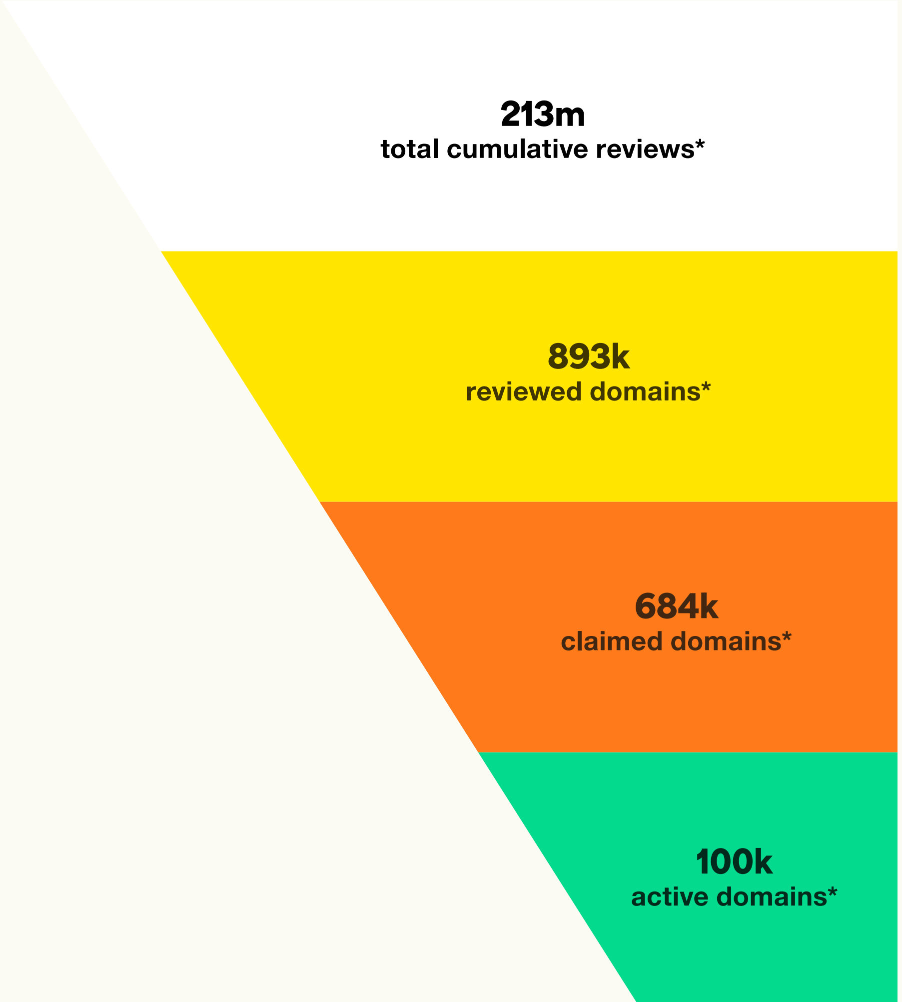
This network effect is viral and strengthens our brand and position, driving organic growth, and represents a significant competitive advantage.

We have a proven track record of delivering growth over many years, demonstrated by our strategic KPIs including compound annual growth of 40 per cent in total cumulative reviews, 33 per cent in reviewed domains, and 37 per cent in active domains between 2017-2022.

Over the same period we have delivered 23 per cent compound annual growth in annual recurring revenue and 25 per cent compound annual growth in Group revenue.




**Total cumulative reviews** | **Reviewed domains** | **Active domains** | **Annual recurring revenue** | **Group revenue**





# Visibility and path to profitability

We have good visibility of recurring revenue with high retention rates, a strong balance sheet and a commitment to efficient growth. We expect positive adjusted EBITDA and adjusted free cash flow** in 2023.

* Key performance indicator (KPI) – further detail available on pg 49
** Please see p.48 for the definition of adjusted free cash flow

# Our purpose-driven approach


### 1. Our purpose

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.

### 2. Our strategy

Our mission is to be the most used and the most trusted reviews platform, globally.

Our strategy supports these two abitious goals, and we track a range of KPIs to assess the progress we are making.

### 3. Our business model

We operate a flexible, freemium subscription model.

We help businesses to use consumer feedback and insights to improve their products and services.

We benefit from high gross margins and retention rates.

### 4. Our culture

At Trustpilot, we're driven by connection. It's at the heart of what we do. Our culture is built on the relationships that we create while pursuing our vision of becoming a universal symbol of trust.

### 5. Markets

Trustpilot has a large and growing global market opportunity, with around 14 million businesses in our total addressable market.

### 6. Risks

We continually work to identify, review and manage existing and emerging risks that could threaten our business model, performance and/or future prospects.

## Our purpose-driven approach continued

# We have strong differentiation

- We relentlessly focus on trust and transparency.
- Our scale enures depth and breadth.
- We deliver proven outcomes with a measurable return on investment for our customers.

**Read more on pg 39**

# Our value proposition

- Trustpilot helps consumers know who they can trust and help others by sharing their experiences.
- Businesses want to win and retain customers. We help them to do both.
- Verified, independent reviews enable businesses to build a trusted brand and consumers to make better-informed purchases.

**Read more on pg 30**

# Oversight

- Our Board of Directors guides our risk management.
- The Board sets expectations in relation to conduct, trust and integrity, and how we deal with risks that may affect our business strategy.
- The Board is also focused on ensuring that diversity, equity and inclusion are a top priority for action.

**Read more on pg 97**

A universal symbol of

# success!

## 893k business websites now have reviews

The virality between the consumer and business sides of our platform, where one drives and reinforces the other, is the flywheel that lies at the heart of Trustpilot's growth opportunity.

# I’m a match-maker.

# I help businesses win and retain customers everyday.

A voice from the Trustpilot community

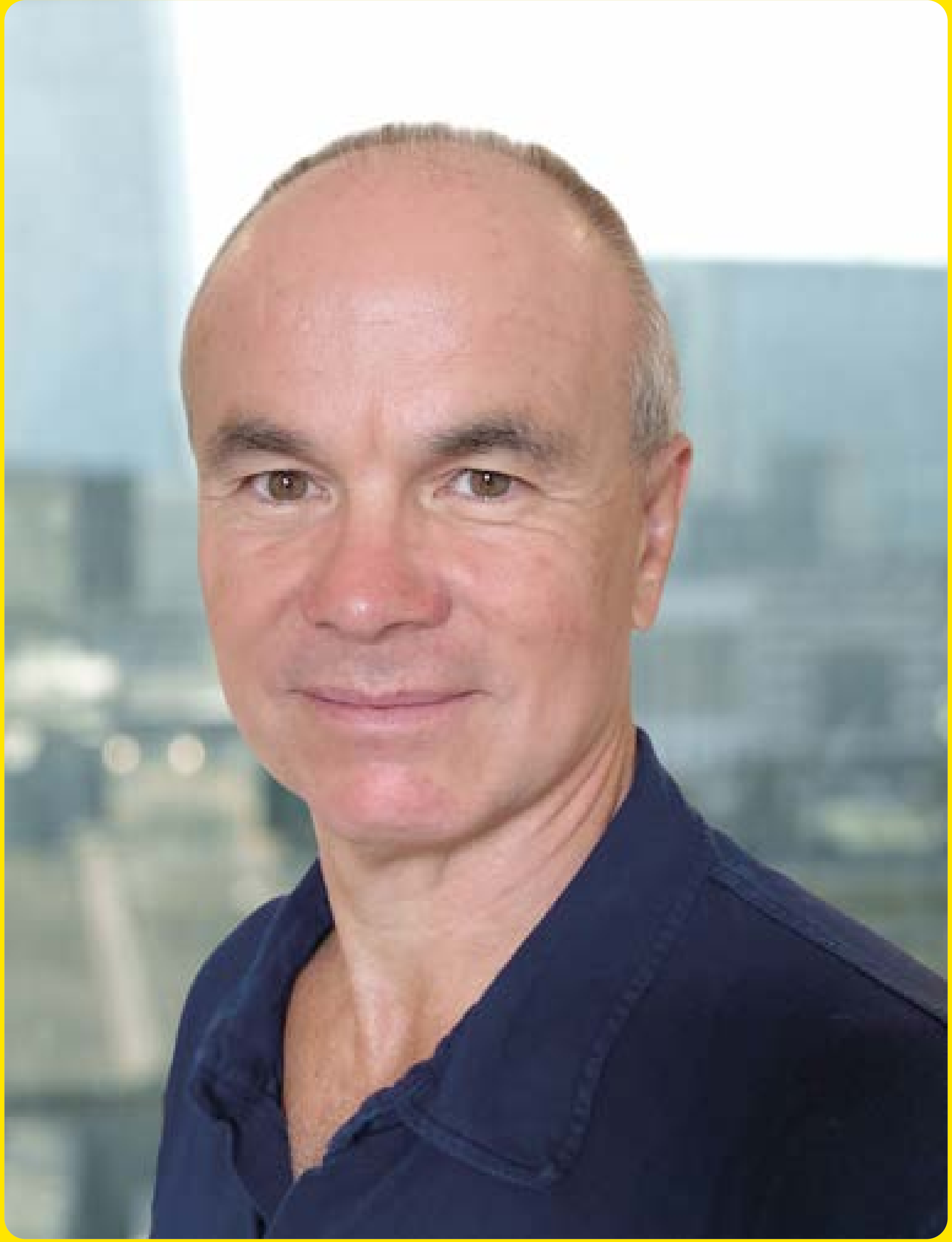
two

# Strategic report

## Chair's statement

# "We are only successful when we are helping people and businesses help each other."

**Tim Weller**



In my update to you a year ago, we were emerging from the restrictions of the pandemic, having seen a dramatic shift online across many industries, and we had just completed our first year as a public company. The past twelve months have, in many ways, been no less eventful, and the demands on our business to adapt and navigate uncertain times have never been more important.

## Chair's statement continued

# In the year we achieved Group revenue of $149 million.

We have always placed trust at the heart of what we do, and the importance of this has been amplified by the challenging macroeconomic environment and cost-of-living crisis that is affecting so many people and businesses. The need for a direct line of communication between consumers and the businesses they interact with is fundamental; this is the crucial role that Trustpilot is able to play.

### Strategy

We are only successful when we are helping people and businesses help each other. Our strategy is to be the most used and trusted online review brand in the world. Consequently, in 2022 it was heartening to see that we continued to drive our business forward against these demanding strategic ambitions, with a significant expansion of our platform across a range of key indicators.

For example, in the past year, we have surpassed 213 million total cumulative reviews* and the number of businesses actively using Trustpilot has exceeded 100 thousand* for the first time. Incredibly, around 40 per cent of these reviews and active businesses have joined us in the past three years alone: this illustrates the compounding growth in scale and breadth that is a feature of our platform.

We believe this is unmatched in the online reviews industry. Furthermore, it was encouraging to see that over the past twelve months, we improved the rate at which we retain our subscription revenues, with our net dollar retention rate* now at 100 per cent for the Group: I believe this bears testament to the value that we deliver to our business customers, particularly through helping them win their own new customers and keep them coming back.

Of course, due to the nature of our platform, which is open to all and free to use, these businesses increasingly represent all aspects of the global economy: from education to healthcare; financial services to energy suppliers. This is another reason why Trustpilot is so well-positioned to help consumers as they look for trustworthy businesses amid the cost-of-living crisis and the disruption that we see in so many of these industries at present.

### Financial performance

We know from experience that this increasing consumer adoption and engagement, along with an expanding base of businesses active on Trustpilot, leads over time to financial success. In the year we grew our bookings* to $165 million and annual recurring revenue* to $162 million, both up 20 per cent at constant currency[1] and providing significant revenue visibility for 2023. We achieved revenue of $149 million in FY22, an increase of 23 per cent at constant currency[1], or 13 per cent as reported. We reported a loss of $15 million, with positive adjusted EBITDA** level in the second half of the year.

I am delighted to report that in 2022 we took deliberate steps to place Trustpilot on a near-term goal to profitable growth and have committed to achieving this in the current financial year. In the United Kingdom we are already highly profitable and we expect that, in due course, we shall see similar results in our other markets.

After our year end, Silicon Valley Bank failed and the UK arm, our principal banking partner, was acquired by HSBC. We have not experienced any liquidity or operational concerns as a result of this, but we took immediate action to understand the potential for customer risk or other impacts on our business. We have well diversified end markets, our cash collections remain unaffected, and we intend to diversify our banking relationships to mitigate future risks. For further information please see p.48 of this report.

1. 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 transactional level, which provides a like-for-like comparison excluding the effect of exchange rate fluctuations

* Key performance indicator (KPI) – further detail available on pg 49

** Alternative performance measure (APM) – further detail available in note 4

# **Chair's statement** continued

## Board composition

We further strengthened our Board with the appointment of Zillah Byng-Thorne as an independent non-executive director and Deputy Chair at the beginning of October and she has since been confirmed as my successor in the role of Chair of the Board. We were delighted to welcome Zillah to the Trustpilot Board, given her extensive technology sector experience, spanning online gaming, digital media, and e-commerce.

We also further strengthened our executive leadership team, with Selim Dogguy joining us as Chief Technology Officer, and since the year end we have completed the team with the appointment of Ben Lavender as Chief Product Officer. Selim and Ben bring with them a wealth of experience, capabilities, and knowledge, and we look forward to seeing the benefits of this as we continue to grow our business and innovate in technology and product development.

## Stakeholder engagement

In 2022, our Senior Independent Director and I met investors to update them on strategy, board oversight, governance, succession planning, and other matters. We also engaged further with regulators and other external stakeholders, taking a constructive approach and applying our resources and expertise to help further promote trust. We began to provide thought leadership in complex areas, for example through the publication of our first white paper dealing with the cost-of-living crisis ('The cost of living: a growing crisis in consumer confidence', December 2022), which delivered a range of recommendations to businesses, regulators and the UK government intended to help build greater trust in business during this period of economic uncertainty.

We were also delighted to host our first capital markets day in June, at which we welcomed more than eighty capital markets participants to an in-person event held in the heart of the City of London. This gave us the opportunity to interact with equity analysts, and existing and prospective investors, and to provide them with greater insight into our strategy and markets.

Specifically, we provided additional disclosures about regional profitability, our new go-to-market strategy for the US market, our brand marketing strategy, and introduced new guidance about how we intend to succeed on our path to profitability.

This successful event is still available as a resource on our investor website (investors.trustpilot.com), and I urge anyone who wishes to hear directly from our executive team to take a look at the presentations and materials available there.

## Environmental, Social and Governance

The board also approved our new ESG strategy, built on three pillars: Promote Trust Online, Empower Everyone, and Partner for the Planet. We developed this strategy, which is laid out in more detail in our sustainability report on page 79, to challenge us and to provide a clear set of priorities for action. We believe we have a duty and an opportunity to use our platform and resources for the good of consumers, businesses, communities, and society, by promoting trust and empowering people. I am pleased to say that, with respect to our environmental impact and the broader issue of global climate change, we have recently committed to setting and reporting against externally validated science-based emissions reduction targets.

On behalf of the Board, once again I would like to thank our employees, the consumers and businesses who use Trustpilot, and our partners and investors, for your continued support and confidence in our vision to be a universal symbol of trust online.

**Tim Weller**
**Chair**

20 March 2023

## Chief Executive's review

# Founded on trust

**Peter Holten Mühlmann**

In 2022 we made good strategic progress, with continued growth in adoption among businesses and consumers in all our markets, as well as further enhancements to our platform to ensure that we continue to lead on trust and transparency. In this way we intend to maximise shareholder value over the long-term through sustainable, profitable growth.

## **Chief Executive's review** continued

# In uncertain times, Trustpilot plays a crucial role, both for consumers and businesses.

### Disciplined growth

Our financial results for 2022 are encouraging, with continued growth across all regions, adjusted EBITDA profitability in the second half of the year, and a further improvement in our retention rate. During the year, we took deliberate action to proactively manage our business to increase operational leverage and profitability, focusing on efficient growth.

We believe that these results demonstrate the continued strength and resilience of our business from a financial and strategic perspective. Furthermore, this strong financial result has been achieved against an uncertain macroeconomic backdrop and cost-of-living crisis. In this environment the value of independent Trustpilot reviews has been magnified. With consumers' purchasing power curtailed and the need for businesses to demonstrate that they are trustworthy never greater, Trustpilot can play a crucial role for both.

Our strategy is working, and we are seeing first-hand the role reviews are playing in helping consumers and businesses navigate these unpredictable times. Consumer sentiment is changing, particularly toward those sectors of the economy where the cost-of-living pressures are most pronounced.

Businesses therefore have an opportunity by using Trustpilot to showcase that they help consumers facing these pressures, for example through responding to reviews, or by gaining valuable insights into how they might improve their services.

### Financial highlights

In 2022, bookings* increased 20 per cent at constant currency, 11 per cent on a reported basis, to $165.3 million. Reported Group revenue was $148.9 million, up 23 per cent at constant currency, an increase of 13 per cent YoY on a reported basis after significant foreign exchange headwinds.

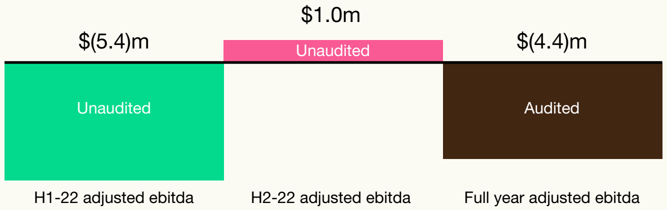
Annual recurring revenue (ARR*) increased 20 per cent at constant currency to $162.3 million, up 12 per cent YoY on a reported basis. We reported an operating loss of $16.0 million (FY21: loss of $24.2 million) resulting in a loss before tax of $15.0 million (FY21: loss of $26.6 million).

With greater focus on managing our business for profitability, we are pleased to report an adjusted EBITDA** result ahead of consensus expectations, reflecting operating leverage and a YoY reduction in general & administrative expenses. In the year, at the adjusted EBITDA level we reported a loss of $4.4 million compared to a profit of $3.9 million in FY21. This increased loss YoY was a consequence of our continued investment in growth, and some additional discretionary brand marketing investment which has increased our understanding of how to drive efficiencies in customer acquisition.

Our shift in emphasis towards sustainable, profitable growth, in response to the changing economic climate, resulted in the business delivering positive adjusted EBITDA in the second half, with a profit of $1 million compared to a loss of $5.4 million in the first half. We maintained our strong balance sheet position, ending the year with $73.5 million of cash and no debt.

We operate a subscription business model and benefit from high retention rates and new bookings growth, both of which give us significant revenue visibility. Our LTM net dollar retention rate* rose to 100 per cent in the period, compared to 99 per cent a year ago. This reflects the value we deliver to our customers and by expanding their use of our modular software tools through cross-sell and upselling.

**Adj. EBITDA semi-annual performance, FY22**




* Key performance indicator (KPI) – further detail available on pg 49
** Alternative performance measure (APM) – further detail available in note 4

# Chief Executive's review continued

## Our markets & regional performance

With reviews posted in over 200 countries and territories around the world, Trustpilot's reach is global. This differentiates us from other smaller review platforms which have only a local presence or a presence in specific niche markets.

Furthermore, we believe that Trustpilot is relevant to all businesses, both online and offline – from retail and healthcare to financials 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, Trustpilot is uniquely differentiated and diversified resulting in a more defensive and scaleable business.

## United Kingdom

The UK remains the largest contributor at 40 per cent of total bookings, at $66.0 million, representing growth of 20 per cent at constant currency or 8 per cent actual YoY. UK revenue grew to $59.8 million (FY21: $53.1 million) an increase of 26 per cent at constant currency or 13 per cent actual YoY. This revenue growth reflected prior-year bookings growth but also the negative impact of foreign exchange on translation to our US dollar reporting currency.

In the UK, we continued to see net dollar retention rates above group average as well as 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 & Rest of World (RoW)

Our bookings growth was notably strong in Europe & RoW segment at $62.7 million, up by 28 per cent at constant currency or 13 per cent actual YoY; Europe & RoW represents 38 per cent of total bookings and, despite a developing presence in Australasia, is principally driven by certain countries in continental Europe, including Denmark, Netherlands, France, Italy, Germany and Sweden. Revenue for the Europe & RoW region increased by 30 per cent at constant currency, or 15 per cent actual YoY, to $55.1 million (FY21: $47.8 million).

Efficiently growing in new and developing markets is central to our ability to capitalise on our global market opportunity. Whilst we do not need to invest in marketing in order to enter and grow within markets, during the year we chose the Italian market to test the potential for marketing as a means of accelerating our growth and have seen promising early results. During October and November, we ran an integrated campaign nationwide designed to test the impact of increased brand awareness on the network effect that lies at the heart of our organic growth.

# Chief Executive's review continued

The campaign significantly increased Italian consumer's awareness of Trustpilot, rising from 18 per cent to 25 per cent at the end of November – and 28 per cent amongst business audience.

We also saw increased business momentum more business customers chose to integrate Trustpilot into their marketing channels. We look forward to tracking the longer-term benefits to our brand in Italy.

## North America

North America contributed 22 per cent of total Group bookings, with bookings of $36.5 million, up by 10 per cent YoY, or an increase of 10 per cent at constant currency. Bookings growth in North America continues to reflect an LTM net dollar retention rate that, whilst improving, is still below what we achieve in our more developed markets. Revenue in North America grew to $34.0 million (FY21: $30.5 million) an increase of 12 per cent at constant currency or 11 per cent reported YoY.

We are focused on efficient growth in all regions and implemented a new go-to-market strategy in the US, focused on high customer lifetime value (HCLV) vertical market segments. The initial results from this new approach have been encouraging, enabling us to deliver an acceleration in bookings growth in the second half of the year.

Having implemented our new US go-to-market strategy during the first half, we were encouraged to see that in the second half of the year we achieved greater sales effectiveness, shorter sales cycles, and an increase in productivity. Given this success, we will consider using the same market segmentation strategy in other geographies, particularly as we enter new markets.

## Progress against our strategic goals

The more that consumers engage with Trustpilot, through reading and posting trusted reviews, the greater the reason for businesses to use Trustpilot. As more businesses engage with their customers on the Trustpilot platform, the more useful it becomes to consumers and businesses. This virality between the consumer and business sides of our platform, where one drives and reinforces the other, is the flywheel that lies at the heart of Trustpilot's organic growth opportunity.

Our mission is underpinned by two strategic goals:

1. To be the most trusted online review brand
2. To be the most used online review platform

Our strategy supports these ambitions, and we track several strategic key metrics to help us assess the progress we are making in driving adoption and ensuring trust and transparency. With respect to adoption and usage, these metrics include:

- The total number of cumulative reviews
- The number of active businesses on the platform
- The number of paying customers
- The average monthly number of review invitations and TrustBox impressions

## Chief Executive's review continued

# Over 100 billion annual TrustBox impressions.

### Business and consumer adoption

We were pleased to see consumer and business adoption of the Trustpilot platform continue to grow across all regions in 2022. By the end of the year, Trustpilot had exceeded 213 million total cumulative reviews*, an increase of 27 per cent YoY, with an average of 44 million monthly unique users, and close to 20 million consumers leaving their first review on Trustpilot in the period.

We closed 2022 with 893 thousand reviewed business web domains* and 100 thousand monthly active businesses* on the Trustpilot platform, up 25 per cent and 19 per cent YoY respectively; these active businesses help promote the Trustpilot brand, actively collecting reviews and/or displaying their TrustBox (see glossary, p.198). Of these businesses, 25 thousand are paying customers*, subscribing to our software tools to help them get, manage, and derive insights from reviews – a net increase of 9 per cent YoY after churn.

During the year, our business customers sent 0.7 billion review invitations (2021: 0.6 billion), an average of 58 million per month (2021: 49 million). The Trustpilot brand continued to gain in strength, with 8.7 billion monthly TrustBox impressions, up 11 per cent YoY to a total of 104 billion for the year.

### Trust & transparency

We also look at a series of key metrics to help us assess our success at ensuring the integrity of the content that consumers encounter on Trustpilot. These include:

- Consumer and business verification
- Our speed and accuracy at detecting 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 year, we made further enhancements to the processes we utilise to ensure the integrity of the content on Trustpilot, through business and consumer verification, automated review collection methods, and the deployment of new automated fraud detection systems which employ data science techniques to improve the speed and accuracy with which we can identify suspicious activity and fake reviews.

These advances have resulted in improved automation, increased deterrence of recurring attempts to post fake reviews, and fewer reviews being removed from our platform.

During 2022, Trustpilot removed over 2.6 million fake or fraudulent reviews from its platform as compared to 2.7 million in 2021, approximately 68 per cent of which were removed automatically using Trustpilot's automated fraud detection capabilities. More than 65 per cent of the fake or fraudulent reviews that were removed in 2022 were either 5-star or 4-star reviews. In 2022, 644 thousand reviews were flagged by our community, an increase of just 1.5 per cent YoY, of which approximately 88 per cent were flagged by businesses.

* Key performance indicator (KPI) – further detail available on pg 49

## **Chief Executive's review** continued

We also launched a consumer verification tool as part of continued efforts to protect and promote trust online and maintain content integrity on the Trustpilot platform. The new function allows consumers to opt-in to verify their identity when posting reviews on the platform by uploading a copy of their government-issued photo ID, as well as a selfie. Crucially, consumers still retain the option to keep their identity, and any information used to verify themselves, anonymous to both businesses and the public.

Those successfully verified receive a verified badge, reassuring other consumers and businesses that the review is written by a real person. By the end of the year, we had successfully verified over 198 thousand consumers globally, demonstrating the fact that consumers in Trustpilot's community see verification as a valuable additional step in promoting trust online.

During the year, we introduced a short delay of up to two hours between review submission and posting. This delay allows our fraud detection systems to analyse reviews before they are visible on the site. As a result, we have seen an improvement in the detection and removal of fake reviews before they are seen, and a reduction in attempts by bad actors to repeatedly post fake reviews.

We applied over three thousand consumer warnings to business profiles following repeated misuse, more than double the number we applied in the prior year and added over 15 thousand informative consumer alerts to business profiles to raise consumer awareness and help support better decision making. For example, we are able to highlight businesses that are under regulatory scrutiny and notify Russian businesses that Trustpilot will not allow them to operate in any capacity on our platform following Russia's invasion of Ukraine.

We continued to improve our automated enforcement actions by introducing specific automated processes against review seller accounts, and businesses detected as buying fake reviews from review sellers. These automations detect and issue cease and desist warnings and strengthen the deterrent effect towards businesses from engaging with review sellers.

We also made further progress in our ability to remove businesses, or not accept business customers, that we deem unsuitable for our platform. For example, this may be because a business promotes hatred or facilitates criminal activities. The steps we take may include displaying consumer warnings on profiles, removing profiles that offer illegal or harmful services, and ensuring that our sales teams do not communicate with these businesses.

We continued our enforcement action against businesses that persist in soliciting fake and misleading online reviews and issued 6 claims against 'bad actor' businesses seen to be repeatedly abusing online reviews to mislead consumers.

These enforcement actions are proving to be a cost-effective deterrent and we were successful in the first two claims issued in the first quarter of the year, against Global Migrate and EuroResales, with the other claims still proceeding in the UK courts.

These claims seek to block bad actor business from soliciting fake reviews and for recovery of damages. We committed to donating any damages won in these legal disputes to organisations which work to support and promote consumer rights. For example, we intend to donate the damages, when awarded, from our claims against Global Migrate to the UK's Citizen's Advice Bureau, to contribute to the important work they do in support of consumers.

## **Chief Executive's review** continued

In addition to legal enforcement action against businesses using fake reviews to mislead, we also successfully pursued a claim in the High Court of England & Wales against a producer of counterfeit review widgets. We obtained summary judgment for trademark and copyright infringement against a Russian-based developer that had been illegally scraping and reproducing reviews taken from our platform for their own commercial gain.

Ensuring that the content consumers encounter on Trustpilot is trustworthy is crucial, but we are equally focused on ensuring that legitimate reviews can still be accessed. Hence the investments and initiatives noted above, as well as other developments, are enabling us to protect great businesses and showcase genuine consumer experiences.

### 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.

When we published our first sustainability report in 2022, we shared the results of the detailed materiality assessment we had undertaken to understand the environmental, social & governance (ESG) issues that matter most to our stakeholders. Since then, we have been hard at work building upon this and developing an ESG strategy that will help us to have a measurable impact as we build a sustainable, purpose-driven organisation over the long term.

Specifically, when we think about ESG we are focusing on three strategic pillars which constitute a set of clear priorities for action and where we believe we can have a positive impact, which include the following:

1. Promote trust online
2. Empower everyone
3. Partner for the planet

### *Promote trust online*

When we talk about promoting trust online, we mean that trust and transparency are at the heart of our purpose. We believe we can use our platform, resources and knowledge to help increase trust and transparency in the online world. Our priorities include strengthening the way in which we communicate the efforts we are putting into ensuring that the content on Trustpilot has integrity and how this is helping to promote trust online.

Across all the regions in which we operate as a business, there is a growing interest in online policy and regulation, competition and sustainability. Because of this, the online review industry is subject to ever increasing scrutiny and oversight from regulators and governments. In 2022, we continued our regulatory engagement, working with policymakers, regulators and other stakeholders in multiple markets to engage on policy matters affecting our industry.

The regulatory focus on online harms and fake reviews is a primary focus for our work, but we also engage in wider digital policy areas like artificial intelligence (AI) and data. We seek to be a constructive partner in these discussions, bringing our expertise and insights to bear. We see this work as further underpinning our strategy to promote trust online.

### *Empower everyone*

We believe that by making diversity, equity and inclusion a top priority for action at Trustpilot, we can create a sense of belonging in our business.

We continue to prioritise the creation of an inclusive workplace environment at Trustpilot, 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, where they can be themselves.

In 2022, we launched our first Diversity, Equity and Inclusion strategy, which outlines our approach to achieving this vision, and this work further underpins our strategy of empowering everyone.

**Speed and accuracy are crucial when detecting fake or misleading reviews.**

# Chief Executive's review continued

## *Partner for the planet*

We also know that climate change is the most important issue facing humanity, hence we are providing more detail on our commitments by setting science-based, independently verified emissions reduction targets.

We are committed to understanding climate change and the environmental impact we have as a business. In FY22, we undertook a review of our disclosures in respect of climate-related risks and opportunities set out in our 2021 Annual Report and established an action plan to enhance our reporting.

We took a number of positive steps in our climate change disclosures during the year: strengthening governance and board oversight; improving our ability to report robust data; and incorporating climate-related risks into our strategy.

Furthermore, in our pursuit of high standards of compliance and ethics, we adhere to codes and regulations across our activities and countries, and we train our Trusties on relevant policies and procedures.

## *Current trading and outlook*

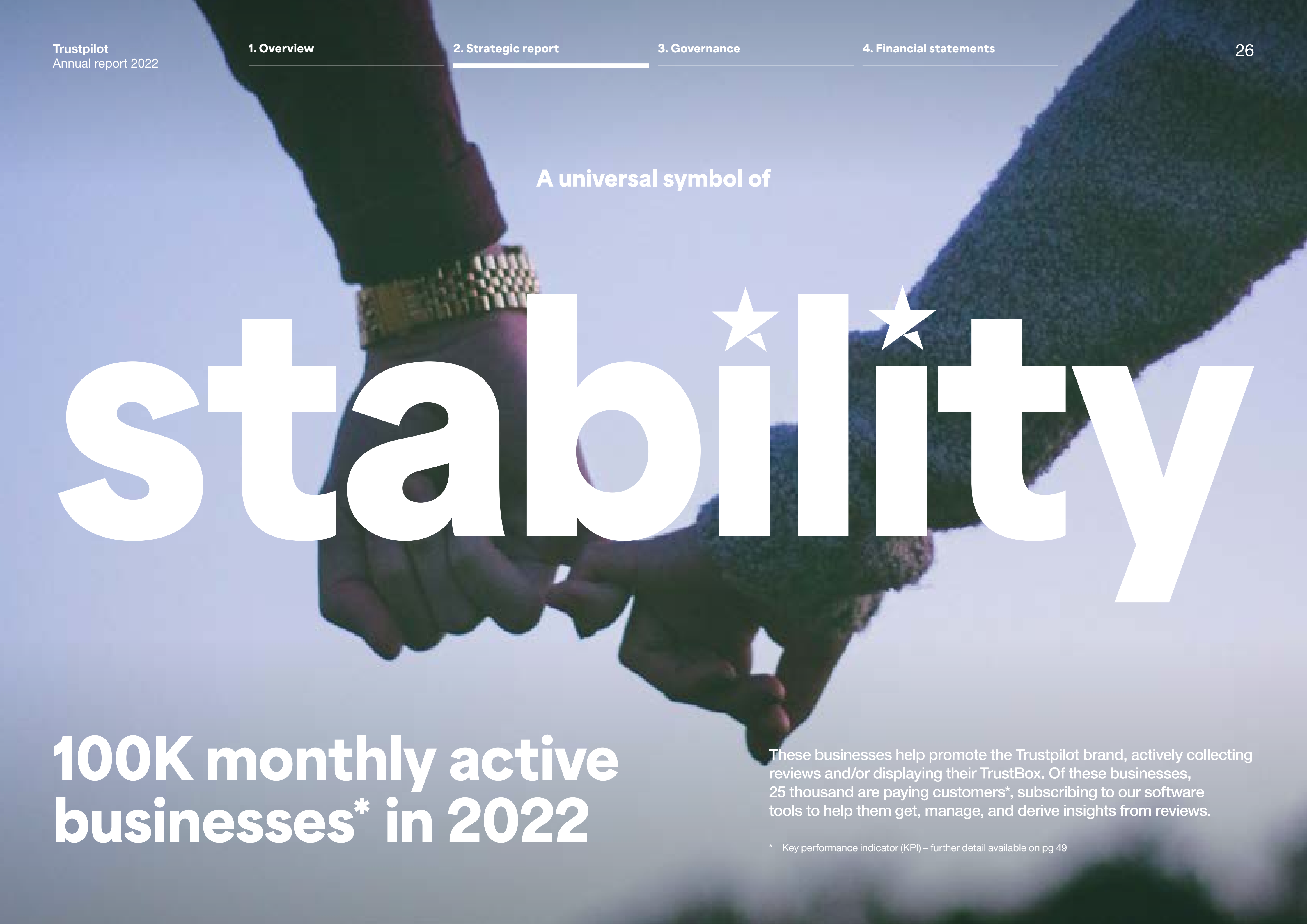
As our business expands, we are expecting to move to adjusted EBITDA profitability and positive adjusted free cash flow in FY23. Our focus on sustainable growth, plus the impact of the investments we have made, give the Board the confidence that the business will deliver margin expansion in FY23, and it remains confident of the significant and growing long-term market opportunity.

We are continuing to take a disciplined approach to our investment into growth, which will result in customer acquisition costs expanding in line with revenue over the medium term. In the current year, we have felt the effects of the uncertain macro environment on new business and retention bookings in Q1, which will result in lower revenues from in-period bookings in FY23, and consequently we are more cautious in our outlook and expect a mid-teens percentage constant currency revenue growth rate in the current year, albeit with greater operating leverage and higher adjusted EBITDA than previously expected.

**Peter Holten Mühlmann,**
**Founder and Chief Executive Officer, Trustpilot**

20 March 2023

* Please see pg 48 for the definition of adjusted free cash flow



A universal symbol of

# stability

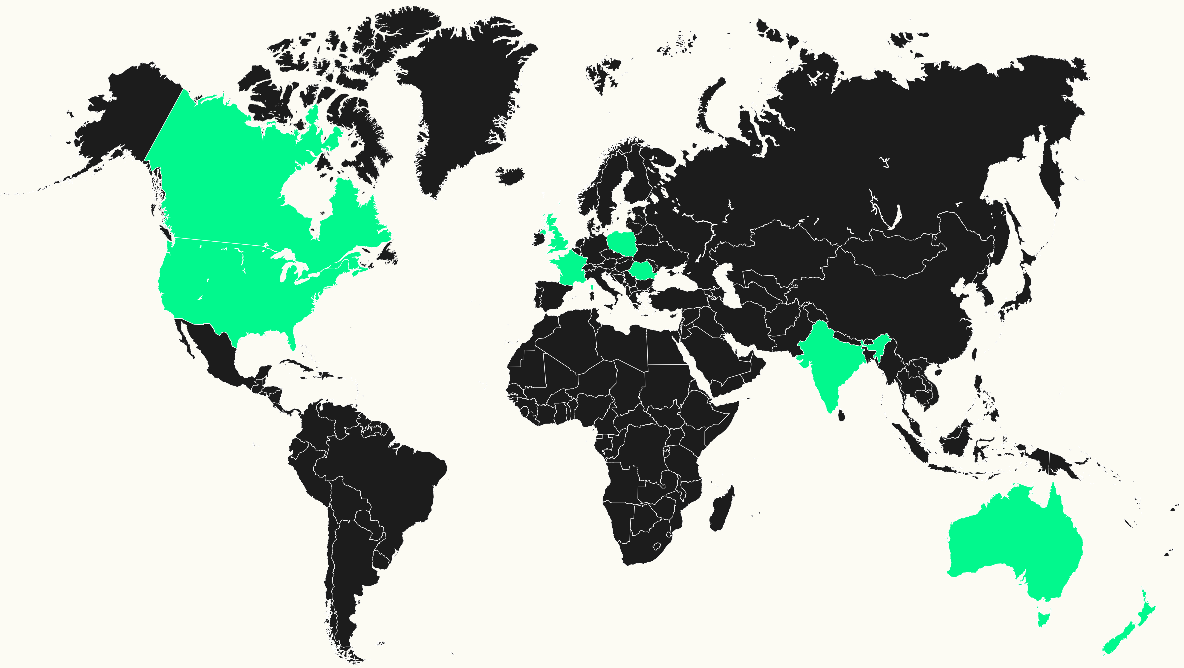
## 100K monthly active businesses* in 2022

These 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 get, manage, and derive insights from reviews.

* Key performance indicator (KPI) – further detail available on pg 49

## Market overview

# Trust is the foundation on which global commerce is built.



### A global market opportunity

Trustpilot is a public platform where consumers can leave reviews for businesses and businesses can respond to honest feedback and turn it into insights to create better experiences. The platform is free to use and open to all businesses and consumers – yet independent of both – so every interaction on Trustpilot is transparent for all to see.

### Why we are different

***Open and collaborative***

Trustpilot not only helps consumers to make better-informed purchasing decisions, but also gives them the opportunity to recommend businesses, products, services and locations based on their genuine experiences. On Trustpilot, your voice matters.

In contrast to 'closed' review platforms, we do not permit businesses to choose which reviews are published on, or removed from, Trustpilot. We put trust and transparency at the heart of everything we do so that Trustpilot is a place where all consumers can share experiences and learn from each other, and any business can use the platform to view and respond to consumer reviews for free.

***Global presence***

With reviews posted in over 200 countries and territories around the world, Trustpilot's reach is global. This differentiates us from other smaller review platforms which have only a local presence or a presence in specific niche markets.

***Relevant to all***

We believe that trusted reviews are relevant and valuable to all businesses. Other online reviews platforms may specialise around certain industry verticals such as hotels and restaurants, or just product reviews. In contrast, Trustpilot is relevant to all businesses, both online and offline – from retail and healthcare to financial services, and travel. Trustpilot's broad appeal to a wide range of merchants means that it supports 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.

***Network effects***

Our business benefits from network effects, whereby the two sides of our platform, for businesses and consumers, increasingly reinforce value for one another. This has become a significant driver of organic growth for Trustpilot over many years. Our sales and marketing efforts benefit from these network effects as more consumers post reviews on more businesses, and these businesses then claim their domain on Trustpilot, and begin to invite even more consumer reviews. During 2022, on average there were around15 thousand businesses added to Trustpilot every month, as consumers reviewed them for the first time.

# **Market overview** continued

## *Consumer brand*

We are building a brand with which consumers have an increasing affinity. People choose to read Trustpilot reviews because they believe that they have integrity and are based on the genuine experiences of other consumers.

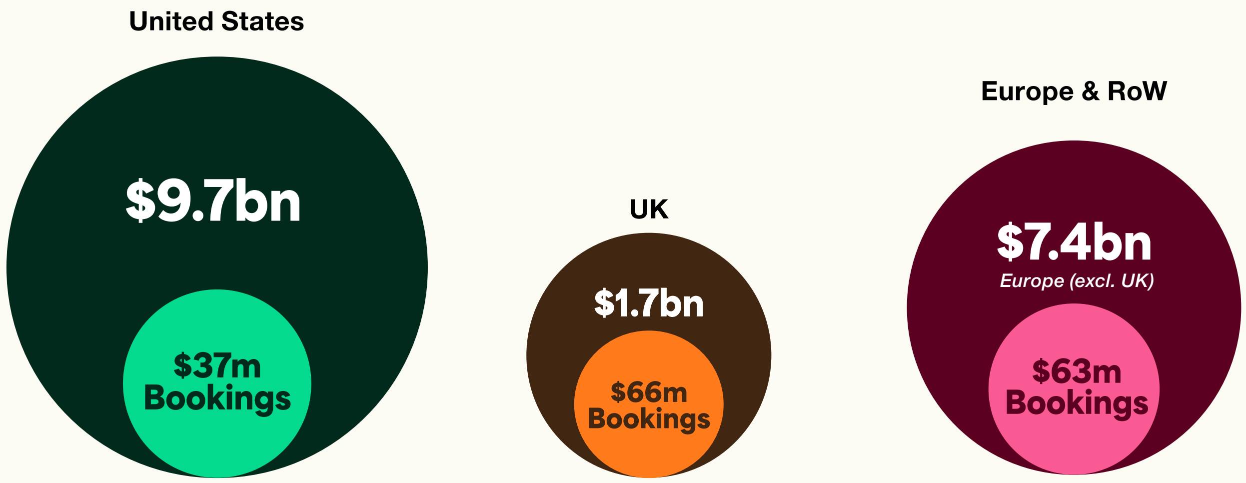
Other review solutions providers may enable businesses to display user-generated content, but these reviews are not perceived to have integrity as the business maintains control over which reviews it displays and who it invites to leave reviews. As a result, Truspilot is rapidly becoming the most trusted and the most used online review site globally.

## Large and growing market opportunity

Whether a business operates online or offline, sells services or products, likely the consumer purchase journey starts online. The Covid pandemic accelerated the shift online for businesses and global e-commerce as a share of total retail spend jumped by a third in 2020. Although this extraordinary growth subsequently returned to more normal trends, there has been a step change in the prominence of digital commerce and consumer activity online.

Never have there been more consumers willing to transact online and more businesses to choose from, making trust and high quality consumer experiences essential to business success. At Trustpilot, we believe that we can play an integral role in helping businesses establish and signal trust to their consumers.

Trustpilot has a large, underpenetrated global opportunity that is further supported by these positive tailwinds.




Note: the 'Total SAM' (serviceable addressable market) shown above is the future, long-term, theoretical addressable market opportunity available to Trustpilot within core geographies, industries and products assuming 100% account penetration within addressable businesses and estimated potential conversion to paid accounts; this contrasts with the 'Current SAM' of $6 billion, which is the future, long-term, theoretical addressable market opportunity for Trustpilot within core geographies, industries and products given the current best-in-class penetration and conversion rates observed in the market

# **Market overview** continued

## Ahead of regulatory trend

An estimated 89% of consumers in the UK, US and France check online reviews before making purchases (Canvas8, The Critical Role of Reviews in Internet Trust, 2020). Fake reviews impose a serious threat to consumer trust and, consequently, to businesses.

In response, regulators around the world are putting increasing pressure on platforms to take responsibility for harmful and illegal content. They are also cracking down on businesses who are unfairly misleading consumers or not doing enough to protect them. Since inception in 2007, trustworthiness and integrity have been our founding principles, shaping our guidelines for businesses and consumers, investments in technology to safeguard the integrity of the reviews that businesses and consumers encounter on Trustpilot, and our business model. The current regulatory environment underpins Trustpilot's ongoing commitment and focus on trust and further highlights our leadership and differentiation built on trust and transparency.

**Trustpilot plays an integral role in helping businesses to proactively seek customer feedback, gain insights, deliver better experiences, and establish trust in their brand.**

## Macroeconomic uncertainty and the cost of living crisis

### *A challenging macro environment*

A perfect storm of supply chain challenges, Russia's illegal invasion of Ukraine creating global commodity and energy shortages and a tight labour market forcing higher wage costs have driven record inflation in 2022. The ripple effects of this inflationary pressure have been felt by consumers as well as businesses across the board. Against this highly uncertain backdrop, consumers' purchasing power has been reduced and their need for trust online is arguably greater than ever before. At the same time, the requirement for businesses to be able to signal that they are trustworthy in such an uncertain environment has also become more acute.

### *Cost of living crisis*

According to a survey of the UK conducted by Deloitte, 40 per cent of its respondents felt their financial situations had worsened in 2022. Of those respondents, 67 per cent felt they were twice as concerned about their savings than the prior year. Consumers everywhere are seeing pressures on their disposable incomes and are understandably more constrained in their spending. Based on Trustpilot's in-house survey, UK shoppers are taking 30 per cent longer to make a purchase than they did a year ago and 61 per cent say that quality and reliability are among the biggest factors influencing their buying decisions.

Businesses simply cannot afford to disappoint their customers. Based on research by Qualtrics, $3.1 trillion of global revenue is at risk due to bad consumer experiences. Trustpilot plays an integral role in helping businesses to proactively seek customer feedback, gain insights, deliver better experiences, and establish trust in their brand. When businesses showcase their Trustpilot ratings across various online and offline marketing channels, they are able to achieve measurable efficiencies across all of their marketing investments.

As business budgets tighten, Trustpilot is positioned to be an increasingly attractive solution to help retain existing consumers and attract new consumers more efficiently. For consumers – particularly those making high consumer lifetime value purchases, for example taking out a loan or a mortgage – Trustpilot often becomes an indispensable part of the purchase process.

**c.20m**

**Number of people who left their first review on Trustpilot in 2022**

## Business model - value proposition


# Organic growth is underpinned by virality.

# Business model - key strengths

## Trust.

Our relentless focus on trust and transparency is a key differentiator for Trustpilot.

## People.

Our 'Trusties' are passionate about our purpose.


# Business model - key strengths

## Technology.

**We innovate to provide sophisticated, high-value, data-driven insights for our customers.**

## Brand.

**It's about letting millions of people set the bar for trust, so hundreds of thousands of businesses can earn it.**

# Business model
# - delivering value to stakeholders

## Consumers

Read independent reviews to make better-informed purchases. Help other consumers by writing reviews and sharing experiences. Engage with businesses and have their voice heard, helping them to improve services.

**893k**
Total reviewed domains*
(+25% YoY)

**213m**
Total reviews by consumers*
(+27% YoY)

## Businesses

Gather independent reviews, showcase their TrustScore, building a trusted brand. Engage with consumers, understand customer feedback and insights to improve their products and services grow efficiently.

**567m**
Business profile page views in 2022

## People

Behind Trustpilot is a team of amazing people – who we call Trusties – who together deliver on our mission vision to be a universal symbol of trust for the internet economy. We are building a place where they can thrive, follow their passions, and do the best work of their careers.

**>900+**
Employees

**50+**
Nationalities

## Shareholders

Our purpose and passion matters to investors, and, with their support, we are delivering sustainable, profitable growth.

**+13%**
YoY reported revenue growth

**+23%**
YoY revenue growth at constant currency

* Key performance indicator (KPI) – further detail available on pg 49

## How we maximise value

Our clear strategy **pg 38**

Robust risk management **pg 65**

Innovative & inclusive culture **pg 87**

Responsible approach **pg 79**

Sound governance **pg 97**

# Business model - key differentiators

## Purpose-driven company

Since its establishment in 2007, Trustpilot has built a leading, trusted, and open platform for online reviews. It has been ahead of regulatory trends and instead been driven by our singular mission of being the most trusted. From the start, Trustpilot has aimed to be a safe haven for consumers to exchange authentic experiences and to help businesses do better.

## Fulfilling a crucial role

We have always placed trust at the heart of what we do, and the importance of this has been amplified by the challenging macroeconomic environment and cost-of-living crisis that is affecting so many people and businesses. The need for a direct line of communication between consumers and the businesses they interact with is fundamental; this is the crucial role that Trustpilot can play.

## Engaged, global employee base

900+ employees | 9 offices | 50+ nationalities.

## Open & transparent

Trustpilot helps people trust that a business will live up to its word on quality and service, backed by a global review community and trusted by millions of consumers for our open-book platform where every interaction between people and businesses is transparent for all to see.

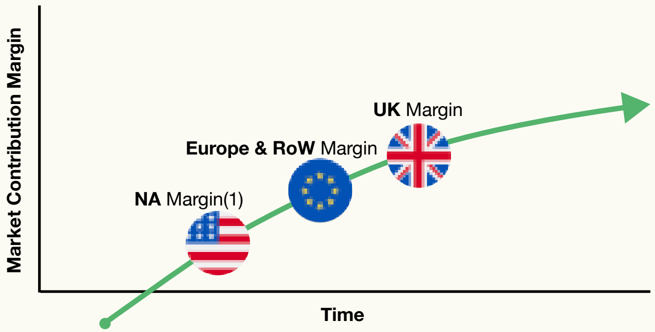
Businesses can turn trusted reviews read by millions of consumers into revenue. Reviews on Trustpilot's open and transparent platform expand their reach, help them to attract and convert customers, and give them real-time insights to keep them coming back.

## Go-to-market

We offer businesses freemium subscription software solutions. This approach provides a relatively stable, predictable stream of revenue for our business, and we benefit from a flexible operating model. We are not reliant on heavy marketing spend in order to generate sales leads as we benefit from network effects.

Given our global presence, Trustpilot's go-to-market strategy is tailored to the varying brand awareness and local dynamics of each country within our portfolio. We take an integrated marketing approach that targets both B2C and B2B audiences and seek opportunities to build network effects in key industry verticals. Ultimately, as our presence and maturity in each market grows, we see the unit economics trend toward our leading markets.

## Contribution margin increasing over time in each market




1. NA includes US and Canada.

# Business model - summary

## We help businesses to use consumer feedback and insights to improve their products and services.

- Gather independent reviews
- Grow efficiently, showcasing their reviews and TrustScore
- Build a trusted brand, enhancing all marketing channels
- Engage with consumers

**Value**

Proven outcomes with a measurable return on investment

## We go to market with a flexible, freemium model.

**Free**

Standard + Add-ons
**(Annual subscription model)**

| | |
|---|---|
| Invite | Product Reviews |
| Convert | Location Reviews |
| Enhance | Integrate |
| Connect | Insights |

Enterprise
**(Annual subscription tailored offering)**

## We benefit from high gross margins and retention.

**$149m**
Revenue (23% cc growth)

**82%**
Gross margin

**100%**
LTM Net Dollar retention rate*

**$6k**
Average contract value (approx)

* Key performance indicator (KPI) – further detail available on pg 49

A universal symbol of

# growth

## c.58m review invitations sent every month

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.

# You can’t grow without trust.

A voice from the Trustpilot community

## Our strategy

# 1. Consumer engagement
# More useful to consumers.

### 2022 Progress
- Our first ever consumer app launched in 2022 and embarks our journey to creating new ways for consumers to engage with our platform.
- We made it easier for consumers to know which businesses are verified and highlighted relevant company activity as additional ‘trust signals’ to help make informed decisions.
- A number of enhancements were made to the usability of the consumer site to surface relevant content more prominently and help consumers discover businesses they can trust.

### 2023 Focus
- Our global consumer brand is a key differentiator that drives virality in our platform. We will focus on strengthening our brand, especially in markets where its recognition is at an early stage.

### Key metrics
- We monitor our own Trustscore
- The number of monthly unique users
- The number of returning consumers
- The number of page views per visit
- The number of mobile app downloads

# 2. Content & platform integrity
# Ensure trust and transparency.

### 2022 Progress
- Early in the year, Trustpilot made a vow to increase legal action against businesses who continually abuse our platform. We took an offensive approach to protecting trust in our platform.
- We launched a verification tool that, for those who choose to opt-in, take reviewers through additional steps to verify their identity before leaving a review.
- We removed 2.6m fake reviews from our platform, of which 68% were removed automatically. We continued to invest in our proprietary technology to safeguard the integrity of our platform.

### 2023 Focus
- Further investment in deterrents, detection, and enforcement against businesses that repeatedly break the rules by soliciting fake and misleading online reviews.

### Key metrics
- Number of fake reviews detected and removed
- The proportion of fake reviews automatically removed by our technology
- The proportion of verified reviews
- The number of consumers verified on our platform

**Our strategy** continued

# 3. Efficient growth Lower customer acquisition costs.

### 2022 Progress

- In the US, we focused our go-to-market on High Customer Lifetime Value customers. We gained significant traction within those verticals that created network effects to drive increased brand awareness in the space.
- We launched an integrated marketing campaign in Italy to test the effectiveness of brand marketing as an efficient growth driver.

### 2023 Focus

- We will focus on a product-led go-to-market strategy to make our customer acquisition spend more efficient.
- Scale our online or hybrid sales channels to lower our overall customer acquisition cost.

### Key metrics

- We track and compare the customer lifetime value with the customer acquisition cost (LTV/CAC) in each territory and for the Group, as a means to understand our go-to-market efficiency.
- The proportion of new sales that are achieved via our online sales channel.
- We measure the return on investment from our marketing spend.

# 4. Value & insights for businesses Retain and grow revenue.

### 2022 Progress

- We continued to invest in our product, be it through enhanced features or new product integrations, to make it seamless for businesses to start collecting feedback.
- We also introduced a wave of features and tools to make sure businesses are getting the most value out of our platform.
- We drive measurable return on investment for our customers. The value that our product delivered to our customers is reflected in our strong net dollar retention rate* of 100 per cent in 2022, up from 99 per cent in 2021.

### 2023 Focus

- We will continue to develop our big-data ecosystem and our ability to derive high-value insights for our customers through new products and services.
- We intend to innovate to deliver solutions that meet our customers' needs, through products, capabilities and services, thereby increasing the value we offer.

### Key metrics

- Net dollar retention rate, gross churn, and net expansion
- We monitor bookings* and annual recurring revenue* growth
- We monitor product engagement metrics like active domains, invitations sent and Trustbox impressions

* Key performance indicator (KPI) – further detail available on pg 49

**Our strategy** continued

# 5. Value-based pricing
# Measurable returns.

### 2022 Progress

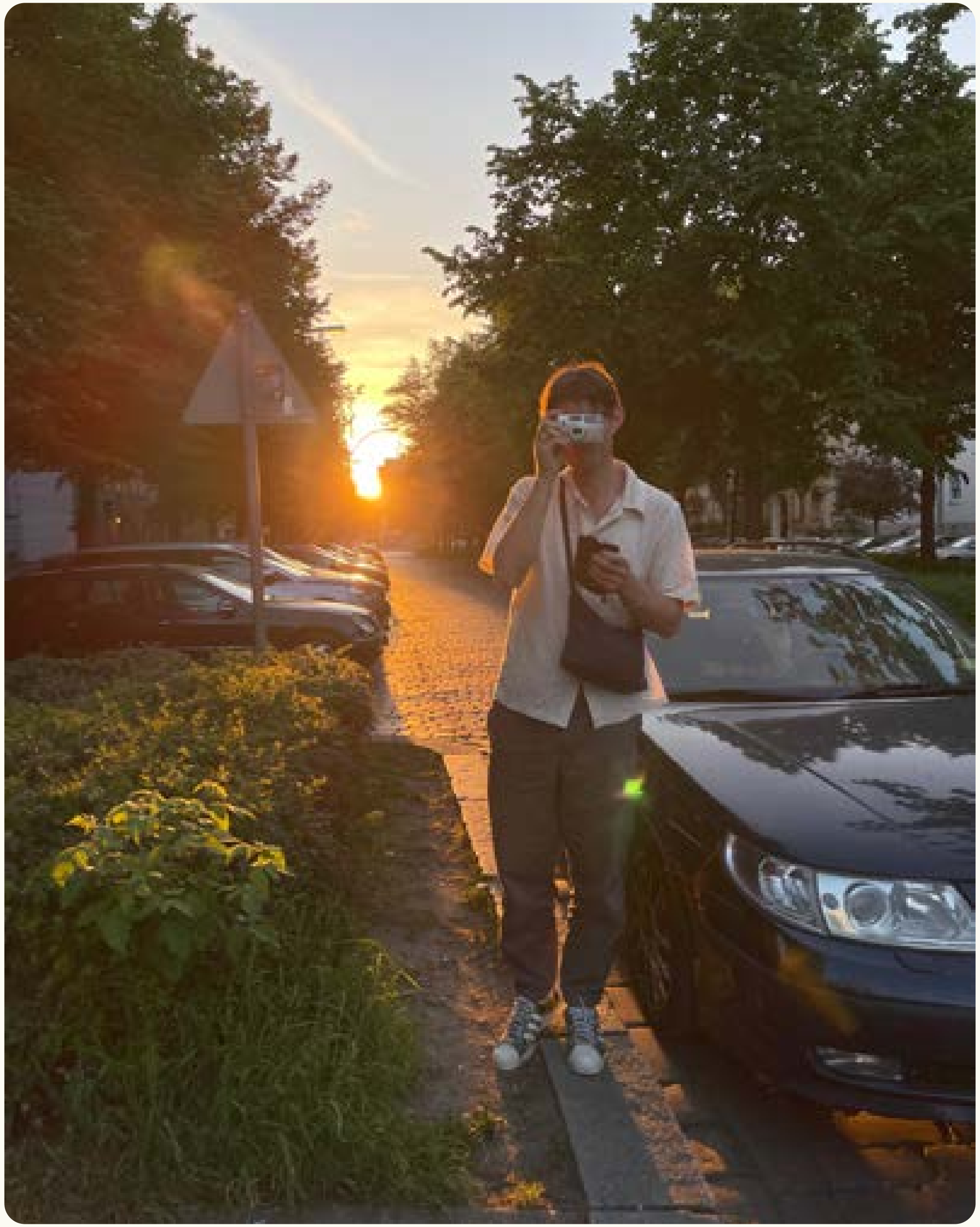
- We implemented a number of updates to our pricing strategy that allows our contract values to grow as our customers grow, positively impacting our bookings, particularly in retention.
- We refined our value proposition, making it clearer to our customers and prospects how Trustpilot serves them throughout their business life cycle.
- We continued to optimise our value proposition, piloting a solution-based sales strategy targeted to customers' needs. This has driven improved average contract values when compared to our modular sales approach.

### 2023 Focus

- Following a recent 'willingness to pay' survey, we will seek to optimise our pricing in all our markets.
- Further explore and develop usage and value-based pricing mechanisms.
- Segmenting our prospects and customers to better monetise our audience based on value provided.

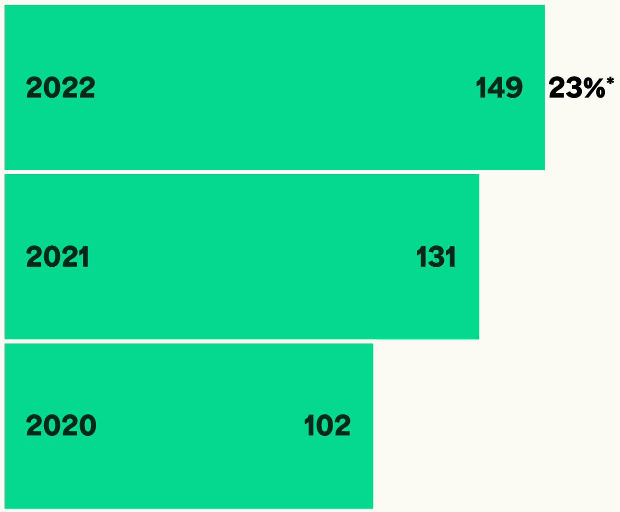
### Key metrics

- Where possible, we monitor the increase to traffic and conversion we deliver for customers
- Trends in average contract value
- Net Dollar Retention and net expansion



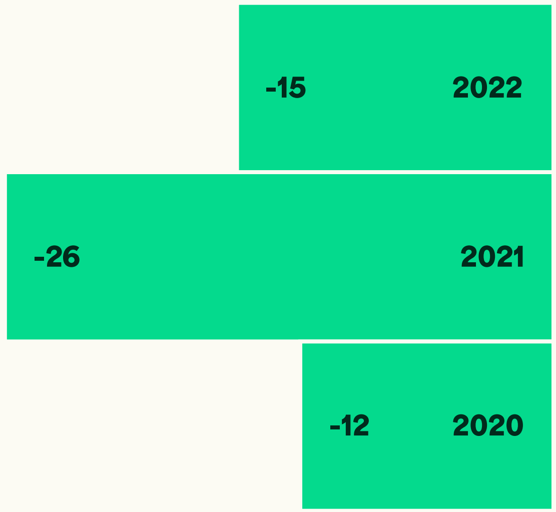
# Key performance indicators
## Financial

## Revenue ($m)



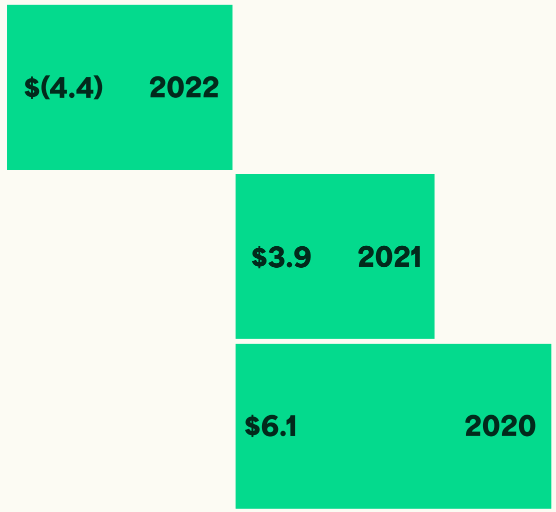

**Why we track it**
The top line of our income.

## Loss after tax ($m)




**Why we track it**
Where we are on our path to profitability.

## Adjusted EBITDA** ($m)




**Why we track it**
Our ability to generate sustainable margin improvement.

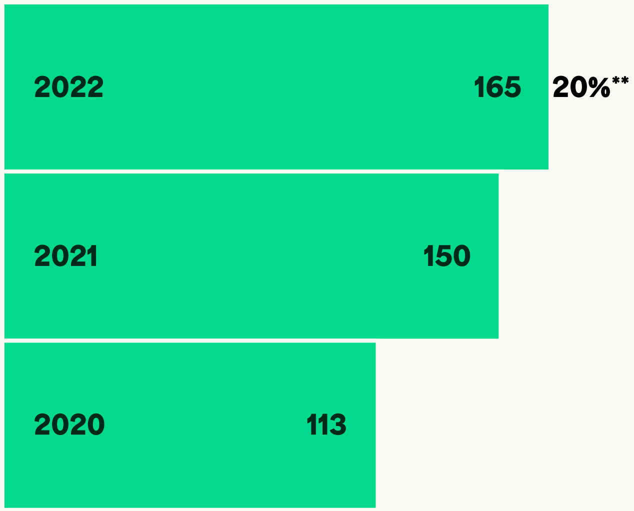
* All growth rates shown are YoY at constant currency
** Alternative performance measure (APM) – see note 4

# We use both financial and non-financial KPIs to help us measure our performance.

# Key performance indicators

## Financial continued

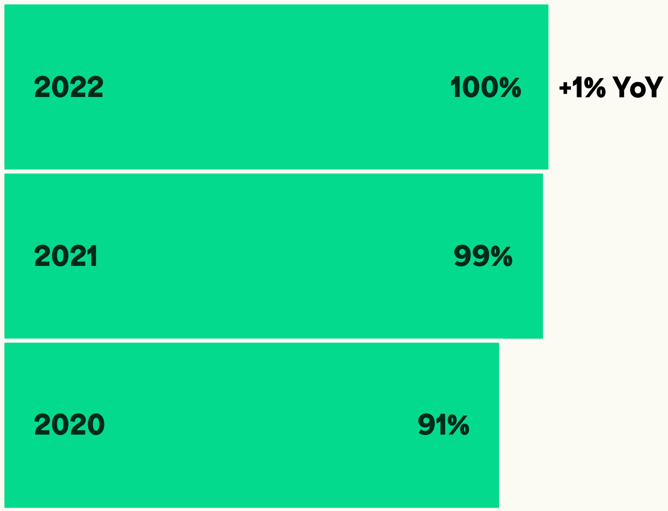
### Bookings[1] ($m)




**Why we track it**

A lead indicator of future revenue.

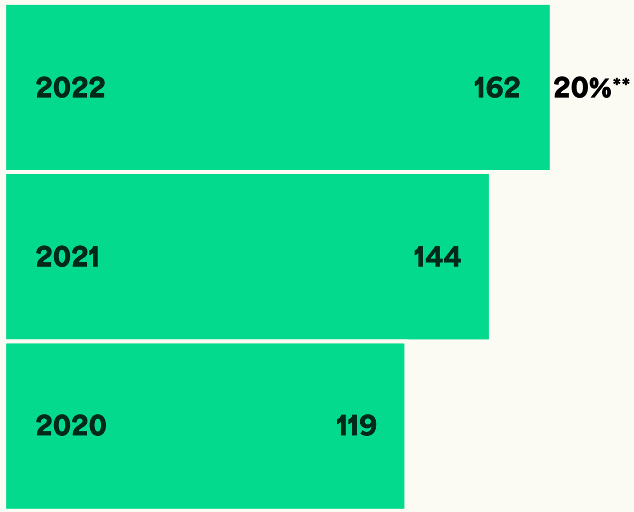
### LTM net dollar retention rate[2]




**Why we track it**

Our success at retaining customers and expanding customer contract value.

### Annual recurring revenue[3] ($m)




**Why we track it**

A measure of visibility into future revenue.

** All growth rates shown are YoY at constant currency

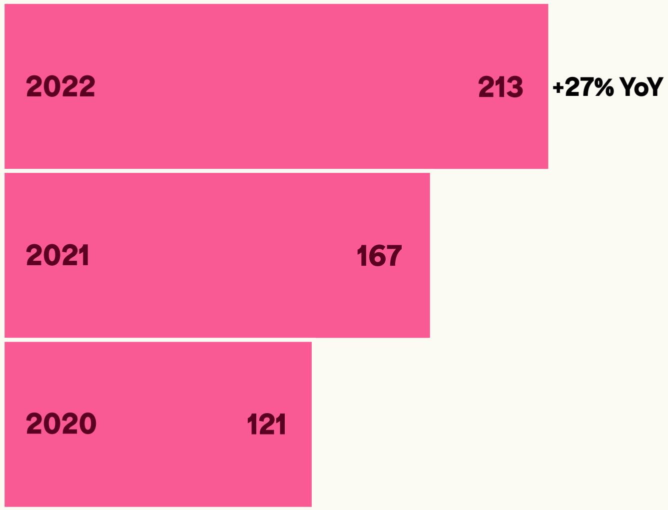
1 Bookings is defined as the annual contract value of contracts signed in a given period. Nearly all of Trustpilot's contracts with customers have a duration of 12 months, and in the event a contract length exceeds 12 months the value is adjusted to the 12-month equivalent for the purpose of calculating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

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

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

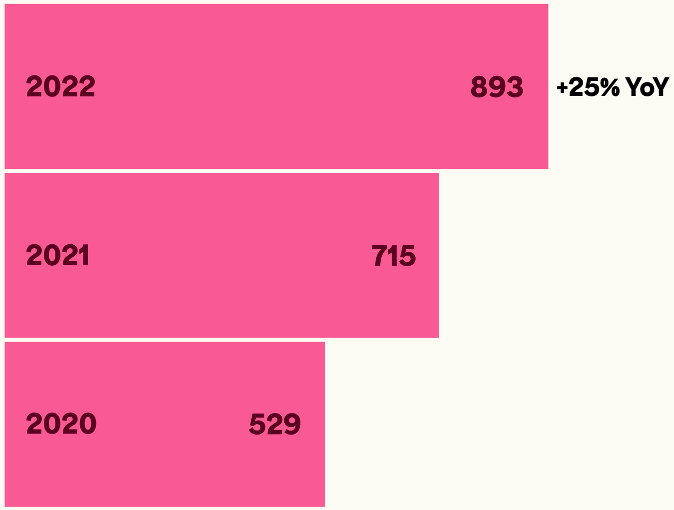
# Key performance indicators
## Non-financial

### Number of reviews[4] (m)



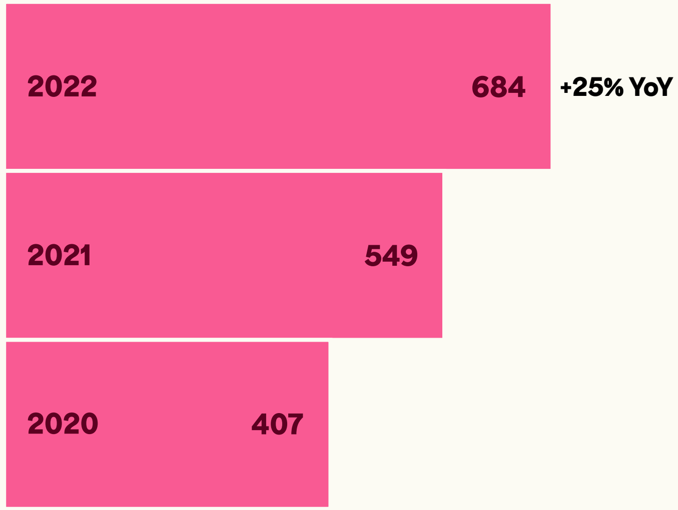

**Why we track it**
Consumer activity and engagement.

### Reviewed domains[5] (k)




**Why we track it**
The virality of our platform.

### Claimed domains[6] (k)



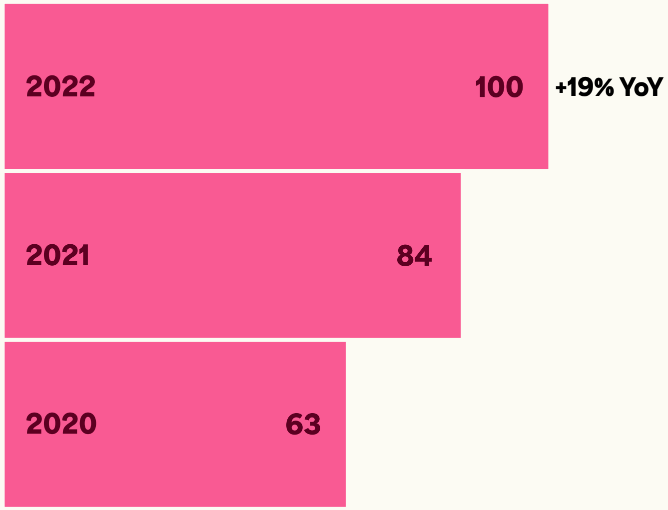

**Why we track it**
Business activity and engagement.

4 Number of reviews hosted on Trustpilot's platform as at 31 December (including reviews subsequently removed or deleted).
5 Number of reviewed domains that have been reviewed on Trustpilot's platform as at 31 December (including domains subsequently removed from the Trustpilot consumer website).
6 Number of claimed domains that have been reviewed on Trustpilot's platform as at 31 December (including domains subsequently removed from the Trustpilot consumer website) and have been claimed by the domain owner accessing features like inviting customers to write reviews, reply to reviews, and being notified whenever someone writes a review.

# Key performance indicators

## Non-financial continued

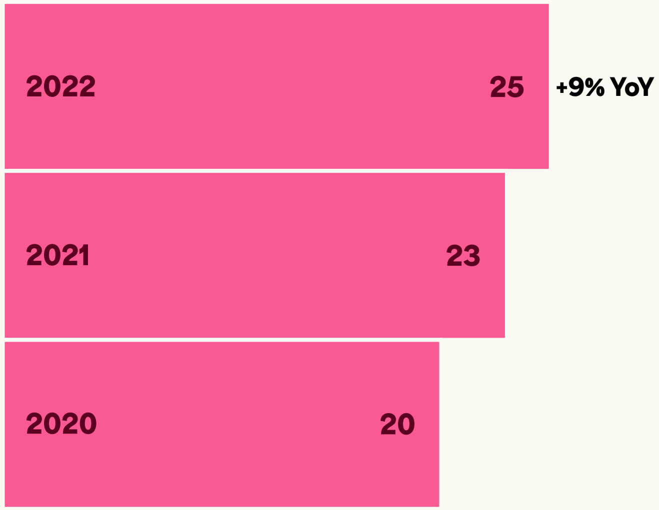
### Monthly active domains[7] (k)




**Why we track it**

These business promote our brand.

### Subscribing customers[8] (k)




**Why we track it**

Our success at converting free users to paid accounts.

We also track several KPIs that relate to our employees and the environment – for more information please see page 88.

7 Number of domains, in the months of December, that received an invited review or were the subject of a TrustBox impression during the month.
8 Number of customers with a paid subscription for services on Trustpilot's platform as at 31 December.

## Finance review

# Encouraging year of revenue growth with robust balance sheet

**Hanno Damm, CFO**

Our full-year results for 2022 demonstrate the continued strength of our business from both a financial and strategic perspective. The investments we continue to make in trust & transparency, and our culture of high performance, are helping us to maximise shareholder value whilst maintaining our strong sense of purpose.

# Finance review continued

## Overview

We achieved revenue of $149 million in FY22, an increase of 23 per cent on a constant currency basis, or 13 per cent as reported. The reported growth rate was negatively impacted from the strengthening of the US Dollar relative to sterling and the Euro. Bookings* grew by 20 per cent on a constant currency basis, resulting in Annual Recurring Revenue (ARR*) of $162 million at the period end.

The loss for the year declined from $26 million to $15 million, principally due to the reduction in non-recurring IPO-related costs amounting to $10 million. Adjusted EBITDA** declined from $4 million to $(4) million; this reflected further investment in marketing and technology and was partially offset by continued revenue growth. In the second half of the year, we achieved a positive adjusted EBITDA result of $1 million, versus a loss of $5.4 million in the first half.

## Annual Recurring Revenue & Bookings

ARR and bookings tend to serve as good leading indicators of future revenue. ARR is measured at the period end, while bookings reflect the annual contract value of deals signed within the period. On the 31 of December 2022, ARR was $162 million, an increase of 20 per cent at constant currency over the prior year, or an actual reported increase of 12 per cent after foreign exchange. In FY22, bookings of $165 million increased by 20 per cent at constant currency over the prior year.

Nominal differences between ARR at the 31 December 2022 and FY22 bookings are partly due to currency translation: ARR utilises the spot rate on the date of measurement while bookings is cacluated using monthly average rates over the period when the activity is recorded.

Bookings growth was assisted by an improvement in the LTM net dollar retention rate*, which increased from 99 per cent in FY21 to 100 per cent in FY22; this was encouraging given the uncertain macroeconomic environment.

## Regional growth trends

We invest upfront to drive bookings which, in turn, lead to future revenues, hence FY22 regional revenue growth was largely dependent upon bookings growth achieved in the prior year. In the UK and Europe & RoW regions, constant currency revenue growth remained strong with 26 per cent and 30 per cent growth (or up by 13 per cent and 15 per cent reported) respectively, and constant currency revenue growth in the North America region was 12 per cent (or 11 per cent reported).

We were encouraged to see good bookings growth in all regions. At constant currency, when compared to the prior year, Europe & RoW bookings increased by 28 per cent (13 per cent reported); UK bookings by 20 per cent (8 per cent reported); and North America bookings by 10 per cent (10 per cent reported).

In our more developed European markets, for example the UK and Denmark, we are more efficient as we benefit from a stronger brand presence and associated network effects.

In the Netherlands, France, Italy, Germany, and Sweden, we believe our brand presence is approaching a similar critical mass to that which we see in the UK. We continue to be excited about the opportunity in North America, given the market's size and the encouraging early results we have seen from the highly segmented go-to-market approach we launched in 2022.

* Key performance indicator (KPI) - further detail available on p.49
** Alternative performance measures (APM) - further detail available in note 4

# Finance review continued

| $ 000's | FY22 | FY21 | (+/-) % actual | (+/-) % constant currency |
|---|---|---|---|---|
| **Bookings:** | | | | |
| UK[1] | 66,031 | 61,064 | 8 | 20 |
| North America | 36,518 | 33,200 | 10 | 10 |
| Europe & Rest of World | 62,735 | 55,300 | 13 | 28 |
| **Total bookings** | **165,284** | **149,564** | **11** | **20** |
| **Revenue:** | | | | |
| UK | 59,803 | 53,136 | 13 | 26 |
| North America | 34,003 | 30,503 | 11 | 12 |
| Europe & Rest of World | 55,126 | 47,804 | 15 | 30 |
| **Total revenue** | **148,932** | **131,443** | **13** | **23** |

1 The Isle of Man and the British Virgin Islands are included within the UK

## Cost of sales

Cost of sales, which includes network operating costs and the costs incurred to onboard, support, retain and upsell customers, rose to $27 million (FY21: $25 million). The increase is a result of investments we made throughout the year to support customer retention and expansion before future revenue recognition. These investments were principally related to growing headcount in our customer success team to 207 (FY21: 178), and this helped us to improve our LTM net dollar retention rate from 99 per cent in FY21 to 100 per cent in FY22. As a proportion of revenue, the cost of sales declined from 19 per cent in FY21 to 18 per cent in FY22.

## Sales and marketing

Sales and marketing costs were $58 million in the year (FY21: $46 million). This partly reflected additional marketing expenses related to our Italian brand campaign, as well as an increase in B2B marketing in the US, and Europe & RoW. Sales and marketing headcount grew 12%, efficiently scaling in comparison to overall sales and marketing expenses. We believe we can achieve further efficiencies and so deliver additional operating leverage as our business continues to expand. Average headcount in sales and marketing increased to 313 (FY21: 279). As a proportion of revenue, the sales and marketing expense increased to 39 per cent in FY22 (FY21: 35 per cent).

## Technology and content

Technology and content costs were $41 million in the period (FY21: $34 million). Average technology and content headcount grew to 255 in FY22 (FY21: 220). These costs are primarily related to the investments we make in product and engineering, with the clear objectives of driving greater consumer engagement and growing our active user base, and we continued to invest into ensuring content integrity. Total technology and content costs were 28 per cent of revenue in FY22 (FY21: 26 per cent).

## General and administrative

General and administrative costs reduced to $39 million in the year (FY21: $52 million). This principally reflected the inclusion of $10 million non-recurring IPO-related costs  a year ago, and a reduction of $6 million relating to share-based payments including the related social security charge.

During 2022, we also saw the impact of the first full year of the annual expenses taken on as we became a public company, which include the additional headcount, legal, accounting, and other costs associated with supporting our operations as a public company. Average headcount in our general and administrative function grew to 145 in FY22 (FY21: 109). As a proportion of revenue, general and administrative expenses declined to 26 per cent in FY22 (FY21: 39 per cent)

## Cash Flow

We saw a net cash outflow from operating activities of $3 million, compared to a net cash outflow of $5 million in FY21. The improvement in cash flow from operating activities during the year was largely driven by the absence of the non-recurring IPO-related costs which were incurred in FY21; this was partially offset by a lower net working capital as a result of lower accrued social contributions.

Net cash outflow from investing activities increased to $7 million (FY21: $4 million), relating to non-recurring office fit-out costs in New York, Edinburgh, and Copenhagen.

Net cash used in financing activities was an outflow of $2 million (FY21: $56 million inflow), reflecting $3 million of principal elements of lease payments, and $1 million in equity inflows from share issues.

# Finance review continued

### Adjusted free cash flow

Adjusted free cash flow is operating cash flow, adjusted for non-recurring transaction costs, restructuring costs, principal lease payments and capital expenditure.

| $'000 | FY22 | FY21 |
|---|---|---|
| Operating cash flow | **(2,698)** | (5,444) |
| Non-recurring transactions[1] | **—** | 12,449 |
| Restructuring costs | **—** | — |
| Principal lease payments | **(3,187)** | (4,522) |
| Capital expenditure[2] | **(7,399)** | (4,221) |
| **Adjusted free cash flow** | **(13,284)** | (1,738) |

1 Non-recurring transactions represents cash paid for IPO related costs in FY21.
2 Capital expenditure consists of purchase of property, plant and equipment and payments for intangible asset development.

### Balance Sheet

Meaningful movements in the Group balance sheet, when compared to 31 December 2021, consisted primarily of right-of-use assets and corresponding lease liabilities which increased $11 million as a result of new long-term leases signed in New York, Melbourne, and Edinburgh. Our net cash balance decreased by $20 million, reflecting an operating cash outflow of $3 million, an investing cash outflow of $7 million, a financing cash outflow of $2 million, and and an $8 million negative foreign exchange impact on cash and cash equivalents. The decrease in equity of $14 million was principally driven by the loss for the year. Current liabilities decreased from $57 million to $54 million, largely due to lower social contributions which were offset by growth in contract liabilities which increased by $5 million in the period, reflecting bookings growth.

### Post balance sheet event

On 10 March 2023, Silicon Valley Bank (SVB) in the United States was closed by the California Department of Financial Protection and Innovation and the subsequent entry into receivership of its UK arm (SVB UK). SVB UK is the Groups principal banking partner, which was subsequently acquired by HSBC.

The Group has not experienced liquidity concerns because of this event. We have full access to our cash on deposit, and our revolving credit facility remains available, expiring in April 2024. In the meantime, we intend to review and diversify our banking partners to mitigate future risks. We benefit from having a diversified customer base with little concentration, and this limits our exposure to the events surrounding the bank's failure. We have not experienced any operational impact on our business and customer cash collections remain unaffected.

### Foreign exchange

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

# Finance review continued

## Operating metrics

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

Trustpilot believes that these KPIs provide alternative measures by which to assess the operating performance of the Group and, together with IFRS measures, are useful in evaluating the Group's operating performance. The KPIs used in the 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 FY22 and FY21.

| $ 000's except per cent | FY22 | FY21 | (+/-) % actual | (+/-) % constant currency |
|---|---|---|---|---|
| **Bookings:** | | | | |
| UK | 66,031 | 61,064 | 8 | 20 |
| North America | 36,518 | 33,200 | 10 | 10 |
| Europe & Rest of World | 62,735 | 55,300 | 13 | 28 |
| **Total bookings[1]** | **165,284** | **149,564** | **11** | **20** |
| LTM Net Dollar Retention Rate (per cent)[2] | 100 | 99 | 1 | 1 |

| 000's except where denoted millions | | | | |
|---|---|---|---|---|
| **KPIs at period end** | | | | |
| Annual Recurring Revenue ($)[3] | 162,237 | 144,484 | 12 | 20 |
| Number of reviewed domains[4] | 893 | 714 | 25 | – |
| Number of claimed domains[5] | 684 | 549 | 25 | – |
| Number of active domains[6] | 100 | 84 | 19 | – |
| Number of subscribing customers[7] | 25 | 23 | 9 | – |
| Number of reviews[8] (millions) | 213 | 167 | 27 | – |

## Going Concern Statement

In line with the disclosures in note 1 of the financial statements (page 160), we 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. 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.

1 Bookings is defined as the annual contract value of contracts signed in a given period. Nearly all of Trustpilot's contracts with customers have a duration of 12 months, and in the event a contract length exceeds 12 months the value is adjusted to the 12-month equivalent for the purpose of calculating bookings. Bookings are a leading indicator of future revenue
2 LTM Net Dollar Retention Rate is defined as the annual contract value of all subscription renewals in the last twelve months divided by the annual contract value of subscriptions expiring in the last twelve months. LTM Net dollar retention includes the total value of subscriptions with existing Subscribing Customers, and includes any expansion of contract value with existing Subscribing Customers through upsell, cross-sell, price expansion or 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 reviewed domains that have been reviewed on Trustpilot's platform as at 31 December (including domains subsequently removed from the Trustpilot consumer website)
5 Number of claimed domains that have been reviewed on Trustpilot's platform as at 31 December (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 December, 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 31 December
8 Number of reviews hosted on Trustpilot's platform as at 31 December (including reviews subsequently removed or deleted)

# Viability Statement

The Directors have performed an assessment of the Group's prospects and long-term viability, considering its current financial position and principal risks and uncertainties. The processes for identifying and managing risk are described on pages 65 to 78. As described on these pages, the risk management process, and the going concern and viability statements, are designed to provide reasonable but not absolute assurance.

The Group's prospects are assessed through an annual strategic planning process, which addresses the expected commercial and financial performance over the subsequent three years and the consequential impacts to cash flows and liquidity. The Directors have determined that three years is an appropriate period over which to provide the Group's viability statement as it is consistent with the three-year outlook adopted when preparing its strategic business plan.

The strategic planning process begins with input from the Group's Executive Leadership Team and the Board at a two-day off-site. The first year of this three-year forecast serves as the Group's budget, informed by detailed, bottom-up input derived from the strategic plan. The second and third years are built on the same forecast methodology but also use top-down drivers and trends.

The Group's forecast begins with detailed monthly commercial KPIs that drive new customer acquisition expectations, as well as the renewal and expansion of existing customer contracts, with detailed regional planning. This planning takes place in tandem with corresponding forecasts of operating expenses, consisting primarily of direct labour costs or those indirect costs tied to headcount. Climate change has been considered in the base case and also considered in a further downside impact. The resulting plan covers the key operating KPIs as well as the income statement, balance sheet and cash flow expectations.

* Key performance indicator (KPI) – further detail available on pg 49

While the Group's strategic planning process generates the best estimate for future performance based on the assumptions mentioned above, the Directors also consider additional severe but plausible downside scenarios to assess the long-term prospects of the business. The Directors consider four scenarios to quantify the potential impact of multiple key principal risks and uncertainties of the Group (set out on page 152) occurring over the assessment period. As well as considering these four distinct downside scenarios, we have also modelled to ensure that the group could maintain liquidity should a combination of these scenarios arise across the period. Furthermore we have considered whether any longer term trends outside of the three year period could impact the Group's viability, and have not identified any such matters. In addition, the Group modelled a reverse stress test to demonstrate what would need to occur to see the Group's liquidity exhausted.

The Board relies on the Enterprise Risk Management (ERM) process to identify and manage any emerging risks for the Group. We conduct activities such as our Enterprise Risk Assessment and horizon scanning to identify risks as they emerge. While discussing emerging risks for this period, the Board decided to include the current macroeconomic environment as one of the Group's principal risks to ensure we monitor through the ERM process.

| Scenario modelled | Principal risk assessed |
| --- | --- |
| Trust degradation | Commitment to trust and transparency<br>Misuse of platform |

The trust degradation scenario is meant to illustrate the impact of an erosion of trust among consumers and businesses in our platform because of improper use, a failure by the Group to maintain confidence in its commitment to trust and transparency, and a public perception that content on our platform is fake or misleading. This scenario would result in an increased churn of existing customers, difficulty in acquiring new customers, and increased costs associated with platform integrity.

Commercial assumptions involve a c.20 per cent decline in the productivity of our sales representatives, compared to our base case, with an additional 5 per cent reduction in each subsequent year. This scenario also assumes a 10 per cent reduction in our LTM net dollar retention rate*, compared to the base case, as a result of more customers churning due to our position of differentiation as a trusted platform diminishing in value. It also assumes that content integrity costs increase by $500K in 2023, with an additional $100K increase in each subsequent year, as well as increased litigation costs of $1.5 million in 2023 and each year beyond.

| Scenario modelled | Principal risk assessed |
| --- | --- |
| Regulatory scrutiny and litigation | Changing and varied regulatory landscape<br>Litigation and disputes |

The regulatory scrutiny and litigation scenario is meant to illustrate the impact of dramatically increased regulatory and compliance efforts, in combination with a need to address a growing number of litigation and dispute cases. The financial impact of this scenario is experienced primarily through increased costs in the Group's content integrity, platform integrity and legal & compliance functions, as well as increased external counsel fees, damages, fines and settlements from litigations. Additionally, it assumes a 5 per cent decrease in our LTM net dollar retention rate, as compared to the base case, to account for increasing churn among customers unwilling or unable to comply with a more restrictive use of the platform imposed by regulators.

# Viability Statement continued

The scenario assumes regulatory fines of 2 per cent of revenue. It additionally accounts for content integrity costs increasing by $500K in 2023, with an additional $200K increase in each subsequent year, as well as increased litigation costs of $1.5 million in 2023, with $500K step-ups in 2024 ($2 million total) and 2025 ($2.5 million total).

| Scenario modelled | Principal risk assessed |
| --- | --- |
| Recessionary environment | Macroeconomic environment |

The recessionary environment scenario is meant to illustrate the impact of changing macroeconomic conditions. With significantly higher global interest rates, and an increasing cost of debt, inflation is leading to cost pressures on businesses. This not only impacts our costs but could also impact our customers' ability to subscribe to our products and solutions. This additional scrutiny on spending decisions could affect our ability to meet growth targets in key markets.

This scenario assumes an initial sharp decline in commercial performance in 2023, with steadily improving performance in 2024 and 2025. It assumes that new sales bookings* decline by 5 per cent in 2023, from the base case, and that our LTM net dollar retention rate declines to 85 per cent in 2023. We assume that our customer acquisition cost ratio (CAC ratio) remains broadly flat compared to the base case, and thus results in CAC efficiencies. Our Tech and G&A functions grow slowly through the later years of the modeled scenario.

| Scenario modelled | Principal risk assessed |
| --- | --- |
| Impact of changing customer views towards climate change | Commitment to trust and transparency |

The impact of changing customer views toward climate change scenario is meant to illustrate the reputational damage from not taking enough action on climate change and acknowledge the ongoing global challenges caused by climate change. The material risks to Trustpilot are in relation to the transition to a net zero economy and the ambition of reaching alignment with the Paris Treaty to limit global temperature increases to 1.5°C by the year 2100.

Within this context, the most material risks we face relate to a possible reputational impact as attitudes change among businesses and consumers, which could result in increased concern and negativity from our stakeholders if our efforts are considered inconsistent with expectations.

This scenario assumes reduced demand from, and retention of, consumers and businesses if there is a perception that we do not take sufficient action to reduce our impact on the environment. Additionally, it assumes additional costs to Trustpilot amounting to approximately $1 million per annum related to reducing our carbon emissions. These costs include higher energy expenses which are associated with lower carbon-emitting energy sources; increased facilities expenses as we try to lower emissions; and the introduction of potential carbon-based taxation on companies. Finally, we assumed the cost for offsetting Trustpilot's carbon emissions is derived from funding reforestation programs around the world. This method to offset carbon emissions costs approximately $55 per ton of $CO_2e$. Trustpilot is estimated to have generated 7,377 metric tons of $CO_2e$ in 2022, which would result in carbon offsetting costs of approximately $400K per annum.

## Summary

The scenarios detailed above indicate that the Group would be able to comfortably withstand these severe but plausible downside situations and retain more than sufficient liquidity. The reverse stress test also illustrates that the factors required to exhaust Group liquidity are considered a remote likelihood. The Group would also comfortably comply with its covenants in these severe but plausible downside scenarios.

Furthermore, the Directors consider the mechanics of the Group's business model and the consequential impact to its long-term viability. The Group operates with high gross margin, recurring subscription software revenue, alongside low customer concentration thus creating a sustainable business model. In the year to 31 December 2022, no single customer accounted for greater than one per cent of Group revenue. The Group's software subscription model proved resilient during the pandemic-related uncertainties of 2020, during which time management and the Directors proactively managed the business to meaningfully improve operating cash flows while continuing to grow revenue.

Based on the above assessments, the Directors have a reasonable expectation that the Group will continue in operation and meet its liabilities as they fall due over the three-year period ending 31 December 2025.

**Hanno Damm**
**Chief Financial Officer**

20 March 2023

## Task Force on Climate-related Financial Disclosures (TCFD)

# We operate in a low carbon industry but we intend to play our part in fighting climate change.

### Overview

At Trustpilot, we understand that we need to play our part in addressing the global climate change crisis. While we're not in the business of manufacturing or distributing physical products that put stress on our natural resources, there are ways in which we can minimise the impact our actions have on the environment.

We recognise the importance of identifying and managing climate-related risks and opportunities and are committed to the recommendations of the Task Force on Climate-related Financial Disclosures (the TCFD). Trustpilot has made good progress during the year in setting our sustainability goals and developing a plan to achieve them. We have identified where we need to improve after considering the TCFD framework as we continue our journey to reduce the impact our business has on the climate.

This annual report complies with the requirements of Listing Rule 9.8.6(8), by including climate-related financial disclosures consistent with the TCFD recommendations. Our disclosures are structured in line with the four thematic pillars of TCFD (governance, strategy, risk management, and metrics and targets) and we have set out our progress against each of the 11 TCFD recommendations.

# TCFD continued

## Our progress in 2022

Due to the nature of our business, which is carried out online, we have an inherently lower carbon footprint compared to companies in other sectors. The majority of our greenhouse gas (GHG) emissions are Scope 3 emissions; these are indirect emissions that occur elsewhere in the value chain, for instance, emissions by our third-party suppliers. Although our ability to alter the emissions created by third-party suppliers is limited, we explore suitable green alternatives as we encourage the transition to renewable energy sources across our business and its extended value chain.

The GHG emissions over which we have direct control are predominantly related to the operation of our office spaces, and whilst these emissions are not considered to be high, we are taking steps to reduce these emissions where we can. These steps are discussed in further detail in the "Metrics and targets" section of this report on pages 61-64.

The actions taken in 2022 in working towards our goal of achieving consistency with the TCFD recommendations are summarised in this table.

| TCFD pillar | Actions completed during 2022 |
|---|---|
| Governance | Appointed a climate change steering group comprising cross-functional senior employees to manage climate-related risks and opportunities, and to drive execution of our TCFD action plan. |
| | Appointed an executive leadership team (ELT) sponsor with responsibility for overseeing management of climate-related risks and opportunities, including the work of the climate change steering group. |
| | Conducted an independent assessment of the Board's skills and experience on ESG (including climate change) with recommendations to close any skill or experience gaps. |
| | Appointed a Board sponsor with responsibility for oversight of climate-related risks and opportunities. |
| Strategy | Completed an inaugural climate-related risks and opportunities assessment, conducted by the climate change steering group, which was subsequently reviewed by senior management and the Board. |
| | Trustpilot's most material climate-related risks have now been incorporated within the Group's viability and going concern assessments. |
| Risk management | Introduced a climate risk register, overseen by the climate change steering group, and aligned to the ERM framework. |
| Metrics and targets | Appointed Watershed, an industry specialist in carbon footprint measurement, management, and reporting, as our new enterprise climate platform. Watershed subsequently helped us to better define our Scope 3 carbon emissions, and reassessed our 2021 emissions. |

## TCFD consistency statement

With the actions we took during 2022, we have established a solid foundation upon which we will continue our journey towards implementing the TCFD recommendations. We recognise that we need to take further steps in order to achieve that.

We have considered the TCFD's All Sector Guidance ("Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures") and, at the time of publication of this annual report, our climate-related financial disclosures are not yet fully consistent with the TCFD framework. Our progress towards meeting each of the 11 recommended disclosures is set out under each of the four thematic pillars, with progress against the key shown below. A key commitment within our sustainability strategy, set out in more detail in our sustainability report, is to make further progress in 2023 and beyond to achieve the recommendations set out in the TCFD framework. Having taken the requisite initial steps to understand our climate impact and climate-related risks, we intend to continue to refine our climate-related targets for our business and its extended value chain.

Consistency with TCFD recommendations

● Fully Consistent ● Partially Consistent ● Not Consistent

# TCFD continued

## Governance

| TCFD recommendations | Status |
| --- | --- |
| a. Describe the Board's oversight of climate-related risks and opportunities | ● |
| b. Describe management's role in assessing and managing climate-related risks and opportunities | ● |

In 2022, Trustpilot improved its governance arrangements relating to climate-related risks and opportunities. The formation of a management-level climate change steering group, comprising cross-functional senior employees, ensures that climate-related risks and opportunities are embedded in the Enterprise Risk Management (ERM) framework and strategic decision-making processes. This is aligned to the way Trustpilot manages risk across the whole of the business.

The climate change steering group meets as and when required. In 2023, we will review and further enhance the role and remit of the climate change steering group.

### Board oversight

The Board has collective responsibility for risk and during the year, delegated the management of climate-related risks and oversight of TCFD to the Audit Committee. Rachel Kentleton, Chair of the Audit Committee, is the Board sponsor with overall responsibility for overseeing climate-related risks and opportunities. Our Chief Trust Officer (CTrO), Carolyn Jameson, is the executive sponsor for ESG, as well as the climate change steering group. Rachel receives regular updates from Carolyn, and climate-related risks and opportunities will be considered annually by the Audit Committee in line with our ERM framework.

In February 2022, the Board reviewed and approved the results of an ESG materiality assessment which had commenced in 2021. This materiality assessment assisted in shaping the Group's ESG strategy, including its integration into the Group's strategic goals. The Board considered ESG matters throughout the year and focused on the environment pillar of ESG at its meetings in February, July and October 2022.

During 2022, the Audit Committee asked management to prepare clear TCFD 'action plans' and set goals for improving the Group's TCFD reporting. In response to this request from the Audit Committee, management conducted an assessment against TCFD recommendations and identified areas for improvement. The Board considered management's proposals for the governance, strategy and risk management of climate-related risks and opportunities for the Group, alongside the TCFD action plan, in July 2022.

In December 2022, the Board undertook an independent assessment of its skills and experience with ESG, including climate change. The results were reviewed to identify areas where there was an opportunity to expand knowledge, and the assessment identified a need to further develop the Board's knowledge on environmental matters, focusing on climate change. This training was undertaken in March 2023.

### Management responsibility

Trustpilot embeds climate-related risk into the three lines of defence of its ERM framework. Operationally, members of the ELT are responsible for overseeing delivery of the Group's climate-related commitments, supported by the climate change steering group. Cross-functional working groups are in place delivering against our ESG strategy, including climate-related goals, and the Board receives regular updates on progress. The internal audit planning process will also consider a review of climate-related procedures and controls.

Management oversaw an initial assessment of the Group's climate-related risks and opportunities. The assessment was led by the climate change steering group, which considered how the risks and opportunities identified may impact our business, strategy and financial planning, including how climate-related issues will be considered when reviewing strategy, capital expenditure, budgets and business plans, as well as setting objectives and monitoring performance. The risk impacts were considered on a qualitative basis. We established that Trustpilot's most material climate-related risks relate to shifting behaviours of the businesses that we work with and consumers that use the platform. We developed assumptions that looked at the potential for this outcome to occur, and included them in our three-year outlook and viability assessment. This has been reviewed by the ELT and Audit Committee, and approved by the Board. In 2023, we plan to further analyse our carbon footprint and begin work towards setting carbon emission reduction targets.

# TCFD continued

## Strategy

| TCFD recommendations | Status |
| --- | --- |
| a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term | ● |
| b. Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning | ● |
| c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | ● |

We operate in a low-carbon industry, however, we recognise that we still have a role to play in the UK Government's target to become net zero by 2050. Supported by our ERM framework, and the TCFD's all sector guidance, we undertook the following:

1. Climate change scenarios
2. Selection of time horizon
3. Risks and opportunities assessment
4. Board approval

## 1 Climate change scenarios

**Scenario selection**

We use climate change scenarios to assess the viability of our business strategy and approach to managing climate-related risk, including the potential for impact on our financial results. We expect the approach taken to scenario assessments, and tools and quality of the available data to improve over time. Within this context, for the purposes of this report we have used the guidance made available by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) to develop hypothetical scenarios based on three possible outcomes.

The Group recognises that the impact of risks associated with climate change occurring will vary based on the scenario being assessed. For example, in a world where little or no action is taken to mitigate climate change, we may be exposed to higher physical risks due to the increased severity and frequency of climate change-related weather events, which may develop over the longer term. Conversely, if immediate action is taken to reduce the impacts of climate change, we may be less exposed to physical risks, but more exposed to transition risks as we are required to comply with new policies and potential regulation, which we believe are more likely to impact Trustpilot in the short or medium term.

| >4°C (no action) | 2-3°C (within current stated policy) | <2°C (1.5°C = Paris Agreement) |
| --- | --- | --- |
| Under this scenario, there is inadequate action to limit greenhouse gas emissions, and modelling reflects a world where global average temperature increases on a trajectory towards (or above) 4°C by 2100. | This scenario is based on the current trajectory of climate change, based on the existing actions being taken. | "Paris Agreement": Under this transition scenario, there is sustained and coordinated collective action, with emissions reductions meeting the required levels to keep global average temperature increases to below 1.5°C by 2100. |

# **TCFD** continued

## 2 Selection of time horizon

The Group considered the impact of climate-related risks and opportunities in the short, medium and long term:

**Short (0-3 years)**

**Medium (4-10 years)**

**Long (10+ years)**

We're not in the business of manufacturing or distributing physical products that put stress on our natural resources. For this reason, our definition of short and long term may differ from that of more established sectors whose carbon footprint may also be higher than ours.

We aligned our short-term timeline with our strategic planning process, which addresses the expected commercial and financial performance over the subsequent three years, and the accompanying expected effects on cash flows and liquidity. Consistent with this, we are also able to use our most material risks in the short term as part of our assessment of viability.

## 3 Risks and opportunities assessment

We conducted a qualitative assessment of our climate-related risks and opportunities, identifying both physical and transition risks and evaluating their potential impact on the Group. This exercise included considering the potential impact of macroeconomic factors, i.e. GDP and carbon pricing, underpinned by global temperature changes and climate scenarios, against our strategic goals.

Once the initial assessment was conducted, we calibrated this against our ERM framework. This involved reviewing the criteria used to define low, medium and high impact within the context of our climate-risk assessment. We have agreed that the impact ratings are purely on a qualitative basis this year and acknowledge that more work needs to be done to integrate the climate-risk assessment with our ERM framework.

The impact ratings for each risk/opportunity identified in the qualitative risk assessment follow the key outlined below, and were assigned by considering the chance of the risk becoming apparent within each of our chosen time horizons.

| Inherent Risk Impact | | |
|---|---|---|
| Low | Medium | High |

Our risks and opportunities assessment is shown on the following pages (pages 57-59). We have conducted a qualitative assessment of our transition and physical risks as part of this process, as well as an assessment of the opportunities that arise in the short-term by transitioning to a net zero economy.

## TCFD continued

Assuming that the world is taking immediate action on climate change, with a trajectory towards a Paris-aligned scenario, we believe that the transition risks we need to consider are algined with our short-term time horizon. We have laid out some of the transition risks that we may need to consider below.

| Transition risks | Short-term (0-3 years) | Medium-term (4-10 years) | Long-term (10+ years) |
|---|---|---|---|
| **Policy and legal** | | | |
| As more steps are taken to decrease carbon emissions and limit global warming, new regulations could be introduced to require Trustpilot to reduce its impact on the environment. An example of such climate-related regulation could be the Corporate Sustainability Reporting Directive (CSRD), which is focused on organisations like Trustpilot that use colocation or cloud services.<br><br>The introduction of such regulation, and the failure to comply with it, could lead to increased operating costs, and the risk of fines and other enforcement action. | ● | ● | ● |
| Any failure to comply with climate-related regulations, or insufficient action in relation to reduction of carbon emissions, could lead to litigation from stakeholders and/or activist groups, including class actions. | ● | ● | ● |
| Failure to adequately reduce our emissions in line with the targets we set across Scope 1, 2 and 3 emissions, could result in a carbon tax being applied as a financial penalty to enforce performance. | ● | ● | ● |
| **Technology** | | | |
| The development of emerging technology to support a lower-carbon economy is likely to require increased investment. This could result in higher costs through:<br>• Higher energy costs associated with lower-carbon emission energy<br>• Substituting existing technologies and processes for new lower-emission options<br>• Investing in product features and initiatives to help reduce carbon emissions<br>• Increased office-based costs to help lower emissions - waste removal, energy efficiency measures etc.<br>• Introduction of carbon-based taxation on companies | ● | ● | ● |
| **Market** | | | |
| As attitudes continue to shift and expectations grow around businesses taking responsibility for reducing their impact on the environment, Trustpilot could come under pressure to reduce its carbon emissions. Given we are a low-carbon, online business, we don't believe we will be exposed to such pressures. However, failure to reduce our carbon emissions could result in reputational damage and loss of revenue through reduced demand if there is a perception that we do not take sufficient action. | ● | ● | ● |

# **TCFD** continued

| Transition risks | Short-term (0-3 years) | Medium-term (4-10 years) | Long-term (10+ years) |
|---|---|---|---|
| **Reputation** | | | |
| Increased concern and/or negativity from stakeholders in respect of Trustpilot's impact on the environment and/or lack of focus on climate change in its products and services, especially as investor awareness and expectations/sentiment with respect to climate change are incorporated into their investment decisions. This could have a negative impact on our share price from reduced demand for shares from investors, and reputational damage from adverse media or stakeholder sentiment around our products and services. | 🟡 | 🟡 | 🟢 |
| Failing to achieve the public goal to set science-based targets could result in reputational damage from adverse media of stakeholder sentiment around our products and services. | 🟡 | 🟢 | 🟢 |

Conversely, based on guidance made available by the IPCC and IEA, taking no further action to combat climate change could result in a >4°C scenario by 2100. Therefore, the Group believes this opens up greater physical risks over the long-term (10+ years) as the effects of climate change start to take shape.

| Physical risks | Short-term (0-3 years) | Medium-term (4-10 years) | Long-term (10+ years) |
|---|---|---|---|
| **Acute physical** | | | |
| An increase in severe weather events or natural disasters can result in disruptions to travel, damage to offices and general disruption to our business. Such events could have a variety of impacts on our business. Disruptions to travel and damage to our offices can lead to increased costs and a negative impact on our culture if employees are unable to access offices for a sustained period of time. | 🟢 | 🟢 | 🟢 |
| An increase in natural disasters can impact the global supply chain, and subsequently sales revenues of businesses that use our platform. Declining revenues for our business customers could result in them scaling back on marketing spend and, as such, impact Trustpilot's sales revenues and retention rates. | 🟢 | 🟢 | 🟢 |
| **Chronic physical** | | | |
| Travel and supply chain resilience will be tested in the event of more regular changes in extreme weather patterns or rising temperature and sea levels. The effects of climate change have the potential to be detrimental to the global economy, and in turn have a knock-on effect on Trustpilot's future revenues, cost structure and insurance premiums. | 🟢 | 🟢 | 🟡 |

# TCFD continued

Transitioning to a net zero economy provides new opportunities for Trustpilot that we can take advantage of primarily in the short term, under the assumption that immediate action is taken on climate change. We are actively pursuing the opportunities identified under "resource efficiency" and "energy source" as they address our carbon emissions hotspots and form part of our carbon emissions reductions plan.

## Climate-related opportunities (0-3 years)

### Resource efficiency

Given the need to reduce carbon emissions and that business travel is one of our main emissions hotspots, there is an opportunity to reduce high-carbon emitting travel and/or switch to alternative, lower-carbon modes of transport.

Reduce office footprint and/or move to more energy-efficient buildings to reduce carbon emissions. We operate out of serviced offices, and will apply pressure where we can on our landlords to provide green energy solutions.

### Energy source

Investing in new lower-carbon emission technologies and pursuing a vendor procurement strategy to prefer vendors with commitments to reduce carbon emissions.

Trustpilot will be eligible to participate in the carbon market by purchasing carbon licences and engaging in other carbon offsetting initiatives.

### Products and services

Potential to increase revenue and reputational benefits associated with embracing consumer and business sentiment towards reducing carbon emissions and building in climate-related initiatives into our products and services.

We anticipate that immediate action will be taken to combat climate change, and as such, can take advantage of any public sector incentives to lower carbon emissions, such as grants and tax breaks.

### Reputation

Trustpilot's climate strategy can synergise with potential employee ethos for climate change, improving culture and employee morale.

# TCFD continued

## 4 Board approval

### Resilience of our strategy

As our climate-related risks and opportunities assessment shows, operating in a low-carbon industry doesn't fully exempt Trustpilot from physical or transitional risks. Conducting such an assessment enables Trustpilot to build resilience.

To assess the materiality of our climate-related risks, we used assumptions to model a scenario where the perceived highest climate-related risks actually happened. This scenario was included in our viability assessment and aimed to illustrate and acknowledge the ongoing global challenges in addressing the climate crisis.

We modelled a realistic short-term scenario that requires transition to a net zero economy and a trajectory towards reaching alignment with the Paris Agreement goal of limiting global temperature increases to 1.5°C by year 2100. We modelled possible reputational impacts as attitudes continue to shift among customers and consumers, resulting in increased concern and negativity from stakeholders if our efforts are considered inconsistent with their expectations, and thus, reduced demand.

We also assessed the potential impacts of a slowdown in global economic activity, modelling assumptions based on a more challenging new business environment and greater churn among our existing customers. More information on the assumptions used for this scenario can be found within the viability statement on pages 50-51.

Through reviewing the results of the climate-related risk and opportunities assessment and the viability assessment the Group determined that, based on the assumptions used, none of the risks identified have a significant enough impact to be recognised as a principal risk. However, our intention is to keep the scenario modelling under constant review and build on our climate governance and strategy. The climate change steering group will also monitor the evolution of the methodologies and tools employed to help businesses assess the impact of these risks and continue to develop our ability to respond as necessary.

In this way, we intend to ensure that we continue to enhance our ability to identify and measure climate-related risks, enabling us to meet our commitments. In line with our overarching ESG strategy this includes delivering a carbon emissions reduction plan, which will help in setting and achieving a science-based target that will meet the SBTi criteria. In setting science-based targets, we are aligning reduction targets with a 2°C or lower scenario. We have determined that these actions are a sufficient response to our highest market and reputational risks.

The modelling performed as part of the viability assessment confirms that climate change is not considered a principal risk to the business. This modelling has been approved by the Board, based on the recommendation of the Audit Committee.

# **TCFD** continued

## Risk management

| TCFD disclosure recommendations | Status |
|---|---|
| a. Describe the organisation's processes for identifying and addressing climate-related risks. | ● |
| b. Describe the organisation's process for managing climate-related risks | ● |
| c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. | ● |

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

### Embedding climate issues into our ERM framework

The Group's overall approach to risk is set out in the "How we manage risk" section on page 67. This year, we have started our journey to integrate and manage our climate-related risks through our ERM framework. Our climate-related risks that are perceived to be the highest risk are captured in our annual financial planning process, with scenarios being considered as part of our viability assessment.

In 2022, we added a climate risk register to our ERM framework. The climate change steering group used a variety of sources to help with identification of potential climate-related risks and opportunities, ranging from climate change research papers and publications, to TCFD guidance on climate-related risks and opportunities, such as the TCFD's All Sector Guidance ("Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures"). The climate risk register was then validated by our Risk function, and then contributions were made by our ELT before approval by the Audit Committee.

After assessing these factors as they relate to our business activities, we have determined that climate change is not currently one of our principal risks. The Group's ongoing responses to the climate-related risks will be assessed as part of the ERM framework.

Scenarios will also be reviewed annually as part of the ERM framework to assess if the climate-related risk treatment plans and the identified risks are still viable. This will be updated and reflected within the climate risk register and reported to the Audit Committee.

## Metrics and targets

| TCFD disclosure recommendations | Status |
|---|---|
| a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process | ● |
| b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks | ● |
| c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets | ●* |

* In 2023, we will analyse our emissions data to assess what targets we can set to reduce our emissions in line with the SBTi methodology

Trustpilot uses a third-party enterprise climate platform, provided by our new carbon reporting vendor, Watershed, which allows us to access detailed information about our carbon footprint and GHG emissions across Scope 1, 2 and 3. We measure and disclose our GHG emissions expressed both as total emissions ($tCO_2e$) and in terms of revenue intensity ($tCO_2e$ reported per total $1,000,000 revenue). The access to granular information about our emissions is a vital part of our risk management process and also informs our wider strategy decisions.

# Environment

## Our GHG emissions

In 2022, we switched carbon reporting vendors to Watershed, an industry specialist in carbon footprint measurement, management, and reporting. Watershed helped us to better define our Scope 3 carbon emissions and reassessed our 2021 emissions, based on the same data. Both Watershed, and our previous carbon reporting vendor used the World Resources Institute GHG Protocol Corporate Accounting and Reporting Standard, which provides a standardised approach for presenting emissions. However, in comparison with the 2021 footprint presented in our 2022 Sustainability report, the re-calculated footprint is lower. This seeming discrepancy is caused by a greater degree of granularity and accuracy being available through our new vendor, including:

- Collecting data for goods and services suppliers from individual suppliers, enabling them to use some supplier-specific emissions factors, and where not possible, to get more specific with industry average estimates.
- Calculating the carbon emissions resulting from businesses and consumers using Trustpilot's platform in greater detail than before, using actual Trustpilot usage data and specific power intensities of regional grids around the world.

This increased accuracy was the reason we chose to change carbon reporting vendors. We are confident that both of the carbon footprints presented in this report, including the recalculated footprint for 2021, represent a fair and accurate calculation of our environmental impact, and we will continue to report our emissions with consistency and transparency.

We have included our updated 2021 and 2022 carbon footprint data.

| GHG Category | 2022 Emissions ($tCO_2e$) | 2021 Emissions ($tCO_2e$) | Description |
|---|---|---|---|
| **1.0 – Direct emissions** | 84 | 76 | Refrigerant and natural gas usage |
| **2.0 – Purchased electricity steam, heat and cooling** | 619 | 409 | Mostly comprised of electricity usage with some heating usage |
| **3.1 – Purchased goods and services** | 3,468 | 2,969 | Various operating expenses such as consultants, IT, insurance, office supplies, events, training, food and beverages, and advertising |
| **3.2 – Capital goods** | 1,080 | 55 | Furniture and fixture purchases for offices |
| **3.3 – Fuel and energy-related activities** | 191 | 127 | Activities directly related to well-to-tank including electricity, natural gas and oil |
| **3.5 – Waste in generated operations** | 70 | 21 | General waste and recycling |
| **3.6 – Business travel** | 1,124 | 426 | Costs related to air travel, trains, hotels, taxi/rideshare services, meals while travelling and car mileage |
| **3.7 – Employee commuting** | 658 | 445 | Commuting measurements with respect to travel via car and public transit as well as work-from-home related emissions |
| **3.8 – Upstream leased assets** | 4 | 1 | Office-related usage in short-term leased offices |
| **3.11 – Use of sold products** | 79 | 104 | Usage of our website and mobile app |
| **Total** | **7,377** | **4,633** | |

| GHG Scope | 2022 Emissions ($tCO_2e$) | 2021 Emissions ($tCO_2e$) |
|---|---|---|
| **Scope 1** | 84 | 76 |
| **Scope 2** | 619 | 409 |
| **Scope 3** | 6,674 | 4,148 |
| **Total** | **7,377** | **4,633** |

| Carbon intensity ratio* | |
|---|---|
| 2021 $tCO_2e$/Revenue | 35 |
| 2022 $tCO_2e$/Revenue | 50 |

* **$tCO_2e$ reported per total $1,000,000 revenue (Scope 1, 2, 3) ($tCO_2e$/revenue)**

# **Environment** continued

All relevant Scope 1 and 2 activities and Scope 3 categories have been considered in our carbon footprint analysis. The operational boundaries were set to include analysis of building-related activities such as air-conditioning, heating and electricity, water usage and waste production, and business travel by aeroplane and train as well as hotel stays. Employee commuting, food, procured goods and services, and server and software usage were also within the scope of this analysis. Please note that seven of the Scope 3 categories were excluded as they do not apply to Trustpilot: Scope 3.4, 3.9, 3.10 are relevant to businesses that sell goods and require shipping of materials and products; Scope 3.12 is related to capturing the waste generated by a tangible product sold by a company; Scope 3.13 captures emissions related to assets a business receives money for (ie lease); Scope 3.14 is related to franchises; Scope 3.15 is the scope related emission from the share of investments on a company from which you have some extent of operational control over or that they get benefits from.

## Greenhouse gas emissions – Streamlined Energy and Carbon Reporting (SECR)

In accordance with the disclosure requirements for listed companies under the Companies Act of 2006, the table below shows the Group's SECR disclosure across Scope 1, 2 and 3 together with our total energy use of gas, electricity and other fuels during the financial year.

| | | 2022 | | 2021 | |
|---|---|---|---|---|---|
| **Energy consumption** | **Unit** | **UK** | **Global (excl UK)** | **UK** | **Global (excl UK)** |
| Energy consumption used to calculate emissions (Scope 1 and 2) | kWh | **492,178** | **1,497,143** | 257,474 | 1,206,236 |
| Emissions from sources which are owned or controlled by the Company including combustion of fuel for transport and operation of facilities (Scope 1) | tonnes $CO_2e$ | **36.9**<br>**44%** | **47.5**<br>**56%** | 24.1<br>32% | 52.3<br>68% |
| Emissions from purchased electricity, heat, steam, and cooling (Scope 2, location-based) | tonnes $CO_2e$ | **65.9**<br>**19%** | **272.7**<br>**81%** | 36.1<br>18% | 161.7<br>82% |
| **Total** | tonnes $CO_2e$ | **102.8** | **320.2** | 60.2 | 214.0 |

| **Intensity ratios** | | 2022 | 2021 |
|---|---|---|---|
| tonnes $CO_2e$ per USD million of revenue | | **2.15** | 1.63 |
| tonnes $CO_2e$ per employee | | **0.47** | 0.36 |

## Streamlined Energy and Carbon Reporting (SECR) Methodology

Emissions were calculated following the GHG Reporting Protocol (Corporate Standard) using the Watershed platform. Energy usage data was collected or estimated based on building square-footage for all facilities, and was combined with emissions factors from the US EPA, Ecoinvent, TCR and other data sources to calculate GHG emissions. Electricity emissions factors are chosen based on geography to reflect the emissions intensities of the facilities' local grid.

## Increases from 2021 to 2022

We saw an increase in our carbon emissions from 2021 to 2022. There are three main reasons for this:

- New offices – In 2022, we moved to a new office in New York, and also had build-outs in the UK and Melbourne. The increased emissions stem mainly from buying new furniture and fixtures for offices and home offices.
- Travel and commuting – 2022 saw a return to pre-pandemic levels of business travel as well as employees coming to the office on a more consistent basis, which led to higher utility and commuting-related emissions.
- Increased marketing spend – We ran a brand campaign in Italy in the second half of 2022, and also saw an increase in business as usual marketing spend, causing increased indirect emissions.

No two years of doing business are the same, and whilst we do not have any more major office build-outs planned in the near future, we can look at the factors that underpin this increase to try and identify the changes we can make in the way we operate, regardless of outside factors like pandemics, or fluctuations like campaigns and new offices. We believe that by identifying our emissions hotspots and acting on them, we can turn our trajectory around and achieve steady, measurable carbon reduction progress over time. In 2022, we started to utilise our emissions data to address climate-related risks and opportunities. Using our carbon footprint data for 2021 and 2022, we have identified our top three emissions hotspots and have created a high-level carbon reductions plan. Building on the detailed knowledge from both sets of carbon footprint data, we will spend 2023 turning this high-level plan into a detailed roadmap to carbon reduction, which in turn will allow us to further analyse our risks and opportunities, as well as set science-based emissions targets. We believe that the action we take in tackling our emissions hotspots and setting a science-based target will appropriately address the highest risks identified in the climate risk assessment. All other risks will be managed through our ERM framework.

# **Environment** continued

Trustpilot's emissions hotspots based on our 2021 and 2022 carbon footprints:

| Category | Emissions hotspots | High-level plan for carbon reduction |
|---|---|---|
| **Scope 2** | Use of non-renewable energy in offices | In 2023 and going forward, we will continue to develop our sustainable procurement efforts. We have started a cross-functional project dedicated to this work and the changes that need to be made.<br><br>We are investigating how to expand the use of green energy wherever possible. In 2022, two of our offices ran on renewable energy, and in 2023 we will begin talks with our other landlords and vendors in relation to this. |
| **Scope 3** | Purchased goods and services (supply chain) | We have started a cross-functional project focusing on the ways in which we can reduce our indirect emissions through sustainable procurement. Options include upgrading sustainability criteria in procurement decisions, and working with suppliers who have emissions reduction goals of their own.<br><br>The SBTi offers several different methodologies for setting Scope 3 reduction targets, including ones based on GHG emissions by per cent, or as supplier engagement targets. Part of our reduction planning efforts will be finding out which methodology makes the most sense for Trustpilot. |
| **Scope 3** | Business travel, especially flights | Reducing business flights is another area where we will make changes long-term to contribute to our Scope 3 carbon reduction targets. This will include policy changes on sustainability and travel.<br><br>We are also increasing our flexibility when it comes to physical location. We have introduced a hybrid working model, and aim to reduce business travel where possible, making extensive use of video conferencing. |

### Setting a science-based emissions reduction target

We have also further defined our climate objectives by working towards setting a science-based emissions reduction target or targets in line with the global emissions trajectory necessary to uphold the Paris Agreement goal of limiting global temperature increases to 1.5°C compared to pre-industrial levels. We will seek external validation of this target or targets by the SBTi, the Science Based Targets initiative.

Trustpilot's anticipated timeframe for the SBTi validation process is as follows:

- SBTi registration and submission of an official letter of intent was completed in February 2023.
- In 2023, we will progress our current high-level reduction plan into a more granular emissions reduction plan, based on the combined knowledge from our footprints for 2021 and 2022. This emissions reduction plan will form the basis for the science-based near-term target or targets we will submit to the SBTi.
- We will present our target or targets to the SBTi for official validation during H1 2024.
- Once validated by the SBTi, we will announce our target and inform our stakeholders.
- We will continue to report Company-wide Scope 1, 2 and 3 emissions, YoY development and progress against our target or targets, in our annual report and annual sustainability report.

### Next steps

Urgent climate action is needed across all industry sectors, including ours. At Trustpilot, we are committed to doing our part in mitigating the global climate crisis by setting and reporting on science-based emissions reduction targets. Trustpilot is still in the starting phase of the process of setting and reporting on emissions reduction targets. We also recognise that our emissions have increased, as shown by the development from the 2021 to the 2022 carbon footprint. Our priority in 2023 is to analyse our emissions data and understand our current reality and trajectory, using our findings to help with setting a science-based target that can be validated by the SBTi.

## Risk management

# At Trustpilot, we want to adopt a robust approach to risk to ensure we achieve our mission to be the most trusted and most used online reviews platform, and grow our business in a sustainable way.

### Managing our risks effectively

Like all businesses, we face a number of risks and uncertainties. Successful management of existing and emerging risks is critical to the achievement of our strategic objectives and long-term success. At Trustpilot, we want to adopt a robust approach to risk to ensure we achieve our mission to be the most trusted and most used online reviews platform, and grow our business in a sustainable way.

It's also important to us that we establish a culture that adopts a risk-based approach to the delivery of our strategic goals. In 2022, we worked with leadership, and throughout the business, to develop an understanding of our principal risks and to ensure we have appropriate controls to manage these risks. We have strengthened our internal control framework and have a good understanding of our key risks across our functional areas. Please refer to the "Our year in review" and "Looking ahead - our focus in 2023" sections on page 69 for more information on what we have accomplished to date and the work we're doing around continuous improvement of our ERM framework.

### Who is responsible for risk?

The Board has collective responsibility for determining the Group's risk management framework and is supported in performing its duties by the Audit Committee. The ERM framework, the Group's risk culture, its governance structure and internal controls together give the Board assurance that risks are being appropriately identified and managed in line with its risk appetite.

The Board ultimately sets expectations in relation to conduct, trust and integrity, defines our risk appetite, approves material decisions relating to our risk profile, and assesses potential risks which may impact our strategy, reputation, operations or business model.

# Risk management continued

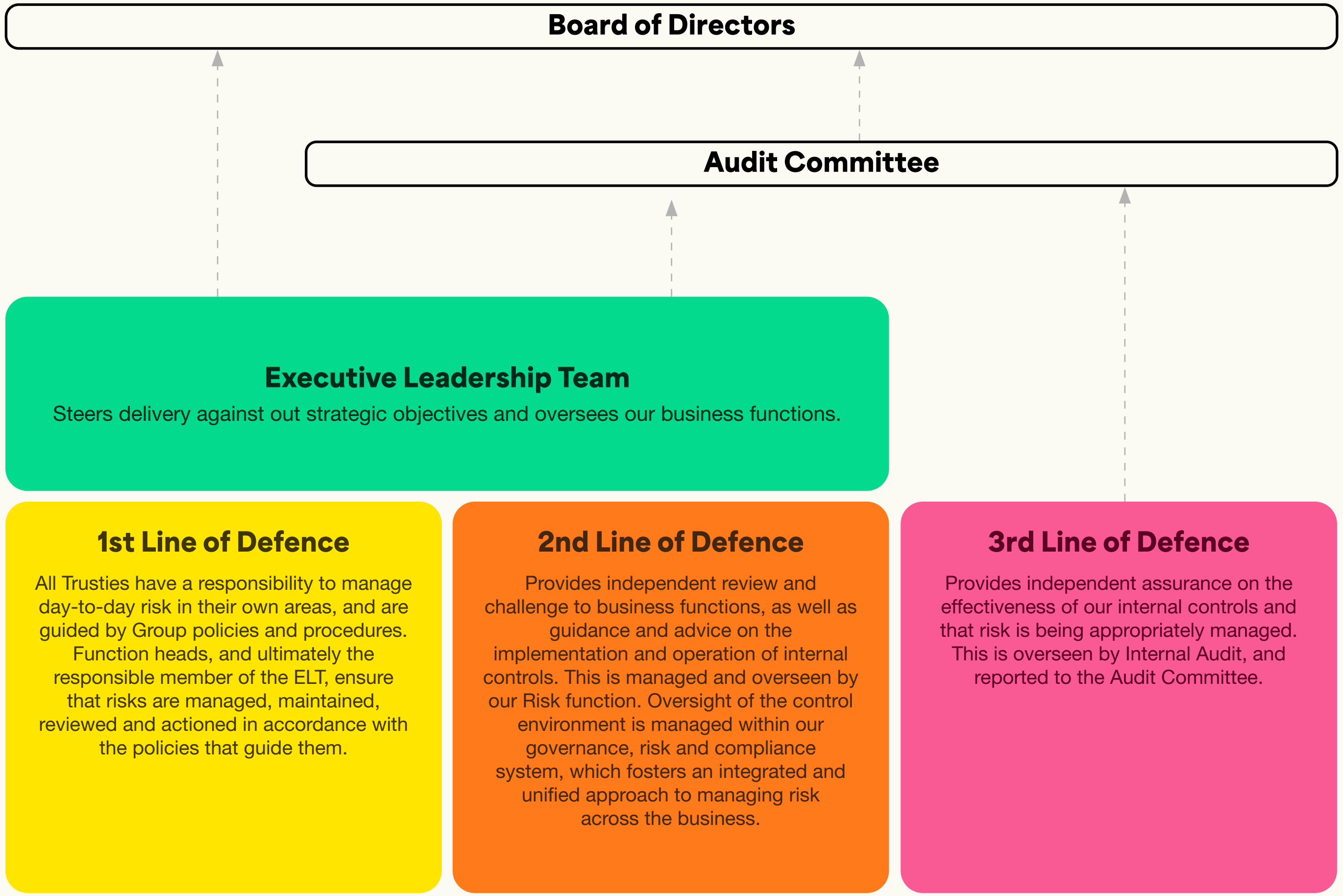
As mentioned on page 65, the Board is supported by our Audit Committee which is responsible for reviewing, reporting and managing risk. The Audit Committee reviews our internal controls and risk management systems, and is accountable for the review, maintenance and updating of our risk register. The Audit Committee reports to our Board on matters within its duties and responsibilities.

Operational management of risk is the responsibility of our ELT which reports to the Audit Committee and the Board.

On a day-to-day basis, our dedicated Risk function is responsible for compliance leadership, promoting a risk-conscious culture across all levels of the organisation, and providing the necessary guidance to identify, evaluate and mitigate the risks which could endanger the achievement of Trustpilot's strategic objectives. The Risk function executes our ERM process and acts as gatekeepers of the Risk Policy, which is approved by the Board. The practical components of the policy are outlined in a detailed Risk Management Procedure, which guides the business to implementing risk management on a day-to-day basis. This procedure provides guidance for various risk assessments to be conducted across the organisation.

The Risk function is supported in carrying out its duties by the ERM framework. We aim to set clear guidelines for managing risks throughout the organisation by using common language, and ensuring appropriate ownership, management and control. On a day-to-day basis, we consider all of our Trusties to be risk managers and take an active role in embedding a risk-conscious culture throughout the organisation.

We use our risk framework to drive an integrated and owned approach to risk through the culture of the entire organisation, supported by the three lines of defence:



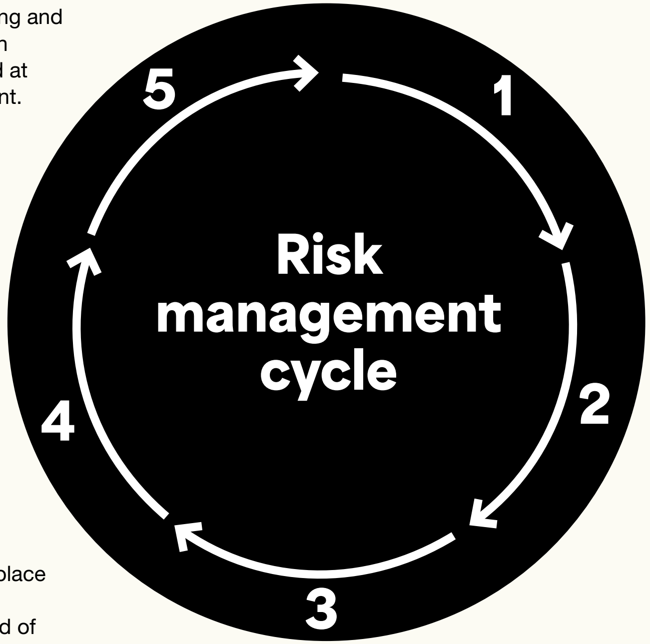

This approach, together with the Group's risk culture, its governance structure and internal controls, give the Board assurance that risks are being appropriately identified and managed.

# **Risk management** continued

## How we manage risk

**We want to build a culture across the organisation that considers risk when conducting new and existing activities. Facilitated by the Risk function, a five-step process has been developed to identify, monitor and manage the risks to which the Group is exposed. This is supported by our Risk Management Procedure – a document that has been prepared to support business stakeholders through the ERM process.**

**This methodology is used by all Trusties and provides clear guidelines on effective decision-making through a risk-based approach.**




### 1
### Identify risk landscape

As part of our risk identification, we record both current and emerging risks that could prohibit, hinder or restrict the achievement of our strategic objectives.

### 2
### Assess risk impact and likelihood

Once risks are identified we need to assess the level of risk to which Trustpilot is exposed. To do this we consider the following factors:

- The likelihood of the risk materialising.
- The impact on Trustpilot if the risk were to materialise.

### 3
### Evaluate risk response

Once we have identified and scored our risks we decide how we will manage the risk.

### 4
### Mitigate risks

We work with business stakeholders to put in place activities to reduce the impact and/or likelihood of the risk occurring.

We call the activities that help us reduce the risk, mitigants; these can be in the form of processes, policies or structured controls that are performed on a regular basis.

### 5
### Monitor and report

The activity of monitoring and reviewing our risks is an ongoing process aimed at continuous improvement.

## **Risk management** continued

# How we define our risk appetite

**The Board has considered the nature and extent of the principal risks Trustpilot currently faces, and the maximum level of risk we are willing to take in pursuit of our strategic objectives. This helps us to apply a consistent yet flexible approach to risk across the whole organisation, so we can ensure that we are not exposing Trustpilot to more risk than it is comfortable with. Trustpilot uses the following scale to define risk appetite:**

In 2022, the Risk function facilitated a workshop with the Board that was dedicated to defining our risk appetite across our principal risks. The timing of this workshop was aligned to the Board's review of our strategy. We are on a journey of implementing a risk culture across the organisation and, in 2023, we will continue to operationalise our risk appetite across the organisation.

| Averse | Cautious | Neutral | Flexible | Open |
|---|---|---|---|---|
| **Tendency to avoid risk. Preference of a sure outcome.** | **80/20 approach. Calculated, with a very attractive risk-reward ratio.** | **Comfortable with taking risk with good reason, based on analysis of risk vs reward.** | **Risk seeking. Willing to take calculated risks and respond to the impact of the risk materialising.** | **Maximises the chances of return and will tolerate the risk involved.** |

### Collaboration

Whilst maintaining the required independence, Internal Audit and Risk continue to work in close collaboration in order to provide effective oversight of, and guidance to, first-line functions.

Using the enterprise risk assessment, Internal Audit and Risk scope and align their respective audit and risk plans to review identified areas of high risk for the business whilst ensuring that the business has the right support and guidance to address any findings. This collaborative approach helps to enhance the profile of Internal Audit and Risk throughout the organisation as well as the risk culture and cooperation in the first-line functions.

Some of the engagements completed by Internal Audit and Risk are outlined in the "Our year in review" section.

# Risk management continued

## Our year in review

In 2022, we further enhanced our ERM framework, and initiated a series of risk workshops across different functions and markets to review our principal risks. We placed particular focus on building a risk-aware culture across the organisation, while defining clear ownership and tone at the top in relation to our principal risks. Some highlights are included below:

- Working with our ELT, we identified a series of stakeholders across the business functions that can help us on our journey to integrate and embed a risk culture. These stakeholders are our main points of contact and considered to be subject matter experts in their functions. They will be guided by our Risk Management policy and Risk Management procedure. These documents provide support and guidance on the risk management process and represent a key milestone as we mature the risk culture throughout the organisation.
- Internal Audit and Risk conducted a comprehensive review of our Enterprise Risk Assessment (ERA), facilitated through a series of risk workshops, interviews and consulting engagements to identify our current, emerging and principal risks. Outputs were reflected in principal and functional risk registers and delivered to the ELT, Audit Committee and Board.
- We facilitated a discussion of the Group's risk appetite across our principal risks. This includes the development of our risk appetite framework and will assist in building a risk culture as we operationalise risk appetite through the organisation.
- We continued to improve awareness and reporting on our whistleblowing procedures, as well as reviewing our Speaking Up policy. For example, we conducted an exercise to raise awareness around reporting through Vault; we introduced a banner on our corporate intranet linking to a resource on how to speak up; and reviewed our Speaking Up policy.
- We rolled out a policy management framework across the organisation. This serves to strengthen our internal control environment through setting expectations, providing direction and enhancing transparency. Having this framework in place will help with accountability and ensure our core policies that guide our business are regularly reviewed.
- With the help of external consultants, we reviewed and updated our internal controls over financial reporting, and established a road map for the monitoring and oversight of these controls within our governance, risk and compliance system. This further strengthened our internal control environment and provides assurance over the reliability of our financial statements.
- Across the leadership team, we collaborated on defining what high performance looks like at Trustpilot, establishing minimum standards, and building on our ethics and compliance framework with a series of mandatory training for all Trusties. We plan to roll this out in 2023.
- We established a climate change steering group and performed our inaugural assessment of climate-related risks during the year (refer to TCFD section on pages 52-64). Going forward, climate-related risk management will be integrated into the Group's overall risk management framework.

## Looking ahead – our focus in 2023

Our approach to risk is built for the needs of our business and we want to continue to support the business in building our risk culture in 2023.

The current macroeconomic environment, as well as the developing requirements around climate change, will no doubt present risks and opportunities. We are committed to applying even more rigour to our ERM framework, and continue to adopt a collaborative approach to assessing and managing risks that may arise.

Continuous improvement is at the core of our approach as we look to further mature our internal controls over financial reporting, along with our ethics and compliance framework. This will involve continued collaboration with our Finance and People teams, and we look forward to levelling up the organisation's approach to, and oversight of, internal controls.

Additionally, the annual review of the effectiveness of the systems of risk management and internal control identified opportunities for improvement in the IT general controls. In collaboration with Risk, the IT team presented an action plan for the Audit Committee involving a new model for the ownership of IT systems and controls, additional resourcing, and a timeline for deliverables during 2023. Risk will continue to work with the IT team, provide oversight of implementation, and report progress to the Audit Committee.

Finally, in light of the recent closure of Silicon Valley Bank (SVB) on 10 March 2023, the Group intend to review our approach to treasury management, including diversifying our banking partners to mitigate future risks.

# Risk management continued

## Our principal risks and uncertainties

We continually identify, review and manage existing and emerging risks that threaten our business model, performance or liquidity. In 2022, we discussed our principal risks during our Board's review of our strategy. We spoke about new and emerging risks in the current climate, any changes to existing risks, our risk appetite and how we respond to our principal risks.

### Macroeconomic environment

At present, there is an increased level of macroeconomic uncertainty, such as inflationary pressures and rising interest rates not seen for a number of decades. These pressures are beginning to show initial signs of impact on household finances, local businesses and an increase in our own operational costs. This uncertainty is further exacerbated by Russia's invasion of Ukraine and an increasingly volatile geo-political landscape. We are actively monitoring the uncertain long-term outlook and continue to put contingency measures in place to manage these risks. As such, we have included this as a new principal risk to the business for 2023.

As outlined in the principal risks, we acted early by making changes to how we operate, with the aim of gearing us through the unpredictable macroeconomic environment. We feel we are well positioned for success as a result of our prudent approach and continue to monitor the situation closely.

Having carried out a robust assessment of our emerging and principal risks, the Board has identified the following principal risks and uncertainties. This includes a summary of key information including links to our strategic focus areas, risk movement and how we respond.

We have agreed how we respond to these risks with business stakeholders. Control of each of the principal risks is critical to the ongoing success of the business. As such, the responsibility and management of the risks are assigned to an executive sponsor. 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. We also highlight principal risks that are included in our long-term viability scenarios (see page 50).

| Risk | Link to strategy | Risk trend | Executive sponsor | Executive sponsor role |
|---|---|---|---|---|
| Commitment to trust and transparency* | 1 2 3 | ↔ | Carolyn Jameson | Chief Trust Officer |
| Misuse of platform* | 1 3 | ↔ | Carolyn Jameson | Chief Trust Officer |
| Changing and varied regulatory landscape* | 1 | ↑ | Carolyn Jameson | Chief Trust Officer |
| Litigation and disputes* | 1 | ↔ | Carolyn Jameson | Chief Trust Officer |
| Failure to innovate | 1 2 | ↔ | Ben Lavender | Chief Product Officer |
| Reliance on search engine relationships | 1 2 | ↔ | Ben Lavender<br>Alicia Skubick | Chief Product Officer<br>Chief Marketing Officer |
| Competitive environment | 1 2 | ↔ | Tim Hilpert<br>Mieke De Schepper | Chief Operating Officer<br>Chief Commercial Officer |
| Macroeconomic environment* | 1 2 | NEW | Hanno Damm | Chief Finance Officer |
| Privacy & security | 1 | ↔ | Carolyn Jameson<br>Selim Dogguy | Chief Trust Officer<br>Chief Technology Officer |
| People and culture | 1 | ↔ | Donna Murray Vilhelsen | Chief People Officer |

1 Healthy growth 2 Win in the US 3 Consumer experience we're proud of

* Risks marked with this symbol signify that they have been considered in our viability assessment

# Risk management continued

**Risk Key:**
Unchanged ⟷ Increased ↑ Decreased ↓

## Commitment to trust and transparency ⟷

**Primary risk category:** Reputational **Risk appetite:** Averse

### Why this matters to us

Our brand and reputation for trust are of paramount importance. Our platform is open to businesses and consumers. Any failure to maintain a consistently high level of confidence in our commitment to trust and transparency, or a public perception that content on our platform is fake or misleading, could adversely affect our reputation with businesses and consumers.

We also recognise that a poor consumer experience on the platform can have a negative impact on consumer trust and our reputation. Any degradation of trust in our platform 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.

### Key responses

- We continue to invest in best-in-class technology and people to further improve the trust and transparency of our platform. This includes fraud detection software that utilises machine learning and artificial intelligence, and the creation of a development team dedicated to trust and transparency.
- We have comprehensive policies and procedures designed to ensure that we only work with companies that align with our ethical values, including our Code of Ethics and Bad Fit Policy. These policies require that employees, customers, suppliers and consumers are committed to integrity, trust and transparency.
- The experience of users of our platform, along with our fight against those misusing the platform are of paramount importance to us. As such we have dispute resolution processes for those that are unhappy with a decision we have made.
- We delay reviews that are posted on the site by up to two hours. The delay between submitting and posting a review improves our ability to identify fake reviews before they become visible to consumers and businesses. Since launch, more than a third of reviews were detected and filtered before being seen by any consumers.
- We deployed new automated systems to detect fake reviews and misleading content. Technical improvements and innovation mean these new systems detect fake reviews more quickly and with greater accuracy. In combination with delaying posting of reviews, fewer reviews we suspect to be fake are displayed on the platform, reducing the impact on consumers and businesses. This has resulted in a reduction in the number of reviews reported by business and consumers.
- In the first quarter of 2022, we launched a new rule-based detection and filtering model to detect and action suspicious review patterns that evade our automated detection engines. This system allows us to quickly deploy rules to adapt to attempts to evade our automated systems. More than 10 per cent of the fake and misleading reviews detected in 2022 were identified using this technology.
- Also in the first quarter of 2022, we released automated regulatory notifications, to alert consumers to Trustpilot profiles of businesses subject to regulatory scrutiny in the financial services industry. This technology scans regulatory notifications and applies consumer alerts to the profiles on our platform, providing consumers with links to additional information about businesses. In 2022, we applied around 1,700 automated regulatory notifications to Trustpilot profiles.
- We responded to the rising consumer risk posed by high-risk investments in the cryptocurrency industry and an increase in attempts to defraud consumers. Cryptocurrency business profiles on Trustpilot now contain a prominent consumer alert directing consumers to further information to better inform their decision-making. We placed around 2,000 of these alerts in 2022.
- We engage governments, elected representatives and regulators in policy discussions on trust and transparency to assist in external policymaking in this space, as well as to inform our own approach to best practice.
- We have taken part in, and supported, cooperation at an industry level to advance trust and transparency in the online review space.
- As part of our role as a trust champion, we published a new report The Cost of Living: A growing crisis in consumer confidence?. This draws on Trustpilot's extensive consumer review data about UK businesses and a UK-wide survey to analyse how people's perceptions have changed since October 2021, focusing on sectors particularly pertinent to the cost of living. The report makes a set of recommendations to the governments and businesses to rebuild trust in business following a shift in consumer sentiment during the crisis.

# Risk management continued

**Risk Key:**
Unchanged ⟺ Increased ↑ Decreased ↓

## Misuse of platform ⟺

**Primary risk category:** Reputational **Risk appetite:** Averse

**Why this matters to us**

Our terms of use and platform guidelines prohibit businesses and consumers from using our platform to post illegal or harmful content, engage in illegal activities or make improper use of the platform.

Externally, there is increasing interest and scrutiny over the veracity and misuse of online reviews. If our automated fraud detection and enforcement actions are not effective in identifying misuse, or do not keep pace with the tactics of people deliberately trying to circumvent them, then it could lead to an increase in fake reviews on the site which could undermine trust in the brand.

**Key responses**

- Our in-house Fraud & Investigations, and Content Integrity teams are dedicated to protecting the integrity of our platform, detecting and taking enforcement action against misuse. These teams are supported by our expanding Legal, Engineering and Data Science teams, and together their scope of responsibilities look at improving the integrity of the platform and content, improvements to our automated systems, scaling our operations, and detecting and taking action against misuse on the platform.
- In 2022, we removed 2.6m fake reviews from the platform, 68 per cent of which were detected by our automated software.
- We increased the number of enforcement actions against misuse of the platform in 2022. We issued 4,895 cease and desist letters, an increase of 180 per cent YoY. This was partly as a result of the automation of processes and the improvement in our ability to detect review seller activity on the platform and link this back to the minority of businesses attempting to purchase reviews to mislead consumers.
- The increase in enforcement action contributed to a YoY increase in the number of consumer warnings placed on business profiles to 3,257, up 114.7 perc ent YoY.
- We also continued to take action to block consumer profiles linked with misuse of the platform. This included blocking more than 365K profiles linked to suspected review seller accounts.

## Changing and varied regulatory landscape ↑

**Primary risk category:** Compliance **Risk appetite:** Cautious

**Why this matters to us**

The online reviews space is comparatively new and regulation is in its infancy. Increasing scrutiny on the technology and online sector is leading to the development of legal and regulatory regimes, in particular across the UK, EU and US.

Non-compliance with changes in regulatory regimes could result in reputational damage, fines and other enforcement action, or an increase in action brought against Trustpilot by businesses.

**Key responses**

- The Public Affairs team conducts ongoing horizon scanning of the external landscape. This enables us to identify policy and legislative initiatives which are of relevance to Trustpilot. For such topics, engagement with relevant policymakers is then undertaken, alongside preparing the organisation for any necessary changes.
- We regularly engage with regulators and policymakers in the UK, EU and US, building a dialogue on key policy areas, and inputting into policy and legislation.
- Internal processes and strong collaboration between Legal and Product teams ensure that any legal and regulatory changes that affect our platform are prioritised as part of the product planning cycle.
- In May 2022, changes were made to our product to help businesses meet the requirements of the EU's Omnibus Directive, including adding a 'verified' label to product review widgets and providing additional information to consumers about how businesses can collect reviews via Trustpilot. In a similar vein, the Company is also making adaptations in light of the incoming EU Digital Services Act.

# Risk management continued

**Risk Key:**
Unchanged ↔ Increased ↑ Decreased ↓

## Litigation and disputes ↔

**Primary risk category:** Reputational

**Risk appetite:** Cautious

**Why this matters to us**

Due to the nature of our business, and being a platform that hosts user-generated content, we may be subject to litigation and other legal proceedings involving defamation, libel, consumer protection, intellectual property, commercial disputes and other matters. We may also be associated with disputes between businesses and consumers, even where we are not a party to the dispute. An example of this could be disputes relating to the content of a review.

Such exposure could cause significant reputational damage and compromise our ability to grow.

**Key responses**

- We have a dedicated Litigation team which is responsible for handling any claims, litigation or other proceedings when issued against Trustpilot, using external counsel where necessary for jurisdiction-specific advice. This team is empowered to identify pragmatic and commercial resolutions to resolve disputes, and actively avoids the need for unnecessary litigation, where appropriate.
- Our Litigation team works closely with other teams across the business, including our Content Integrity team to deliver training and guidance on the early identification of problematic cases and issues to mitigate risk and ensure early escalation to the Litigation team.
- As set out in the 2021 report, the complaint filed in the United States District Court for the Southern District of New York against Trustpilot Inc and Trustpilot A/S relating to Trustpilot's customer renewal practices has come to a conclusion. In June 2022 the Second Circuit Court of Appeal decisively dismissed the class action claim brought against Trustpilot with no further rights to appeal.
- In 2022, we took our first steps into proactive litigation. We issued six court claims in England against bad actors who had been buying or procuring fake reviews for their Trustpilot profiles. The defendants all operate in high-trust markets, for example, healthcare, visa and immigration services, and disability access; and as such, there was a real risk that vulnerable consumers may be misled. Although we had already removed the reviews from the platform and had taken enforcement action against the businesses, the misuse persisted and we needed to take escalated action. The high profile nature associated with cases of this type sends a strong deterrent message to all bad actors that Trustpilot will not tolerate platform abuse. The team will continue to pursue claims against bad actors to protect the integrity of the platform.
- We're engaging with other platforms at an industry level to identify and take action against fake reviews and review sellers in a more timely and streamlined way. All of this improves our ability to tackle review sellers and those that post fake reviews, at the source, and not only screen out fake reviews, but also avoid sellers writing reviews that might reach the Trustpilot platform.

# Risk management continued

**Risk Key:**
Unchanged ↔ Increased ↑ Decreased ↓

## Failure to innovate ↔

**Primary risk category:** Operational

**Risk appetite:** Neutral

**Why this matters to us**

Failure to develop new technologies or products and services, or adapt to consumer or market trends, such as

- an increasing demand for trust, or
- developments relating to security and authenticity of reviews,

could adversely impact our ability to attract businesses and consumers to our platform and/or grow revenue.

**Key responses**

- We conducted consumer research that helps us understand who our consumers are demographically and attitudinally, and the role that Trustpilot plays in their lives. This is helping us refine and improve our insights about consumers across the business and will enhance our ability to develop the brand and product based on the requirements of key consumer audiences.
- To further highlight trust in our reviews and distinguish our content from competitors, in February 2022, we launched a consumer verification tool as part of continued efforts to protect and promote trust online, and help consumers shop with confidence. Consumer verification is available on the Trustpilot platform on an opt-in basis, and requires reviewers to safely and securely share a copy of their government-issued photo ID, as well as take a selfie which is checked by an independent third party. Crucially, consumers retain the option to keep their identity, and any information used to verify themselves, anonymous to both businesses and the public. Those successfully verified receive a verified badge, reassuring other consumers and businesses that the review is written by a real person. In 2022, more than 198K consumers globally successfully verified their Trustpilot accounts, providing greater confidence to our community that reviewers are genuine.
- We actively seek out, and enter into, strategic partnerships that will allow us to continue to grow and find new and innovative ways to reach consumers and businesses.
- In 2022, we revamped our Review Insights AddOn offering, which uses machine learning to detect consumer sentiments, and our polyglot model can now analyse every review left by consumers in every language. It can help our B2B customers to gain a deeper understanding of how their customers perceive them locally or globally, where there are areas of concern or delight, how trends shift over time and how they fare in their competitive landscape. Businesses can use these insights to make decisions for optimal growth, and improve experiences that drive loyalty and delight new customers.
- We conduct regular horizon scanning and monitoring of emerging trends, as well as research into consumer behaviour.

# Risk management continued

**Risk Key:**
Unchanged ⟺ Increased ↑ Decreased ↓

## Reliance on search engine relationships ⟺

**Primary risk category:** Operational

**Risk appetite:** Cautious

### Why this matters to us

We rely on third-party search engines to enhance our products and services, and to drive traffic for Trustpilot and our customers. Growing our organic traffic can make ourselves less reliant on search engines and more resilient to changes made by search engine providers.

We use search engine providers, pay-per-click and display advertising on internet media to drive traffic to our websites. If search engine providers, such as Google, make changes to its algorithms, or we make changes to the product that inadvertently negatively affect core elements of the product/business proposition, it could affect our ability to attract or retain customers and consumers.

### Key responses

- We continuously review structured data on our consumer site and improve the quality of content to increase the value and accuracy of how search engines interpret our content.
- In 2022, we reskinned our consumer website to increase engagement. We are looking at ways to improve the consumer experience on our site and run awareness campaigns with the goal of driving direct traffic.
- In the fourth quarter of 2022, we released our iOS app to all English-speaking markets. We believe that we can build an engaged cohort of native app users who:
  - Produce high-quality content that also drives SEO for web.
  - Start their journey on the Trustpilot app, thus diversifying our channel mix.
  - Enhance the consumer experience by leveraging the device's native capabilities such as camera, GPS and push/in-app notifications.
- We plan to further release our iOS app to more markets through 2023.
- We adapt to changing trends to stay on top of Search Engine Marketing (SEM) best practices so our campaigns remain competitive and our investment profitable.
- We diversify our channel mix through earned, owned and paid strategies.
- We place focus on our consumer experience through brand awareness campaigns or customised campaigns, each with the goal of translating to direct traffic.
- We have refreshed the category experience over recent quarters so users find them more meaningful and compelling. This includes refreshing designs, user experience and default sort options. During 2023, we aim to continue to drive visibility into categories by producing content focused on helping consumers make better decisions.
- We have invested in paid and owned channels, in addition to paid channels such as content syndication, paid social and programmatic to balance our channel mix.
- We're continuously improving our product features with the goal of adding value for our customers and increasing conversion, reducing over reliance on third-party enhancements.

# Risk management continued

**Risk Key:**
Unchanged ⟷ Increased ↑ Decreased ↓

## Competitive environment ⟷

**Primary risk category:** Financial **Risk appetite:** Flexible

### Why this matters to us

The market for consumer reviews is evolving and highly competitive. Our own continued growth relies on our ability to maintain and grow brand awareness among businesses and users.

In addition to this, competition could increase in the future from established competitors and new market entrants, including companies that have their own internal ecosystem of reviews such as Google and Amazon.

This could have an adverse impact on market share, our ability to increase revenue and maintain or increase contract renewals.

### Key responses

- Through our proactive communications channels (such as our Transparency report), we try to build a compelling narrative about who we are and what we do.
- We have undertaken external market research that has helped us plan our go-to-market strategy in the US. This included prioritising verticals and identifying high-level requirements and expectations of those verticals.
- Visibility promotes network effect growth. For example, use of Trustpilot in online channels such as adverts, TrustBox impressions etc., offline channels and TV advertising fuels brand awareness and recognition.
- We continued to grow brand awareness and the importance of open-platform, trusted reviews via consumer and business campaigns. This includes our ‘Helping Hands’ campaign launched in January 2022, reminding both consumers and businesses to pause, take a moment, and have constructive and useful conversations online. The campaign also focused on highlighting the importance of open, public and constructive dialogue between businesses.
- During the third quarter of 2022, we deployed a test brand campaign in the Italian market. The hypothesis behind the test was that accelerating brand awareness and affinity amongst consumers and businesses can drive virality and ultimately healthy growth in a developing market. The campaign included TV, Out Of Home (OOH) and digital media supported by social, PR and B2B lead generation activity. By December 2022 the campaign had achieved a significant uptick in brand awareness (+6 per cent) and site traffic (+25 per cent) and increases in both free sign ups and requests for demos of the product from prospects. During the first half of 2023 we will analyse the impact of the campaign on sales revenue and retention.
- Earlier in 2022, we moved to a more nuanced pricing structure that balances our value presentation with the benefits most desired by the market.
- Our freemium structure allows us to be open to all and gives us access to a wider market, whilst minimising the barriers to businesses starting to work with us.

## Macroeconomic environment NEW

**Primary risk category:** Financial **Risk appetite:** Neutral

### Why this matters to us

We are seeing significantly higher interest rates globally and an increasing burden on debt. Inflation is leading to cost pressures on businesses. This not only impacts our costs, but also our customers’ ability to purchase Trustpilot as part of their cost base. This additional scrutiny on spending decisions could affect our ability to meet growth targets in key markets.

### Key responses

- We have re-focused our strategy and operating model to ensure we always have a “finger on the pulse” as we monitor developments both internally and externally. Our teams and ways of working enable us to pivot quickly as needed.
- Led by our Finance function, we have undertaken scenario analysis on the downside impact of a long recession. As such, we are well prepared to mitigate expenses against potential negative impacts to our customer acquisition costs and retention rate.
- We acted early by making changes to how we operate, with the aim of gearing us through the unpredictable macroeconomic environment. These changes include restricting our discretionary spend and slowing down expansion of headcount. Additionally, we’ve created a 2023 budget plan focused on financial efficiency with incremental investments contingent on commercial performance and a clear return on investment.

# Risk management continued

**Risk Key:**
Unchanged ↔ Increased ↑ Decreased ↓

## Privacy & Security ↔

**Primary risk category:** Operational **Risk appetite:** Cautious

**Why this matters to us**

Substantial or ongoing security breaches or other failures to comply with data privacy laws on our platform could significantly harm our reputation amongst consumers and businesses, inhibiting consumers' willingness to provide reviews and/or businesses from providing their customers' personal data to Trustpilot.

This could result in a reduced demand for our products and services, and a loss of revenue, as well as potential fines or other regulatory action.

**Key responses**

- We have a dedicated Security team split across multiple countries. These teams are split into the following focus areas:
  - **Security Operations** – hunting for threats using our Incident and Event Management Platform, managing incidents and any potential breaches and working hand in hand with our IT Operations team on access control, endpoint protection, starters/leavers process and overall company tooling best practice.
  - **Cloud Security** – reducing risk in our Amazon Web Services (AWS) and Google infrastructures, including auto-remediation of misconfigurations, vulnerability management and data protection.
  - **Application Security** – which includes all of our testing activities such as our external penetration testing, our public bug bounty scheme and our internal penetration testing, scanning our code base for vulnerabilities and overall vulnerability management across the software delivery lifecycle.
  - **Third Party, Audit & Compliance** – ensuring due diligence for vendor onboarding and renewal, acting as support for our Commercial teams during contract negotiations, and assisting with audit requirements as necessary.
- We have a dedicated Privacy team that provides guidance and support on privacy compliance, including with respect to all new regulatory and judicial developments in applicable privacy laws globally. The team is involved in all new technology or product developments involving personal data, helping to ensure that we are factoring privacy considerations into everything we do from the outset.
- We have an effective privacy governance structure in place that enables our Data Protection Officer to independently monitor and report on our privacy compliance posture to the highest levels of management via our Chief Trust Officer.
- We have a number of policies in place to help prevent and handle security breaches, and ensure compliance with privacy laws, including an Information Security Policy, Data Incident Policy and a Data Protection Policy. A specific incident policy is followed for security incidents and maintained and tracked.
- All of our employees receive regular training on information security and data protection.

# Risk management continued

**Risk Key:**
Unchanged ↔ Increased ↑ Decreased ↓

## People and culture ↔

**Primary risk category:** People **Risk appetite:** Neutral

### Why this matters to us

Our continued success depends upon our ability to attract, recruit, retain and develop a highly skilled workforce, particularly in the fields of technology, data, product, systems development, digital marketing and sales.

In addition to this, we recognise that preserving our diverse, energetic, collaborative and entrepreneurial culture, in a competitive environment, is very important as we continue to grow the business.

Failure to do so could negatively impact our ability to develop new technologies, products and services, execute our strategy and/or reputation as an employer.

### Key responses

- In 2022, we improved our hiring processes to ensure we give the best experience to candidates, while embedding culture and values into our recruitment. In 2023, we will launch our new employer brand approach, aimed at attracting the right talent to power our success.
- Our Talent Development and Sales Enablement teams have a focus on developing individuals and leaders. Additionally, we provide 'learning on demand' options for all Trusties through LinkedIn Learning and Blinkist.
- In May 2022, we ran our first Leadership Summit for senior leaders. This was the first time all of Trustpilot's global leadership group were able to meet in person. This led to:
  - Changes to our approach to performance management.
  - Appointment of a Culture Task Force made up of leaders across the organisation who have worked to define minimum expectations around value-led behaviours.
  - A strong focus on embedding a high-performance culture for all Trusties.
  - We are always reviewing and benchmarking the benefits packages that we offer to Trusties across all markets that we operate in. We continue to support employee wellbeing through Employee Assistance Programmes (EAPs) and a subscription to Headspace.
- Our speaking up platform, Vault, is available for Trusties to speak up confidently and anonymously. Throughout the year we have undertaken a number of important initiatives to raise awareness around our approach to speaking up. In 2023, our Speaking Up Policy will be integrated into our annual mandatory training for all Trusties.
- Two paid volunteering days are available to all Trusties, demonstrating our commitment to the Positively Human elements of our culture.
- We moved our company All Hands from a quarterly cadence to a monthly cadence. This helped to ensure stronger communication and created more opportunities for Trusties to ask questions on the things that matter to them.
- We launched our first DEI strategy which outlines our approach to achieving our vision of a strong feeling of belonging for every Trustie. As part of our DEI strategy:
  - We expanded our Employee Resource Groups (ERG) from three to seven areas of focus with ELT sponsorship aligned to each.
  - We launched TrustSpace – a series focused on raising awareness of differences and a space for learning new perspectives.
  - Enhanced our employee engagement survey to allow a better understanding of how different groups experience life as Trusties.

Sustainability

# Trustpilot: Impact.

# Promote trust online pg 90

# pg 82 Empower everyone

# Partner for the planet pg 84

**Our identity and purpose**

Trustpilot is where millions of consumers set the bar for trust and hundreds of thousands of businesses earn it. 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.

If we are successful, we shall have achieved our vision of becoming a universal symbol of trust.

**Board responsibility, engagement, and oversight**

We acknowledge that we have a responsibility to engage with all our stakeholders, including broader society and the environment, and are committed to operating with and promoting sustainable business practices. It is clear to us that acting responsibly as a business will help to ensure our future success.

The Board prioritises oversight of ESG matters to constantly ensure that we understand the issues that are considered material by our stakeholders, the priority they attach to them, the potential risks and impacts they pose to our business and the impact that our activities may have on society.

**Our ESG strategy**

A year ago, we shared the results of the detailed materiality assessment we had undertaken in 2021 to understand the ESG issues that matter most to our stakeholders. Subsequently, in 2022 we used this as a foundation to implement our ESG strategy, which we call Trustpilot: Impact.

The strategy focuses on three key pillars — Promote Trust Online, Empower Everyone and Partner for the Planet — and provides us with a clear set of focus areas which we intend to prioritise for action.

**Sustainability** continued

# Promote trust online

**"Trust lies at the heart of our approach to sustainability. If the content on Trustpilot is not genuine and authentic, then it diminishes the ability for consumers to use reviews to make confident buying decisions. It also minimises businesses' ability to listen to, learn from and engage with honest feedback.**

Preventing attempts to manipulate consumers through reviews and promoting trusted content online is more important now than ever before. Our work through 2022 has looked at improving the efficiency and effectiveness of our automated detection systems through technological advances, stepping up our enforcement activities to underline our commitment to trustworthy content, and enhancing how consumers verify themselves on Trustpilot.

I believe that a safe and trustworthy online environment is essential for consumers, businesses, and communities to thrive. We want to make sure future generations have access to spaces where information can be trusted, and reliably acted upon. By safeguarding trust online, and engaging with challenging issues and topics, we can contribute to making the world a better place for everyone."

**Anoop Joshi, VP Legal & Platform Integrity**

## Actions and impact

- Stepping up enforcement through increased legal action against those continually misusing reviews
- Escalated legal action against review sellers
- New measures to detect and prevent fake reviews on our site, including a two-hour delay
- Consumer Information Notices for high-risk investments
- A growing community of verified Trustpilot reviewers
- Continued investment in our Data security team
- Ambitious commitment to staff training on ethics and compliance
- Creating a cohesive strategy for shared prosperity

**Sustainability** continued

# Promote trust online

## Highlights

**2.6m**
Fake reviews removed in total
(FY21: 2.7m)

**6%**
Of the 46m new reviews posted
(FY21: 6%)

**1.7m**
Fake reviews removed automatically
(FY21: 1.8m)

**-4%**
Fewer reviews removed as our ability to detect and deter misuse improves

**831k**
Fake reviews removed manually
(FY21: 876k)

**1.9m**
Automatically flagged reviews
(FY21: 1.8m)

**Sustainability** continued

# Empower everyone

**"Our Trusties come from a variety of backgrounds — over fifty nationalities across three continents. We value this difference and diversity."**

We are working hard to build an environment which harnesses the positive energy and ideas of our people as we shape our impact on the world around us. We listen to our Trusties, supporting them, developing them, and making sure we're a place where everyone feels a strong sense of belonging. And we're making progress."

**Jennie Barker, Global Head of People and Organisational Growth**

## Actions and impact

- Building capture of demographic data into our employee engagement survey to understand differences in experience
- Continued commitment to wellbeing including paid volunteering time and access to Headspace
- Creating learning opportunities for all Trusties through new development tools
- Investing in our leaders to drive success though launching the High Performance Way in 2023
- Establishing a dedicated Diversity, Equity & Inclusion team, and launching our first DE&I strategy, policy and Board policy in 2022
- Mandatory training for anti-harassment to be rolled out in 2023
- First Gender Pay Gap report published in 2023
- Upgrading our applicant tracking system in 2023 to track new data insights around diversity
- Growing our Employee Resource Group communities in 2023 – and adding new ones

**For more detail on our People & Culture see pg 85-91**

**Sustainability** continued

# Empower everyone

## Highlights

**7.7**
Overall Employee Engagement score*

**8.0**
DE&I score**

**86%**
Peakon participation* rate in Q4 of 2022

**504**
Paid volunteering hours*** logged by Trusties in 2022

**9.2**
Talenthub onboarding score (FY21: 9.5)

**42%**
Proportion of female employees (FY21: 43%)

* In July 2022 we changed our survey cadence, moving the whole organization onto an aligned quarterly schedule, with the same questions. For that reason, we cannot compare our overall engagement score or participation rates from the year prior, since the measures differ.

** We only started tracking or DE&I attributes in 2022, so no comparable data is available for the prior year.

*** We implemented our global volunteering policy in 2022, so no comparable data is available for the prior year.

**Sustainability** continued

# Partner for the planet

**“We strongly believe that the latest scientific findings on climate change should dictate what meaningful climate action looks like.**

This is why we are seeking to have our emissions reductions targets validated as science-based by a trusted third-party actor, the Science Based Target initiative. I am happy to say that we have taken the very first step on this journey by signing and sending our official letter of commitment to the Science Based Target initiative.”

**Carolyn Jameson, Chief Trust Officer**

### Actions and impact

- Upgrading our carbon measurement vendor for improved precision
- Two years of consistent emissions tracking
- Committing to carbon reduction and building our first emissions reduction plan
- Committing to setting and reporting against an externally validated science-based emissions reduction target
- Updating our procurement systems to capture and use sustainability information
- Establishing a dedicated Sustainable procurement team to support carbon reduction

**Sustainability** continued

# Partner for the planet

## Highlights

**3,468**
Emissions stemming from Purchased goods and services in 2022 ($tCO_2e$) (FY21: 2,966)

**166%**
Increase in emissions caused by travel over the past 12 months

**91%**
% of Trustpilot's emissions fall under Scope 3 (FY21: 9%)

**15%**
% of our 2022 emissions caused by travel (FY21: 9%)

**205**
Number of new vendors sustainability vetted in 2022

**4**
Number of our top 10 suppliers who have committed to setting climate goals of their own

## Our culture, our people.

# Whenever we ask what makes Trustpilot special, the top answer is "the people".

## Our culture, our people

# At Trustpilot, we're driven by connection. It's at the heart of what we do.

At Trustpilot, we're driven by connection. It's at the heart of what we do. Our values are the glue that keeps us all together. They guide how we behave, make decisions, and communicate. Across the board we're committed to living our four values: we're 'Open to All', we behave 'Always with Integrity', we celebrate that we are all 'Positively Human', and we believe in the power of being 'Collaborative'.

We're connected to our purpose. Our work influences the daily choices and real-world experiences of genuine people, and we strongly believe that we are creating trust online.

We work across borders and cultures to be a tangible symbol of trust in an ever-changing world. We're the faces behind the platform: elevating millions of voices online as one global team. This purpose is a tall order, but we're very much down to earth.

We connect our people to their potential. We know that Trustpilot's success is driven by our Trusties – a hardworking and ambitious bunch, dedicated to our mission. We give them the autonomy to go further, to shape a career they can be proud of.

We're connected to each other. Our teams are based across three continents and represent over fifty nationalities. We may be spread across the globe, but we know a thing or two about building strong collaborative relationships. We succeed through our positive collective spirit and our unique character comes from the relationships we build.

2022 was a challenging year for all of us. The cost of living crisis has affected many of our Trusties, and as a company we have done what we can to preserve as many jobs as possible. We have done this by cutting back on discretionary spending, such as travel, and by slowing our hiring. We have also made sure our pay bands are up to date, to reflect the movement in the market.

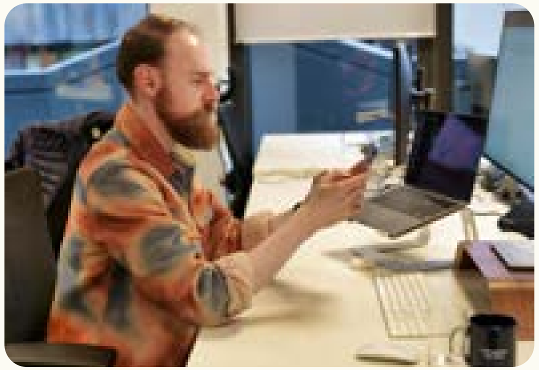
### Creating an environment that enables us to thrive

At Trustpilot we want to create a strong feeling of belonging, for every Trustie, where you don't feel like you have to 'fit in', you can just be yourself. You're treated fairly, your perspective is valued, and you're empowered to do the best work of your life.

We have a responsibility to our Trusties, our stakeholders, and every person who leaves a review on our platform, to play our part in creating a more diverse, equitable and inclusive place of work for all.

In 2022, we launched our first Diversity, Equity & Inclusion strategy, which outlines our approach to achieving our vision. This focuses on three core principles:

- *Representation Matters*
  We struggle to be what we cannot see. That's why we'll strive to significantly increase diversity across all job levels within Trustpilot to better reflect the populations where we work and increase psychological safety to create a stronger feeling of belonging.
- *Striving for Equality*
  We will become more data-driven in our approach to achieving true equality of opportunity. This means analysing pay, as well as promotion and recruitment data alongside demographic data to ensure we are monitoring any disparities, and importantly, remedying if they exist.
- *Truly Open to All*
  We will create a safe and open place for all Trusties, where there's no significant differences in how one group of people experiences Trustpilot compared to another. Where everyone feels safe and empowered to bring their very best and awesome selves to work, everyday.



# **Our culture, our people** continued

### Creating a strong sense of belonging

We encourage our Trusties to talk about and get involved with topics and events that matter most to them. It's important to us that everyone feels safe to have their voices heard. We aim to provide different opportunities for people to participate in open conversations.

Our amazing ERGs help create space to do this and are important culture drivers for our vision.

### Trustpilot Pride and Allies

Strives for Trustpilot to be 'Open to All' by supporting and celebrating the LGBTQIA+ community. Aims to show how 'Positively Human' we all are by building awareness of the LGBTQIA+ experience, and educating Trusties on how we can be more inclusive, and work together to promote positive change here at Trustpilot.

### Trusties in Color

A community network dedicated to representing the diverse ethnic, racial and cultural backgrounds of all Trusties. Aims to create and maintain safe spaces for all Trusties of underrepresented backgrounds and their allies, and encourage collaboration and networking across Trustpilot to advance the overall culture of DE&I.

### Trustpilot Women in Leadership

Aims to balance gender representation in Trustpilot's leadership by empowering all women with the tools, advocacy, visibility and community they need to advance in their careers, and to do so at Trustpilot.

### Trust Space

A new Trustie-led initiative launched in 2022, Trust Space, aims to improve understanding and challenge bias, stereotypes, and prejudice by having open conversations through workplace webinars and in-person events. The goal is to utilise the power of open dialogue to endorse a culture of understanding, acceptance and inclusivity between Trusties all over the world.

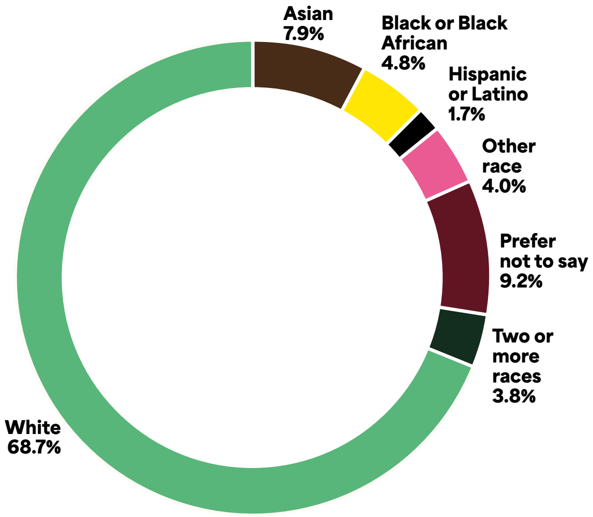
### Do our people have a sense of inclusion?

In 2022, we enhanced our engagement survey data to now include diversity attributes, meaning those Trusties who wish to share more information about themselves can do so. This data has allowed us to better understand how different groups of people are experiencing working at Trustpilot, and whether our vision for belonging rings true for everyone. Note that we were not able to ask for this information from Trusties based in Denmark and Italy due to local data privacy laws.

The benchmark we are aiming for within the technology industry is 8.3, as an average we currently sit just below this with a score of 8.0. Whilst there is not an overall significant difference in the way each group of Trusties score feelings of inclusion at Trustpilot, our goal for 2023 is to achieve a score in line with the benchmark by delivering against our strategic priorities.

## Demographics of people working at Trustpilot

**Ethnicity**




NB - this is not a complete picture of our employee population. Data does not include the employees based in Denmark or Italy who are unable to share their data due to local data privacy laws.

# 86%

**2022 global engagement survey participation**

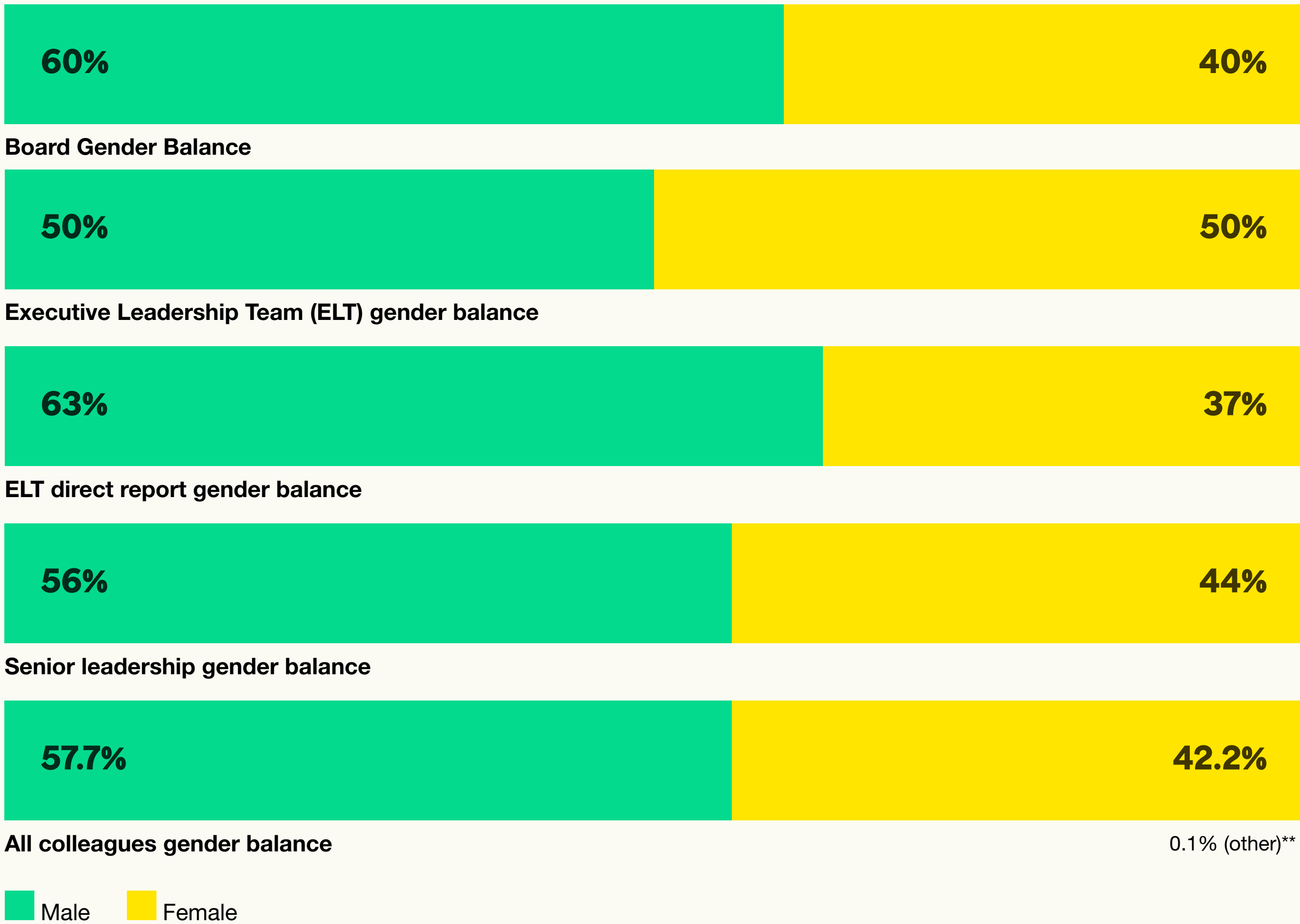
# **Our culture, our people** continued

**Below is our initial data set for 2022 for feeling of inclusiveness and the variance against the benchmark for each demographic:**

- 8.0 for Trusties who identify as Gay, Lesbian or Bisexual
- 8.0 for Trusties who identify as Heterosexual
- 7.8 for Trusties who are women
- 8.2 for Trusties who are men
- 7.8 for Trusties who are Black
- 7.3 for Trusties who are Asian
- 9.1 for Trusties who are Hispanic
- 7.7 for Trusties who are another race
- 7.9 for Trusties who are two or more races
- 8.1 for Trusties who are White
- 8.3 for Trusties who have Christian beliefs
- 7.8 for Trusties who have Muslim beliefs
- 8.8 for Trusties who have Jewish beliefs
- 6.3 for Trusties who have Hindu beliefs
- 8.0 for Trusties who have other religious beliefs
- 8.0 for Trusties who do not have a religious belief
- 8.2 for Trusties who have a disability or are neurodivergent
- 8.0 for Trusties who do not have a disability

## Representation at Trustpilot (inc. Peakon)

### Our gender balance*



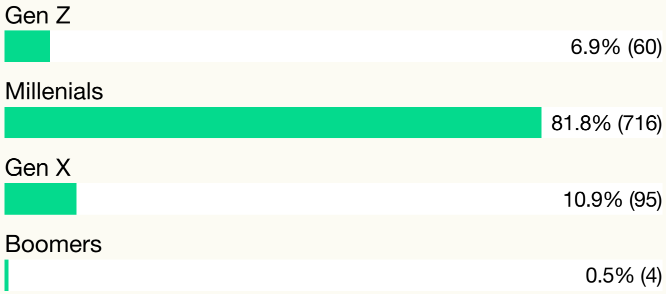

(Source: Sage People)

* The gender balance data reflects the information as at 31 December 2022: on that date, four out of the ten Board members were female and six were men; four out of eight of the ELT were female and four were men; twenty of the fifty-four ELT direct reports were female and thirty-four were men; thirty-six of the eighty-two senior leadership team were female and forty-six were men; three-hundred and sixty-five of the eight-hundred and sixty-eight total employee population were female and five-hundred and three were men

** Senior leadership, our Global Leadership Group, is defined as director level and above

# Our culture, our people continued

## Our generational snapshot for 2022**




Source: Sage People, data on 31 December, 2022
** Generations as defined by Beresford Research

## Looking ahead

Since the year end, we have published our first Gender Pay Gap Report alongside our action plan to remedy any disparities that exist. We aim to build on the big steps taken in 2022 with regards to becoming more data-driven and improve on these insights and actions year on year. Our main focus going into 2023 will be to bring to life the vision and strategy we have set out and embed strong foundations for us to begin to scale. We will be prioritising DE&I learning for all Trusties, helping everyone to really understand how DE&I relates to them and their role, as well as upskilling our leaders to become role models and effective allies for all.

## Maintaining a two-way conversation

We recognise that feedback and communication are key drivers to our culture, engagement, and sense of who we are as a community. With that in mind, we are continuously working to ensure that Trusties and their experiences are at the center of everything we do, at the heart of trust. Just as we ask consumers to review businesses, we encourage our Trusties to review us as a workplace. We are open to all and encourage everyone to share their opinions.

Trustpilot is committed to this vision. For that reason, we were very proud to be awarded the ‘2023 Built In Best Places to work’ in Colorado, for the second year in a row. This was a testament to our continuous work with making Trustpilot a place where Trusties feel valued and supported.

## How we collect feedback

There are several ways for Trusties to share their feedback at Trustpilot. Our main feedback tool is Peakon, our global engagement survey. Here Trusties can anonymously score, and add comments to provide qualitative feedback, on the topics that matter to them. With the engagement survey data, we are able to measure and keep track of our employee engagement levels through employee net promoter scoring (eNPS).

In July 2022, we improved the way we use Peakon by aligning the cadence of the survey, moving the whole organisation onto an aligned quarterly schedule, with the same questions. This allowed us to implement a unified cycle of sharing results and key actions with Trusties each quarter. We also added the option of sharing voluntary information about gender identity, ethnicity, sexual orientation, religious beliefs and disability. This provided us with a clearer understanding of the diversity of our people, and enabled us to better understand everyone’s experience of working at Trustpilot. Read more about this under the “Creating an environment that enables us to thrive” section in this report.

We are pleased to report that the changes made to the engagement survey are moving us in the right direction, as we’ve seen a steady increase in the survey participation. In Q4 2022 we reached an overall participation rate of 86%. With a higher participation, we have a more accurate picture of the way Trusties are feeling. Our overall engagement score was 7.7 in Q4 2022, a 0.4 decrease from Q4 the previous year. While this is not a positive change in itself, we are confident that the increased participation – leading to a more comprehensive picture – will enable us to address the things that truly matter to all Trusties, improving the employee experience for everyone.

In addition to the engagement survey, Trusties can anonymously record, report and resolve issues through Vault, our ‘speaking-up’ platform. This provides a safe environment to speak up and voice concerns, and in 2022 we recorded 37 reports through the platform. In addition to Peakon and Vault, we seek feedback from Trusties throughout their employment journey through onboarding surveys in Talenthub and Glassdoor. Our current Glassdoor score is 4.0, and our overall onboarding score in Talenthub is 9.2, which matches the industry benchmark of 9.2.

## How we communicate

In combination with our feedback tools, we use various forms of communication to keep an ongoing two-way conversation with Trusties. Our communications framework keeps Trusties informed about what’s going on in the business, and allows everyone to be connected and engaged with our mission, vision, and strategy. This includes global and functional All Hands with Q&A, regular ‘ask me anything’ sessions with our Executive Leadership Team (ELT), annual strategy roadshows to provide deeper understanding of our strategy and objectives, frequent updates on our intranet, and a monthly newsletter. In addition, Slack gives Trusties the power to interact and own their own communication, enabling everyone to collaborate and connect around shared interests. Where possible, our leadership communications use interactive channels, including video, to share updates and keep Trusties informed.

In response to feedback in our engagement survey, we changed the structure of our global All Hands in August 2022. We moved from quarterly to monthly sessions, and increased the focus on topics related to our strategic objectives and how Trusties contribute to these. In doing this, we enable a better conversation about where we are headed and how we are getting there, bringing everyone closer to our strategy.

# **Our culture, our people** continued

## Developing our Trusties

At Trustpilot, we want every Trustie to have an opportunity to unlock their full potential, grow and do the best work of their life. In 2022, we worked on the following priorities:

- **Development for all Trusties:** LinkedIn Learning, Blinkist, Trustpilot Academy, Aspiring Leaders
- **Leadership development:** Leadership Fundamentals, Situational Leadership and Leadership Summit
- **High-potential development:** All Stars Program

## Development for all Trusties

Development needs are identified through career and development conversations between Trusties and leaders. To support these conversations, in 2022 we introduced a new simplified version of our Personal Development Plan template and complemented it with a Career Conversations guide for people leaders. We also introduced a quarterly newsletter with links to relevant resources and upcoming workshops to encourage these conversations through the year.

At an organisational level we have provided every Trustie access to up-to-date courses and resources from industry experts by investing in two world-class learning and development platforms: Linkedin Learning and Blinkist. Both platforms offer bite-sized learning with mobile versions enabling Trusties to consume content in line with our flexible way of working. One in two Trusties have accessed and benefited from content on these platforms. Trustpilot Academy (our learning management system) has been upgraded with additional content covering areas like leadership (e.g. feedback, growth mindset, building relationships and breaking bias), content integrity and marketing.

In addition, knowing a number of Trusties aspire to take on a leadership role in the future, we created “Aspiring Leaders” – a programme designed to introduce the core concepts of management to help prepare Trusties in advance of opportunities. So far, 97 Trusties across all departments have successfully graduated from the program. Feedback is extremely positive, and we anticipate continued roll-out in 2023.

## Leadership development

In 2022, we continued delivering impactful learning experiences through our “Build Great Leaders” Program, which takes our leaders through from foundational elements of what it takes to be a leader at Trustpilot to guiding our senior leaders in taking Trustpilot forward to continued success. Most of our leaders have attended our “Leadership Fundamentals” foundational program and in 2022 all leaders were offered an opportunity to participate in a series of sessions about remote and situational leadership.

We have also invested heavily in our senior leaders in 2022 through a three-day leadership summit in Q2. The summit was a pivotal moment for connecting all director-level and above leaders and laid the foundation for the implementation of a new approach to a culture that enables performance at Trustpilot, known as the High Performance Way.

Through this we aim to create an environment which stimulates performance based on clarity of goals, applied values, high levels of accountability, strong trust and collaboration. Throughout the rest of the year, senior leaders have been working to embed new ways of working and enhancing the environment to lift performance through a series of challenges. Working with this group of leaders in this way means we are ready to roll out High Performance to all Trusties in 2023.

# **Our culture, our people** continued

### High-potential development

All Stars is our flagship program for accelerating high potential at Trustpilot. It is a high intensity, structured learning and developing journey, spanning one year which enables our high potentials to contribute to shaping and driving our business forward while helping us build a leadership pipeline within Trustpilot.

In 2022, we launched the second season of the program – the cohort was selected based on a set of objective criteria with a close focus on the inclusive representation of departments, locations, and gender. All participants have taken part in focused career conversations to identify their ambitions, strengths, and developmental areas. Using this insight, the program has been built to give tailored high-impact learning experiences based on the following:

- Providing our All Stars with the opportunity to acquire coaching skills
- Accessing tailored skills development modules
- Providing significant exposure to our Executive Leadership team through:
- Fireside chats with our All Stars; and
- Assigning our All Stars into cross functional and regional groups to solve a strategic business challenge and present their findings and recommendations to our Executive Leadership team

The program will finish in May 2023.

Overall, through 2022, we've seen the following time investment into the learning and development activities:

- Trusties: 11 learning hours on average per Trustie per year
- Leaders: 14 learning hours on average per Leader per year

### Wellbeing

We support our Trusties, and aim to provide the best possible conditions to ensure that they feel good and stay healthy. Our wellbeing approach includes four distinct, but connected, pillars and is founded on our positively human and always with integrity values.

### Mental Health

All Trusties have access to a free subscription to the Headspace mindfulness app. We also offer a global Employee Assistance Program, as well as a range of online mental health resources through Blinkist and LinkedIn Learning. Additionally, our hybrid work model gives Trusties the flexibility to experiment with how, when and where they work, allowing for necessary adjustments to meet personal needs. In doing this, Trustpilot remains future-proof and aligned with the changing world of work.

To further support and work with mental health we hosted a number of initiatives in 2022, focused on fostering an open workplace in which it is safe to speak openly about mental health. Read more about this under the "Creating an environment that enables us to thrive" section in this report.

### Physical

This is generally managed on a regional level, some examples are the 'ride to work' programs in the UK and Australia, online and in-office yoga, massage and nutrition sessions, or the Trustpilot participation in the yearly DHL run in Denmark.

### Social & Community

Being an employee at Trustpilot means being part of a close-knit community. This is the core of our culture, and we do our utmost to ensure that our Trusties have the opportunity to find meaningful connections and support in everything they do. We also believe it is important for everyone to get involved with our local communities, and we support our Trusties in taking part in volunteering activities. In March 2022, we introduced a global volunteering policy to encourage Trusties to take two additional paid days off each year, to give back to their communities. In 2022, Trusties logged 504 volunteering hours.

Within each market, Trusties are involved with local charities and fundraising activities – including through our employee resource groups (ERGs). All initiatives are tailored to the culture and surrounding community of each location. Read more about this under the "Creating an environment that enables us to thrive" section in this report.

# **Our culture, our people** continued

### Financial

We continue to revise and improve our financial benefit offering, to provide additional financial security and wellbeing for all Trusties. Our initiatives vary by region, depending on market and tax differences. Examples of these are Life Insurance, Health Insurance, Income Protection, Pension/401k, Critical Illness Cover, drop-in sessions and general webinars with benefits providers to cover topics like pension and financial health.

This is an area that we will continue to develop over time to ensure that we stay aligned and competitive with each location we operate in.

### Hiring the right Trusties

During 2022 we have focused on ensuring that we have the critical skills and capabilities required to achieve our goals. To support our hiring efforts we embarked on our Talent Acquisition (TA) Transformation Programme to enhance our recruitment capability through best practice processes, tools and systems and achieve TA Excellence.

At the core of this, we designed and implemented the 'Trustpilot Way of Recruiting'. This is a robust recruitment process designed to ensure we hire the right people for our business. It includes a 2-3 stage structured interview, assessing the key technical and functional competencies as well as value-led behaviors required, to help us select and hire those who are both technically excellent and will add to our culture. Each stage of the process has been thoughtfully designed to promote inclusivity to support our DE&I efforts and help build a more diverse workforce.

We have also focused on several other projects to support our TA Excellence efforts. We implemented a talent analytics platform to ensure we have a wide market view of talent availability and enable us to inform strategic talent decisions.

We have raised the bar on candidate experience and implemented a high-touch, candidate-centric process, supported by branded materials, to help educate candidates about our business and what to expect from the hiring process. Throughout this we ensure that there is time set aside for the candidate to hear more about the role and our business, helping them to make a more informed decision about whether Trustpilot is the right place for them.

# Section 172(1) statement

Section 172(1) of the Companies Act 2006 requires that the Directors promote the success of the Company for the benefit of its members as a whole, having regard to the interests of stakeholders in their decision making. In performing their duties during 2022, the Directors have had regard to the matters set out in Section 172(1) of the Companies Act 2006. Further information on each of the s.172 matters can be found as follows:

| s. 172 matter | Additional information |
|---|---|
| **The likely consequences of any decision in the long term** | **Strategy, page 38**<br>**Business model, page 30**<br>**Principal risks and uncertainties, page 65** |
| **The interests of the Company's employees** | **People and culture, pages 86 to 93**<br>**Diversity, inclusion and equity, page 88** |
| **The need to foster the Company's business relationships with suppliers, customers and others** | **The most trusted global reviews platform, page 38**<br>**Trust and transparency, page 22**<br>**Sustainability and society, page 77**<br>**Stakeholder engagement, page 92, 103** |
| **The impact of the Company's operations on the community and the environment** | **Sustainability and society, page 77**<br>**Sustainability and society, page 77**<br>**Non-financial information statement, page 96**<br>**Stakeholder engagement, page 92, 105** |
| **The desirability of the Company maintaining a reputation for high standards of business conduct** | **Whistleblowing, pages 69, 105, 106, 121, 122 and 128**<br>**Internal controls, pages 63, 64 and 67**<br>**Non-financial information statement, page 96** |
| **The need to act fairly between members of the Company** | **Stakeholder engagement, page 92, 103**<br>**People and culture, pages 86 to 93** |

Further information about how the Board has had regard to the matters set out under s.172 of the Companies Act 2006 and its compliance with the UK Corporate Governance Code can be found on pages 73 and 79 to 81 of the Governance Report.

**Engaging with regulators**
The online review industry is developing rapidly and is subject to scrutiny and oversight from regulators and governments in all of our markets. In 2022, we expanded our regulatory engagement, working with policymakers, regulators and other stakeholders to engage on policy matters affecting Trustpilot. Across all the regions in which we operate as a business, there is a growing interest in online policy and regulation, competition and sustainability.

The regulatory focus on online harms and fake reviews is a primary focus for our work, but we also engage in wider digital policy areas like artificial intelligence (AI) and data. We seek to be a constructive partner in these discussions, bringing our expertise and insights to bear. We have delivered this engagement in our own right as well as through our memberships of the EU Tech Alliance (EUTA) and techUK.

Our engagement across our jurisdictions has taken a range of forms from one-to-one meetings, to consultations, written briefings, amendment proposals and speaking at events. For example, we engaged with EU policymakers by participating in a panel discussion about AI, hosted in the European Parliament by the EUTA in conjunction with the co-rapporteur of the AI Act. We were able to demonstrate how we aim to harness the positive power of AI to assist with identifying and removing fake reviews, assisting our fraud detection team and greatly reducing the need for manual intervention.

We have also begun to provide thought leadership in complex areas, for example through the publication of our first white paper dealing with the cost-of-living crisis (trustpilot.com/trust/the-cost-of-living). Analysis of the data and insights held by Trustpilot, alongside a UK-wide survey formed the bedrock of our report which assessed changing consumer sentiment during the cost-of-living crisis in the UK. The report also highlighted where consumers are seeing businesses going above and beyond to help them, and where unhelpful business conduct caused them concern. This white paper delivered a range of recommendations to businesses, regulators and the UK government intended to help build greater trust in business during this period of economic uncertainty.

# Modern Slavery and Human Trafficking

## Our approach

Across the Trustpilot Group we strive to work to the highest professional standards and comply with all laws, regulations and rules relevant to our business. As stated in our Modern Slavery Code of Conduct, we are committed to the protection of human rights and to fair and ethical work practices. We understand that we have a responsibility to conduct our business ethically and this extends to those we do business with.  The Group publishes its Modern Slavery and Human Trafficking Statement each year on our website, reinforcing our zero tolerance approach to slavery and human trafficking in our business operations and supply chains.

### Vendors

Our Modern Slavery Code of Conduct sets out the standard of conduct for customers, contractors, and vendors working with us. It is publicly available on our website and we seek to impose contractual obligations on vendors to comply with this as part of contractual negotiations for supply contracts where possible.

### Employees

Our recruitment and employment procedures include appropriate pre-employment screening of all Trustpilot Group employees, such as right to work checks and reference checks. New employees also receive an induction and new hire training which explains Trustpilot Group policies and confirms that employees are able to contact our People team or our report via our speaking up platform confidentially on any matter of concern, throughout their employment.

We are also committed to paying the Real Living Wage to our employees and contractors across all our locations in the UK.

We expect all Trustpilot Group employees to conduct business with honesty and integrity and we have a zero tolerance approach to bribery and corruption, as set out in our global Anti-Bribery & Corruption Policy.

### Customers

In our Code of Ethics we describe our commitment to conducting our business with the highest ethical standards. Trust, transparency, and integrity are values that are important to the entire Trustpilot Group, which means we expect the people who work for us, and those we do business with, to always act with integrity, build trust and promote transparency, and make decisions that reflect strong ethics.

We avoid doing business with businesses that do cause or create harm, do not align with our ethical standards, or do not share the same values and core beliefs as us. These “bad-fit” businesses may harm Trustpilot’s reputation and undermine the trustworthiness of our platform. Our Action We Take Policy sets out what types of businesses we regard as a “bad-fit” for Trustpilot. We also explain what measures we’ll take to stop any active communication or cooperation with “bad-fit” businesses.

Additionally, we require customers to comply with our Modern Slavery Code of Conduct under our Terms of Use & Sale for Businesses.

## Due diligence/Risk assessment

We seek to work with customers, contractors, and vendors who match and complement our ethical standards and organisational values.

To identify sectors and categories with high modern slavery risks, we have used the following indicators that are generally known to increase risk likelihood:

- Reliance on low-skill workforce.
- Reliance on migrant workforce.
- Presence of children.
- Hazardous or undesirable work.
- Based in a country that experiences high levels of corruption, weak governance and poor enforcement of human rights.

As Trustpilot is an online-based business, our main vendors comprise providers of online-based services to facilitate our platform, and general advisory services from reputable businesses. Based on these factors, we consider the risk of modern slavery in our supply chain to be low.

We continue to:

- Undertake due diligence when short-listing our vendors and contractors.
- Review on a regular basis the vendors and contractors we use.
- Enter into business relationships with vendors that reflect our organisational values.

Seek to ensure that any vendor or contractor has an ethical treatment clause in the vendor contract they provide us especially where we deem them to be medium to high risk based on their geographical location or otherwise. This is to ensure that the work environment and conditions they provide to their employees meet standards under our Modern Slavery Code of Conduct.

If a vendor or contractor fails to live up to our expectations or is unwilling to make any changes, we may end our engagement with them.

Our Modern Slavery Code of Conduct may be accessed via our corporate website, here:

https://legal.trustpilot.com/for-everyone/modern-slavery-code-of-conduct

# Non-Financial Information Statement

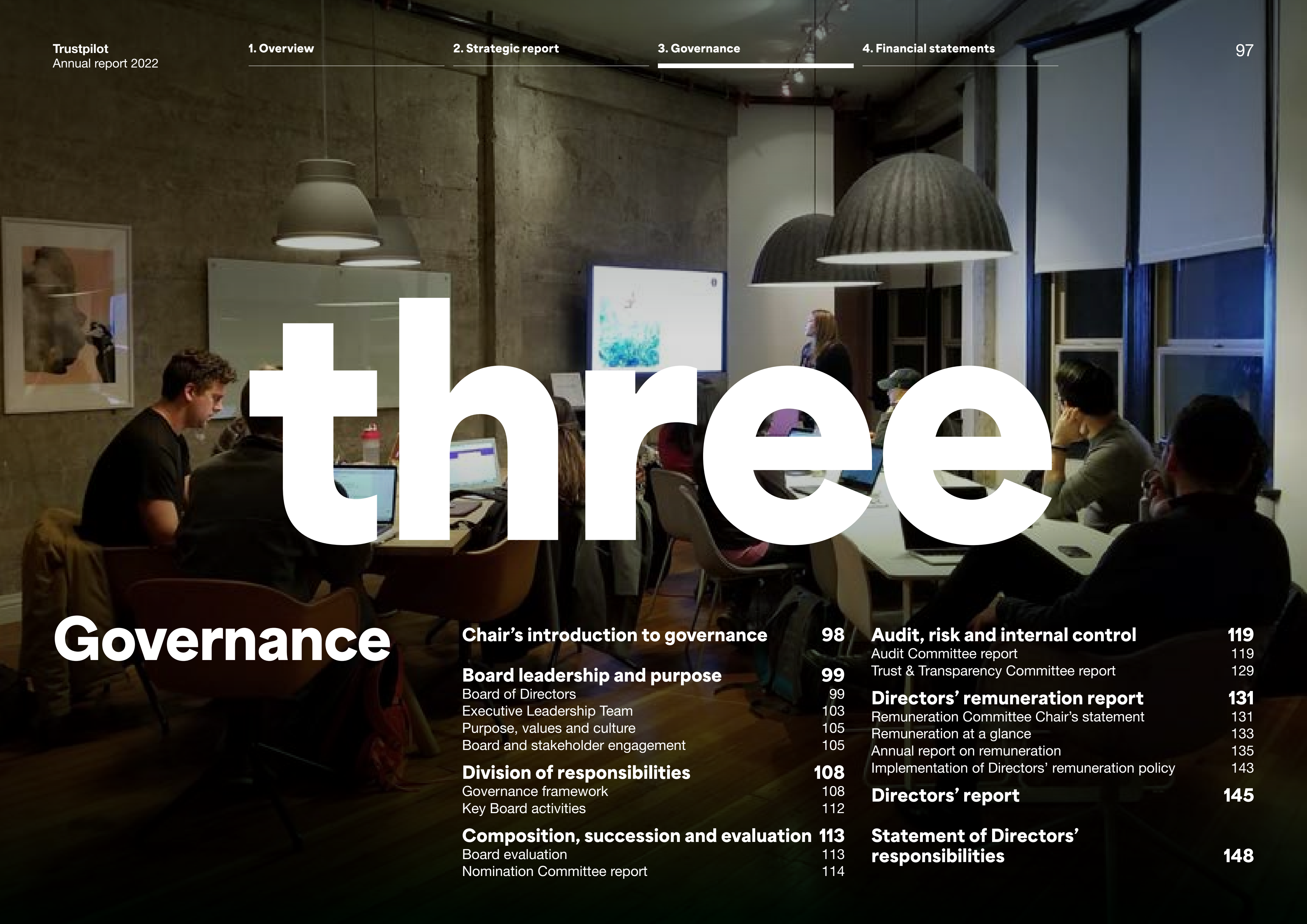
The table below constitutes the Non-Financial Information Statement of Trustpilot Group plc, produced to comply with sections 414CA(1) and 414CB(1) of the Companies Act 2006. The information listed in the table below is incorporated by cross reference.

| Reporting requirement | Policies and standards which govern our approach | Annual Report reference |
|---|---|---|
| Environmental matters | We follow the World Resources Institute's GHG Protocol Corporate Accounting and Reporting Standard, which provides a standardized and principles-based approach for presenting a true and fair account of emissions | Environment, page 62, 82 |
| Employees | Diversity, equity and inclusion,Health, safety and wellbeing<br>Code of Ethics,Speaking Up Policy | People and culture, page 85 |
| Social matters | Content integrity,<br>Stakeholder engagement | Trust and transparency, page 22<br>Sustainability and society, page 77<br>Stakeholder engagement, page 92, 103 |
| Human rights, anticorruption and antibribery | The impact of the Company's operations on the community and the environment | Modern Slavery and Human Trafficking, page 93<br>CEO review, page 25<br>People and culture, page 91<br>Audit report, page 151<br>Environment, page 62<br>Sustainability and society, 63 |
| Description of business model<br>Business model | | Business model, page 31 |
| Description of principal risks and impact of business activity | | Principal risks and uncertainties, page 68<br>Viability statement, page 51 |
| Non-financial key performance indicators | | Financial and non-financial KPIs, page 42<br>Sustainability and society, page 77 |

The Strategic Report has been approved by the Board and signed on its behalf by

**Peter Holten Mühlmann**
**Chief Executive Officer**

20 March 2023



# three

# Governance

# Chair's introduction to governance

**Tim Weller**
**Chair**

On behalf of the Board, I am pleased to present our Governance Report for the year ended 31 December 2022. This report details our approach to effective corporate governance, including the controls and oversight the Board has established to ensure we are effective in our decision-making, and that we have an appropriate diversity of skills, knowledge and experience to manage risk and successfully deliver against our strategy.

A summary of our compliance against the provisions of the UK Corporate Governance Code 2018 can be found on page 99.

## Purpose, culture and values

The Board has a responsibility to establish and promote a culture which creates a positive working environment, inclusive and supportive of all our employees. During the year, a key element of our focus was to understand how our culture and values can help us achieve our ambitious goals of being the world's most trusted and used online review platform. As Chair, I made it a clear priority for the Board to oversee senior management's progress toward embedding a high-performance culture across our business; one that enables our employees to live up to our core values, being Open to All, Collaborative, Positively Human, and Always with Integrity.

Further information on the Board's engagement with our key stakeholders, including our workforce, can be found in the Strategic report on pages 79 to 94 and on pages 106 to 107.

## Board succession and diversity

During my final year as Chair, I was delighted to welcome Zillah Byng-Thorne to the Board as Deputy Chair. Zillah brings to the Board extensive technology sector experience and has a wealth of knowledge of business and consumer platforms, as well as significant experience of international expansion and the scaling of high-growth companies. Zillah was appointed as Chair of the Nomination Committee on 1 December 2022 and as Chair Designate from 11 January 2023. As announced on 24 February 2023, Zillah will succeed me as Chair on 3 April 2023 and I will not be seeking re-election as a Director of the Company at the forthcoming Annual General Meeting (AGM). It has been a privilege to serve as Trustpilot's Chair over the past 10 years, both prior to and after our IPO in 2021, and to have overseen the growth and development of the business in that time.

We are fortunate to have a diverse Board of Directors with a wide range of skills, experience and knowledge. We value diversity on our Board, including diversity of age, gender, ethnicity, education and social background, and regularly review the composition of our Board and committees taking into account the Company's strategic priorities and any factors affecting its long-term success. The work undertaken by the Nomination Committee in considering the composition of the Board and Board committees is set out on pages 114 to 118 and further information on the composition of the Board can be found on pages 99 and 113.

## Key activities

In the past year, as we emerged from the restrictions caused by the global pandemic, it was heartening to be able to increase the number of our in-person Board meetings, including those held in our London and Copenhagen offices, as well as a two-day strategy meeting in London in October 2022. A summary of key Board activities is set out on page 112.

## Board evaluation

During 2022, we made progress on the focus areas identified as priorities by our 2021 Board evaluation and, in December 2022, we undertook an internal evaluation of the Board and its committees. The results of our Board evaluation can be found on page 113 and the results of the evaluations undertaken for each of our Board committees can be found in the respective committee reports.

## Annual General Meeting

The Annual General Meeting (AGM) is due to be held on 23 May 2023 in London. We have chosen not to offer the digital hybrid format of meeting that we offered at the 2022 AGM due to a significant lack of demand for the digital element of the meeting. Further information on the Company's AGM arrangements is provided in the Notice of AGM which is available on the Company's website, investors.trustpilot.com.

I welcome the opportunity to engage with shareholders and hope that you will join me at the AGM.

**Tim Weller**
**Chair**

20 March 2023

# Compliance with the Code

Trustpilot Group plc is subject to the UK Corporate Governance Code issued by the Financial Reporting Council (available at www.frc.org.uk), published in July 2018 (the "Code"). During the year ended 31 December 2022, the Company has complied with all of the provisions of the Code, with the exception of Provision 23 in relation to a Board Diversity Policy, which was not in place for the full year. The adoption of a Board Diversity Policy was delayed to September 2022 so that it could be prepared alongside a wider Diversity, Equity and Inclusion Policy for the Group. This approach ensured that the policies are consistent and adequately reflect the culture and values of Trustpilot and our key stakeholders. Further information on the diversity of our Board can be found on page 117.

Provision 19 of the Code recommends that the Chair should not remain in post beyond nine years. For the purposes of the Code, the Board considers that the nine-year time frame commenced in March 2021, when the Company became subject to the Code. Further information on Chair succession planning is set out in the Nomination Committee report on pages 115 to 117.

The table to the right shows where additional information can be found on how the Company has applied the principles of the Code.

| | |
|---|---|
| **Board leadership and Company purpose** | |
| Sustainability | 79 to 85 |
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| **Division of responsibilities** | |
| Division of responsibilities | 108 to 111 |
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| **Audit, risk and internal control** | |
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| Internal and external audit | 123 to 125 |
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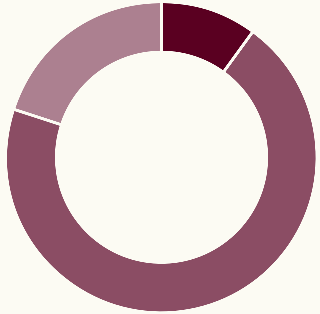
| Directors' remuneration report | 131 to 144 |

# Board leadership and purpose

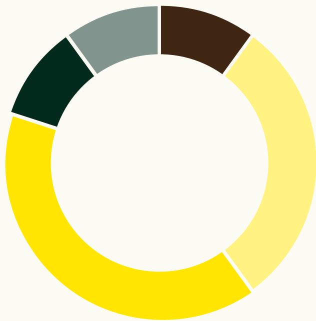
### Board composition

The following charts provide a summary of the Board's composition as at 20 March 2023.

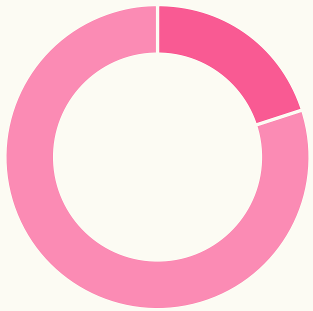
**Gender**
- Male (6)
- Female (4)



**Composition**
- Chair (1)
- Non-Executive (7)
- Executive (2)

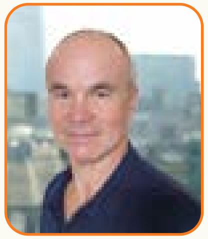


**Age**
- 40-44 (1)
- 45-49 (4)
- 50-54 (3)
- 55-59 (1)
- 60+ (1)



**Ethnicity**
- Non-white (2)
- White (8)

# Board of Directors



## Tim Weller
**Non-Executive Chair**

**Appointed:** February 2021
(joined the Group as Chair in 2013)

**Independent:** Yes, on appointment

**Nationality:** British

**Skills and experience:**
Tim joined the Group as Chair in February 2013. Tim has extensive board-level experience in leading technology companies. He is the Chair of Pixomondo Inc., SohoNet, Resi and SalesManago.

Tim's former roles include Chair of Incisive Media Group Holdings Limited, until its sale in 2022, Chair of Superawesome Limited, a digital technology firm, until its sale to Epic Games Inc. in October 2020, and Chair of Ti Media Limited, until its sale to Future plc in May 2020. Tim was also Chair of Tremor International Ltd, a leader in video advertising technologies, until September 2020. Tim was formerly a member of the Shadow Cabinet New Enterprise Council, which advised the UK Government on business and enterprise.

**Principal external appointments:**
- Chair of Pixomondo Inc.

**Committee membership:** N T D

## Zillah Byng-Thorne
**Non-Executive Chair Designate**

**Appointed:** 1 October 2022

**Independent:** Yes

**Nationality:** British

**Skills and experience:**
Zillah joined the Group as an Independent Non-Executive Director and Deputy Chair on 1 October 2022. She was appointed as Chair of the Nomination Committee from 1 December 2022 and as Chair Designate from 11 January 2023. She has extensive technology sector experience, spanning online gaming, digital media and e-commerce. Zillah was Chief Financial Officer of Trade Media Group (now Auto Trader Group plc) from 2009 to 2012, and Interim Chief Executive Officer from 2012 to 2013. Prior to this, Zillah was Commercial Director and Chief Financial Officer at Fitness First Limited, and Chief Financial Officer of Thresher Group. Zillah has previously held non-executive roles at GoCo Group plc (now GoCo Group Limited), prior to its acquisition by Future plc in March 2021, THG plc and Mecom Group plc.

Zillah is a chartered management accountant (CIMA) and qualified treasurer (ACT). She has an MA in Management from Glasgow University and an MSc in Behavioural Change from Henley Business School.

**Principal external appointments:**
- Chief Executive Officer of Future plc
- Non-executive director of Norwegian Cruise Line Holdings Ltd.

**Committee membership:** N T D

## Peter Holten Mühlmann
**Chief Executive Officer**

**Appointed:** February 2021
(founded the Group in 2007)

**Independent:** No

**Nationality:** Danish

**Skills and experience:**
Peter founded Trustpilot in 2007 and led the business to be an international listed company. As CEO, Peter is based in Copenhagen and spends his time focusing on Trustpilot's strategy and products, working with the executive team on operational matters, and meeting with investors and other stakeholders.

In 2013, Peter was named Danish Entrepreneur of the Year by Ernst & Young.

Peter has a Bachelor's degree in Business Administration from Aarhus University School of Business.

**Committee membership:** D

## Hanno Damm
**Chief Financial Officer**

**Appointed:** February 2021
(joined the Group as CFO in 2016)

**Independent:** No

**Nationality:** German / American

**Skills and experience:**
Hanno joined the Group as CFO in January 2016. He was previously a Senior Vice President at Bankrate Inc., where he oversaw corporate finance, and mergers and acquisitions. Prior to this, Hanno held positions at Apax Partners, a global private equity firm, and PricewaterhouseCoopers, working on projects across multiple industries.

Hanno holds a Masters in Finance (MFin) from Princeton University and a Diploma in Economics (Dipl.-Vw.) from the University of Bonn.

**Committee membership:** D

**Committee membership key:** A Audit Committee R Remuneration Committee N Nomination Committee T Trust & Transparency Committee D Disclosure Committee C Chair of Committee

# Board of Directors continued

## Angela Seymour-Jackson
### Senior Independent Director

**Appointed:** February 2021
(joined the Group as a Non-Executive Director in March 2019)

**Independent:** Yes

**Nationality:** British

**Skills and experience:**
Angela has significant board experience across both public and private sectors. Prior to working as a Non-Executive Director, Angela had more than 25 years' experience in financial services, holding senior executive positions at Norwich Union Insurance Limited, Aviva UK Limited and Aegon UK plc. Angela also acted as a senior advisor at Lloyds Banking Group (Insurance) and was Chief Executive Officer of RAC Motoring Services Limited, prior to its sale to a private equity firm.

Angela has held a number of Non-Executive roles, including Non-Executive Director and Chair of the Remuneration Committee of Rentokil Initial plc, Non-Executive Deputy Chair and Senior Independent Director of GoCo Group plc, prior to its acquisition by Future plc, and a Non-Executive Director of esure Group plc.

**Principal external appointments:**
- Chair of Page Group plc
- Non-Executive Director of Future plc
- Non-Executive Director of Janus Henderson Group plc

**Committee membership:** A R N T

## Mohammed Anjarwala
### Non-Executive Director

**Appointed:** February 2021
(joined the Group as a Non-Executive Director in March 2019)

**Independent:** No

**Nationality:** American

**Skills and experience:**
Mohammed has more than 20 years' public and private equity investing experience. He is a partner at Advent International, where he leads Sunley House, Advent's global crossover fund. Previously, Mohammed worked at SFW Capital and Bain Capital, having started his career as a consultant at Bain & Company.

Mohammed has a BA in Mathematics from Franklin & Marshall College and an MBA from Harvard Business School.

**Principal external appointments:**
- Managing Director at Advent International Corporation
- Board of Trustees at Franklin & Marshall College

## Claire Davenport
### Non-Executive Director

**Appointed:** February 2021
(joined the Group as a Non-Executive Director in March 2019)

**Independent:** Yes

**Nationality:** British

**Skills and experience:**
Claire has a wealth of ecommerce expertise through her roles in industry-leading and disruptive companies, including her current role as an advisor to Infogrid, and in her former roles as Chief Executive Officer of Notonthehighstreet, Chief Executive Officer of HelloFresh UK and Managing Director of VoucherCodes.

Prior to this, Claire held senior-level strategic and executive roles in online and media companies, including Skype, RTL Group, and Bigpoint. Claire started her career in investment banking, working on mergers and acquisitions, and equity capital markets transactions at Goldman Sachs and J.P. Morgan.

Claire has an MA in Natural Sciences from Cambridge University and an MBA from INSEAD.

**Principal external appointments:**
- None

**Committee membership:** R

## Joe Hurd
### Non-Executive Director

**Appointed:** June 2021

**Independent:** Yes

**Nationality:** American

**Skills and experience:**
Joe has significant global experience in consumer-facing technology businesses.

Joe has a track record of revenue growth and value creation at global Fortune 500 and private companies, including Facebook, Gannett, AOL, VideoEgg and Friendster. Joe is an Operating Partner with SOSV LLC, a $1.3billion US-based, early stage venture fund. Between 2009 to 2012, Joe served in the Obama Administration liaising between government and businesses.

Joe is also an independent public board director, advising on strategic growth, ESG, workforce engagement, innovation, governance, compensation, board recruitment and diversity.

Joe has previously served as a Non-Executive Director of GoCo Group plc (acquired by Future plc) and as an Independent Director of SilverBox Engaged Merger Corp I.

**Principal external appointments:**
- Chief Executive Officer at The Katama Group LLC
- Non-Executive Director of Hays plc

**Committee membership:** A N T

**Committee membership key:** A Audit Committee R Remuneration Committee N Nomination Committee T Trust & Transparency Committee D Disclosure Committee C Chair of Committee

# Board of Directors continued

## Ben Johnson
**Non-Executive Director**

**Appointed:** February 2021
(joined the Group as a Non-Executive Director in May 2015)

**Independent:** No

**Nationality:** British

**Skills and experience:**
Ben is a partner and member of the founding team at Vitruvian Partners LLP, leading the data and analytics, and consumer technology sector teams. Prior to joining Vitruvian in 2007, Ben was at Cinven and Goldman Sachs International. Ben currently serves on the boards of Sykes Holiday Cottages, Travel Counsellors Ltd and OAG Aviation Ltd.

Ben read Philosophy, Politics and Economics at Magdalen College, Oxford University. He is a member of the Tech Nation Future 50 Advisory Panel.

**Principal external appointments:**
- Partner at Vitruvian Partners LLP
- Director of Sykes Holiday Cottages
- Director of Travel Counsellors Ltd
- Director of OAG Aviation Ltd

## Rachel Kentleton
**Non-Executive Director**

**Appointed:** February 2021

**Independent:** Yes

**Nationality:** British

**Skills and experience:**
Rachel is a qualified accountant and is the Chief Financial Officer of St. Modwen Properties Limited. Rachel brings recent and relevant financial experience to the Board and strong leadership to the Audit Committee. Rachel has significant experience in strategy and finance across a range of customer-facing businesses.

Prior to joining St. Modwen, Rachel was the Group Finance Director of PayPoint plc and was previously the Group Director of Strategy & Implementation at easyJet plc. Prior to her role at easyJet plc, Rachel held senior roles at Unilever plc, NatWest Group, Diageo plc and SABMiller plc.

Rachel was a Non-Executive Director and Chair of the Audit Committee at Persimmon Plc until August 2021.

**Principal external appointments:**
- Chief Financial Officer at St. Modwen Properties Limited

**Committee membership:** A R N T

## Board and committee meeting attendance

| Director | Board | Audit Committee | Remuneration Committee | Nomination Committee | Trust & Transparency Committee[1] |
|---|---|---|---|---|---|
| Tim Weller [2]<br>Chair | 8/8 | – | – | 5/5 | 1/2 |
| Zillah Byng-Thorne<br>Independent Non-Executive Director and Chair Designate [3] | 2/2 | 1/1 | – | 1/1 | 1/1 |
| Peter Holten Mühlmann<br>Chief Executive Officer | 8/8 | – | – | – | – |
| Hanno Damm<br>Chief Financial Officer | 8/8 | – | – | – | – |
| Angela Seymour-Jackson [4]<br>Senior Independent Director | 8/8 | 4/4 | 6/6 | 4/5 | 2/2 |
| Mohammed Anjarwala<br>Non-Executive Director | 8/8 | – | – | – | – |
| Claire Davenport [5]<br>Independent Non-Executive Director | 8/8 | – | 5/6 | – | – |
| Joe Hurd<br>Independent Non-Executive Director | 8/8 | 4/4 | – | 5/5 | 2/2 |
| Ben Johnson<br>Non-Executive Director | 8/8 | – | – | – | – |
| Rachel Kentleton<br>Independent Non-Executive Director | 8/8 | 4/4 | 6/6 | 5/5 | 2/2 |

1 The Trust & Transparency Committee is chaired by Carolyn Jameson, Company Secretary and Chief Trust Officer. Carolyn has attended and chaired all meetings of the Committee
2 Tim Weller was unable to attend the Trust & Transparency Committee meeting in May 2022 due to a prior business engagement
3 Zillah Byng-Thorne was appointed to the Board, Audit Committee, Nomination Committtee and Trust & Transparency Committee with effect from 1 October 2022. Zillah stepped down as a member of the Audit Committee on 11 January 2023 when she assumed the role of Chair Designate
4 Angela Seymour-Jackson was unable to attend the Nomination Committee in August 2022 due to a prior business engagement
5 Claire Davenport was unable to attend the Remuneration Committee in October 2022 due to a prior business engagement

## Disclosure Committee

The Disclosure Committee comprises the Chief Financial Officer as Chair of the Committee, the Chief Executive Officer, the Chair of the Board and the Company Secretary. The Committee's principal duty is to oversee the Company's obligations in relation to the disclosure of inside information. Members of the Committee have communicated regularly during the year but a formal meeting has not been necessary during the year.

# Executive Leadership Team

### Peter Holten Mühlmann

**Chief Executive Officer**

See page 100 for Peter's biography

### Hanno Damm

**Chief Financial Officer**

See page 100 for Hanno's biography

### Tim Hilpert

**Chief Operating Officer**

Tim joined Trustpilot in February 2021 as Chief Operating Officer.

Prior to joining Trustpilot, Tim held several senior roles at OLX Group, including Chief Executive Officer for Europe and Central Asia, and Chief Executive Officer of OLX Markets, and was a Senior Director at eBay.

Tim started his career at the Boston Consulting Group and holds a degree in Engineering from TU Berlin, and an MBA from the University of Vermont.

### Carolyn Jameson

**Company Secretary and Chief Trust Officer**

Carolyn joined the Group in August 2019 as Chief Legal and Policy Officer, and was appointed as Chief Trust Officer in January 2021.

Prior to this, Carolyn was the Chief Legal Officer at Skyscanner, where she oversaw corporate development, legal, public affairs and corporate communications. Following the acquisition of Skyscanner by Ctrip.com International Limited, Carolyn managed the integration and transformation of Skyscanner to being part of a NASDAQ listed company and was appointed as head of international M&A and corporate development for Ctrip.

Carolyn has held senior business and legal roles across a number of international technology companies, giving her a broad knowledge of the business, regulatory and legal environment in which Trustpilot operates.

Carolyn is Chair of the Trust & Transparency Committee and a member of the Disclosure Committee.

### Donna Murray Vilhelmsen

**Chief People Officer**

Donna joined Trustpilot in 2019 to lead Trustpilot's People function. With more than 25 years' experience in the field, Donna has significant expertise to build and lead a world-class People function. Her main focus is to make Trustpilot an even better place to work and grow in order to attract and retain the best-in-class talent.

Prior to Trustpilot, Donna was an HR Vice President at COWI for their international operations. Donna has also held senior positions at Maersk and AECOM.

Donna holds a Bachelor of Human Resources Management degree from the University of South Australia.

# Executive Leadership Team continued

## Mieke De Schepper
### Chief Commercial Officer

Mieke joined Trustpilot in May 2022 as Chief Commercial Officer. She leads Sales, Customer Success and Commercial Partnerships and is responsible for developing and delivering Trustpilot's global commercial strategy.

Mieke has a track record of transforming and growing global technology businesses, with specific expertise in Asia-Pacific from her role at Amadeus IT, Expedia Group and Philips. She has led product, marketing and commercial teams across multiple countries in Asia-Pacific, Europe, Latin America and USA.

## Selim Dogguy
### Chief Technology Officer

Selim joined Trustpilot in September 2022 as Chief Technology Officer. He leads the Engineering, and Data, Analytics & Architecture teams, who work in collaboration with the Product & Design team to solve problems for businesses and consumers.

Selim joined Trustpilot from Hopin, the event technology platform, and has held CTO and VP Engineering roles across Europe and the US, notably OLX Group, Instaply, Viadeo and Figaro. Selim has a Masters Degree in Distributed Computing from Paris-Sud University.

## Ben Lavender
### Chief Product Officer

Ben joined Trustpilot in January 2023 as Chief Product Officer. He leads the Product and Design teams to define the product strategy, and drive innovation for business subscribers and consumers.

Ben has a proven track record of innovation for high-growth businesses. He created BBC iPlayer, LOVEFiLM on demand, which was acquired by Amazon to become the foundation of Prime Video, and DAZN, the 'Netflix' for sport. Most recently he was at Sky where he led the redesign of NOW.

## Alicia Skubick
### Chief Marketing Officer

Alicia joined Trustpilot in October 2021 as Chief Marketing Officer and is responsible for building Trustpilot's global brand and driving growth. Alicia is also responsible for strategic technology partnerships to deliver customer benefits through product integrations. Prior to Trustpilot, Alicia built world-class business and technology brands at Intuit, Sage, Western Union and Symantec. Her experience includes global and regional leadership in the USA and Europe, leading both marketing and sales.

# Purpose, values and culture

**Trustpilot's purpose is to help people and businesses help each other...**

Trustpilot's purpose is to help people and businesses help each other — because when they do, people benefit, businesses benefit, and tomorrow's society benefits too. This purpose drives our strategy and is integral to the Group's culture and values. Our purpose sums up why we do what we do and shines through in the way we do it – from the products and features we build and the way in which we manage our relationships with our stakeholders.

The Board leads and oversees the Group's culture and seeks to ensure that it is aligned with our purpose, values and strategy for the benefit of all stakeholders. In 2022, the Board had a particular focus on various aspects of our workforce, including people strategy, culture, diversity, equity and inclusion, and employee engagement.

The Board assesses and monitors the culture of Trustpilot by receiving and considering:

- direct feedback from the workforce via Board workforce engagement sessions;
- regular feedback from the Non-Executive Director responsible for workforce engagement on matters of importance to Trusties;
- regular reports and feedback from management, particularly the Chief Executive Officer and the Chief People Officer;
- feedback on internal employee satisfaction surveys; and
- reports on whistleblowing, compliance and confidential misconduct.

The Company's values are a powerful driver of our culture, and guide how we behave, make decisions, and approach all that we do. The 2021 Board evaluation indentified a number of areas of focus for the Board in 2022, including a review of culture across the business. During the year, the Board encouraged management to continue its drive to better understand the workforce and promote a culture of success and high achievement.

In September 2022, the Board undertook an evaluation of the culture at Trustpilot, to understand progress on the work being done by management in response to the Board's challenge. This included establishing a culture task force to define and embed minimum standards, a series of culture-focused workshops for managers and the launch of a high-performance management structure.

The Board and senior management embrace the Company's values, and lead by example. Further information on the Group's culture, values and leadership development can be found on pages 87 to 93 of the Strategic report.

## Board and stakeholder engagement

The Board recognises its responsibility to engage with key stakeholders and their importance to the long-term sustainable success of the Group. In accordance with section 172 of the Companies Act 2006 and the UK Corporate Governance Code, the Board considers the potential impact on the Company's key stakeholders and takes their views and interests into account in its decision-making. The Company's statement on section 172 of the Companies Act 2006 and page references for additional information on each section 172 matter can be found on page 94.

The Board reviewed and approved the Group's ESG materiality assessment in February 2022 and has continued to oversee progress on the Group's ESG strategy. Further information on Sustainability at Trustpilot, including information on our ESG strategy, can be found on pages 79 to 85.

A summary of the Board's engagement with the Company's key stakeholders is set out on pages 106 and 107.

## **Purpose, values and culture** continued

| Stakeholder | Engagement during the year | Effect on the Board's decision-making |
|---|---|---|
| **Employees** | • The Senior Independent Director, Angela Seymour-Jackson, is the Non-Executive Director responsible for workforce engagement. The Non-Executive Directors' workforce engagement programme was regularly reviewed by the Board. Led by the Senior Independent Director and the Chief People Officer, the Board discussed the effectiveness of the sessions and the feedback received from the workforce. Five dedicated workforce engagement sessions, including informal Q&A and feedback, were held during the year, these included:<br>– Two meetings with the Trusties in Color, an employee resource group (ERG) representing the diverse ethnic, racial and cultural backgrounds of Trustpilot employees.<br>– A meeting with Trustpilot Women in Leadership, an ERG which aims to balance gender representation in Trustpilot's leadership.<br>– A meeting with Trustpilot Pride and Allies, an ERG supporting and celebrating the LGBTQIA+ employee community.<br>– A meeting with the Global Leadership Group (GLG) on how executive remuneration aligns with the Company's wider pay policy. The GLG is a group comprising the ELT and four further levels of leadership below the ELT, in addition to those considered to be influential in the business. This group touches every corner of the business and provides support in cascading messages from the ELT to the wider workforce.<br>• The Chief People Officer regularly updated the Board on key people matters, including recruitment, retention, DEI, key people initiatives and the results of employee engagement surveys.<br>• The Audit Committee supported management in its improvements to the Group's whistleblowing procedures. The Audit Committee also considered reports on whistleblowing and any incidents of confidential misconduct and provided feedback to the Board.<br>• The CEO, CFO and other members of the ELT hosted regular 'All Hands' and 'Ask me anything' sessions with the workforce. The 'All Hands' meetings provided employes with updates on matters including Company strategy and performance. The format of the meetings offered employees the opportunity to ask questions on matters of concern to them, these included questions on general business matters, strategy, objectives, and executive and workforce remuneration, including the alignment of executive remuneration with the Company's wider pay policy for the workforce.<br>• The Remuneration Committee considered the Group's total reward philosophy, including the benefits and reward structure for the workforce.<br>• The Board supported management in key people initiatives during the year including the launch of the Group's DEI strategy which focused on sponsorship and support from the ELT for key DE&I focus areas.<br>• The Board and committees undertook several workforce-related evaluations during the year including people, culture, DEI, workforce remuneration and benefits, succession planning, and the talent pipeline. | • The workforce engagement programme has provided the Non-Executive Directors with a deeper understanding of matters of importance to the workforce and the opportunity to hear from Trusties at all levels so that they can advise, support and provide constructive challenge to the ELT. It has also provided an opportunity for the Board to reinforce key messages on the Company's culture, values, mission and strategy.<br>• The Board considered the Company's talent pipeline following feedback from Trustpilot Women in Leadership ERG.<br>• Feedback received from the GLG on the link between executive and wider workforce remuneration was taken into consideration in the Remuneration Committee's discussions on remuneration for 2023.<br>• Feedback from the workforce on the importance of DEI matters led to the sponsorship of DEI focus areas by ELT members and the scheduling of quartlery Board discussions on DEI.<br>• The Audit Committee supports and challenges management on the management of whistleblowing and misconduct reports, and encourages management in identifying any key trends for further investigation.<br>• By receiving feedback from the workforce, the Board is more effective in its decision-making, taking into account the views, concerns and needs of the workforce.<br>• The Board considered key issues raised from employee feedback and challenged management on its response.<br>• The Board undertook a number of evaluations, including people and culture, succession planning, the talent pipeline, and employee trend analysis.<br>• The Board was better able to understand the key DEI focus areas and oversee and challenge management about its progress on DEI strategy. |
| **Investors** | • The CEO, CFO and the Head of Investor Relations met with investors and analysts on an ad hoc basis during investor conferences, at the Capital Markets Day in June, and also during the results roadshows which followed the full and half-year results in March and September. Feedback from each event was provided to the Board.<br>• The Head of Investor Relations regularly engaged with analysts and investors, and provided feedback in his reports and presentations to the Board. Investor Relations reports to the Board also included input from the Company's corporate advisors, including information on changes to the share register, valuation and performance relative to the peer group.<br>• The Chair and Senior Independent Director met with key shareholders in May 2022 to discuss a range of topics, including succession planning, strategy, growth and profitability.<br>• Several of the Non-Executive Directors attended the Capital Markets Day in June 2022 to meet with investors.<br>• The Company's corporate advisors were invited to present to the Board on several occasions, covering topics such as defence considerations and macro market trends, among other relevant subjects.<br>• Feedback and guidance from investor bodies was shared with the Board and relevant Board committees, this included guidance on executive remuneration to the Remuneration Committee and information on corporate reporting, including TCFD, to the Audit Committee.<br>• The Company's first AGM in May 2022 was held as a 'hybrid meeting' which offered shareholders the opportunity to join the meeting and vote both online and in person. | • Feedback from these meetings helps the Board to better understand the views of shareholders.<br>• The Board took into consideration investor sentiment in relation to diversity on the Board and in the talent pipeline in its review and approval of the Group and Board Diversity, Equity and Inclusion Policies.<br>• The Board considered feedback from investors in overseeing management's progress on the Group's ESG strategy.<br>• The Remuneration Committee considered the views of investors when preparing the Directors' Remuneration report and in setting remuneration targets for 2023. |

## Purpose, values and culture continued

| Stakeholder | Engagement | Effect on Board's decision-making |
|---|---|---|
| **Customers** | • The Board received updates on customer relationships and feedback through Board reports from the CEO, CFO and COO.<br>• The COO presented deep-dives on key customer matters during the year.<br>• Regular Board reports were provided with information on key metrics, including the number of reviews*, progress on automated review invitations, reviewed and claimed domains* and subscribing customers*. The reports also provided key insights into content integrity, including analysis on the number of flagged reviews, reporting reasons and customer service metrics.<br>• The Board received updates on the Company's TrustScore and feedback received from customers. | • The Board has supported management in its drive to reduce the number of fake or misleading reviews online, and in its efforts to automate processes on the platform to further improve the integrity of the site.<br>• The Board has an increased understanding and awareness of the needs of customers.<br>• The Board oversees the publication of the Group's Transparency Report which can be found on the Company's website, uk.trustpilot.com/trust. |
| **Consumers** | • The Board received updates on the Group's consumer product strategy.<br>• The Chief Trust Officer provided the Board and the Trust & Transparency Committee with updates on consumer verification processes and procedures, and progress on initiatives to reduce the number of fake or misleading reviews.<br>• The Board received regular updates on progress with respect to proactive litigation in relation to fake or misleading reviews. | • The Board has an increased understanding and awareness of the needs of consumers and has supported management in the development of the platform.<br>• The Board has supported management in its initiatives to take action against businesses who seek to mislead consumers with false reviews. |
| **Civil society / communities** | • The Board received updates on management's activities and initiatives including interactions with non-governmental organisations and associations of relevance to the Company. | • The Board has a wider understanding of the key areas of focus of the non-governmental organisations and associations, and takes these into consideration in its decision-making. |
| **Government and regulators** | • A report from the Chief Trust Officer, including updates on upcoming regulation and proposed legislation or legislative changes that might affect the business is tabled at each Board meeting The report also provided updates on any relevant government or regulator interaction.<br>• The Board received updates on the work of the Head of Public Affairs, and their engagement with government bodies and regulators. | • Feedback on engagement with governments and regulators helps the Board to understand the wider environment in which the Company operates.<br>• The Board supports and encourages management in its efforts to increase trust and transparency online. |

* Key performance indicator – further detail can be found on pg 43.

# Division of responsibilities

## Governance framework

Our governance framework assists the Board in effective decision-making and in its oversight of the Group and its operations.

### The Board

| Audit Committee | Remuneration Committee | Nomination Committee | Trust & Transparency Committee |
|---|---|---|---|
| See pages 119 to 128 | See pages 131 to 144 | See pages 114 to 118 | See pages 129 to 130 |

### Disclosure Committee

Responsible for monitoring the existence of inside information and ensuring that the Company complies with its disclosure obligations.

### Executive Leadership Team

Responsible for the day-to-day management of the Group.

## The role of the Board

The Board is responsible for the long-term sustainable success of the Company for the benefit of shareholders and other stakeholders. The Board has responsibility for the overall leadership of the Company and setting the Company's purpose, values and strategy, and ensuring that these, and the Company's culture, are aligned.

The Board delegates certain responsibilities to the Board committees. The Terms of Reference of each of the Board committees is available on the Company's website, investors.trustpilot.com, and information on their principal activities is included within the reports of each committee referenced above. The Schedule of Matters Reserved for the Board is reviewed and approved by the Board on an annual basis, and is available on the Company's website, investors.trustpilot.com.

The reserved matters include:

- Approval of the Group's strategic aims and objectives.
- Establishing the Company's purpose, values and strategy, and ensuring that they are aligned with the Company's culture.
- Approval of the Group's key financial results and communications.
- Overseeing the Group's systems of risk management and internal control.
- Approval of material capital projects and contracts.
- Changes to the size, structure and composition of the Board and its committees.
- Approval of key policies and procedures.

In 2022, the Board held seven formal meetings and a two-day offsite strategy meeting in October 2022. Details of Directors' attendance at Board and committee meetings can be found on page 102.

To facilitate independent discussion, the Chair meets the Non-Executive Directors either prior to or after formal Board meetings, without management present. The Company Secretary liaises with the Chair well in advance of Board meetings to ensure that Board meeting agendas provide sufficient time for key matters to be considered. Board agendas are prepared alongside an annual planner which ensures that key matters are considered at appropriate times during the year whilst providing additional time for ad hoc items and evaluations to be provided to the Board. Meeting agendas typically include reports from the CEO on operational performance, the CFO on financial performance and the Chief Trust Officer on trust matters, in addition to detailed evaluations of key issues. A summary of the Board's key activities is set out on page 112.

Board papers are released to the Board via a secure online portal well in advance of Board meetings. During the year, management has continued to work on improvements to the quality of Board papers in order to best support the Board's decision-making. This has included an online workshop for those involved in the preparation of Board and committee papers.

Senior management and external advisors are regularly invited to Board meetings to present agenda items within their areas of expertise.

As at 20 March 2023, the Board comprises the Chair, two Executive Directors and seven Non-Executive Directors. A summary of their responsibilities is set out on the following page.

# Division of responsibilities continued

### Chair – Tim Weller

- Leads the Board and is responsible for its overall effectiveness.
- Shapes the culture of the boardroom, and promotes a culture of openness and debate while demonstrating objective judgement.
- Sets the Board's agenda and ensures that relevant issues are reserved for the Board's consideration.
- Demonstrates ethical leadership and promotes the highest standards of integrity, probity and corporate governance.
- Sets clear expectations for Board discussions and facilitates the effectiveness of Board Directors and the overall Board.

### Chief Executive Officer – Peter Holten Mühlmann

- Responsible for the executive management of the Group, with support from the Chief Financial Officer and senior management.
- Develops and implements the Group's strategy, as agreed by the Board.
- Leads communications with shareholders and other stakeholders.
- Sets an example to the Group's workforce and other key stakeholders and communicates expectations in respect of the Company's culture.
- Facilitates and supports strong communication between the business and the Board.

### Chief Financial Officer – Hanno Damm

- Responsible for strategic financial leadership.
- Oversees the day-to-day management of the Group's financial affairs.
- Implements the Board's decisions with respect to finance matters.
- Supports the Chief Executive Officer in the implementation of the Group strategy.

### Senior Independent Director – Angela Seymour-Jackson

- Acts as a sounding board for the Chair and supports the delivery of the Chair's objectives.
- Supports the Chair in the Board evaluation process and leads the evaluation of the Chair on behalf of the other Directors.
- Supports the Nomination Committee in the Chair succession process.
- Serves as an alternative contact for other Directors and shareholders for queries that are not resolved by the Chair, Chief Exectuive Officer or Chief Financial Officer.

### Non-Executive Directors

- Bring experience and expertise to the Board.
- Provide constructive challenge to management.
- Promote high standards of corporate governance.
- Enhance Board debates and decision-making by bringing external perspectives to the table.
- Monitor the delivery of Group's strategy by the Executive Leadership Team.
- Ensure that the Group's systems of risk management and internal control are robust.
- Monitor the integrity of the Group's financial reporting.
- Oversee the performance of the Executive Directors in meeting their agreed goals and objectives.
- Engage with key stakeholders where appropriate and provide feedback to the Board.

### Company Secretary – Carolyn Jameson

- Ensures that Board procedures are complied with and advises the Board on all governance matters.
- Supports the Chair, and helps the Board and its committees to function effectively.
- Assists the Chair in ensuring that the Board is provided with information in a timely manner.
- Facilitates the induction of Board Directors and arranges ongoing training for Board Directors.

# Division of responsibilities continued

## Director independence, election and re-election to the Board

Each of the Non-Executive Directors, with the exception of Ben Johnson and Mohammed Anjarwala, is considered to be independent within the meaning of the Code and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. The Board evaluation for each Director and the Company's Conflicts of Interest Register help to inform the assessment of the independence of the Non-Executive Directors.

Additional safeguards are in place to support Director independence, including a formal system to deal with conflicts of interest and the division of responsibilities between the Chair, Senior Independent Director, Chief Executive Officer, Chief Financial Officer, and Non-Executive Directors.

The independence of the Non-Executive Directors was reviewed by the Board prior to Admission and the outcome of that review was disclosed in the Prospectus. The Board reconsidered and confirmed the independence of the Non-Executive Directors in 2022 and again in February 2023.

In considering the independence of Angela Seymour-Jackson, the Board had regard to the fact that she had been granted warrants in Trustpilot A/S, which were subsequently replaced with warrants over 546,000 ordinary shares in the capital of the Company as part of the IPO restructuring. During the year, Angela exercised 292,500 legacy warrants and, at the year-end, Angela held 295,480 ordinary shares and 253,500 warrants, comprising 156,000 vested and 97,500 unvested warrants, together representing 0.13% of the Company's issued share capital at the year-end and also at 20 March 2023. Subsequently, 97,500 warrants have vested and Angela no longer holds any unvested warrants. Notwithstanding her holdings, the Board remains satisfied that she is independent, taking into account her independence of character, judgement and ability to hold management to account. Since the Board's confirmation in February 2023, no matters have arisen to further impact this assessment.

Mohammed Anjarwala and Ben Johnson represent shareholders of Trustpilot Group plc and are not considered to be independent. Ben and Mohammed were each appointed under Board appointment rights agreements in February 2021, having been directors of Trustpilot A/S from 2015 and 2019, respectively. Mohammed represents Sunley House Capital Management and Ben represents Vitruvian Partners.

In respect of the Chair, the Code recommends under provision 9 that, on appointment, they should be independent when assessed against the circumstances set out in provision 10 of the Code. Accordingly, the Board determined prior to Admission that Tim Weller was independent on appointment notwithstanding his holding of ordinary shares and warrants over ordinary shares in the Company, amounting to a total of 1.51% of the Company's issued share capital immediately prior to Admission (and representing 0.65% at the year-end and also at 20 March 2023). In making its determination, the Board took into account the fact that the shares and warrants had been issued to him by Trustpilot A/S in respect of his services to Trustpilot A/S (including preparing and bringing the Group to Admission), which were subsequently replaced with shares and warrants in the Company prior to Admission in connection with the Group's restructure, as well as the value of the shares and warrants not being material when considering his overall net worth and the percentage of the issued share capital involved. The Board also considered factors such as his independent and objective character, the judgement displayed by him since his appointment as Chair of both Trustpilot A/S and the Company, and his general reputation for independence in the market.

Prior to the appointment of Zillah Byng-Thorne as Deputy Chair, the Board considered Zillah's independence, including her cross-directorship with Angela Seymour-Jackson in respect of Future plc. Notwithstanding provision 10 of the Code, the Board agreed that, due to the nature of the relationship between Zillah and Angela, and their independent and objective characters and, in the case of Angela, the judgement and objectivity displayed in her role as Senior Independent Director of the Company to date, that both Zillah and Angela were independent.

In considering independence in respect of Zillah's historic cross-directorship with Joe Hurd in their roles as directors of GoCo Group plc (acquired by Future plc in March 2021), the Board agreed that, given Joe's objective judgement displayed to date in his role as a Non-Executive Director of the Company, and taking into consideration the historical nature of his relationship with Zillah, that both Zillah and Joe were independent and the historical cross-directorship did not affect their independence, nor did it amount to a conflict of interest.

Further information on the matters taken into consideration in relation to Zillah's appointment to the Board are set out on pages 115 to 117 of the Nomination Committee report.

Non-Executive Directors are appointed for a fixed term of three years subject to annual re-election by shareholders. The Non-Executive Directors' fixed term can be extended and would not usually be extended beyond nine years other than in exceptional circumstances. The letters of appointment of the Non-Executive Directors, and the service contracts for the Executive Directors, are available for inspection at the Company's registered office and will be on display at the AGM. Further information on the appointment and replacement of Directors can be found on page 145.

# Division of responsibilities continued

Zillah Byng-Thorne will succeed Tim Weller as Chair of the Board on 3 April 2023. Each of the Directors, other than Tim Weller, will submit themselves for either election or re-election by shareholders at the AGM. In considering the election and re-election of each of the Directors, the Board has taken into consideration the results of the Board evaluation, the experience and skills of the Directors and their commitment to the role (including time for Board and Committee meetings and other duties). The Board considers that the election and re-election of each of the Directors, other than Tim Weller, who will not be submitting himself for re-election at the AGM, is in the best interests of the Company. Further information on the tenure, skills and experience of the Directors can be found on pages 100 to 102.

## External appointments

The letters of appointment of the Non-Executive Directors recommend a minimum time that each Director is required to commit to their role and, prior to appointment, Directors are required to confirm that, taking into account all of their other commitments, they are able to allocate sufficient time to the Company. Prior to accepting additional commitments that might affect the time that they are able to devote to the Company, Directors are required to seek the agreement of the Chair. We monitor the external directorships held by our Directors to ensure that our Directors remain compliant with the shareholder advisory groups' guidance on 'overboarding' and to satisfy ourselves that Directors' additional appointments will not adversely impact their time committment to Trustpilot.

In line with Provision 15 of the Code, in recommending Zillah's appointment to the Board, the Nomination Committee took into consideration Zillah's other time commitments and considered whether she would have sufficient time to meet her Board responsibilities as Deputy Chair. At the time of considering her appointment to the Board, Zillah was the CEO of Future plc, a Non-Executive Director of Flutter Entertainment PLC and Senior Independent Director of THG plc. During the recruitment process, the Board was reassured that Zillah was in the process of re-evaluating her portfolio of appointments which would provide additional capacity for her to dedicate sufficient time to her role as Deputy Chair of the Company.

In September 2022, Future plc announced that Zillah would step down as CEO by the end of 2023 and, on 15 September 2022, Zillah stepped down from her Non-Executive Director role at THG plc.

On 1 November 2022, Zillah Byng-Thorne was appointed as a Non-Executive Director of Norwegian Cruise Line Holdings Ltd. The Board considered and approved this additional commitment, having taken into consideration Zillah's plans to step down from from her roles at Future plc and Flutter Entertainment PLC, and was confident that Zillah would be able to continue to devote the appropriate time to her role on the Board of Trustpilot, and that the role would not give rise to a potential conflict of interest.

Zillah stepped down from her Non-Executive Director role at Flutter Entertainment plc on 31 January 2023 and, on 22 February 2023, it was announced that she would step down from her role as CEO of Future plc on 31 March 2023. When assessing additional external appointments, the Board considers the number of directorships already held by an individual and the time commitment expected in those roles. Each of the Directors on the Board has confirmed that they have been able to allocate sufficient time to discharge their responsibilities effectively.

## Conflicts of interest

A formal system is in place for Directors to declare a conflict, or potential conflict of interest. Conflicts of interest are considered at the start of each Board and committee meeting, and the Conflicts of Interest Register is updated as soon as the Board is made aware of a situation that could give rise to a conflict or potential conflict of interest. The Conflicts of Interest Register is formally reviewed by the Nomination Committee each year. In addition to monitoring the Directors' conflicts, or potential conflicts of interest, a Related Party Transactions Policy is in place under which the Company maintains a list of related parties for each of the Directors. The Board is satisfied that all conflicts and potential conflicts have been managed appropriately.

In considering the appointment of Zillah Byng-Thorne as Deputy Chair, the Board considered whether there was a conflict of interest with Angela Seymour-Jackson's involvement in the recruitment process as a member of the Nomination Committee. The Board agreed that the recruitment process was being run fairly and objectively, the full Nomination Committee and the Board was involved in the process and objective criteria were being applied in the candidate selection process. In order to minimise the risk of any conflict of interest, Angela Seymour-Jackson did not take part in the final discussion and decision-making of the Nomination Committee in making its recommendation to the Board.

# Key Board activities during the year

The key activities of the Board during the year ended 31 December 2022 are set out below:

## Strategy

- Reviewed and approved the Group's long-term strategy
- Undertook evaluations of product developments and strategy
- Undertook reviews of sales performance across the Group
- Undertook a two-day deep-dive on Company strategy
- Received updates on progress with the Company's brand and marketing campaigns
- Discussed, developed and agreed the Company's ESG strategy and monitored progress

Further information on the Group's strategy can be found on pages 38 to 40

## Governance

- Considered guidance issued by institutional investors
- Reviewed and approved the Directors' register of interests
- Considered updates from the Chairs of the Board committees on key matters from committee meetings
- Considered and approved the appointment of Zillah Byng-Thorne as Deputy Chair
- Endorsed appointments to the Executive Leadership Team
- Reviewed and approved key policies and procedures including the Code of Ethics, Anti-Bribery and Corruption Policy and Share Dealing Code
- Reviewed the findings of the 2022 Board effectiveness review and agreed actions for 2023
- Considered and approved the Terms of Reference for the Board committees and the Schedule of Matters Reserved for the Board

## Performance

- Approved the Group's full year results to 31 December 2021 and the 2021 Annual Report
- Approved the half-year results to 30 June 2022
- Approved the Group's trading updates
- Reviewed the Group's financial performance and forecasts
- Undertook a detailed evaluation of the Company's overall financial health
- Considered and approved the budget and three-year outlook
- Received updates on the Group's commercial and sales performance
- Considered reports from the CEO and CFO on the performance of the business
- Considered the impact of the wider economic environment on the Group's customers and consumers
- Received a 100-day report from the Chief Commercial Officer
- Received regular updates on key metrics including people metrics, brand metrics, consumer metrics and product metrics

Further information on the Group's performance can be found on pages 5 to 96

## Risk management

- Considered and approved the Group's risk appetite and principal risks
- Assessed the effectiveness of the Group's systems of risk management and internal control
- Approved the adoption of a going concern basis of accounting in preparing the Group's half and full year results
- Approved the Viability Statement disclosed in the 2021 Annual Report
- Discussed defence matters with the Company's brokers
- Considered the Company's plans for consistency with TCFD reporting

Further information on how the Group manages risk can be found on pages 65 to 78

## Stakeholders

- Considered the Group's People Plan and regular reports on key people metrics and trends, including feedback from employee surveys
- Received talent strategy updates from the Chief People Officer
- Approved the Group's workforce engagement framework
- Considered investor and analyst feedback from the Head of Investor Relations and the Group's corporate brokers
- Received updates from the Company's brokers on market sentiment
- Received an update on consumer experience including a live demonstration of the Company's mobile app
- Discussed, developed and approved the Group's ESG strategy
- Considered and approved the Group's Modern Slavery Act statement
- Undertook a detailed assessment on employee engagement including across the organisation and employee feedback
- Undertook an evaluation of culture and diversity, equity and inclusion (DEI) across the organisation, including the approval of the Board and Group DEI policies

Page 94 provides references to where further information on the Group's stakeholders can be found, and information on the Board's engagement with key stakeholders can be found on pages 105 to 107

## Trust & Transparency

- Reviewed reports on progress against key content integrity objectives
- Received reports on litigation including progress on proactive litigations
- Reviewed management's progress and innovation in the detection of false and misleading reviews
- Considered updates on key legal and regulatory matters of interest to the Group

Further information on the Group's work in relation to promoting trust online can be found on pages 22-24, 38, 80 and 81. Information on the work of the Trust & Transparency Committee can be found on pages 129 and 130

## Composition, succession and evaluation

The Board comprises the Chair (who was independent on appointment), five independent Non-Executive Directors, two shareholder nominated Non-Executive Directors and two Executive Directors. Biographies of each of the Directors, including information on their skills, tenure and committee membership can be found on pages 100 to 102. Further information on the roles of the Chair and other members of the Board can be found on page 109. Zillah Byng-Thorne joined the Board as Deputy Chair on 1 October 2022 and was appointed as Chair Designate on 11 January 2023. As announced on 24 February 2023, Zillah will succeed Tim Weller as Chair of the Company on 3 April 2023, and Tim will not seek re-election as a Director at the AGM on 23 May 2023. Further information on Zillah's recruitment and induction is set out on pages 115 to 118 of the Nomination Committee report.

The Nomination Committee regularly reviews the structure, size and composition of the Board and its committees, and makes recommendations to the Board on any changes. The Nomination Committee also oversees succession planning for the Board and the Executive Leadership Team. Further information on the work of the Nomination Committee in this regard can be found on pages 114 to 118.

The 2022 evaluation of the Board and Board committees was facilitated by the Company Secretary in consultation with the Chair of the Board and the Chairs of the Board committees. A summary of the evaluation process is set out opposite. Further information on the Board committee evaluations can be found in the respective Board committee reports in this Annual Report.

The 2022 Board evaluation confirmed that the Board and its committees continued to be effective and were functioning well. The Board discussed the results of the Board evaluation at its meeting in December 2022 and agreed areas of focus for 2023, including a continued focus on driving profitable growth and monitoring the delivery of the Group's strategy. These focus areas were factored into planning for the Board and committee meetings for 2023, including a dedicated strategy session in March 2023. The Chair confirmed that, following formal performance evaluation, all Directors were considered to be effective and had demonstrated full commitment and time to their roles. During 2023, we will engage an external adviser to facilitate the next evaluation of the Board and its committees.

## Board evaluation

| | |
|---|---|
| **Board and committees** | **Questionnaires issued for completion – November 2022**<br>Evaluation process approved and online questionnaires circulated. |
| | **Responses evaluated – November 2022**<br>Responses collated and anonymised prior to sharing with the Chair of the Board and Board committee Chairs. |
| | **Actions agreed for 2023 – December 2022**<br>The results of the Board and committee evaluations and areas of focus for 2023 were discussed and approved. |
| **Chair** | **Feedback gathered – January 2023**<br>The Senior Independent Director requested feedback on the Chair's performance from each of the Directors. |
| | **Results discussed – January 2023**<br>The Senior Independent Director met with the Directors to provide an anonymised summary of feedback on the Chair and agreed suggestions for further improvement. |
| | **Feedback provided – February 2023**<br>The Senior Independent Director met with the Chair to provide a summary of feedback relating to his performance and agreed actions. |
| **Individual Directors** | **Review of performance – March 2023**<br>The Chair met with individual Directors to discuss their performance. |

# Nomination Committee report

**Zillah Byng-Thorne**
**Chair of the Nomination Committee**

## Committee members

- Zillah Byng-Thorne (joined the Committee on 1 October 2022 and succeeded Tim Weller as Chair of the Committee on 1 December 2022)
- Tim Weller (Chair of the Committee to 30 November 2022)
- Joe Hurd
- Rachel Kentleton
- Angela Seymour-Jackson

**5** Committee members → **5** Committee meetings

I am pleased to present the Nomination Committee report for the year ended 31 December 2022. This report provides a summary of the key activities and areas of focus of the Committee during the year. The Committee has held five meetings to 31 December 2022 and one meeting during 2023, prior to the publication of this Annual Report. I was appointed as Chair of the Committee with effect from 1 December 2022 and look forward to helping to shape the composition of our Board and committees going forward.

### Areas of focus in 2022

One of the key activities of the Nomination Committee during 2022 was the search for a Deputy Chair of the Board. The search process was led by Angela Seymour-Jackson, our Senior Independent Director, with the support of the full Board. Further information can be found on pages 116 and 117.

In August 2022, the Committee received a briefing from management on diversity, equity and inclusion (DEI) across the Group, including efforts to further integrate DEI in the business. The Committee was pleased to review, and recommend to the Board, the Group and Board Diversity, Equity and Inclusion Policies, and encouraged the ELT in its sponsorship of key DEI areas. Further information can be found on pages 117 and 118.

The Committee evaluation undertaken in 2021 highlighted the need for the Committee to focus on improving the visibility of the talent pipeline and succession planning for the ELT. The Committee has considered succession planning for the ELT twice during 2022. At its December meeting, the Committee considered succession planning for the Non-Executive Directors and agreed that, as I had recently been appointed as Chair of the Committee, a further discussion would be held during 2023 to provide time to reflect on the Board as a whole, and to consider how the Committee might shape the Board for the future.

## Committee key duties

The key responsibilities of the Committee include oversight of the following:

- Succession planning for the Board and management
- Board structure, size and composition
- Director induction
- Identification and nomination of candidates for appointment to the Board
- Diversity, Equity and Inclusion

The Committee's Terms of Reference can be found on the Company's website, investors.trustpilot.com.

## Areas of focus for 2023

- Board and committee composition and succession planning
- Oversight of DEI including considering targets and objectives for DEI matters

I hope that you find this report useful in understanding the work of the Committee, and I welcome any feedback from shareholders in relation to the Committee and its activities.

**Zillah Byng-Thorne**
**Chair of the Nomination Committee**

20 March 2023

# Nomination Committee report continued

## Composition of the Committee and attendance

The Committee comprises Zillah Byng-Thorne (Chair of the Committee from 1 December 2022) and four Independent Non-Executive Directors, Tim Weller, Angela Seymour-Jackson, Joe Hurd and Rachel Kentleton. Zillah Byng-Thorne joined the Board on 1 October 2022 and succeeded Tim Weller as Chair of the Committee on 1 December 2022. The Company Secretary, Carolyn Jameson, is Secretary to the Committee. Other attendees of the Committee meetings include senior management who are invited to attend meetings to present on specific areas of interest for the Committee. At the Committee's meeting in February 2022, the Global Head of People and Organisational Growth presented on succession planning for the Executive Leadership Team, and the Global Diversity, Equity and Inclusion Lead attended the Committee meeting in August 2022 to present the Group and Board Diversity Policy for consideration.

Biographies of the Nomination Committee members can be found on pages 100 to 102.

## Meetings

The Committee meets routinely twice per year. Three additional meetings were held during the year to discuss succession planning for the Chair. Details of attendance at the Committee's meetings during 2022 can be found on page 102. The Chair reports any key matters discussed at meetings of the Committee to the Board. An agenda is prepared in advance of each meeting and is reviewed by the Chair of the Committee.

## Committee evaluation

The Committee undertook an internally led evaluation in November 2022. The evaluation gathered feedback from Committee members on areas including the composition of the Board and its committees, succession planning, diversity, the talent pipeline and the annual Board evaluation process. The evaluation concluded that the Committee was performing well and provided several areas for additional focus during 2023, which are set out on page 114.

## Priorities and activities during the period

The Committee's key activities for the year ended 31 December 2022 are summarised below:

## Chair succession

Tim Weller was appointed as Chair of Trustpilot A/S in February 2013 and has served more than 10 years with the Group. The Committee is mindful of Provision 19 of the UK Corporate Governance Code (the "Code") which recommends that the Chair should not remain in post beyond nine years from the date of their first appointment to a board. The Committee considers that, for the purposes of the Code, the nine-year time frame runs from the date of the Company's Admission in March 2021, when the Company became subject to the Code, as opposed to Tim's appointment to Trustpilot A/S in 2013. Nevertheless, in December 2021, the Committee discussed Tim's time served with Trustpilot since the date of Admission, and the need to consider succession planning for the Board as a whole. The Committee started to engage in a succession planning process for the Chair role in December 2021 and on 15 September 2022, we were delighted to announce that Zillah Byng-Thorne would join the Board as Deputy Chair on 1 October 2022. To ensure a smooth handover of responsibilities and to facilitate effective succession planning, Tim agreed to remain on the Board following Zillah's appointment. In order for Zillah to lead the Nomination Committee in shaping the future composition of the Board, Zillah replaced Tim as Chair of the Committee on 1 December 2022.

Zillah was appointed as Chair Designate on 11 January 2023 and, as announced on 24 February 2023, she will replace Tim as Chair of the Board on 3 April 2023. Tim will not stand for re-election as a Director of the Company at the AGM on 23 May 2023.

The Chair performance evaluation undertaken in January and February 2023 confirmed that Tim continued to perform well as Chair and we are grateful to Tim for his leadership of the Board.

## Nomination Committee cycle

The Committee's planned annual cycle is set out below. Additional meetings and items for the Committee's consideration are added to the annual planner as required during the year.

**February**

- Review of succession planning for the Non-Executive Directors and management, including the talent pipeline
- Review of the Nomination Committee report
- Review of the Committee's Terms of Reference
- Review of the Register of Conflicts of Interest
- Review of the Board's composition
- Consider the results of the Chair performance evaluation
- Review the results of the Committee evaluation and agree areas of focus
- Review the annual time commitment for the Non-Executive Directors

**August**

- Review and approve the Board Diversity Policy and targets
- Agree overboarding principles
- Review of the Director induction programme

# **Nomination Committee report** continued

## Chair appointment process

| | |
|---|---|
| **January to February 2022** | • The Committee considered and reviewed executive search firms. |
| **March 2022** | • The Up Group was appointed to assist with the recruitment process following a detailed selection process.<br>• A sub-committee of the Board was formed to act as the key decision-making body in connection with the recruitment process. |
| **April 2022** | • The Up Group met Board members to understand the Board's requirements.<br>• The sub-committee approved the job specification for the Chair role which was then circulated to the full Board with a list of potential candidates to be approached. |
| **April to June 2022** | • Initial interviews of candidates were performed by The Up Group and a short-list was presented to the Committee.<br>• Regular review meetings took place between The Up Group, the sub-committee, the Chief People Officer and the CEO to consider potential candidates. |
| **May to June 2022** | • Short-listed candidates were interviewed by the sub-committee. |
| **August to September 2022** | • Final stage interviews were conducted by the Board.<br>• The Nomination Committee, chaired by Rachel Kentleton and attended by the remainder of the Board Directors, met to discuss the preferred candidates. Angela Seymour-Jackson, Tim Weller and the Executive Directors left the meeting prior to the decision-making process.<br>• The Board approved the appointment of Zillah Byng-Thorne as Deputy Chair. |

Following Zillah's appointment as Deputy Chair on 1 October 2022 she undertook a comprehensive induction programme, further information on the induction programme can be found on page 118.

## Chair succession process

A sub-committee of the Board, comprising Non-Executive Directors and led by Angela Seymour-Jackson, was formed to act as the key decision-making body in connection with the recruitment process. The executive search firm appointed by the Company, The Up Group, is an active member of the Association of Executive Search Consultants (AESC) and signatories of the AESC diversity pledge, and the UK Government Voluntary Code of Conduct for Executive Search Firms in respect of diversity best practice. The Up Group has no other connection with the Company or individual Directors.

The key elements of the Deputy Chair profile included experience of high-growth, international technology environments including experience of supporting a significant scaling journey, B2C or B2B technology company experience, and the ability to support the Board in the delivery of the Company's strategy. It was also important for Trustpilot to identify a purpose-driven candidate with high integrity who would build on Trustpilot's purpose, values and culture.

Following Zillah Byng-Thorne being identified as a potential candidate, it was agreed that Angela Seymour-Jackson would exclude herself from decision-making in relation to the appointment to avoid any potential conflict of interest. During the recruitment process, the Board was mindful of the following:

- Angela Seymour-Jackson serves as a Non-Executive Director of Future plc, where Zillah is CEO; and
- Joe Hurd was a non-executive director of GoCo Group plc (now GoCo Group Limited) from February 2018 until it was acquired by Future plc in March 2021. Zillah is a current Director of GoCo Group Limited and served as a Non-Executive Director alongside Joe Hurd on the board of GoCo Group plc for three years.

# **Nomination Committee report** continued

In appointing the Deputy Chair, the Board considered independence matters in the context of Zillah's cross-directorship with Angela Seymour-Jackson. Notwithstanding provision 10 of the Code, the Board agreed that, due to the nature of the relationship between Zillah and Angela, their independent and objective characters and, in the case of Angela, the judgement and objectivity displayed in her role as Senior Independent Director of the Company to date, that both Zillah and Angela are independent.

Similarly, in considering the independence of Zillah and Joe, the Board took into consideration their historical directorships on the Board of GoCo Group plc and agreed that, given Joe's objective judgement displayed to date in his role as a Non-Executive Director of the Company, and taking into consideration the historical nature of his relationship with Zillah, that Joe was independent and the historical cross-directorship did not affect the independence of either Joe or Zillah, nor did it amount to a conflict of interest.

The Board also considered Zillah's other time commitments and whether she would have sufficient time to meet her Board responsibilities as Deputy Chair. At the time of considering her appointment to the Board, Zillah was the CEO of Future plc, a Non-Executive Director of Flutter Entertainment PLC and Senior Independent Director of THG plc. During the recruitment process, the Board was reassured that Zillah was in the process of re-evaluating her portfolio of appointments which would provide additional capacity for her to dedicate sufficient time to her role as Deputy Chair of the Company. The Nomination Committee was therefore pleased to recommend to the Board the appointment of Zillah as Deputy Chair of the Company.

## Board and ELT succession planning

The Committee keeps under regular review the structure, size and composition of the Board, and in its review considers the skills, knowledge and experience on the Board. The Committee took these factors into consideration in its discussions on succession planning during 2022. Further information on the structure, size and composition of the Board can be found on pages 99 to 102.

## Diversity, equity and inclusion

The Committee and the Board are committed to promoting diversity, equity and inclusion across the Group, and recognise that a wide range of skills, experience and knowledge contribute towards an effective Board. This is achieved by having diversity of thought, race, gender identity, religious beliefs, age, sexual orientation, disability, socio-economic background and varying lived experiences across our Board members. The Committee is keen that the diversity of our Board and the wider Group reflects the diversity of our stakeholders and society as a whole. As a Committee, we delayed the adoption of a Board Diversity, Equity and Inclusion Policy to August 2022 so that we could review it alongside the Group Diversity, Equity and Inclusion Policy and be certain that both policies truly reflected the culture and values of Trustpilot and those of our key stakeholders. One of the Company's core values is being 'Open to All' and this, alongside the Company's vision to be a universal symbol of trust, was key in the Committee's discussions on the Group and Board Diversity, Equity and Inclusion policies and strategy. The Committee and the Board recognised that the Company had a responsibility to ensure that Trustpilot's own processes and policies contributed to a more diverse, equitable and inclusive world of work, and were necessary to maintain high levels of innovation and to attract and retain the best talent.

The Committee and Board are focused on promoting a diverse and inclusive culture, and support the recommendations of the FTSE Women Leaders Review (previously the Hampton-Alexander Review) in relation to gender diversity and the Parker Review in relation to ethnic diversity.

As at the date of this Annual Report, the Board comprises the Chair, two Executive Directors and seven Non-Executive Directors. Four of our ten Board Directors are female (40%) and Board representation from black, asian or non-white ethnically diverse groups is 20%.

Further information on the diversity of Trustpilot's workforce can be found on pages 87 to 91.

### Gender diversity of senior management and their direct reports as at 31 December 2022[1]

**Female:** 24 (38.7%)
**Male:** 38 (61.3%)

1 In accordance with the Code, senior management is defined as the ELT (including the CEO, CFO and the Company Secretary)

# **Nomination Committee report** continued

## Board Diversity, Equity and Inclusion Policy

When considering succession planning for the Board, the Committee ensures that the recruitment is undertaken in accordance with the Board Diversity, Equity and Inclusion Policy, the specific objectives of which are:

- at least 40 per cent of the Board should be women;
- at least one of the senior Board positions (Chair, Chief Executive Officer, Chief Financial Officer or Senior Independent Director) should be a woman; and
- at least one member of the Board should be from a non-white minority ethnic background.

While we are pleased to confirm that we have met each of the objectives set out above, we aspire to:

- have at least 50 per cent of women on the Board by end of 2025; and
- always have at least two Directors from a non-white minority ethnic background.

The Board and Nomination Committee encourage management in increasing the representation of senior leadership roles held by women, people who are from a minority ethnic group, people with disabilities, LGBTQ+ people and other under-represented groups across the organisation.

## Director induction

On appointment, all Directors receive a comprehensive and tailored induction; these inductions include meetings with the Chair and other Non-Executive Directors and meetings with the CEO, CFO, the Company Secretary and other members of the ELT. Other meetings include meetings with the senior management team, the auditors and external remuneration consultants, where relevant.

A summary of the induction process for Zillah Byng-Thorne is set out below:

| | |
|---|---|
| **September 2022** | • Individual meetings with the Chair and Non-Executive Directors<br>• Individual meetings with the Chief Executive Officer and the Chief Financial Officer<br>• A visit to the Edinburgh office and a meeting with the Chief Trust Officer and Company Secretary |
| **October 2022 and November 2022** | • Visits to the London office and individual meetings with the Executive Leadership Team (other than the Chief Executive Officer and the Chief Financial Officer) |
| **November 2022** | • A visit to the Copenhagen office, and meetings with ELT members and members of the commercial team |
| **December 2022 and January 2023** | • Individual meetings with senior management including the Head of Investor Relations, the Director of Risk and the Head of Internal Audit<br>• Meetings with each of the Company's brokers<br>• A meeting with the External Auditor |

# Audit Committee report

**Rachel Kentleton**
**Chair of the Audit Committee**

### Committee members

- Rachel Kentleton (Chair)
- Joe Hurd
- Angela Seymour-Jackson
- Zillah Byng-Thorne (1 October 2022 to 11 January 2023)[1]

1 Zillah Byng-Thorne stepped down as a member of the Committee on her appointment as Chair Designate on 11 January 2023

**3** Committee members → **4** Committee meetings

I am pleased to present the Audit Committee report for the year ended 31 December 2022. This report provides a summary of the key activities and areas of focus of the Committee during the year. The Committee has held four meetings during the year and one meeting in 2023 prior to the publication of this Annual Report. In performing its duties the Committee has complied with the requirements of the UK Corporate Governance Code and adhered to relevant best practice as published by the FRC.

## Areas of focus in 2022

### Financial reporting

One of the Committee's key roles is to provide challenge and assurance in relation to the integrity of the Company's financial reporting. The Committee has reviewed both the half-year results and this Annual Report for the financial year ended 31 December 2022, and has reviewed and challenged the processes proposed by management to support the Board in making the Going Concern and Viability Statements set out on pages 49 to 51.

During the year the Committee challenged management to consider the key reporting matters raised by the External Auditor in its review of the 2021 Annual Report and to consider how reporting might be further improved for this Annual Report. This has included overseeing management's progress in preparing for improved TCFD reporting in this Annual Report. TCFD reporting was discussed at the Committee's meeting in May 2022 when the Committee tasked management with preparing clear action plans and accountabilities in order to improve TCFD reporting. In July 2022, the Board discussed management's plan to achieve consistency with TCFD recommendations and agreed to delegate responsibility for the review of TCFD disclosures to the Committee.

In August 2022, the FRC's Market Oversight Directorate contacted the Company for information on the preparation of the TCFD disclosures in the 2021 Annual Report, and on the work being undertaken to make our climate-related financial disclosures consistent with TCFD in the future. The Company's response to the FCA was discussed with me in my capacity as Chair of the Audit Committee, and in November 2022, the FCA confirmed that its review had concluded. The Committee has continued to challenge management on progress against the TCFD reporting action plan at each subsequent meeting. Further information on our progress on TCFD reporting can be found on pages 52 to 64.

### Internal Audit

During the year, the Committee has overseen the work of the Internal Audit function, including the review and approval of the Internal Audit Charter and the Internal Audit Plan. The Internal Audit Plan was reviewed regularly during the year to reprioritise internal audit engagements for emerging risks.

### Risk management and internal control

The Committee is responsible for keeping under review the Company's systems of risk management and internal control, and supports the Board in its annual assessment of their effectiveness. During the year, the Committee has reviewed the Company's Risk Plan and the engagements completed during the year, and overseen the implementation of an Enterprise Risk Assessment for 2022. The Committee has also overseen management's work in developing the Group's internal controls over financial reporting. Further information on the work of the Risk function, including the key engagements completed in 2022 can be found on pages 126 to 128.

# **Audit Committee report** continued

### External Audit

The Committee remains focused on ensuring that the Group's external audit processes continue to be of a high quality. In its oversight of the External Auditor, the Committee has challenged their accounting judgements and key areas of audit focus. The Committee assessed the effectiveness of the External Audit and shared feedback with the lead engagement partner. The Committee has continued to challenge management in working with the External Auditor in respect of the consolidation of financial information in order to improve the efficiency of the audit process. Following discussions with the External Auditor during the year, it was agreed that management would strengthen its ability to perform review controls on the consolidation. Management has also developed improved reporting packs which helped to deliver efficiencies in the audit and reduce duplication.

## Cyber security and IT controls

The Committee has continued to oversee management's progress in improving the Group's IT system controls, particularly in relation to systems which support the Group's financial reporting. Management's progress against the recommendations of Internal Audit is overseen by the Committee and, as part of this oversight, the Committee has challenged management in relation to the wider IT environment. Reports on cyber security are considered at each Committee meeting and the Committee has undertaken two IT deep-dives during the year including IT systems and controls, and cyber and data security. Further information on the Committee's work in this regard can be found on page 128.

I hope that you find this report helpful in understanding the work of the Committee, and I welcome any feedback from shareholders in relation to the Committee and its activities.

**Rachel Kentleton**
**Chair of the Audit Committee**

20 March 2023

## Composition of the Committee and attendance

The Committee comprises three Independent Non-Executive Directors. Zillah Byng-Thorne joined the Board and the Committee on 1 October 2022 and stepped down as a member of the Committee on her appointment as Chair Designate on 11 January 2023. The Company Secretary, Carolyn Jameson, is Secretary to the Committee.

Members of the Committee have a wide range of relevant skills and experience that enable them to fulfil their duties appropriately.

Rachel Kentleton, Chair of the Committee, is a qualified accountant and is considered by the Board to have recent and relevant financial experience. Rachel is the Chief Financial Officer of St. Modwen Properties Limited and was previously the Group Finance Director at PayPoint plc. Rachel has also held various senior positions in Finance, Investor Relations and Strategy, including as Group Director, Strategy & Implementation at easyJet plc, and was Chair of the Audit Committee at Persimmon plc from April 2016 to August 2021.

Angela Seymour-Jackson has significant experience through her former Executive and Non-Executive roles. Angela brings to the Committee experience of technology platforms through her current role as a Non-Executive Director of Future plc and experience as an Audit Committee member of both Future plc and Page Group plc.

Joe Hurd brings to the Committee significant US and global experience in consumer-facing technology businesses. As a lawyer, Joe also brings extensive understanding of risk and compliance matters. The Committee further benefits from Joe's experience through his Non-Executive roles, including as a Non-Executive Director and member of the Audit Committee of Hays plc.

Zillah Byng-Thorne, a member of the Committee from 1 October 2022 to 11 January 2023, has extensive technology sector experience through her current and former executive and non-executive roles. Zillah is a qualified accountant and is considered by the Board to have recent and relevant financial experience.

### Committee key duties

The key duties of the Committee are to provide review and oversight of the following areas:

- Financial reporting, announcements and significant financial judgements
- The work of the External Auditor
- The work and remit of the Group's Internal Audit function
- Systems of risk management and internal control
- Risk and compliance, speaking up and fraud

The Committee's Terms of Reference can be found on the Company's website investors.trustpilot.com.

### Areas of focus for 2023

- Risk appetite and risk strategy
- Data and cyber security
- Disaster recovery policies and procedures

# Audit Committee report continued

## Audit Committee cycle

The Committee annual cycle considers matters within the Committee's remit and evolves throughout the year to take into account changes in the performance and priorities of the Group, the business environment and the prior year's audit. The usual annual cycle of the Committee is set out below. In addition to the matters listed below, the Committee considers reports from the Head of Internal Audit on the work of the Internal Audit function, the Director of Risk on the work undertaken in relation to risk matters and whistleblowing, and the Chief Information Security Officer on cyber security matters.

### March

- Review of the Annual Report, including disclosures on viability and going concern
- Review of the effectiveness of the Company's systems of risk management and internal control
- Assessment of whether the Annual Report is fair, balanced and understandable
- Review of external audit results and the External Auditor's report, including key financial judgements
- Review of the independence of the External Auditor
- Review of management's representation letter
- Private meeting with the External Auditor

### May

- Agree the external audit plan for the half-year financial statements
- Review of the effectiveness of the external audit
- Review of initial audit plan and proposed fees for the full year audit

### September

- Review of the half-year financial statements, including disclosures on key judgements, going concern and viability
- Review of the External Auditor's interim report on its review of the half-year financial statements
- Review of the External Auditor's engagement letter, independence and audit fees
- Private meeting with the External Auditor

### December

- Review of the Committee's Terms of Reference
- Agree the external audit plan for the following year
- Agree the Group's Internal Audit plan for the next financial year
- Review of the Group's principal risks and uncertainties and risk register
- Review of the results of the Committee effectiveness review
- Review of anti-bribery and corruption measures

# Audit Committee report continued

Further information on the skills and experience of the members of the Committee can be found on pages 100 to 102.

Committee meetings during the year were routinely attended by the Chair of the Board, the Chief Financial Officer, the Company Secretary, the VP of Global Accounting and Tax, the Director of Risk, the Head of Internal Audit, the Deputy Company Secretary and representatives from PwC, the External Auditor. By invitation of the Chair of the Audit Committee, other members of senior management have attended meetings to present on specific areas of interest to the Committee.

## Meetings

The Committee has met four times during the year and once during 2023, prior to the publication of this report. Meetings are scheduled in line with key events in the Company's financial calendar. Details of attendance at meetings can be found on page 102. In addition to the formal schedule of meetings, the Chair of the Committee meets regularly, without management present, with the Director of Risk, the Head of Internal Audit and the lead partner of the External Auditor.

An agenda is prepared in advance of each Committee meeting and is reviewed by the Chair of the Committee. Prior to each meeting, the Chair of the Committee holds discussions with the Chief Financial Officer, the Director of Risk, the Head of Internal Audit, and the lead partner of the External Auditor to consider in advance the matters to be discussed at the meeting. Key matters discussed at the Committee meetings are reported to the Board by the Chair of the Committee at subsequent Board meetings.

## Committee evaluation

In November 2022, the Committee undertook an internally led evaluation, where feedback was sought from members of the Committee and regular attendees of Committee meetings. The evaluation sought feedback on matters including the composition of the Committee, financial reporting, the systems of risk management and internal control, internal and external audit processes, culture, values, whistleblowing, fraud, and Committee meeting arrangements. The results of the evaluation confirmed that the Committee was performing well. Areas identified for additional focus in 2023 are set out on page 120.

## Priorities and main activities during the year

The Committee's main activities for the year ended 31 December 2022 are summarised below.

### Financial reporting, announcements and significant financial judgements

The Committee is responsible for monitoring the integrity of the Company's financial statements, including any significant financial reporting issues and judgements.

### Fair, balanced and understandable

At the request of the Board, the Committee has reviewed the Annual Report and considered whether, taken as a whole, the Annual Report is fair, balanced and understandable. In undertaking its review, the Committee has reviewed the integrity of the Group's financial statements, including reviewing the financial and non-financial disclosures contained within the Annual Report, and reviewing and challenging the estimates and accounting methodologies applied by management.

A summary of the processes in place to support the Committee's review is set out below:

- Verification of the factual content, financial and non-financial reporting, including non-financial key performance indicators
- Review of the narrative sections of the Annual Report to ensure key messaging is appropriate
- Multiple reviews of the Annual Report content by management
- Reviews and feedback from senior management and Directors
- Feedback from the Company's advisors, including the External Auditor and remuneration advisors

Following its review, the Committee confirmed to the Board that the Annual Report is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

### Significant financial judgements

The Committee discussed with management and the External Auditor each of the key areas of judgement described below, including how management's estimates and judgements were challenged during the audit. It concluded that the accounting treatment adopted in the 2022 financial statements was appropriate.

### Revenue recognition and related costs

The Group accounts for revenue from the sale of Company subscription plans, generally for a period of 12 months. The Committee has reviewed the work of management in assessing revenue recognition as well as the approach taken to deferring and amortising incremental costs of obtaining a contract to the extent they are recoverable. The Committee is satisfied that the Group's accounting for revenue is appropriate and in accordance with IFRS 15 'Revenue from contracts with customers'.

### Capitalisation of development costs

The estimates and judgements taken by management in determining the $3.7m of costs capitalised into the balance sheet were considered by the Committee. The Committee also took into consideration the External Auditor's report on the accounting for development costs which confirmed that it is comfortable with management's accounting. The Committee agreed that it is satisfied with the accounting for development costs under IAS 38 'Intangible assets'.

# **Audit Committee report** continued

### Going concern and viability statements

At its meeting in March 2023, the Committee reviewed the work undertaken by management to support the going concern statement and recommended to the Board that it should adopt the going concern basis in preparing the 2022 financial statements. In line with the disclosures in Note 1 to the financial statements on pages 160-161, management 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 scenario modelled took into account the aggregation of different risk factors including 'commitment to trust and transparency', 'misuse of platform', 'changing and varied regulatory landscape', 'litigation and disputes', and 'macroeconomic environment', as described in the risk management section of the report on pages 70-78.

The Committee also considered the Group's viability over a three year period using multiple severe but plausible downside scenarios based on key risks identified by management, including climate related risks. As well as considering these four distinct downside scenarios, we have also modelled to ensure that the Group could maintain liquidity should a combination of these scenarios arise across the period. Furthermore we have considered whether any longer term trends outside of the three year period could impact on the group's viability, and have not identified any such matters. Additionally, management undertook a reverse stress test to understand what would need to happen for the Group to exhaust its liquidity.

Management's modelling took into consideration the Group's sources of funding, cash flow, future forecast and current liabilities, debt facility covenants and the commercial impacts of the scenarios. The going concern and viability statements can be found in the Strategic report on pages 49 to 51.

## External Audit

The Committee has responsibility for overseeing the relationship with the External Auditor, including assessing audit quality, independence and objectivity. The Committee also reviews the External Auditor's performance and the effectiveness of the external audit process.

### External Auditor

PwC UK was appointed as the External Auditor to the newly incorporated Trustpilot Group plc on 13 September 2021. Prior to this, PwC Denmark had provided audit services to the Company's Danish subsidiary, Trustpilot A/S. The PwC lead audit partner is David Teager, who has held the role since 13 September 2021. David will be rotated from this ole after the 2025 audit. The year ended 31 December 2022 is the second year for which David Teager will sign the auditors' report as senior statutory auditor of the Group.

For further information, see the Independent Auditor's Report on pages 150 to 156.

## External Auditor fees

The Committee approved the External Auditor's fees for the review of the half-year and audit of the full-year financial statements and challenged PwC to consider, where possible, reducing the duplication of work between its audits of Trustpilot A/S and Trustpilot Group plc. The total fee for the 2022 financial year is £846,000 (2021: £851,000).

## Audit quality and effectiveness

The Committee oversees the work of the External Auditor throughout the year to ensure that the quality and rigour of the external audit process is maintained. At its meeting in May 2022, the Committee considered PwC's initial audit plan and strategy and approved the final plan at its meeting in December 2022. The proposed plan outlined key components of the audit, including PwC's audit approach, materiality, scope, risk and areas of focus, and timetable. The Committee's oversight of the work of the External Auditor includes:

- reviewing the plan for the half-year review alongside the draft audit plan for the full year;
- reviewing the external audit strategy, taking into consideration the audit approach, materiality, risk and areas of focus;
- reviewing the scope of the external audit plan;
- taking into consideration the balance of skills and experience on the audit team;
- considering the robustness of challenge on key accounting and audit judgements;
- considering the results of the FRC's Audit Quality Inspection and Supervision Report for PwC; and
- considering feedback from management on the audit process.

### External auditor independence and objectivity

The Committee monitors and reviews the independence and objectivity of the External Auditor on an ongoing basis and undertakes a formal annual review. In reviewing the independence of the External Auditor, the Committee took into consideration:

- confirmation from PwC that they had adhered to their policies and procedures to safeguard independence;
- PwC's confirmation that it followed necessary guidance and professional standards in relation to auditor independence;
- the Committee's assessment of PwC's challenge and professional scepticism;
- the absence of any threats to PwC's independence; and
- the Company's oversight of non-audit services and the level of non-audit fees paid.

Taking the above matters into consideration, the Committee concluded that PwC was objective and independent in its role as External Auditor.

# **Audit Committee report** continued

## Auditor assessment and reappointment

The effectiveness review of the External Auditor and the external audit process was undertaken in May 2022 following the completion of the external audit for the full year ended 31 December 2021. The review gathered feedback from the Committee, key executives and senior management on areas including the qualification, resourcing and effectiveness of the audit team, and the independence of the External Auditor. Following the review, feedback was collated and discussed at the Committee's meeting in May 2022, without the External Auditor being present. The Committee considered the results of the evaluation, including any areas for improvement which were notified to the External Auditor. The Committee agreed that the external audit process for the year ended 31 December 2021 was effective and that PwC provided independent and objective challenge to management. Overall, the Committee is satisfied with PwC's performance as External Auditor and a resolution to appoint PwC will be proposed at the Company's AGM.

The Committee will assess PwC and the external audit process in relation to the 2022 financial year following its completion.

The Company has complied with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014. As PwC UK was appointed to the newly incorporated Trustpilot Group plc entity in 2021, the Company has time to develop its thinking as to the most appropriate timing of any future re-tender. The Committee considers that the continuation of PwC as the Company's External Auditor is in the best interests of all stakeholders given PwC's detailed understanding of the Group, as well as the need to ensure consistency in the Group's early years as a listed company. Notwithstanding this, the Committee will continue to keep the performance of PwC under review during this period and make recommendations accordingly.

### Non-Audit Services Policy

Following the Company's IPO in March 2021, PwC reviewed the services it was providing to the Company and, from 21 June 2021, only provided permitted services. In March 2022, the Committee formalised a policy on the provision of non-audit services by the External Auditor. The Non-Audit Services Policy reflects the FRC's revised Ethical Standard for Auditors and is in place to ensure that the provision of non-audit services does not impair the PwC's independence. The Non-Audit Services Policy was last reviewed in March 2023 and will continue to be reviewed on an annual basis.

The Non-Audit Services Policy provides the following limits which provide management with the authority to appoint the External Auditor to undertake permissible services up to a certain value, pre-approved by the Audit Committee.

| One-off fee | Cumulative annual value | Approval required |
|---|---|---|
| Up to £25,000 | £50,000 | Chief Financial Officer |
| £25,000 - £100,000 | £150,000 | Chair of the Audit Committee |
| Over £100,000 | 70% of three-year average audit fees paid | Audit Committee |

PwC's fees for non-audit services provided during the year ended 31 December 2022 were £131,000 (2021: £2,073,000), which is approximately 20.8% of the 2022 audit fee of £630,000 (2021: £721,000). The non-audit fees comprised £131,000 for PwC's review of the interim results. PwC was engaged to provide this audit-related assurance service due to its knowledge of the Group. The Committee is satisfied that the work was best performed by PwC and that the services provided did not give rise to threats to independence.

## The work and remit of Internal Audit

The Audit Committee is responsible for reviewing and approving the role and mandate of the Group's Internal Audit function, including monitoring and reviewing the effectiveness of its work. The Committee reviews and approves the Internal Audit Plan, and monitors the work carried out under the Plan.

### Role of Internal Audit

The Internal Audit function assists management, the Audit Committee and the Board in protecting the assets, reputation and sustainability of Trustpilot by providing independent and objective assurance activities relating to Trustpilot's governance, internal controls and risk management.

In September 2022, the Internal Audit Charter, which is reviewed annually, was reviewed and approved by the Committee. The Charter details the purpose, authority and responsibility of the Internal Audit function and was prepared in adherence to the Professional Standards of the Chartered Institute of Internal Auditors (IIA), and the guidelines and standards of the Financial Reporting Council.

The Head of Internal Audit is an experienced chartered accountant who reports functionally to the Audit Committee and administratively to the Chief Trust Officer. The Head of Internal Audit attends all meetings of the Committee and presents Internal Audit papers, including the Internal Audit Plan, the results of internal audits and the status of actions resulting from those audits. The Internal Audit function has free and unrestricted access to the Committee and the Chair of the Board, and the Committee keeps the resourcing needs of the function under regular review.

# Audit Committee report continued

### Internal Audit Plan

The Internal Audit Plan is developed with a risk-based approach as part of a three-year cycle to address the highest-rated risks. The Internal Audit Plan is designed with sufficient flexibility to be able to accommodate changes requested by the Audit Committee and management, deal with unplanned events and to allow reprioritisation for emerging risks. The Internal Audit Plan is reviewed on an annual basis and kept under regular review during the year. During 2022, Internal Audit reported to the Audit Committee regarding the engagements set out in the table opposite.

The Internal Audit function's planned audits for 2023 include:

- Internal controls over financial reporting
- Payroll
- Expenses
- IT general controls
- Corporate access management

### Internal Audit effectiveness

The Committee assesses the performance of the Internal Audit function on an ongoing basis and, in December 2022, undertook a formal review. In reviewing the performance of the function, the Committee took into consideration the Internal Audit Plan, the quality of reports received from the Internal Audit function, the quality, experience and expertise of the Internal Audit team, and the resourcing needs of the function. The Committee concluded that the Internal Audit function remains effective in providing assurance over the Group's risks and controls, and continues to meet the expectations of the Internal Audit Charter.

| Internal Audit review | Focus and key outcomes |
|---|---|
| Internal controls over financial reporting | Audit of the internal controls over financial reporting, including process-level controls, entity-level controls and IT general controls. The recommendations focused on improvements to IT controls, segregation of duties and control documentation. |
| Development cost capitalisation | Review of the process to measure and recognise development costs. The recommendations focused on improvements to capitalisation criteria documentation and time-tracking. |
| Manual review invitations | Review of the processes relating to the restriction of manual review invitations to customers and the approval of any exceptions. The recommendations focused on the enforcement of relevant training, improving the management of access to relevant administration tools and formalising the exception approval process. |
| COSO principles | Review of Trustpilot's control maturity against the COSO framework across a number of different domains in order to identify areas of improvement in preparation for proposed UK SOX requirements. The recommendations focused on the enforcement of relevant training and risk management processes. |
| SOC 2 | Review of Trustpilot's processes and controls in relation to the SOC 2 Trust Service Criteria for security, availability and confidentiality. The recommendations focused on the management of access to systems supporting the Trustpilot platform as well as the management of contractors. |
| Commercial lifecycle | Reviews of the commercial lifecycle including renewals, vetting, customer contracting and sales training. The recommendations focused on the renewals process, commissions and discounting. |
| IT general controls | Review of IT general controls for the key financial IT systems, including access management, change management and IT operations. The recommendations focused on the formalisation of relevant controls as well as vendor monitoring. |

# Audit Committee report continued

## Systems of risk management and internal control

The Board has overall responsibility for risk management across the Group and is responsible for determining the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term objectives.

The Audit Committee is responsible for keeping under review the Company's systems of risk management and internal control. The Board regularly reviews the Company's systems of risk management and internal control, and is provided with an annual report on their effectiveness by the Audit Committee. The systems of risk management and internal control have been in place for the year under review and up to the date of the approval of this annual report and accounts. The Director of Risk & Assurance attends all Committee meetings and presents his report on the work of the Group's Risk function. The Committee regularly reviews the Company's Risk Plan and changes to any planned engagements during the year. The engagements completed during 2022 include those set out in the table opposite.

In 2022, the Risk function commenced its Enterprise Risk Assessment for 2022. The assessment included meetings with senior management and subject matter experts from each of the Group's key functions. The process identified a number of unique risks which were then scored to identify the risks that could have a significant impact on the Group. The output of the Enterprise Risk Assessment supports the Internal Audit function in developing its risk-based audit plan and in identifying the controls that are critical to managing multiple risks. Information on the Group's principal and emerging risks and a description of how risk is identified, evaluated and managed at Trustpilot is set out on pages 65 to 78 of the Strategic report.

The Committee receives regular updates on work undertaken by the Risk and Internal Audit functions to formalise the Group's internal controls. During the year, a third-party consulting firm was engaged to support the Risk function with their work in building and developing the Group's

| Risk engagement | Focus and key outcomes |
| --- | --- |
| Internal controls over financial reporting | Review of the Group's internal controls over financial reporting, including process-level controls, entity-level controls and IT general controls. Controls across the key financial processes were optimised to provide more clarity around documentation requirements to process owners. |
| Enterprise risk assessment | Review of the key risks facing the enterprise. The Risk function adopted a "top-down" and "bottom-up" assessment across each of the Group's key functions. The process identified several unique risks, and risk owners were able to develop and identify the controls that are critical to managing those risks. |
| Policy management framework | Development of a policy management framework aimed to bring consistency and regular review to our core policies. The framework provides guidance on how core policies should be structured, and creates accountability around policy ownership, including cadence of review. |
| Speaking up procedures | Review of our speaking up procedures, including Speaking Up Policy. Dedicated training was built to form part of the Group's mandatory training to all employees. Initiatives dedicated to raising awareness of our speaking up tools were conducted throughout the year. |
| Climate risks and opportunities assessment | Conducted the Group's inaugural climate risks and opportunities assessment, in line with TCFD recommendations. Worked with management-level climate change steering group to identify the main climate-related risks and opportunities facing the business under different climate scenarios. |
| Risk appetite | Facilitated a discussion on risk appetite for each of the Group's principal risks. This included development of our risk appetite framework and helps to bring clarity around our approach and response to each of the Group's principal risks. |

# **Audit Committee report** continued

internal controls over financial reporting (ICFR). With implementation of improvement points that were identified through the review, it was concluded that the key controls are designed effectively. Key controls have been identified and tested in the following processes:

| Process | Covering |
|---|---|
| Entity-level controls | Processes related to control environment, risk assessment, control activities, information and communication, and monitoring activities |
| Development costs | Strategy, delivery and capitalisation of projects |
| Purchase to pay | Vendor master data, invoice processing, payment processing and period-end processing |
| Record to report | General ledger master data, accruals, period-end closing and management reporting activities |
| Order to cash | Sales, contract management, pricing, invoice issuing, accounts receivables and collections |
| Hire to retire | Recruitment, human resources, and payroll processes |

The Committee received updates on this work and on progress made on the ICFR in preparation for the UK Government's proposed reforms to audit and corporate governance.

**Annual review of the effectiveness of the systems of risk management and internal control**
The Committee supports the Board in its annual review of the Company's systems of risk management and internal control. The annual assessment was performed in accordance with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. In making its recommendation to the Board that the Group's systems of risk management and internal control are effective, the Committee considered:

- the work and reporting of various management representatives providing detail and insight into specific areas of first-line risk management and internal control, including cyber security, IT and commercial;
- the work of the Group's Risk function and risk management framework, including the identification of risks, mitigation measures implemented and risk monitoring processes;
- the work of the Group's Internal Audit function, including its report on internal controls over financial reporting; and
- the findings of the Group's External Auditor.

Further information on how the Group manages risks, including information on the key elements of the Group's systems of risk management and internal control can be found on pages 65 to 78.

**Risk, compliance, speaking-up and fraud**
During the year, the Risk function has reported to the Committee its work in relation to building a culture of compliance throughout the Company. The work of the function in this regard has included developing Trustpilot's mandatory Compliance and Ethics learning course which will be rolled out to employees early in 2023 and require annual recertification.

The Committee is responsible for reviewing and approving the Company's Risk Plan and the policies, systems and controls in relation to the prevention of bribery and detection of fraud.

In December 2021, the Committee considered the results of management's assessment of the Group's fraud risks and planned mitigations. The Committee noted that particular focus was needed in the areas of sales compliance and IT general controls. Throughout 2022, the Risk function has worked with business stakeholders to address and improve sales processes, particularly related to compliance. The upcoming compliance and ethics training will also reiterate our Code of Ethics and values. The Committee has also noted a plan to address gaps in relation to IT general controls and receives regular updates on progress. Fraud risk is reviewed as part of the Risk function's work on the Group's Enterprise Risk Assessment and in its review of internal controls over financial reporting.

Trustpilot has formal policies and measures in place to prevent bribery, corruption and fraud. Employees are further supported by the Group's internal Code of Ethics. In December 2022, the Committee reviewed the Group's anti-bribery and corruption measures, including the Group's Anti-Bribery & Corruption Policy and Code of Ethics, copies of which can be found on the Company's website, investors.trustpilot.com. Training on the Company's Anti-Bribery & Corruption Policy and the Code of Ethics is included within the Company's compliance and ethics training which is provided to all employees.

**Speaking up**
The Committee is responsible for the review of the adequacy and security of the Company's whistleblowing arrangements which support a culture of openness, accountability and compliance. The Company provides a 24-hour, confidential speaking up platform, Vault, which supports the Group's Speaking Up Policy and provides anonymous reporting for employees. The Vault platform provides for the reporting of whistleblowing matters, legal and compliance concerns, and employee misconduct. The platform is compliant with the EU Whistleblower Directive.

# Audit Committee report continued

The Committee receives regular updates on any reportable incidents and whistleblowing incidents, and reports on the awareness and use of the whistleblowing platform. Reports provided to the Committee include the number of incidents, the type of case, reporting method and the action taken.

Throughout the year, the Risk function has continued to raise awareness around speaking up across the business. Such actions include:

- Reporting regularly to the Audit Committee and ELT on reportable incidents
- Improving the profile of the speaking up platform on the Company intranet page, making it easier for the workforce to report concerns
- Introducing the speaking up platform as part of the onboarding process for new hires
- Providing dedicated training for case managers who handle incoming speaking up reports, setting expectations around report handling and case management
- Improving collaboration on speaking up matters across the Company's Risk, Corporate Services and People teams

No significant whistleblowing incidents were reported during the period.

**Data and cyber security**

The Committee receives reports on cyber security at each meeting and detailed briefings on key data and cyber security matters from senior management. The reports to the Committee provide insight into the Company's main cyber security risks, the mitigations in place, progress made and the ongoing plan to reduce and mitigate cyber risks across the Group. The reports also reference any notable data or cyber security incidents that have taken place since the previous report to the Committee.

In March 2022, the Committee received a detailed briefing from senior management on IT system controls and management's plan to address the findings of the Internal Audit engagement on IT general controls. The Committee has been pleased to oversee management's work in driving continuous improvements in the Company's IT systems and security.

In December 2022, the Chief Information Security Officer, Chief Technology Officer and Data Protection Officer presented an assessment of cyber security incident preparedness, disaster recovery plans and data protection policies and procedures across the Group. The Trust & Transparency Committee considers key privacy matters, including content integrity, data protection, privacy and security; further information can be found on pages 129 to 130.

# Trust & Transparency Committee report

**Carolyn Jameson**
**Chair of the Trust & Transparency Committee**

### Committee members

- Carolyn Jameson (Chair)
- Zillah Byng-Thorne (from 1 October 2022)
- Joe Hurd
- Rachel Kentleton
- Angela Seymour-Jackson
- Tim Weller

I am pleased to present this report on the work of the Trust & Transparency Committee during 2022. The Committee has met twice during the year. The Committee's role is to assist the Board in the Company's mission to be the most trusted and most used consumer review brand, globally. The Committee's responsibilities include overseeing management's work in establishing the policies and procedures that embed trust and transparency into the Group's operations, and maintaining the integrity of its products and services.

## Areas of focus in 2022

During the year, the Committee undertook a detailed assessment on management's work in improving the processes and procedures in relation to the removal of reviews which are considered to be fake, not based on a genuine experience or in breach of the Company's guidelines. The assessment included consideration of the impact of review removal from a consumer, operational and reputation perspective, and management's continued focus on authentic, quality review content.

The Committee continues to oversee progress against trust and transparency objectives, and progress is reported in the Chief Trust Officer's reports to the Board. Significant progress was made during 2022 against key objectives, particularly in relation to the detection of fake review sellers on the platform, and successful litigation against businesses misusing reviews to mislead consumers.

During the year, as part of the Board and committee evaluation process, the Committee undertook an evaluation process to assess its effectiveness and to identify areas of focus for 2023. Further information on the evaluation can be found on page 130.

Additional information on the Company's work in relation to trust and transparency can be found on pages 22 to 24 and 38 of the Strategic report and in the Company's Transparency Report, a copy of which can be found on the Company's website, investors.trustpilot.com.

I hope that you find this report helpful in understanding the work of the Committee, and I welcome any feedback from shareholders in relation to the Committee and its activities.

**Carolyn Jameson**
**Chair of the Trust & Transparency Committee**

20 March 2023

### Committee key duties

The key responsibilities of the Committee include oversight of the following:

- Policies, procedures and working practices to embed trust and transparency across the Group
- Legislative and regulatory requirements related to digital content and governance, content integrity, and safety, privacy and security
- Key decisions taken by management in relation to trust and transparency, including those which highlight opportunities for policy or process improvements
- The annual Transparency Report, including reviewing the measures taken to improve the trust and transparency of the Company's platform

The Committee's Terms of Reference can be found on the Company's website, investors.trustpilot.com.

### Areas of focus for 2023

- Considering the strategic objectives for the trust and transparency function
- Increasing understanding of consumer views on trust and transparency
- Reviewing the areas of the business over which the Committee has oversight

## Composition of the Committee and attendance

The Chief Trust Officer, Carolyn Jameson, is Chair of the Committee and the remaining five members of the Committee are independent Non-Executive Directors. Zillah Byng-Thorne joined the Board and the Committee on 1 October 2022. The Deputy Company Secretary is Secretary to the Committee. Biographies of the Committee members can be found on pages 100 to 102.

# Trust & Transparency Committee report continued

Committee meetings during the year were routinely attended by management and other senior leaders in the Group who were invited to present on specific trust and transparency matters. The following individuals were invited to the Committee during 2022 to present on their areas of expertise:

- VP, Legal, Content Integrity & Privacy (Data Protection Officer)
- VP, Legal and Platform Integrity
- Senior Director, Content Integrity
- Director of Litigation
- Head of Public Affairs
- Director of Communications

## Meetings

The Committee meets routinely twice per year. Details of attendance at the Committee's meetings during 2022 can be found on page 102. An agenda is prepared in advance of each meeting and is reviewed by the Chair of the Committee. Key matters discussed at the Committee meetings are reported to the Board by the Chair of the Committee at subsequent Board meetings.

## Committee evaluation

In November 2022, the Committee undertook an internally led evaluation where feedback was sought from members of the Committee and regular attendees of Committee meetings. The evaluation sought feedback on matters including the Committee's oversight of the policies and procedures that embed trust and transparency into the Group's operations, its oversight of management's decision-making, and its understanding of the legislative and regulatory environment related to digital content, content integrity, privacy and security. The evaluation concluded that the Committee was performing well and identified areas of focus for 2023, as set out in the table on page 129.

## Priorities and main activities during the year

The Committee's main activities for the year ended 31 December 2022 are summarised below.

### Policies, procedures and working practices to embed trust and transparency across the Group

A key area of focus for the Committee has been overseeing management's continued progress in reducing the number of fake or misleading reviews on the platform. The Committee has overseen management's efforts to reduce instances of misbehaviour and misuse of the platform, including increasing the use of automation in the detection of fake and misleading reviews and in encouraging the use of automatic review collection methods. The Committee has continued to see good progress in this area. Further information on how we protect the integrity of our platform can be found on pages 22 to 24 and 38 of the Strategic report.

### Legislative and regulatory requirements related to digital content and governance, content integrity and safety, privacy and security

The Committee received updates from management on key regulatory and legislative developments relevant to the Company including UK and EU consumer law reforms, the UK Online Safety Bill and the EU Digital Services Act. The Committee challenged management on its planning for each of the developments.

The Head of Public Affairs attended the Committee to provide updates on the Company's engagement with regulators, industry bodies and other stakeholders in relation to content integrity and other consumer-facing developments in regulation and legislation. The Committee also discussed issues of data protection and privacy where relevant, with insights provided by the VP Legal, Content Integrity & Privacy /Data Protection Officer. The Committee oversaw management's work on the systems and procedures to protect the safety and security of customer and consumer data, and noted the key areas of improvement that had strengthened the Company's privacy compliance rating during the year.

### Litigation and disputes

During the year, management has reported to the Committee on progress made on initiatives to improve the integrity of the platform, including consumer alerts, investigations and actions taken, enforcement actions, terminations and proactive litigation against businesses posting fake or misleading reviews. The Committee has also received updates on the work of management in its defence of actions filed against the Company in relation to user-generated content and activity on the platform. This included an update on the successful defence of the class action complaint filed in the United States District Court for the Southern District of New York against Trustpilot Inc. In June 2022, the Second Circuit Court of Appeal decisively dismissed the class action claim brought against Trustpilot with no further rights to appeal. Updates on the work of management in relation to litigations and disputes are also provided via the Chief Trust Officer's reports to the Board.

### Key decisions taken by management in relation to trust and transparency

The Committee receives reports on key content integrity data and trends, including the number of flagged reviews, reasons for flagged reviews, and the time taken to respond to customers and consumers. The Committee also receives updates on any key decisions taken by management, including those that have highlighted particular opportunities for policy or process improvements. The Committee has been pleased to oversee management's continued work to improve customer and consumer experience on the platform.

### Annual Transparency Report

The Transparency Report provides insight into the actions that the Company is taking to protect and promote trust online. During the year, the Committee reviewed the Transparency Report and approved its publication. Following the publication of the Transparency Report in 2022, the Director of Communications provided the Committee with insight on how the Transparency Report had been received by the market. The Transparency Report is available to download on the Company's website, investors.trustpilot.com.

# Annual statement from the Chair of the Remuneration Committee

**Angela Seymour-Jackson**
Chair of the Remuneration Committee

### Committee members

- Angela Seymour-Jackson
- Claire Davenport
- Rachel Kentleton

**3** Committee members → **6** Committee meetings

As Chair of the Remuneration Committee, I am pleased to present our Directors' Remuneration Report for 2022 on behalf of the Board. This was our first full year as a listed company and our second year publishing this report.

This year has been a challenging one for companies in our sector, but the Board is encouraged by our financial results. With a rapidly changing and uncertain macroeconomic environment, we made the decision to proactively manage our business towards operating leverage and profitability, taking a more cautious and prudent approach to the timing of the investments we make into growth. This shift in focus has directly impacted on remuneration for 2022, with ARR growth for the year below the ambitious targets set at the beginning of the year.

The Directors' Remuneration Policy was approved at the AGM on 25 May 2022 and we are not proposing any changes to the Policy for 2023. This report is, therefore, split as follows:

- This annual statement, which summarises the work of the Committee and our approach to remuneration.
- The annual report on remuneration, which sets out the remuneration arrangements and incentive outcomes for 2022, and how the Committee intends to implement the Policy in 2023.

In arriving at our decisions during the year, the Committee has been careful to consider principles of good governance and taken account of the provisions of the UK Corporate Governance Code and will continue to do so, including the expectations set out in Provision 40 of the Code:

- Clarity: Our remuneration framework is structured to align the interests of Executive Directors with those of our shareholders. Our Policy is transparent and has been well communicated to our senior executive team, shareholders and representative bodies.
- Simplicity: Our pay framework has been designed to be straightforward to communicate and operate.
- Risk: Our incentives have been structured to ensure that they are aligned with the Board's system of risk management and risk appetite. This is achieved through, for example, maintaining an appropriate balance between fixed and variable pay, and the operation of bonus deferral, LTIP holding periods, shareholding guidelines and robust recovery and withholding provisions.
- Predictability: Our incentive plans are subject to individual caps on grant, with our share plans also subject to market-standard dilution limits. The Committee has full discretion to alter the pay-out level or vesting outcome, to ensure payments are appropriately aligned with the underlying performance of the Company.
- Proportionality: There is a clear link between individual awards, delivery of strategy and our long-term performance, and our Policy has been designed to ensure that Executive Directors are not rewarded for failure (e.g. through shareholding guidelines; through the link between the measures we set for our incentive arrangements and the KPIs of the Company; through our ability and openness to the use of discretion to ensure appropriate outcomes; and through the structure of our Executive Directors' contracts). Formulaic incentive outcomes are reviewed by the Committee and may be adjusted having consideration to overall Group performance and wider workforce remuneration policies and practices.
- Alignment to culture: Our Directors' Remuneration Policy is aligned to Trustpilot's culture and values. Specifically, the annual bonus and LTIP currently include performance measures based on Trust, which supports our focus on living our values – including to act 'Always with Integrity' and be 'Positively Human'. The Committee strives to build a sustainable performance culture at the management level that can cascade down throughout the Company. The Board sets the framework of KPIs against which we monitor the performance of the Company and the Committee links the performance metrics to those KPIs. We are also keen to foster a culture of share ownership throughout the Company and operate broad participation share arrangements.

No specific engagement on remuneration has taken place with shareholders during 2022 following the AGM, but we continue to consider the views of institutional shareholders and the guidance of the major shareholder representative bodies. In agreeing annual bonus outturns for the year, the Committee considered the shareholder experience and determined that the formulaic outturn was appropriate.

# **Annual statement from the Chair of the Remuneration Committee** continued

In my role as Designated Non-Executive Director for employee engagement, I hosted a number of sessions alongside my Board colleagues to engage with Trusties in the year. In one of these sessions, I engaged specifically on executive remuneration and how this links with wider workforce pay. We will continue these sessions in 2023.

A significant proportion of our workforce has share interests acquired through our broadly-based share plans:

- Our warrants program, under which market-value warrants held prior to the IPO in the Company's subsidiary, Trustpilot A/S, were replaced by warrants in the Company as part of the IPO Restructuring.
- Our Restricted Share Plan and Long-Term Incentive Plan, each established at the time of our IPO.

Our Executive Directors directly hold shares in the Company, as well as holding share interests through the Warrants Program and LTIP (see page 139 for details). These holdings, along with annual bonus deferral, LTIP holding periods and post-cessation shareholding guidelines, enhance the alignment of interests between our Executive Directors and shareholders, and contribute to appropriate risk mitigation.

**Remuneration in FY22**
Base salaries for Peter Holten Mühlmann and Hanno Damm were set at DKK 4,159,778 and USD 458,350, respectively, with effect from 1 January 2022.

The maximum annual bonus for Executive Directors in 2022 was 125% of salary, with 50% of maximum payable for achieving performance in line with targets. The annual bonus was measured on ARR (50%), Active consumers (20%), Active domains (20%) and Trust (10%). As I have touched on above, Management has taken difficult decisions for the long-term benefit of the Company this year, which have impacted on the ability to achieve bonus targets, in particular for the ARR measure. The annual bonus for 2022 paid out 35.7% of maximum. The Committee believes that this formulaic outturn is appropriate and did not apply discretion to amend this. In line with our Policy, 25% of bonus outcomes (net of tax) for the Executive Directors is required to be deferred in shares for two years.

No LTIPs were due to vest by reference to a performance period ending in 2022. An award under the LTIP was made to both Peter Holten Mühlmann and Hanno Damm over shares worth 200% of base salary in April 2022. This award will be measured on relative TSR (55%), ARR growth (25%) and Trust (20%) over three years, vesting in April 2025. A further two-year holding period will apply to any shares vesting under the LTIP to the Executive Directors, after tax.

Overall, the Remuneration Committee is satisfied that executive remuneration in the year was appropriate, and that the annual bonus outturn was a fair reflection of the Company's performance in the year. Total remuneration for the Executive Directors was in line with the intended operation of the Policy, given performance, and believes that the ratio of CEO to employee pay is appropriate.

**Implementation of Directors' Remuneration Policy in FY23**
The Policy operated as intended in 2022 with regard to quantum and performance; the Committee believes the annual bonus outturn was a fair reflection of performance in the year. No significant changes are proposed to executive remuneration for 2023. The Directors' Remuneration Policy was approved by shareholders in May with near unanimous support and, although the Policy provides flexibility to increase the opportunities available under the annual bonus and LTIP, we are not proposing increasing these as a percentage of salary for 2023.

Base salaries for the Executive Directors increased by 3% with effect from 1 March 2022, to DKK 4,284,571 for the CEO and USD 472,101 for the CFO. By comparison, the average salary increase awarded under the salary review to the wider Trustie population was 5.8%.

Pension contributions were increased from 3% to 4% for Trusties in the US with effect from 1 January 2023. The CFO's pension is limited under the Policy at the level available to other Trusties in the US and so this increase applies to Hanno Damm. In practice, however, caps on 401k matches mean that Hanno will not be able to utilise this increase.

The maximum annual bonus opportunity will continue to be 125% of salary, with 25% of bonus outcomes (net of tax) deferred in shares. For 2023, the bonus measures will be a combination of ARR and Adjusted EBITDA** (75%), employee engagement (15%) and Trust (10%). Additionally, an Adjusted EBITDA underpin will apply under which annual bonus will be reduced, potentially to zero, to the extent that the underpin is not met.

LTIP awards will be granted for 2023 over shares equal to 200% of salary. The Remuneration Committee believes that this award level remains appropriate for 2023. Although Trustpilot's share price has fallen since the April 2022 grants, the use of a three-month averaging period for determining the number of shares under award helps to mitigate this and ensures that awards are not unfairly influenced by short-term spikes. Applying this policy in 2022 reduced the number of shares which we may otherwise have awarded. The 2023 awards will vest on the third anniversary of grant, with a further two-year holding period applying to the Executive Directors. The measures for 2023 will be relative TSR (75%) and Trust (25%). This is a simplfication and addresses having the same financial metric in both bonus and LTIP.

**Conclusion**
We remain committed to a responsible approach to executive pay, as I trust our approach for 2023 demonstrates. The Committee recognises the importance of developing a close relationship with shareholders in facilitating its work in developing our pay arrangements. I am happy to meet or speak with shareholders if there are any questions or feedback on our approach to executive remuneration or this report. I will be attending the AGM on 23 May 2023 and would welcome your questions – and you can also contact me through our Company Secretary, Carolyn Jameson.

At the AGM on 23 May 2023, Shareholders will be asked to approve an advisory resolution to approve both this annual statement and the annual report on remuneration. I look forward to receiving your support.

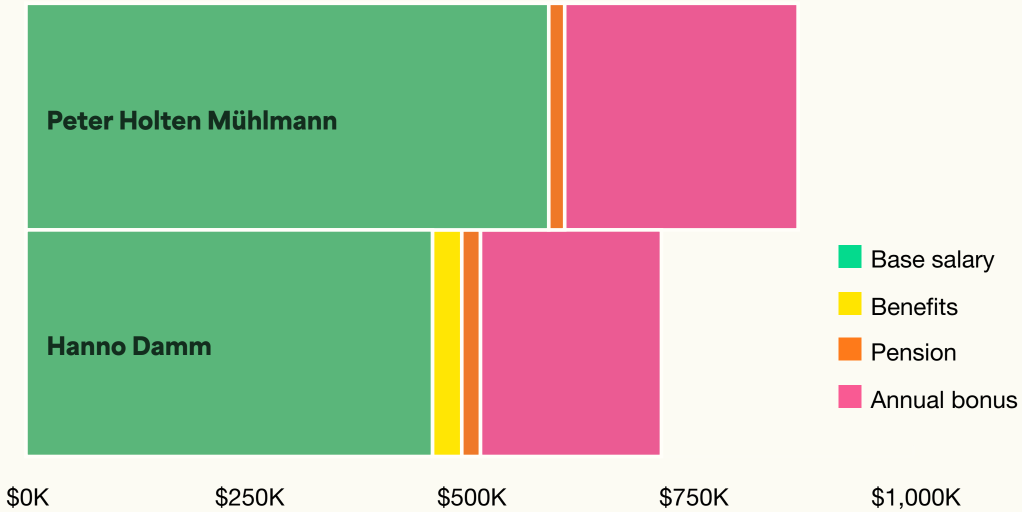
**Angela Seymour-Jackson**
**Chair of the Remuneration Committee**

20 March 2023

** Alternative performance measure (APM) – further detail available in note 4

# Directors' remuneration at a glance

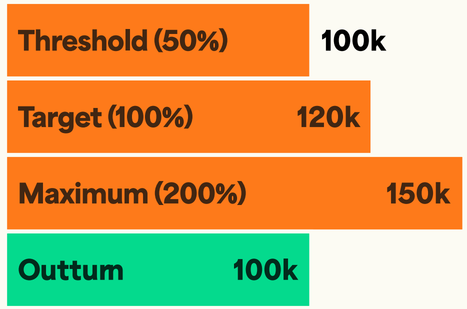
## Summary of Executive Directors' Remuneration in FY22



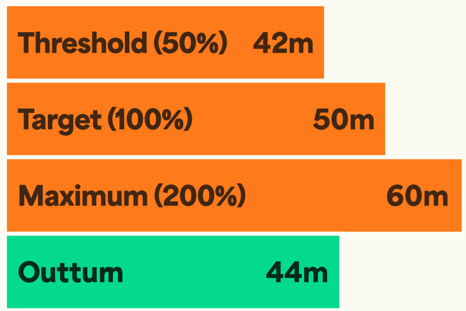

## Summary of FY22 annual bonus results

ARR* (50% weighting)

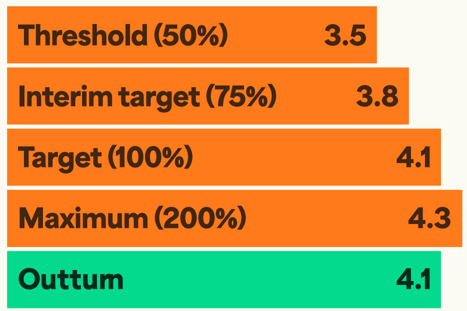

Active domains* (20% weighting)




Active consumers* (20% weighting)




Trust measure (10% weighting)




* Key performance indicator (KPI) – further detail available on pg 49

# Directors' remuneration at a glance continued

## Our pay principles

**Promotion of the long-term success of the Group**

- Clear and simple
- Aligned with the interests of shareholders and other stakeholders
- Performance related and linked to our KPIs
- Competitive but not excessive
- Aligned with our culture and values

### Implementation of our Directors' Remuneration Policy in 2023

| | | |
|---|---|---|
| **Fixed pay** | Salary | • CEO – DKK 4,284,571 (+3%)<br>• CFO – USD 472,101 (+3%) |
| | Pension | • CEO – 3%<br>• CFO – 4% |
| | Benefits | • Entitlement to private medical insurance, life insurance and income protection insurance, depending upon location |
| **Annual bonus** | Maximum | • CEO – 125% of salary per annum<br>• CFO – 125% of salary per annum |
| | Performance measures | • ARR and Adjusted EBITDA (75% weighting); employee engagement (15%); Trust measure (10%)<br>• The payment of an annual bonus is subject to achievement of an Adjusted EBITDA underpin. Annual bonus will be reduced, potentially to zero, to the extent the underpin is not achieved |
| | Operation | • For Executive Directors, 25% (net of tax) deferred into shares for two years<br>• Recovery and withholding provisions operate |
| **Long-Term Incentive Plan** | Award level | • CEO – 200% of salary per annum<br>• CFO – 200% of salary per annum |
| | Performance measures | • Relative TSR (75%); Trust measure (25%) |
| | Operation | • Performance measures over three years<br>• For Executive Directors, a two-year additional holding period applies to shares acquired pursuant to vested awards (net of shares equal to any tax liability and nominal cost of acquisition)<br>• Recovery and withholding provisions operate |
| **Share ownership guidelines** | In-employment guideline | • 200% of salary |
| | Post-cessation guideline | • 200% of salary to be held for two years post-employment |

# Annual report on remuneration

**Role and composition of the Remuneration Committee**
The Board is ultimately accountable for executive remuneration and delegates this responsibility to the Remuneration Committee. The Committee is responsible for developing and implementing a Directors' Remuneration Policy which supports the Group's strategy, and for determining the Executive Directors' individual packages and terms of service together with those of the other members of senior management (including the Company Secretary). When setting the remuneration terms for Executive Directors, the Committee reviews and has regard to workforce remuneration and related policies, and takes close account of the remuneration-related provisions of the UK Corporate Governance Code, including the requirements relating to clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture.

The Committee is formally constituted and operates on written terms of reference, which are available on the Company's website at investors.trustpilot.com.

The Committee currently comprises Angela Seymour-Jackson (Chair), Rachel Kentleton and Claire Davenport, who were members throughout 2022. Details of attendance at meetings during the year are set out on page 102.

Attendance at meetings is also extended by invitation of the Committee to the Chair of the Board, Deputy Chair, CEO, CFO, Chief People Officer, Head of Reward and the Company Secretary, as required, who are consulted on matters discussed by the Committee, unless those matters relate to their own remuneration. The Deputy Company Secretary acts as Secretary to the Committee. Advice or information is also sought directly from other employees where the Committee feels that such additional contributions will assist the decision-making process.

The Committee is authorised to take such internal and external advice as it considers appropriate in connection with carrying out its duties, including the appointment of its own external remuneration advisors. During the year, the Committee was assisted in its work by FIT Remuneration Consultants LLP.

FIT was appointed by the Committee in September 2019 following a tender process and has provided advice in relation to general remuneration matters and the design of the Directors' Remuneration Policy. Fees paid to FIT in relation to advice provided to the Committee during the year to 31 December 2022 were GBP 156,778 (excluding VAT), charged on a time/cost basis (compared with GBP 105,741 for the period from IPO to 31 December 2021). FIT did not provide any other services to the Company. FIT is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. The Committee is satisfied that the advice they received from FIT was objective and independent.

The Committee considered the following main items during the year to 31 December 2022:

- Review and approval of the remuneration packages for our current Executive Directors and Executive Committee members.
- Setting of annual bonus and long-term incentive plan measures for 2023.
- Reviewing the approach to all-employee reward and Trustpilot's Gender Pay Gap report.
- Granting awards under the RSP to employees (excluding the Executive Directors).
- Monitoring of external market practice and developments in the governance expectations of institutional shareholders and shareholder representative bodies.
- Determining the bonus outcomes under the FY22 bonus plan.

**Single total figure of remuneration for each Director (audited)**
The table below reports the total remuneration receivable by those Directors who performed qualifying services during the year to 31 December 2022. For comparison, 2021 figures are shown which relate to the period from incorporation of the Company on 8 February 2021 to 31 December 2021. The information that follows has been audited (where indicated) by the Company's auditors, PricewaterhouseCoopers LLP.

# **Annual report on remuneration** continued

| | | Base salary / Fees $000 | Benefits[1] $000 | Annual bonus[2] $000 | Long-term incentives[3] $000 | Pension[4] $000 | Total $000 | Total fixed $000 | Total variable $000 |
|---|---|---|---|---|---|---|---|---|---|
| **Executive Directors** | | | | | | | | | |
| Peter Holten Mühlmann | **2022** | **589** | **–** | **263** | **–** | **18** | **870** | **607** | **263** |
| | 2021 | 555 | – | 310 | – | 17 | 882 | 572 | 310 |
| Hanno Damm | **2022** | **458** | **33** | **204** | **–** | **9** | **704** | **500** | **204** |
| | 2021 | 393 | 19 | 219 | – | 8 | 639 | 420 | 219 |
| **Non-Executive Directors** | | | | | | | | | |
| Tim Weller | **2022** | **247** | **–** | **–** | **–** | **–** | **247** | **247** | **–** |
| | 2021 | 226 | – | – | – | – | 226 | 226 | – |
| Zillah Byng-Thorne | **2022** | **24** | **–** | **–** | **–** | **–** | **24** | **24** | **–** |
| Angela Seymour-Jackson | **2022** | **93** | **–** | **–** | **–** | **–** | **93** | **93** | **–** |
| | 2021 | 86 | – | – | – | – | 86 | 86 | – |
| Claire Davenport | **2022** | **80** | **–** | **–** | **–** | **–** | **80** | **80** | **–** |
| | 2021 | 76 | – | – | – | – | 76 | 76 | – |
| Rachel Kentleton | **2022** | **93** | **–** | **–** | **–** | **–** | **93** | **93** | **–** |
| | 2021 | 88 | – | – | – | – | 88 | 88 | – |
| Joe Hurd | **2022** | **80** | **–** | **–** | **–** | **–** | **80** | **80** | **–** |
| | 2021 | 52 | – | – | – | – | 52 | 52 | – |
| Mohammed Anjarwala[5] | **2022** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| | 2021 | – | – | – | – | – | – | – | – |
| Ben Johnson[5] | **2022** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| | 2021 | – | – | – | – | – | – | – | – |
| Total | **2022** | **1,664** | **33** | **467** | **–** | **27** | **2,191** | **1,724** | **467** |
| | 2021 | 1,476 | 19 | 529 | – | 25 | 2,049 | 1,520 | 529 |

1 Non-salary benefits included the provision of a company-paid telephone and, for Hanno Damm, life and health insurances.
2 The annual bonus pay-out was based on an outcome of 35.7% of the maximum bonus opportunity. Further details on how this pay-out was determined are set out below. No element of annual bonus is attributable to share price appreciation.
3 No long-term incentives were capable of vesting for performance ending in the period. Tim Weller, Peter Holten Mühlmann, Hanno Damm and Angela Seymour-Jackson were each granted warrants in Trustpilot A/S in February 2021. As the February 2021 awards were market-value warrants, the warrants had no intrinsic value at the time of award which needs to be recognised in the single total figure table.
4 The amount of employer contribution based on a fixed percentage of base salary.
5 Mohammed Anjarwala and Ben Johnson are shareholder-appointed Directors and do not receive any fee in respect of their appointment as Non-Executive Directors.

# Annual report on remuneration continued

**Annual bonus for the year ending 31 December 2022 (audited)**
For FY22, Executive Directors were eligible for an annual discretionary cash bonus of up to 125% of salary, whereby performance objectives were established at the beginning of the financial period by reference to suitably challenging corporate goals over the 12-month period. These comprised targets based on a mix of financial and strategic non-financial performance measures. The performance-related outcomes were as follows:

| Metric | Weighting (% of max bonus) | Minimum (25% of max) | Target (50% of max) | Max | Actual performance | Pay-out (% of max) | Outcome (% of weighting for this metric) |
|---|---|---|---|---|---|---|---|
| ARR[1] (USD m) | 50% | 161 | 185 | 195 | 174.1 | 39% | 19.3% |
| Active consumers (m) | 20% | 42 | 50 | 60 | 44.2 | 32% | 6.4% |
| Active domains (‘000) | 20% | 100 | 120 | 150 | 100.4 | 26% | 5.1% |
| Trust measure | 10% | 3.5 | 4.1 | 4.3 | 4.07 | 49% | 4.9% |
| Total | – | – | – | – | – | – | 35.7% |

1 For the purposes of measuring the ARR metric and to maintain consistency, the exchange rates used in setting the target were used in measuring the actual performance against that target. Accordingly, the ARR figure reported here differs from ARR reported elsewhere in this annual report.
2 25% of bonus (after tax) is deferred in shares for two years. No further performance conditions will apply to this deferred element of bonus.

# Annual report on remuneration continued

### LTIP awards with performance periods ending in the year (audited)

There were no long-term incentive awards capable of vesting in relation to performance during the year.

### LTIP awards granted in the year (audited)

| Executive | Date of grant | Type of award[1] | Face value of award | Number of shares[3] | End of performance period |
|---|---|---|---|---|---|
| Peter Holten Mühlmann | 5 April 2022 | Nominal-cost options | GBP 942,277 (200% of salary) | 535,318 | April 2025[4] |
| Hanno Damm | 5 April 2022 | Nominal-cost options | GBP 699,077 (200% of salary) | 397,153 | April 2025[4] |

1 The exercise price of awards granted during the year is GBP 0.01 per share.
2 The face value of awards was determined using exchange rates as 1 April 2022, being GBP 1 = DKK 8.8292 and GBP 1 = USD 1.3113.
3 The number of shares under award was determined using the three-month average share price to the date of grant of GBP 1.7602 and rounded down to the nearest whole share.
4 The TSR metric is measured over three years from the date of grant; the ARR growth and Trust Measure metrics are measured over a period of three financial years ending 31 December 2024.

We moved to basing awards on a three-month average share price for the 2022 awards. This helps to smooth short-term share price movements and, for the April 2022 awards, had the impact of reducing the number of shares under award by approximately 18.5% compared with using the spot price of 144p on 4 April 2022.

These awards vest based on performance against the following targets. Vesting for the TSR and ARR portions of the awards between threshold and maximum is on a straight-line basis; vesting for the Trust measure portion target will be stepped between 3.5 and 3.75 (at which point 50% of the Trust measure part will vest), and thereafter it will be measured on a straight-line basis up to the maximum.

| | Relative TSR | ARR | Trust measure |
|---|---|---|---|
| Basis of measurement | TSR relative to FTSE 250 constituents (excluding investment trusts) | Compound annual growth rate (“CAGR”) | Average Trust rating |
| Threshold | Median (25% vesting) | 20% (25% vesting) | 3.5 (0% vesting) |
| Maximum | Upper quartile | 30% | 4.2 |

### Payments for loss of office and to past Directors (audited)

No such payments were made during the year.

# Annual report on remuneration continued

**Statement of Directors' shareholding and share interests (audited)**
The following table shows the interests of Directors and their connected persons in the Company's ordinary shares as at 31 December 2022.

| | Number of shares owned outright (including connected persons)[1] | Unvested LTIP awards subject to performance conditions | Vested warrants, not subject to performance conditions | Unvested warrants, not subject to performance conditions | Shareholding as a % of salary at 31 December 2022[3] | Shareholding guideline as a % of salary | Shareholding guideline met? |
|---|---|---|---|---|---|---|---|
| Peter Holten Mühlmann | 8,642,970[2] | 888,518 | 3,914,820 | 5,281,458 | 2,022% | 200% | Yes |
| Hanno Damm | 16,000 | 641,371 | 2,983,968 | 2,640,690 | 267% | 200% | Yes |
| Tim Weller[4] | 2,309,859 | – | 307,242 | 74,958 | N/A | N/A | N/A |
| Zillah Byng-Thorne | – | – | – | – | N/A | N/A | N/A |
| Angela Seymour-Jackson[5] | 295,480 | – | 156,000 | 97,500 | N/A | N/A | N/A |
| Claire Davenport | – | – | – | – | N/A | N/A | N/A |
| Rachel Kentleton | 28,971 | – | – | – | N/A | N/A | N/A |
| Joe Hurd | 6,297 | – | – | – | N/A | N/A | N/A |
| Mohammed Anjarwala[6] | – | – | – | – | N/A | N/A | N/A |
| Ben Johnson[7] | – | – | – | – | N/A | N/A | N/A |

1 Deferred bonus shares are included in the number of shares owned outright.
2 Comprising 4,480,632 shares held personally by the CEO and 4,162,338 shares held through a holding company wholly owned by him.
3 Comprising the value of shares owned outright and vested warrants as at 31 December 2022, calculated by multiplying the number of each by the closing share price on 31 December 2022 and, in the case of the vested warrants, deducting the aggregate warrant exercise price (being GBP 810,586 for Peter Holten Mühlmann and GBP 809,781 for Hanno Damm) and the maximum tax and social security liabilities that would have been incurred if the vested warrants had been exercised.
4 Tim Weller exercised 739,986 legacy warrants in the year. This comprised 207,090 warrants that were exercised on 1 April 2022 at an exercise price of GBP 0.299472 each, 298,896 warrants that were exercised on 1 April 2022 at an exercise price of GBP 0.431580 each and 234,000 warrants that were exercised on 1 April 2022 at an exercise price of GBP 1.345535 each. The closing share price on 1 April 2022 was GBP 1.431.
5 Angela Seymour-Jackson exercised 292,500 legacy warrants in the year. This comprised 292,500 warrants that were exercised on 22 April 2022 at an exercise price of GBP 0.299472. The closing share price on 22 April 2022 was GBP 1.224.
6 Mohammed Anjarwala is a shareholder-appointed Director for Sunley House Capital, which beneficially held 21,593,421 shares in the Company as at 31 December 2022.
7 Ben Johnson is a shareholder-appointed Director for Vitruvian Partners, which beneficially held 37,544,546 shares in the Company as at 31 December 2022.

There have been no changes to the interests shown in the table above between 31 December 2022 and 20 March 2023, other than time-based vesting of warrants in accordance with their terms as follows:

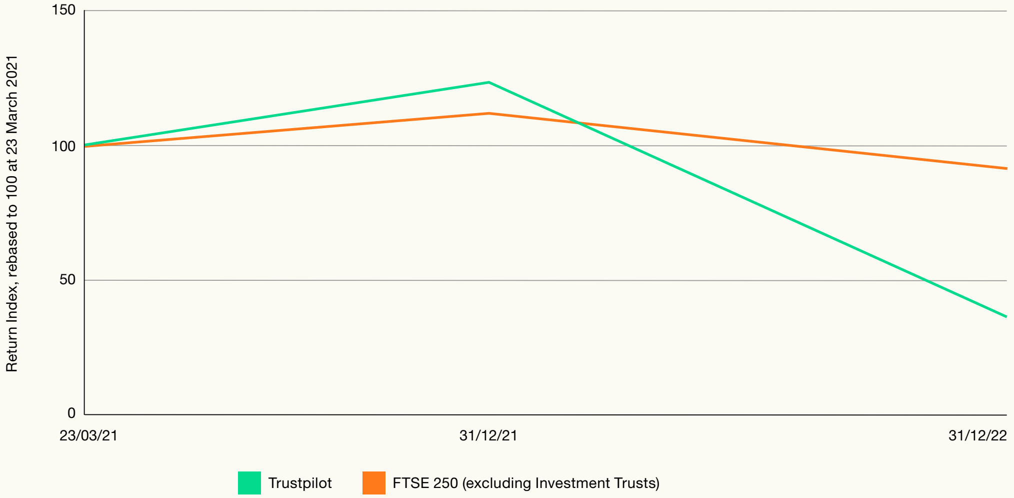
- Peter Holten Mühlmann – an additional 2,153,190 warrants have vested.
- Hanno Damm – an additional 1,076,556 warrants have vested.
- Tim Weller – an additional 74,958 warrants have vested.
- Angela Seymour-Jackson – an additional 97,500 warrants have vested.

# **Annual report on remuneration** continued

### Total shareholder return performance graph

The graph below shows the value at 31 December 2022 of £100 invested in the Company on 23 March 2021 (i.e. the date of conditional trading on the London Stock Exchange) compared to the value of £100 invested in the FTSE 250 Index (excluding investment trusts), making the assumption that dividends are reinvested to purchase additional equity.

The FTSE 250 Index (excluding investment trusts) has been selected as a comparator due to the Company being a constituent at IPO. This allows comparison of the Company's performance against the performance of the Index as a whole.




### CEO's remuneration

The total remuneration figure for the CEO in 2022 is shown in the table below, along with the value of bonuses paid and LTIP vesting, as a percentage of the maximum opportunity. This table will build up to show 10 years' worth of data over time.

| Year | CEO | CEO single figure of total remuneration $000 | Annual bonus pay-out % of maximum | LTIP vesting % of maximum[2] |
|---|---|---|---|---|
| **2022** | **Peter Holten Mühlmann** | **870** | **35.7%** | **N/A** |
| 2021 | Peter Holten Mühlmann | 882[1] | 45.7% | N/A |

1 Total remuneration for 2021 is the figure for the period from incorporation of the Company on 8 February 2021 to 31 December 2021, as shown in the single total figure of remuneration table.

2 No LTIP awards were eligible to vest during 2021 or 2022.

### CEO to employee pay ratio

In 2022, we reached 250 UK employees for the first time. The table below presents the ratio of CEO remuneration to that of the UK employees whose pay is at the 25th percentile, median and 75th percentile for 2022. No comparison is provided for 2021 as Trustpilot was exempt from this disclosure in 2021.

| Year | Method | 25th percentile pay ratio | Median pay ratio | 75th percentile pay ratio |
|---|---|---|---|---|
| 2022 | Option A | 9 : 1 | 8 : 1 | 6 : 1 |

The Company has chosen Option A under which to calculate the CEO to employee pay ratio as this is the most robust of the available methodologies.

For each Trustie, total pay has been calculated in line with the single figure methodology, with data as at 31 December 2022. Non-payroll benefits are modest and have been excluded from this calculation. No other calculation adjustments or assumptions have been made.

# **Annual report on remuneration** continued

There is a misalignment in the reporting of long-term incentives under the reporting regulations; RSUs (available to selected Trusties, excluding the Executive Directors) are not subject to performance conditions and so are included at grant; LTIPs (which form part of Executive pay) are subject to performance conditions and so it is the value at vesting which will be included in these calculations. No LTIPs were due to vest in the year.

Pay for the Chief Executive Officer is as shown in the single total figure of remuneration table on page 136.

The table below shows the salary and total pay and benefits data used to calculate the 2022 CEO pay ratio. We have used an exchange rate of USD 1 = GBP 0.8085.

| | 25th percentile pay $000 | Median pay $000 | 75th percentile pay $000 |
|---|---|---|---|
| Salary | 90.7 | 89.7 | 82.0 |
| Total pay and benefits | 98.6 | 111.0 | 134.7 |

Many Trusties working in our Commercial organisation receive commission which, under the regulations, are considered part of annual bonus. For this reason, the salary figures for the 25th percentile and median paid employees are higher than for the 75th percentile paid employee.

The Remuneration Committee believes the median ratio to be representative of pay and progression policies for Trustpilot's UK employees as a whole and, indeed, the wider employee population. While these ratios are relatively modest compared with many listed companies, we anticipate this ratio may widen in future years when the first LTIPs become eligible to vest.

Variable remuneration is typically greater for more senior employees. Annual bonus opportunities as a percentage of salary are based on job level, and RSUs are granted above a certain level, with base awards increasing for more senior roles.

**Percentage change in remuneration of Directors in comparison to other employees**

The table below shows the percentage change from 31 December 2021 to 31 December 2022 in base salary, taxable benefits and bonus for the Executive and Non-Executive Directors compared with other employees of Trustpilot. This is the first such disclosure, as Trustpilot listed in 2021.

Trustpilot Group plc does not have any employees and so this data has been prepared using UK employees on a FTE basis.

| | Percentage change (2021 to 2022)[1] | | |
|---|---|---|---|
| | Salary | Benefits | Annual bonus |
| Peter Holten Mühlmann[2] | 3% | 0% | -20% |
| Hanno Damm[2] | 3% | 55% | -20% |
| Tim Weller | 0% | N/A | N/A |
| Zillah Byng-Thorne[3] | N/A | N/A | N/A |
| Angela Seymour-Jackson | 0% | N/A | N/A |
| Claire Davenport | 0% | N/A | N/A |
| Rachel Kentleton | 0% | N/A | N/A |
| Joe Hurd | 0% | N/A | N/A |
| Mohammed Anjarwala[4] | N/A | N/A | N/A |
| Ben Johnson[4] | N/A | N/A | N/A |
| Total for UK employees | 11% | 0% | -15% |

1 The single total figure table data for 2021 relates to the period from incorporation of the Company on 8 February 2021 to 31 December 2021. In order to provide a reasonable comparison, the percentage change in remuneration for Directors is shown on an annualised basis.

2 The percentage change figures for Peter Holten Mühlmann and Hanno Damm have been calculated on a local currency basis, to ensure the data is not skewed by exchange rate fluctuations.

3 Zillah Byng-Thorne joined Trustpilot on 1 October 2022.

4 Mohammed Anjarwala and Ben Johnson are shareholder-appointed Directors and do not receive any fee in respect of their appointment as Non-Executive Directors.

# Annual report on remuneration continued

### Relative importance of spend on pay

The table below shows the Company's total employee costs compared with dividends paid:

| | Employee costs ($'000)[1] | Dividends ($'000) |
|---|---|---|
| 2022 | $109,755 | – |
| 2021 | $105,021 | – |
| Percentage change | 4.5% | N/A |

1 These figures have been extracted from note 6 to the financial statements on page 172.

### Executive Directors' service contracts

The table below summarises key details in respect of the Executive Directors' contracts:

| | Date of joining Trustpilot Group | Date of service contract relating to the Company | Notice period (from either party) |
|---|---|---|---|
| Peter Holten Mühlmann | 1 April 2007 | 23 March 2021 | 12 months |
| Hanno Damm | 1 January 2016 | 23 March 2021 | 6 months |

### Non-Executive Directors' letters of appointment

The table below summarises key details in respect of the Non-Executive Directors' letters of appointment:

| | Date of joining Trustpilot Group | Date of appointment to the Board of the Company | Notice period (from either party) |
|---|---|---|---|
| Tim Weller | 1 February 2013 | 23 February 2021 | 3 months |
| Zillah Byng-Thorne | 1 October 2022 | 1 October 2022 | 3 months |
| Angela Seymour-Jackson | 1 March 2019 | 23 February 2021 | 3 months |
| Claire Davenport | 23 February 2021 | 23 February 2021 | 3 months |
| Rachel Kentleton | 23 February 2021 | 23 February 2021 | 3 months |
| Joe Hurd | 1 June 2021 | 1 June 2021 | 3 months |
| Mohammed Anjarwala[1] | 4 March 2019 | 23 February 2021 | 3 months |
| Ben Johnson[1] | 20 May 2015 | 23 February 2021 | 3 months |

1 Mohammed Anjarwala and Ben Johnson are shareholder-appointed Directors. The relevant shareholder may direct that the Company remove its appointed director within 10 business days.

### External appointments

Neither Peter Holten Mühlmann nor Hanno Damm are currently appointed as a non-executive director of any company outside the Group other than entities to which they are connected and for which they receive no remuneration.

### Voting at the Annual General Meeting

At the AGM on 25 May 2022, shareholders voted on our first Directors' Remuneration Report and our new Directors' Remuneration Policy.

| | Votes For | Votes Against | Votes Withheld |
|---|---|---|---|
| 2021 Directors' Remuneration Report | 282,404,898 (99.05%) | 2,705,792 (0.95%) | 30,000 |
| Directors' Remuneration Policy | 283,633,633 (99.99%) | 23,456 (0.01%) | 1,483,601 |

# Implementation of Directors' Remuneration Policy for 2023

### Directors' Remuneration Policy
The Directors' Remuneration Policy for Executive and Non-Executive Directors was approved at the 2022 AGM and will apply for the three-year period expiring at the 2025 AGM if approval is not sought for a new Policy before that date. This can be found within the Company's Annual Report and Accounts for 2021, which is available on the Company's website at www.investors.trustpilot.com/results-centre.

### Basic salary
The Committee reviews the Executive Directors' base salaries on an annual basis. Salaries were last increased with effect from 1 January 2022. From 1 March 2023, the Executive Directors will receive a salary increase of 3% as set out below:

| | Base salary from 1 January 2022 | Base salary from 1 March 2023 | Increase |
|---|---|---|---|
| Peter Holten Mühlmann | DKK 4,159,778 | DKK 4,284,571 | 3% |
| Hanno Damm | USD 458,350 | USD 472,101 | 3% |

### Benefits and pension
The pension contributions available to US employees were increased for 2023 from 3% to 4% of salary, and this increase will apply to the CFO. This will have no practical impact on the CFO's pension contributions due to 401k limits. No other changes are proposed to the provision of pension and benefits for 2023.

Executive Directors will continue to be entitled to receive benefits that include private medical and life insurance, and will receive pension contributions equal to 3% of salary for the CEO and 4% of salary for the CFO (with CFO pension further capped at US 401k limits), in line with the Directors' Remuneration Policy.

### Annual bonus
The maximum opportunity under the annual bonus plan will be 125% of base salary for both Executive Directors. 25% of the total bonus payment (net of tax) must be used to acquire shares in the Company which are required to be held for two years.

Bonuses will be based on a combination of ARR and Adjusted EBITDA (75%), employee engagement (15%) and Trust measure (10%). In addition, an Adjusted EBITDA underpin will apply to the annual bonus and bonus outturns will be reduced to the extent that the underpin is not achieved, including to zero. The Committee has chosen not to disclose the detailed performance targets for the forthcoming year in advance as these include matters which the Committee considers commercially sensitive. Retrospective disclosure of the performance against the targets will be made in next year's annual report on remuneration to the extent the targets are not considered to be commercially sensitive at that time.

The financial measure and Adjusted EBITDA underpin will ensure a focus on healthy growth and profitability. Employee engagement and Trust will ensure a focus on Trusties and our customers.

### LTIP
Similar to the approach in 2022, it is intended to make LTIP awards in 2023 to the Executive Directors over shares equal to 200% of salary. The performance metrics for these LTIP awards will vest based on performance against the following targets:

| | Relative TSR | Trust Measure |
|---|---|---|
| Basis of measurement | TSR relative to FTSE 250 constituents (excluding investment trusts) | Average Trust rating |
| Threshold (25% vesting) | Median | 4.0 |
| Maximum | Upper quartile | 4.4 |

# Implementation of Directors' Remuneration Policy for 2023 continued

TSR has been selected as it is most closely aligned with the experience of our shareholders. TSR is a holistic measure of Trustpilot's actions to date and future prospects. Trust is at the heart of everything we do as a business and directly measures consumers' experience with our platform.

The TSR metric will be measured over three years from the relevant date of award; the Trust Measure metric will be measured over a period of three financial years ending 31 December 2025. Vesting is on a straight line basis between the threshold and maximum targets for both the TSR and Trust measures.

The number of ordinary shares in the Company over which the LTIP awards are granted will be based on the average of the closing middle market quotations during the three-month period preceding the relevant date of award (unless the Committee considers this inappropriate for any reason).

## Non-Executive Directors' fees

The base fee for Non-Executive Directors has been increased by 3% from £65,000 to £67,000. Non-Executive Directors' fees for 2023 are as follows:

| | Annual fee (£000) |
|---|---|
| Chair[1,2] | 200/225 |
| Deputy Chair[3] | 75 |
| Base fee[4] | 67 |
| Senior Independent Director[5] | 10 |
| Audit Committee Chair | 10 |
| Nominations Committee Chair | 10 |
| Remuneration Committee Chair | 10 |
| Trust & Transparency Committee Chair[6] | 10 |

1 The Chair's fee is all-inclusive; no additional fees are payable if the Chair acts as Chair of a Committee.
2 Tim Weller's fee for the role of Chair was £200,000, unchanged since IPO. From her appointment as Chair with effect 3 April 2023, Zillah Byng-Thorne's fee is set at £225,000. In addition, she will receive an additional £1,000 gross per month as a contribution towards the costs of a personal assistant or other administration service.
3 The fee for the Deputy Chair was set in 2022 ahead of appointing Zillah Byng-Thorne.
4 Mohammed Anjarwala and Ben Johnson are shareholder-appointed Directors and do not receive any fee in respect of their appointment as Non-Executive Directors.
5 Angela Seymour-Jackson will receive £77,000 in aggregate.
6 The fee does not apply to the current Chair of the Trust & Transparency Committee, Carolyn Jameson, who is not a Director of the Company.

On behalf of the Board

**Angela Seymour-Jackson**
**Chair of the Remuneration Committee**

20 March 2023

# Directors' report

The Directors' report for the audted consolidated financial statements of Trustpilot Group plc for the year ended 31 December 2022 is set out on pages 145 to 147. The following additional information is incorporated by reference into this report, including information required in accordance with the Companies Act 2006 and rule 9.8.4R of the Listing Rules. The Governance report comprising pages 98 to 147 is incorporated by reference and should be read as part of this report.

### Information required in accordance with the Companies Act 2006

| Information | Page reference |
|---|---|
| **Results and financial position for the year to 31 December 2022** | Financial review on pages 45 to 51 |
| **Principal risks and uncertainties** | Risk management on pages 65 to 78 |
| **Financial risk management** | Financial statements – note 21 on pages 183 to 185 |
| **Greenhouse gas emissions** | Environment on pages 62 and 64 |
| **Likely future developments** | Chief Executive's review on pages 18 to 26 |
| **Post-balance sheet events** | Finance review on page 48 and Financial statements - note 29 on page 188 |
| **Research and development** | Financial statements – note 2.6 on page 164, note 10 on page 176 and note 11 on page 177 |
| **Sustainability** | Sustainability, pages 79 to 85 |

### Disclosures required under Listing Rule 9.8.4R

| Section | Information required | Page |
|---|---|---|
| **1** | Capitalised interest | N/A |
| **2** | Unaudited financial information | N/A |
| **4** | Long-term incentive schemes | 131-144 |
| **5 – 11** | Miscellaneous | N/A |
| **12 and 13** | Waiver of dividends | N/A |
| **14** | Agreements with controlling shareholders | N/A |

## Directors

### Appointment and replacement of Directors

Information on the Directors of the Company who were in office during the year and up to the date of signing the financial statements can be found on pages 100 to 102. Zillah Byng-Thorne was appointed to the Board with effect from 1 October 2022. Each of the Directors, other than Tim Weller, will offer themselves for either election or re-election at the Company's AGM. The process for the appointment and replacement of Directors is determined by the Company's Articles of Association, the 2018 UK Corporate Governance Code, the Companies Act 2006 and related legislation.

### Directors' service contracts and remuneration

Details of the Directors' service contracts and remuneration can be found in the Directors' remuneration report on pages 131 to 144.

### Directors' interests

Details of the Directors' interests in the shares of the Company can be found on page 139 of the Directors' remuneration report.

### Qualifying third-party indemnity provisions and insurance

The Company has granted an indemnity to each of its Directors, to the extent permitted under the Companies Act 2006, in respect of liabilities arising out of, or in connection with, their positions with the Group. These indemnities were in force throughout the tenure of each Director and remain in force as at the date of this report. The Company maintains directors' and officers' liability insurance for the Directors and the Company Secretary.

### Powers of the Directors

The powers of the Directors are determined by the Company's Articles of Association, the Companies Act 2006 and relevant UK legislation. The Directors manage the day-to-day business of the Group and may exercise all the powers of the Company provided that the Articles of Association or relevant legislation do not require that any powers must be exercised by the members.

## Employees

Our employees are crucial to Trustpilot's long-term success. We recognise the importance of investing in, and rewarding our workforce. Information on how we engage with our employees, including reward and development, can be found on pages 82, 83 and 86-93 of the Strategic report and information on the Board's engagement with employees can be found on pages 106 of the Governance report. The average number of employees within the Group is shown on page 172 in note 6 to the Group financial statements.

During the year, we launched our Group and Board Diversity, Equity and Inclusion Policies and our strategy for Diversity, Equity and Inclusion acorss the busiens. We are committed to ensuring equal opportunities for all as well as identifying where inequity exists. This means working with our employees to understand any challenges faced, as well as building more awareness of the different lived experiences of people. This allows Trustpilot as a business to understand where more attention and action is needed to ensure every person who works with us, as well as those who want to work with us, have equal opportunities across all elements of the employee and recruitment lifecycle. We have made good progress on diversity, equity and inclusion at Trustpilot during the year. Further information can be found on pages 82 and 86-93.

### Individuals with disabilities

Trustpilot is an equal opportunities employer and we welcome applications from all individuals, regardless of age, disability, gender identity, marital status, race, ethnicity, faith or belief, sexual orientation, socio-economic background, veteran status, or whether pregnant or on family leave. We are fully committed to supporting applications made by disabled individausl make reasonable adjustments to their environment where possible dependent on their needs.

We are also responsive to the needs of our employees. As such, should any employee have a disability or become disabled during their time with us, we will make reasonable adjustments to their environment where possible, supporting them to continue their role effectively. All employees have access to our training, promotion and career development irrespective of their gender, ethnicity, age or disability. Further information diversity at Trustpilot can be found on pages 82 and 86-93.

# **Directors' report** continued

**Employee engagement**
We systematically provide employees with information on matters of concern to them. We are keen to ensure that employees achieve a common awareness of the financial and economic factors that might affect the performance of the Company. Examples of our communication with employees in this regard include global and functional 'All Hands' with Q&A and regular 'Ask me Anything' sessions with the ELT. As the Board considers our disclosures on engagement with employees to be of strategic importance, we report on this on pages 86 to 93 of the Strategic Report and they are incorporated into this Directors' Report by cross reference. Further information on the Board's engagement with employees and how the Board has had regard to employee interests, and the effect of that regard can be found on pages 106 of the Governance report.

The Company is keen to encourage share ownership by employees and, although we do not currently offer an an all-employee share ownership scheme, a significant proportion of our workforce has share interests acquired through our broadly-based share plans including our Warrants program, RSP and LTIP. Further information on the Company's share plans is set out in the Directors' remuneration policy which is available on the Company's website at www.investors.trustpilot.com/results-centre.

## Internal controls and risk management

Information on the Company's internal controls and risk management arrangements can be found in the Risk Management section of the Strategic Report on pages 65 to 78 and in the Audit Committee Report on pages 119 to 128.

## Going concern

The Directors of the Company, in their detailed consideration of going concern, reviewed the work undertaken by management to support the going concern statement. In line with the disclosures in Note 1 to the financial statements on pages 160 and 161, management has prepared monthly cash flows for an 18 month period and then sensitised for what the Directors consider to be the most severe but plausible scenario that could arise. The going concern and viability statements can be found in the Strategic report on pages 49 to 51.

## Dividends

The Company has not paid a dividend for the financial year ended 31 December 2022 and does not recommend the payment of a final dividend. As set out in the Prospectus, the Company intends to retain any earnings to finance the growth and development of the business. The Company may revisit its dividend policy in the future.

## Political donations

No political donations were made during 2022.

## Change of control

The Group's USD30 m revolving credit facility with Silicon Valley Bank is the one significant agreement which contains provisions under which, in the event of a change of control of the Company, the Company may be required to repay all outstanding amounts borrowed.

All of the Company's share plans contain provisions relating to a change of control. A summary of the effect of a change of control of the Company on the Company's share plans and how they become exercisable or due for settlement is set out below:

- LTIP – Awards will vest early and become immediately due for settlement (if conditional awards) or exercisable for a short period (if share options), subject in each case to assessment by the Remuneration Committee of performance against the performance conditions, and will normally be prorated.
- RSP – Vested portions of awards will remain due for settlement if not already settled (if conditional awards) or exercisable for a short period (if share options), but unvested portions will lapse unless the Remuneration Committee determines otherwise (in which case unvested portions will normally be prorated).
- Warrants – the Directors may determine that unvested warrants will vest early and become immediately exercisable. Warrants will lapse if they are not exercised within a short period. Replacement warrants may be offered.

## Articles of Association

The Company's articles of association govern how the internal affairs of the Company are run and cover matters including the issue and transfer of shares, the conduct of Board and shareholder meetings and the removal and appointment of Directors. The Articles of Association may only be amended by special resolution at a general meeting of the shareholders. Copies of the Company's Articles of Association are available on request and can be found on the Company's website, investors.trustpilot.com.

## Capital structure

The Company has one class of shares in issue which is divided into ordinary shares of £0.01 each ("Shares"). Each Share carries the right to one vote at a general meeting of the Company. As at 20 March 2023, the Company's issued ordinary share capital consisted of 416,385,099 Shares of £0.01 each.

**Allotments of Shares**
The Company issued 2,494,285 Shares during the year to 31 December 2022 (inclusive) to satisfy obligations in relation to the Company's share plans and a further 143,458 Shares during the period from 1 January 2023 to 20 March 2023. Further information on the Company's share capital can be found in note 20 to the financial statements on pages 182 and 183.

**Rights attaching to Shares**
Subject to the Company's Articles of Association, the Companies Act and other shareholders' rights, any Share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, if the Company has not so determined, as the Directors may determine. The rights and obligations attaching to the Company's Shares are set out in the Articles of Association which are available on the Company's website, investors. trustpilot.com.

# Directors' report continued

### Restriction on the transfer of Shares

There are no restrictions on the transfer of Shares in the Company, which is governed by the Articles of Association and legislation. The Articles of Association set out the circumstances under which the Directors may refuse to register a transfer of a Share. The Company is not aware of any agreements between shareholders that might result in restrictions on the transfer of Shares or that may result in restrictions on voting rights.

### Purchase of own Shares

At the Annual General Meeting of the Company held on 25 May 2022, shareholders passed a special resolution in accordance with the Companies Act 2006 to authorise the Company to make market purchases to a maximum of 41,496,258 Shares, representing 10% of the company's issued ordinary share capital on 5 April 2022. The Company has not made use of this authority and it will expire at the 2023 AGM on 23 May 2023. A resolution to renew this authority will be proposed at the 2023 AGM.

## AGM

The 2023 AGM will be held at 2.00 p.m. on 23 May 2023 at 5th Floor, The Minster Building, 21 Mincing Lane, London EC3R 7AG. Further information on the AGM can be found in the notice of meeting which has been circulated to shareholders and is available online at investors.trustpilot.com.

## Auditor

The External Auditor of the Company is PwC. PwC has confirmed that it is willing to continue in office and, on the recommendation of the Audit Committee, a resolution for the appointment of PwC as auditor of the Company will be proposed to shareholders at the 2023 AGM. Further information can be found in the Audit Committee report on pages 119 to 128.

### Disclosure of information to the auditor

In accordance with section 418 of the Companies Act 2006, the Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

## Subsidiaries and branches

The Group does not have any overseas branches. A list of the Group's subsidiaries can be found in note 28 on page 188.

## Carbon reduction and emissions

Trustpilot has committed to carbon reduction and building the Company's first remissions reduction plan. Further information on the Group's emissions and how the Board and Board committees have been engaged in considering TCFD can be found in the TCFD section of the Strategic report on pages 52 to 64.

## Engagement with suppliers, customers and others

The Company takes into consideration the views of suppliers, customers and other stakeholders. Information on the Board's engagement with customers and other key stakeholders can be found on throughout the Strategic report on pages 14 to 96 and in the Governance report on pages 105 to 107. Information on our engagement with suppliers on modern slavery and human trafficking can be found on page 95 and supplier engagement on our scope 3 emissions can be found in the TCFD section of the strategic report on page 64.

## Additional information

The Company is a public limited company incorporated on 8 February 2021 under the laws of England and Wales. The Company is registered in England and Wales under the name Trustpilot Group plc with company number 13184807.

## Disclosure required under Listing Rule 9.8.4R

As at 31 December 2022, the Company had been notified of the following information, in accordance with Rule 5 of the FCA's Disclosure Guidance and Transparency Rules, from holders of notifiable interests in the Company's issued share capital.

| Shareholder | Number of ordinary shares | % voting rights held |
|---|---|---|
| Vitruvian Partners LLP | 37,544,546 | 9.13 |
| SEED Capital Denmark II K/S | 30,952,739 | 7.56 |
| FIL Limited | 29,509,656 | 7.13 |
| Draper Esprit plc | 25,204,514 | 6.13 |
| Molten Ventures plc | 23,259,000 | 5.59 |
| Liontrust Investment Partners LLP | 22,239,765 | 5.37 |
| Sunley House Capital Master Limited Partnership | 21,593,421 | 5.25 |
| The Capital Group Companies, Inc. | 20,238,226 | 4.87 |
| The London & Amsterdam Trust Company Limited | 16,900,000 | 4.11 |
| Index Venture Associates VI Limited | 9,745,069 | 2.35 |
| BlackRock, Inc. | Below 5% | Below 5% |

In the period from 31 December 2022 to 20 March 2023, the Company received two notifications from Molten Ventures plc the most recent notification disclosing a holding of 12,204,514 voting rights (2.93%) and one notification from Northzone VI L.P., disclosing a holding of 24,723,050 voting rights (5.94%).

By order of the Board

**Carolyn Jameson**
**Company Secretary**

20 March 2023

# Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual report & accounts 2022 and the financial statements in accordance with applicable law and regulation. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 102, have been followed for the Parent Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements and the Directors' remuneration report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Parent Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Directors' confirmations**

The Directors consider that the Annual report & accounts 2022, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Parent Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Governance section confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the Group;
- the Parent Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102, give a true and fair view of the assets, liabilities and financial position of the Parent Company; and
- the Strategic report includes a fair review of the development and performance of the business and the position of the Group and Parent Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Parent Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group's and Parent Company's auditors are aware of that information.

On behalf of the Board

**Peter Holten Mühlmann**
**Chief Executive Officer**

**Hanno Damm**
**Chief Financial Officer**

20 March 2023

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# Financial statements

# Independent auditors' report to the members of Trustpilot Group plc

## Report on the audit of the financial statements

### Opinion

In our opinion:

- Trustpilot Group plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2022 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company balance sheets as at 31 December 2022; the Consolidated statement of profit or loss, the Consolidated statement of comprehensive income, the Consolidated and Company statements of changes in equity and the Consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

### Basis for opinion

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

### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 7 to the Consolidated financial statements 'Operating loss', we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

## Our audit approach

### Context

Trustpilot Group plc was admitted to the Official List of the UK Listing Authority and was admitted to trading on the Main Market of the London Stock Exchange on 26 March 2021. This is the Group's second Annual Report since admission.

### Overview

Audit scope

- The Group operates in eight countries, across nine reporting units.
- A local PwC component team was engaged to perform a full scope audit over the two significant components.
- PwC Group audit team performed audit procedures over specific balances within a further three reporting units.
- In total, this accounted for 100% of Group revenue, 96% of Group total assets and 85% of Group loss before tax.

Key audit matters

- Revenue recognition (group)
- Share-based payment transactions (group and parent)

Materiality

- Overall group materiality: US$1,500,000 (2021: US$1,256,000) based on 1% of revenue.
- Overall company materiality: £620,000 (2021: £550,000) based on 1% of total assets.
- Performance materiality: US$1,125,000 (2021: US$942,000) (group) and £465,000 (2021: £412,000) (company).

### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

# Independent auditors' report to the members of Trustpilot Group plc continued

These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Revenue recognition is a new key audit matter this year. Group reconstruction for IPO: related accounting and classification of IPO costs, which was a key audit matter last year, is no longer included because of there being no further changes in the current year and the accounting having been completed and audited in the prior year. Otherwise, the key audit matters below are consistent with last year.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Revenue recognition (group)**<br>As disclosed within note 2.2 'Summary of significant accounting policies - Revenue', the Group generates revenue from the sale of subscription plans, with contract terms generally for a period of 12 months, and subject to annual renewals. Invoicing typically happens upfront on an annual, quarterly or monthly basis. The provision of services under the contract are considered to be a single performance condition satisfied over the life of the contract. The consideration for the contract is inline with the contract price. Customer arrangements are assessed to ensure no other performance conditions or customer benefits arise, and that the period for revenue recognition is in line with the contract life. Incremental costs are incurred in obtaining the contracts, largely relating to internal sales commissions. There is judgement whether these are recoverable due to the current profitability levels of individual markets in order to assess if these should be deferred and amortised over a period commensurate to the contract value. | We have assessed the Group's revenue recognition policy and ensured that revenue recognised is in accordance with the policy.<br>The audit procedures we performed in relation to this risk included:<br>• Substantively testing revenue back to contracts, invoices and cash, and ensuring that an appropriate level of revenue is deferred where invoicing is ahead of revenue recognition;<br>• Assessing credit notes raised post year end to validate the occurrence of revenue;<br>• Assessing contracts terms and broader customer arrangements to assess the performance obligations within the contract; and<br>• Substantively testing commissions paid as part of acquiring the contract, considering their recoverability and assessing management's view of amortisation periods based on values paid and typical renewal periods. |
| **Share-based payment transactions (group and parent)**<br>Shared-based payments is a complex accounting area containing certain key assumptions which underpin the accounting estimate of fair value of awards. The Group operated a number of share schemes which have been made available to certain employees: employee warrants, Restricted Share Plan (RSP) and the Long Term Incentive Plan (LTIP). The total IFRS 2 'Share-based Payment' charge is $5,853,000 (2021: $6,527,000). The valuation of share-based payment requires a level of estimation and use of option pricing models. There is a moderate level of estimation uncertainty in the valuation and accounting treatment of employee share awards. This has reduced from the prior year as the valuations are less judgemental, in particular as market prices are available for the shares post IPO. Refer to the Directors' Remuneration Report, the share based payment accounting policy in note 2.25 of the financial statements, the critical accounting estimate in note 3.1 and the share based payments in note 8 for details on the share options and related charges.<br><br>Employee share awards and associated social security costs are settled by the company either through issue of shares or cash payments, and therefore where these relate to employee services provided to subsidiary companies they are accounted for as capital contribution and added to cost of investments in subsidiaries. Refer to the Principal Accounting Policies 'Investment in Subsidiaries' for details on the capital contribution accounting for the share based payment entries. Detailed calculations are produced to calculate the allocation of the charges related to the subsidiaries, and the valuation of the unsettled social security costs based on the intrinsic value of unvested awards at the year end. | The audit procedures we performed in relation to this risk included:<br>• Completed sample testing over awards granted, agreeing to supporting documentation including individual award letters sent to employees and the appropriate Remuneration Committee approval;<br>• Considered the key assumptions in the option pricing model, and that an appropriate valuation methodology had been applied;<br>• For the current year expense, we have performed a recalculation of the charge based on our independent assessment of the expected level of vesting;<br>• We have tested the social security liability arising by recalculating the amounts arising based on the intrinsic value of the unvested share awards at the balance sheet date and applicable social security rates;<br>• We have evaluated the appropriateness of the disclosures made in the Group financial statements by reference to the audit procedures outlined above; and<br>• We have tested the allocation of the associated charges arising between the Company and subsidiaries to consider the appropriateness of the additions made to cost of investment.<br><br>Based on the above procedures we are comfortable that these amounts have been appropriately disclosed and accounted for within the financial statements. |

# Independent auditors' report to the members of Trustpilot Group plc continued

**How we tailored the audit scope**
We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The Group is organised as only one operating segment. Whilst there are customers in many regions around the world, the majority of sales and transactions occur within Trustpilot A/S and Trustpilot, Inc., a Danish and US company respectively. UK revenues and costs associated with that market, other than those employees employed directly in the UK, are included in the Danish component. Results are produced through a centralised finance team, who are physically based across Denmark, the US and the UK, utilising common systems with the books and records maintained in Copenhagen, Denmark. The Group financial statements are a consolidation of nine reporting units, based in eight countries, with the two revenue generating subsidiaries being Trustpilot A/S and Trustpilot, Inc. For the purposes of the Group audit we concluded that Trustpilot A/S and Trustpilot, Inc, in our view, required a full audit of their complete financial information in order to ensure that sufficient audit evidence was obtained. Both of these reporting units were considered to be significant components due to their financial significance. These audits were performed by PwC Denmark with oversight exercised by us as the Group team. In addition, we as the Group team, performed specified procedures on three further reporting units. This provided 100% coverage over Group revenue, 96% coverage over Group total assets and 85% over Group loss before tax. The Group consolidation, financial statements disclosures and a number of centralised functions were audited by the Group engagement team. These included, but were not limited to, audit procedures on share based payment accounting and UK and USA taxation. We also performed Group level analytical procedures on all of the remaining out of scope active reporting units to identify any unusual transactions. Where work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements. We issued formal written instructions to the component auditors setting out the audit work to be performed by them and maintained regular communication with the component auditors throughout the audit cycle. These interactions included a physical site visit and holding regular video calls, as well as reviewing and assessing any matters reported. The Group engagement team also reviewed selected audit working papers for both significant components.

**The impact of climate risk on our audit**
In planning our audit, we have considered the potential impact of climate change on the Group. Given the principal activities of the Group, climate risk is not expected to have a significant impact on the Group's business. As part of our audit, we have evaluated management's climate change risk assessment and the assessment of the impact of those risks on the Group financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. We note management's conclusion that there are limited transitional and physical risks, particularly in the short term and therefore they have limited current financial statement impact. We have performed procedures to evaluate the appropriateness of management's risk assessment. We considered whether the Group had any externally published environmental targets and we challenged management on any potential additional future costs. We assessed whether there would be any key financial statement line items and estimates which could be more likely to be impacted by climate risks. We have assessed management's own more severe stress test for potential climate change impact on the going concern assumption. However, our procedures did not identify any material impact on either the Group financial statements or our key audit matters for the year ended 31 December 2022.

**Materiality**
The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

| | Financial statements – group | Financial statements – company |
|---|---|---|
| **Overall materiality** | US$1,500,000 (2021: US$1,256,000). | £620,000 (2021: £550,000). |
| **How we determined it** | 1% of revenue | 1% of total assets |
| **Rationale for benchmark applied** | We consider this to be the quantitative measure given the most attention by the Group's key stakeholders as the business is in a period of growth. | We determined our materiality based on total assets, which is more applicable than a performance-related measure as the Company is an investment holding company for the group. |

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between US$1,000,000 and US$1,350,000.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our

# Independent auditors' report to the members of Trustpilot Group plc continued

testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to US$1,125,000 (2021: US$942,000) for the group financial statements and £465,000 (2021: £412,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above US$75,000 (group audit) (2021: US$62,500) and £31,000 (company audit) (2021: £27,500) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

### Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating management's detailed cash flow forecasts under both base case and downside scenarios. We have also evaluated the reverse stress test scenario prepared by management to assess the likelihood of this scenario occurring.
- Comparison of the going concern base case forecasts to Board approved forecasts. We also considered whether they were reasonable in light of previous performance, future expectations and management's track record of accurate forecasting.
- Reading the key terms of all committed debt facilities to understand any terms, covenants or undertakings that may impact the availability of the facility.
- Assessing the adequacy of disclosures in the going concern statement in the notes to the financial statements in note 1.3 of the Group financial statements considering the credit risk of the Group's available financial assets, including cash, to assess the likely continued availability of these resources, with our work being extended in this area following the take over of the group's main banking partner.

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

# Independent auditors' report to the members of Trustpilot Group plc continued

**Directors' Remuneration**
In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

## Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

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

# Independent auditors' report to the members of Trustpilot Group plc continued

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety legislation and employment laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, UK Listing Rules and taxation legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the risk of management posting inappropriate journal entries to increase revenue or reduced expenditure in order to manipulate the financial performance of the Group, and the inclusion of management bias in critical accounting estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Inquiries of management, internal audit and the Group's legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of internal audit reports and the legal risk register;
- Inquiries with component auditors;
- Identifying and testing unusual journal entries which increase revenue or reduce expenditure to manipulate the financial performance of the business;
- Consideration of the policy for the recognition of revenue and performed substantive testing to ensure compliance with this policy; and
- Assessing key judgements and estimates made by management for evidence of inappropriate bias, in particular in respect of the key audit matters noted above. Details of our procedures in these areas are included in our key audit matters above.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

**Use of this report**
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

## Other required reporting

**Companies Act 2006 exception reporting**
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

# Independent auditors' report to the members of Trustpilot Group plc continued

**Appointment**

Following the recommendation of the Audit Committee, we were appointed by the directors on 13 September 2021 to audit the financial statements for the year ended 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement is two years, covering the years ended 31 December 2021 to 31 December 2022.

**Other matter**

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

David Teager
**(Senior Statutory Auditor)**
**for and on behalf of PricewaterhouseCoopers LLP**
**Chartered Accountants and Statutory Auditors**
**East Midlands**

20 March 2023

# Consolidated statement of profit or loss

| | Note | FY22 $ '000 | FY21 $ '000 |
|---|---|---|---|
| **Revenue** | 5 | **148,932** | 131,443 |
| Cost of sales | | **(26,937)** | (24,654) |
| **Gross profit** | | **121,995** | 106,789 |
| Sales and marketing | | **(58,462)** | (46,167) |
| Technology and content | | **(41,149)** | (33,806) |
| General and administrative | | **(39,194)** | (51,552) |
| Other operating income | | **820** | 584 |
| **Operating loss** | 7 | **(15,990)** | (24,152) |
| Finance income * | 9 | **2,459** | 10 |
| Finance expenses * | 9 | **(1,514)** | (2,468) |
| **Loss before tax** | | **(15,045)** | (26,610) |
| Income tax credit for the year | 10 | **401** | 716 |
| **Loss for the year** | | **(14,644)** | (25,894) |
| Loss per share (cents) | | | |
| Basic loss per share | 14 | **(3.5)** | (6.5) |
| Diluted loss per share | 14 | **(3.5)** | (6.5) |

*See note 1.8 for details regarding the representation.

# Consolidated statement of comprehensive income

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| Loss for the year | **(14,644)** | (25,894) |
| **Other comprehensive income/(expense)** | | |
| *Items that may be subsequently reclassified to profit or loss* | | |
| Exchange rate differences on translation of foreign operations | **(6,362)** | (1,694) |
| **Other comprehensive income/(expense) for the year, net of tax** | **(6,362)** | (1,694) |
| **Total comprehensive income/(expense) for the year** | **(21,006)** | (27,588) |

# Consolidated balance sheet

| | Note | As at 31 December 2022 $ '000 | As at 31 December 2021 $ '000 |
|---|---|---|---|
| Intangible assets | 11 | **7,055** | 6,338 |
| Property, plant and equipment | 12 | **3,938** | 1,484 |
| Right-of-use assets | 15 | **23,569** | 12,312 |
| Deferred tax assets | 13 | **79** | 311 |
| Deposits and other receivables | 17 | **2,158** | 2,383 |
| **Total non-current assets** | | **36,799** | 22,828 |
| Trade receivables | 16 | **8,275** | 6,176 |
| Income tax receivables | | **962** | 856 |
| Prepayments | | **3,472** | 3,134 |
| Deposits and other receivables | 17 | **1,816** | 2,870 |
| Cash and cash equivalents | 18 | **73,459** | 93,177 |
| **Total current assets** | | **87,984** | 106,213 |
| **Total assets** | | **124,783** | 129,041 |
| **Equity and liabilities** | | | |
| Share capital | 20 | **5,006** | 5,576 |
| Share premium | 20 | **64,537** | 70,994 |
| Foreign currency translation reserve | | **6,602** | 4,648 |
| Merger reserve | | **148,854** | 148,854 |
| Accumulated losses | | **(179,163)** | (170,618) |
| **Total equity** | | **45,836** | 59,454 |

| | Note | As at 31 December 2022 $ '000 | As at 31 December 2021 $ '000 |
|---|---|---|---|
| Lease liabilities | 15 | **21,243** | 9,552 |
| Provisions | 23 | **628** | 517 |
| Other payables | 24 | **2,858** | 2,962 |
| **Total non-current liabilities** | | **24,729** | 13,031 |
| Lease liabilities | 15 | **3,442** | 3,504 |
| Provisions | 23 | **453** | 670 |
| Income tax payables | | **44** | 69 |
| Contract liabilities | 19 | **32,210** | 27,616 |
| Other payables | 24 | **15,305** | 22,861 |
| Trade payables | | **2,764** | 1,836 |
| **Total current liabilities** | | **54,218** | 56,556 |
| **Total liabilities** | | **78,947** | 69,587 |
| **Total equity and liabilities** | | **124,783** | 129,041 |

The financial statements were approved and authorised for issue by the Board of Directors on 20 March 2023 and signed on its behalf by:

**Peter Holten Mühlmann**
Chief Executive Officer

**Hanno Damm**
Chief Financial Officer

# Consolidated statement of changes in equity

| $ '000 | Note | Share capital $ '000 | Share premium $ '000 | Foreign currency translation reserve $ '000 | Merger reserve $ '000 | Accumulated losses $ '000 | Total $ '000 |
|---|---|---|---|---|---|---|---|
| **Equity at 1 January 2022** | | **5,576** | **70,994** | **4,648** | **148,854** | **(170,618)** | **59,454** |
| Loss for the year | | **—** | **—** | **—** | **—** | **(14,644)** | **(14,644)** |
| Other comprehensive expense | | **—** | **—** | **(6,362)** | **—** | **—** | **(6,362)** |
| **Total comprehensive income/(expense) for the year** | | **—** | **—** | **(6,362)** | **—** | **(14,644)** | **(21,006)** |
| *Transactions with owners* | | | | | | | |
| Employee share scheme issues | 20 | **31** | **1,312** | **—** | **—** | **—** | **1,343** |
| Contribution of equity – Transaction Cost | 20 | **—** | **(54)** | **—** | **—** | **—** | **(54)** |
| Share-based payments | 8 | **—** | **—** | **—** | **—** | **5,853** | **5,853** |
| Related tax | 10 | **—** | **—** | **—** | **—** | **246** | **246** |
| Exchange difference on share capital and premium | 20 | **(601)** | **(7,715)** | **8,316** | **—** | **—** | **—** |
| **Total transactions with owners** | | **(570)** | **(6,457)** | **8,316** | **—** | **6,099** | **7,388** |
| **Equity at 31 December 2022** | | **5,006** | **64,537** | **6,602** | **148,854** | **(179,163)** | **45,836** |

| | Note | Share capital $ '000 | Share premium $ '000 | Foreign currency translation reserve $ '000 | Merger reserve $ '000 | Accumulated losses $ '000 | Total $ '000 |
|---|---|---|---|---|---|---|---|
| **Equity at 1 January 2021** | | 773 | 177,842 | (20,304) | — | (151,312) | 6,999 |
| Loss for the year | | — | — | — | — | (25,894) | (25,894) |
| Other comprehensive expense | | — | — | (1,694) | — | — | (1,694) |
| **Total comprehensive income/(expense) for the year** | | — | — | (1,694) | — | (25,894) | (27,588) |
| *Transactions with owners* | | | | | | | |
| Warrants (exercised) pre group reconstruction | 22 | 10 | 596 | — | — | — | 606 |
| Exchange difference on share capital and premium pre group reconstruction | 22 | (23) | (6,977) | 7,000 | — | — | — |
| Impact of group reconstruction | 22 | 4,345 | (171,461) | 18,262 | 148,854 | — | — |
| Warrants financing facility[1] | | — | — | — | — | 61 | 61 |
| Exercise of share based payments | 22 | 353 | 9,424 | — | — | — | 9,777 |
| Issue of shares | 22 | 244 | 64,102 | — | — | — | 64,346 |
| Contribution of equity – Transaction Cost[2] | | — | (1,274) | — | — | — | (1,274) |
| Share-based payments | 8 | — | — | — | — | 6,527 | 6,527 |
| Exchange difference on items recognised directly in equity post group reconstruction | 22 | (126) | (1,258) | 1,384 | — | — | — |
| **Total transactions with owners** | | 4,803 | (106,848) | 26,646 | 148,854 | 6,588 | 80,043 |
| **Equity at 31 December 2021** | | 5,576 | 70,994 | 4,648 | 148,854 | (170,618) | 59,454 |

1 Warrants in Trustpilot A/S which are fully vested, have been granted to the lenders for the credit and term debt facility and the value of which is considered to be part of the effective interest rate for that facility.
2 Share premium charges relate to the expenses and commission on the issue of shares on which a sufficient premium arose.

# Consolidated cash flow statement

| | Note | FY22 $ '000 | FY21 $ '000 |
|---|---|---|---|
| **Loss for the year** | | **(14,644)** | (25,894) |
| Adjustments to operating cash flows | 27 | **11,865** | 16,435 |
| Changes in net working capital | 27 | **902** | 6,025 |
| Interest received | | **14** | 10 |
| Interest paid | | **(1,514)** | (2,402) |
| Income tax received | | **679** | 382 |
| **Net cash outflow from operating activities** | | **(2,698)** | (5,444) |
| Purchase of property, plant and equipment | 12 | **(3,703)** | (431) |
| Payments for intangible asset development | 11 | **(3,696)** | (3,790) |
| **Net cash outflow from investing activities** | | **(7,399)** | (4,221) |
| Principal elements of lease payments | | **(3,187)** | (4,522) |
| Repayment of borrowings | 25 | **–** | (13,000) |
| Proceeds from share issue | | **1,289** | 73,916 |
| **Net cash (outflow)/inflow from financing activities** | | **(1,898)** | 56,394 |
| **Net cash flow for the year** | | **(11,995)** | 46,729 |
| Cash and cash equivalents, beginning of the year | | **93,177** | 50,387 |
| Effects of exchange rate changes on cash and cash equivalents | | **(7,723)** | (3,939) |
| **Cash and cash equivalents at end of the year** | 18 | **73,459** | 93,177 |

# Notes forming part of the financial statements

## 1. General information

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

### 1.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The consolidated financial statements have been prepared on the going concern basis and under the historical cost convention.

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

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

### 1.2 Basis of consolidation

The consolidated financial statements include the Company and the Group. 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.

### 1.3 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 sections outlined on page 49.

# Notes forming part of the financial statements continued

## 1. General information continued

As at 31 December 2022, the Group has a cash balance of $73 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. 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.

Additionally, the Directors have evaluated the impact of a reverse stress test over a three year period meant to illustrate what would need to happen for the Group to exhaust its liquidity. Further detail can be found in the viability statement within the Strategic report on page 50.

Having considered the severe but plausible downside scenario, the Directors have a reasonable expectation that the Group has adequate resources to continue to operate for 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.

### 1.4 New standards and interpretations

#### (a) New standards and amendments – applicable 1 January 2022

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2022:

- **Property, plant and equipment: proceeds before intended use – Amendments to IAS 16 (effective date 1 January 2022)** – The amendment to IAS 16 Property, plant and equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.
- **Onerous contracts – cost of fulfilling a contract – Amendments to IAS 37 (effective date 1 January 2022)** – The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.
- **Annual improvements to IFRS Standards 2018–2020 (effective date 1 January 2022)** – The following improvements were finalised in May 2020:
  - IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
  - IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
  - IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There has been no material impact on the adoption of new standards during the year.

#### (b) New and revised IFRS Standards in issue but not yet effective

Certain new accounting standards and amendments are effective for annual reporting periods beginning after 1 January 2023, though not mandatory for annual reporting periods ending on 31 December 2022. Earlier application is permitted, however, the new or amended standards have not been early adopted by the Group. The amended standards are as follows:

- **Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (effective from 1 January 2023 – deferred from 1 January 2022)** – The narrow-scope amendments to IAS 1 presentation of financial statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of waver of breach of covenants). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

# Notes forming part of the financial statements continued

## 1. General information continued

- **Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (to be effective for the annual period beginning on or after 1 January 2023)** – The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is ‘material accounting policy information’ and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.
- **Definition of Accounting Estimates – Amendments to IAS 8 (to be effective for the annual period beginning on or after 1 January 2023)** – Accounting policies, changes in accounting estimates and error clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.
- **Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (effective from 1 January 2023)** – The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:
  - right-of-use assets and lease liabilities, and
  - decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

  The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The other amended standards and improvements are not mandatory for 31 December 2022 reporting period. The Group expects to adopt the new standards, improvements, and amendments when they become mandatory.

### 1.5 Use of alternative performance measures (“APMs”)

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.

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

Definitions of the Group’s alternative performance measures along with reconciliation to their IFRS equivalent measure are included in note 4.

### 1.6 Functional and presentation currency

The consolidated financial statements are presented in the United States Dollars (“USD”).

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the individual entity operates (the “functional currency”).

### 1.7 Climate-related risks

When preparing the consolidated 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 consolidated financial statement, it is management assessment that climate-related risks have not had any impact on the reported amounts or areas of the financial statements, it is management’s assessment that climate-related risks have not had a material impact on the reported amounts for the year ended 31 December 2022.

# Notes forming part of the financial statements continued

## 1. General information continued

### 1.8 Representation of finance income and expenses on a net basis

The group has reassessed the presentation of financial income and expenses to present foreign exchange rate gains and losses on a net basis. There is no difference to overall loss for the year ended 31 December 2021.

| | FY21 As reported $ '000 | FY21 Reclassification $ '000 | FY21 Represented $ '000 |
|---|---|---|---|
| Foreign exchange rate gains | 8,962 | (8,962) | — |
| Interest income | 10 | — | 10 |
| **Finance income** | **8,972** | **(8,962)** | **10** |

| | FY21 As reported $ '000 | FY21 Reclassification $ '000 | FY21 Represented $ '000 |
|---|---|---|---|
| Foreign exchange rate losses | (9,028) | 8,962 | (66) |
| Financing costs | (61) | — | (61) |
| Interest expenses | (1,347) | — | (1,347) |
| Lease interest expense | (994) | — | (994) |
| **Finance expenses** | **(11,430)** | **8,962** | **(2,468)** |

## 2. Summary of significant accounting policies

The principal accounting policies are set out below. Policies have been applied consistently, other than where new policies have been applied.

### 2.1 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group considers the Executive Leadership Team (ELT) to be the operating decision making body, as the ELT examines the Group's performance and makes all significant decisions regarding business development and allocation of resources.

For that purpose, a single business segment has been identified as an operating segment which is consistent with the internal reporting to the chief operating decision making body. Further information about the composition of the ELT has been provided in note 5.

There is also considered to be only one reporting segment, the results of which are shown in note 5.

### 2.2 Revenue

The group generates revenue from the sale of company subscription plans, generally for a period of 12 months, where the invoicing varies from monthly to yearly. The revenue is shown net of local sales tax and customer discounts.

Revenue recognition requires an agreement with the customer, which creates enforceable rights and obligations between the parties, has commercial substance and identifies payment terms. The Group recognises revenue when it is probable that the Group will collect the consideration to which it will be entitled in exchange for the services that will be transferred to the customer.

Revenue is measured at the transaction price to which the Group expects to be entitled. The contracts are based on a single performance obligation and the transaction price is allocated to this performance obligation based on a stand-alone selling price. The Group satisfies the single performance obligation by recognising the revenue from subscriptions over time as the software service is delivered to customers according to the subscription period. Contracts primarily utilise quarterly or annual billing frequency with payment terms typically between 8 and 90 days.

The Group contracts with its customers to provide access to, and use of, its "software-as-a-service" product over the term defined in the contract. Specific product features accessible by customers are determined on a customer by customer basis and are specified in customers' contracts. The subscription plan is considered to be a single performance obligation which is satisfied over time and revenue is recognised on a straight-line basis over the subscription period.

No significant judgements are made which effect the determination of the amount or timing of the revenue from contracts with customers.

Incremental costs of obtaining a contract are deferred and amortised over a period commensurate to the contract value and expected future renewal periods, to the extent that they are recoverable. The Group has taken advantage of the practical expedient available not to recognises the incremental costs of obtaining a contract, for example partner referral fees, where the amortisation period of the asset that the Group would otherwise have recognised is one year or less.

There is no variable consideration included in the transaction price for the company subscription plans.

The Group has taken advantage of the practical expedient available not to adjust the promised amount of consideration for the effects of a significant financing component on the basis that, at contract inception, the expected period between providing a service to a customer and when the customer pays for that service will be one year or less.

# Notes forming part of the financial statements continued

## 2. Summary of significant accounting policies continued

If amounts received or receivable from a customer exceed revenue recognised for a contract, a contract liability is recognised. Contract liabilities primarily reflect invoices due or payments received in advance of revenue recognition. Contract liabilities are unwound as related performance obligations are satisfied over the related subscription period.

The significant majority of contract liabilities that arise are expected to be recognised as revenue within a year of the balance sheet date.

Provisions and accruals for refunds are made to the full value of the refund in the period to which the refund is identified.

### 2.3 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Income from grants is recognised on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. A grant that becomes receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the entity with no future related costs, shall be recognised in income in the period in which it becomes receivable. Government grants are recorded as Other operating income in the statement of profit and loss.

### 2.4 Cost of sales

Cost of sales consists of the cost to deliver the Group's software service. Cost of sales includes the hosting and related technologies to deliver the software service as well as the ongoing customer success and customer support efforts that continue to be aligned with customers over the term of their subscription. Cost of sales primarily consists of the labour costs associated with customer success and customer support efforts. Cost of sales are recognised when incurred.

### 2.5 Sales and marketing

Sales and marketing costs consists of the efforts primarily directed at new customer acquisition. Sales costs include direct sales support functions such as sales operations and partnerships while marketing costs consist of both marketing staff labour costs as well as marketing program expenditures.

### 2.6 Technology and content

Technology and content include research and development costs incurred by the work of the product and engineering teams directly on the platform. Also included are the content costs critical to securing the integrity and trust in our product.

Amortisation of development costs is included in technology and content due to the nature of the asset on which the amortisation is charged. The period where there is consumption of the benefits of the asset is not impacted by the period over which revenue is recognised or the level of revenue that is generated by the asset. Therefore this is considered a more appropriate presentation than to show within cost of sales.

### 2.7 General and administrative

General and administrative expenses comprise costs incurred by the back-office functions such as finance, legal and human resources, including wages, costs under share-based programmes and other office costs. General and administrative expenses include a proportion of depreciation, primarily consisting of right-of-use asset depreciation.

### 2.8 Other operating income

Other operating income includes income of a secondary nature to the Group's primary activities, including gains or losses on the sale of tangible assets as well as government grants recognised as income for the year.

Trustpilot Group plc launched a new global R&D and Innovation Hub in Edinburgh, Scotland, in 2020, with the aim of developing cutting-edge technology that proactively tackles the behaviour that threatens trust online. The Hub is being supported through a R&D grant from Scottish Enterprise.

### 2.9 Financial income and expenses

Financial income and expenses are recognised in the statements of profit or loss at the amounts that concern the financial year. Financial income and expenses include interest income and expenses calculated in accordance with the effective interest method.

Foreign exchange gains and losses on transactional activities are included in finance income and finance expense within the Consolidated statement of profit or loss. The cash flows arising on foreign exchange gains and losses are included in Changes to working capital – Increase in other liabilities.

### 2.10 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries in which the Company and its subsidiaries operate and generate taxable income.

# Notes forming part of the financial statements continued

## 2. Summary of significant accounting policies continued

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. It is assessed at each reporting date whether it is likely that in the future there will be sufficient taxable profits against which the deferred tax assets can be utilised.

Changes in deferred tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 2.11 Earnings per share

Earnings per share ("EPS") for the Group are 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.

### 2.12 Intangible assets

Intangible assets include in progress and completed development projects.

Intangible assets have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Costs associated with maintaining IT-platforms are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique projects controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use;
- Management intends to complete the software and use or sell it;
- There is an ability to use or sell the software;
- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available;
- The expenditure attributable to the software during its development can be reliably measured, and;
- Directly attributable costs that are capitalised as part of the projects include employee costs. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

| | |
|---|---|
| Development projects – In progress | None |
| Development projects – Completed | 3 years |

# Notes forming part of the financial statements continued

## 2. Summary of significant accounting policies continued

Completed development projects are reviewed annually to determine whether there are indications of impairment. If such indication exists, the asset's recoverable amount is calculated. If the recoverable amount is lower than the carrying value, the development projects are impaired to the recoverable value. Development projects in-progress are tested at least annually for impairment.

### 2.13 Property, plant and equipment

Property, plant and equipment is measured at historical cost less accumulated depreciation. The cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss during the reporting period in which they are incurred.

Depreciations are calculated using the straight-line method, net of their residual values over their estimated useful lives, as follows:

| | |
|---|---|
| Other fixtures and fittings, tools and equipment | 3 – 5 years |
| Leasehold improvements | Term of lease (3 – 5 years) |

### 2.14 Leases

Leases are recognised as a right of use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term of the asset.

The leases of the Group consist of property rentals.

The assets and liabilities arising from the property leases are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments included in the property leases:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate, and;
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right of use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. Right of use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received, and;
- Any initial direct costs.

Variable lease payments and payments associated with short-term leases are recognised on a straight-line basis as an expense in the statement of profit or loss under the line item administrative costs. Short-term leases are leases with a lease term of 12 months or less. The Group has no leases of low-value assets.

The lease term is defined as the non-cancellable period of a lease together with periods covered by options to extend the lease if it is reasonable certain that the options will be exercised and periods covered by options to terminate the lease if it is reasonably certain that the options will not be exercised.

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The Group classifies leases of 12 months or below as short-term leases. Those are not treated under IFRS16 but expensed to the profit and loss account on a straight line basis over the term of the lease.

# Notes forming part of the financial statements continued

## 2. Summary of significant accounting policies continued

### 2.15 Deposits
Deposits relate to leasehold premises, which are included in the consolidated balance sheet as either non-current assets or current assets depending on the length of time to maturity of the leased premises with the exception of the lease in Denmark where there is on-going current lease liability with the assumption that Trustpilot group plc will not leave the premises within the next 12 months and therefore the deposit is non-current, due back after the 12 months.

### 2.16 Impairment of non-current assets
Non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The development projects in progress are tested for impairment annually. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 2.17 Financial assets
Financial assets include Trade and other receivables, prepayments and cash and cash equivalents. All financial assets are recognised when the Group becomes party to the contractual provisions of the instrument.

### 2.18 Trade and other receivables
Trade receivables and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

The Group holds the trade receivables and other receivables with the objective to collect the contractual cash flows and then measures them subsequently at amortised cost.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

See note 16 for a description of the Group's impairment policies for trade receivables.

### 2.19 Prepayments
Prepayments recognised as an asset comprise prepaid expenses regarding subsequent financial reporting years.

### 2.20 Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash at banks and on hand. Cash and cash equivalents are measured at amortised cost. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and net of outstanding bank overdrafts as they are considered an integral part of the Group's capital management.

### 2.21 Equity

#### Share capital
Ordinary shares are classified as equity. Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

#### Share premium
The share premium account is used to record the aggregate amount or value of premiums paid in excess of the nominal value of these new ordinary shares issued. Costs that directly relate to the issue of ordinary shares are deducted from share premium net of corporation tax.

#### Merger reserve
The merger reserve represents the difference between the carrying value of the assets and liabilities acquired under merger accounting to the cost of investment (the fair value).

#### Accumulated losses
Accumulated losses comprise all current and prior period retained losses.

#### Foreign currency translation reserve
Exchange differences arising on translation of the parent company and of foreign controlled entities into the presentation currency, USD, are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

### 2.22 Financial liabilities
Borrowings are initially recognised at fair value which is generally proceeds received, and net of transaction costs incurred. Subsequently, borrowings are measured at amortised cost.

Borrowings are classified according to the length and terms, which means that settlement of liability more than 12 months after the reporting period is classified as non-current, the settlement less than 12 months is classified as current.

Other financial liabilities on initial recognition are measured at fair value. The liabilities are subsequently measured at amortised cost.

# Notes forming part of the financial statements continued

## 2. Summary of significant accounting policies continued

### 2.23 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

### 2.24 Trade payables, other payables and contract liabilities

Trade payables are initially measured at fair value, less any transaction costs. In subsequent periods, trade payables are measured at amortised cost using the effective interest method so that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the loan period.

Other payables are measured at amortised cost.

The majority of our contracts are 12 months, although we do have some contracts with extended periods. We consider that all our contract lives are within our normal operating cycle and therefore all our contract liabilities are presented as current within the Consolidated balance sheet. However, for transparency purposes, we disclose those amounts that will be recognised over 12 months within note 19.

### 2.25 Share-based payments

The Group currently operates a number of share schemes: Employee Warrants, Long Term Incentives Plan and Restricted Stock Units. The Long Term Incentive Plan and Restricted Share Units are restricted schemes.

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

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

Further information about the warrant and restricted share programs, including models used to calculate the fair value are disclosed in note 8.

### 2.26 Foreign currency translation

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate ruling at the date of the transaction. Foreign currency monetary items are translated at the rates of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlements of monetary items and on the retranslation of monetary items are included in profit or loss for the year, except for foreign currency movements on intercompany balances, where settlement is not planned or likely in the foreseeable future, in which case they are recognised in other comprehensive income. Foreign exchange movements on external borrowings which are designated as a hedge of the net investment in its related subsidiaries are recognised in the translation reserve.

The assets and liabilities of the Group's subsidiaries are translated into USD using period-end exchange rates. Income and expenses items are translated at the average exchange rates for the period. Where the differences arise between these rates, they are recognised in other comprehensive income and the translation reserve.

#### Translation of share capital and share premium

Share capital and share premium denominated in a currency that differs from the groups presentational currency is translated at each year end using the closing rate. All resulting exchange differences noted on retranslating equity items are recognised directly in equity as part of the foreign currency translation reserve and does not form part of other comprehensive income.

### 2.27 Cash flow statement

The cash flow statement shows the Group's cash flows for the year analysed and presented as operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as share-based payment expenses, depreciation, amortisation and impairment losses. Working capital comprises current assets less short-term debt, excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

# Notes forming part of the financial statements continued

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt and principal element on lease payments as well as payments to and from shareholders.

## 3. Critical accounting estimates and judgements

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

The judgements, estimates as well as the related assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. Actual results may differ from these estimates.

### 3.1 Critical accounting estimates

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

**Share based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about these. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 8.

Estimates are also undertaken regarding expected forfeiture rates of unvested shares as well as performance estimates under LTIP program. Estimates only impact phasing of expenses as all actual forfeitures and performance is ultimately trued-up in reporting.

### 3.2 Critical accounting judgements

Key accounting judgements are made when applying accounting policies. Key accounting judgements are the judgements made by the Group that can have a significant impact in the financial results.

**Unrecognised deferred tax asset**

As of 31 December 2022, the Group has unrecognised tax assets of $177 million with a tax value of $39 million (FY21: $151 million – tax value over $32 million), that relates to tax loss carry-forward amounts primarily to Trustpilot A/S and its immediate subsidiary Trustpilot, Inc. and Trustpilot Ltd. Trustpilot A/S and the US and UK subsidiaries have incurred the losses over the previous years as a consequence of expanding the Group and its operations. $136 million (FY21: $ 110 million) of the unrecognised tax assets can be carried forward indefinitely with no expiration date while $41 million (FY21: $ 41 million) is subject to a finite utilisation period with expirations beginning as soon as 2033.

Recognition of deferred tax assets requires that it is probable that future taxable profits are available against which the unused tax losses can be utilised. As the Group has a history of making taxable losses, IAS 12 Income Taxes further requires that convincing evidence is available to support Management's assessment that sufficient taxable profits will be available in the future. Even though the Group's approved budgets shows that Trustpilot should be able to generate taxable profits in the foreseeable future, Management has concluded that it will not be able to meet the strict criteria in IAS 12 to provide 'convincing evidence', as the budget are sensitive to the timing and level of investments in the Trustpilot-platform and similar factors. Consequently, no deferred tax assets have been recognised for the Group's tax loss carry-forwards. Additional detail can be found in note 13.

**Determining the lease term**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Extension and termination options are included in a number of property leases across the Group. Management applies judgement in evaluating whether it is reasonably certain or not to exercise the options to extend and/or terminate the leases. When determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group considers factors including historical lease durations; and the costs and business disruption required to replace the asset. Most extension options have not been included in the lease liability, because the Group could replace the asset (the offices) without significant cost or business disruption.

The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. Information on potential future rental payments related to periods following the exercise date of termination options that are not included in the lease term is disclosed in note 15 (leases).

# Notes forming part of the financial statements continued

## 4. 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.

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| **Operating loss** | **(15,990)** | (24,152) |
| Depreciation, amortisation and impairment | **7,358** | 8,232 |
| **EBITDA** | **(8,632)** | (15,920) |

### 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 | FY22 | FY21 |
|---|---|---|
| **Operating loss** | **(15,990)** | (24,152) |
| Depreciation, amortisation and impairment | **7,358** | 8,232 |
| **EBITDA** | **(8,632)** | (15,920) |
| Non-recurring transaction costs | **—** | 9,785 |
| Restructuring costs | **—** | — |
| Share-based compensation, including associated social security costs | **4,211** | 10,012 |
| **Adjusted EBITDA** | **(4,421)** | 3,877 |
| **Adjusted EBITDA margin (per cent)** | **(3)** | 3 |

Adjusted EBITDA decreased from $3,877 thousand in FY21 to $(4,421) thousand in FY22. Adjusted EBITDA margin decreased from 3 per cent in FY21 to (3)% FY22. The decline in Adjusted EBITDA and Adjusted EBITDA margin were driven by investments across the Group partially offset by revenue growth. Included in the FY22 share-based payments is a non-cash charge of $5,853 thousand (FY21 of $6,527 thousand) and associated social security costs of $(1,642) thousand (FY21 of $3,485 thousand).

Non-recurring transaction costs relate to professional and legal fees associated with corporate financing activities, in FY21 this consisted exclusively of IPO related costs.

# Notes forming part of the financial statements continued

## 4. Alternative performance measures continued

### Functional distribution of adjustments

**FY22**

| $ '000 | Group | Sales and marketing | Technology and content | General and administrative |
|---|---|---|---|---|
| **Operating loss** | **(15,990)** | | | |
| Depreciation, amortisation and impairment | **7,358** | **–** | **2,637** | **4,721** |
| Non-recurring transaction costs | **–** | **–** | **–** | **–** |
| Restructuring costs | **–** | **–** | **–** | **–** |
| Share-based compensation, including associated social security costs | **4,211** | **–** | **–** | **4,211** |
| **Adjusted EBITDA** | **(4,421)** | | | |

**FY21**

| $ '000 | Group | Sales and marketing | Technology and content | General and administrative |
|---|---|---|---|---|
| **Operating loss** | (24,152) | | | |
| Depreciation, amortisation and impairment | 8,232 | – | 2,655 | 5,577 |
| Non-recurring transaction costs | 9,785 | – | – | 9,785 |
| Restructuring costs | – | – | – | – |
| Share-based compensation, including associated social security costs | 10,012 | – | – | 10,012 |
| **Adjusted EBITDA** | 3,877 | | | |

## 5. Operating segments

For management purposes and based on internal reporting information, the Group is organised in only one operating segment, as the information reported includes operating results at a consolidated group level only. The costs related to the main nature of the business, being the Group´s online review platform which serves the Group customers, are not attributable to any specific revenue stream or customer type and are therefore borne centrally. The results of the single reporting segment, comprising the entire Group, are shown in the consolidated statement of comprehensive income. These represent 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 23% (FY21: UK: approx. 40% and North America: approx. 23%), respectively. Other geographical locations besides the UK and North America are defined as 'Europe and Rest of World' where no individual country exceeded more than 6% of the consolidated revenue in FY22 (FY21: 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 and non-current operating assets by geographic area:

# Notes forming part of the financial statements continued

## 5. Operating segments continued

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| **Revenue** | | |
| UK[1] | **59,803** | 53,136 |
| North America | **34,003** | 30,503 |
| Europe and Rest of World | **55,126** | 47,804 |
| **Total revenue** | **148,932** | 131,443 |
| **Non-current operating assets** | | |
| UK | **13,867** | 13,112 |
| North America | **13,453** | 1,526 |
| Europe and Rest of World | **9,400** | 7,880 |
| **Total non-current operating assets** | **36,720** | 22,518 |

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.

## 6. Staff cost

The monthly average number of persons employed by the Group (including Directors) by function was:

| | FY22 Number | FY21 Number |
|---|---|---|
| Customer Success and Support | **207** | 178 |
| General and Administrative | **145** | 109 |
| Sales and Marketing | **313** | 279 |
| Technology and Content | **255** | 220 |
| **Total** | **920** | 786 |

Group employee costs comprise:

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| Wages and salaries | **95,150** | 86,271 |
| Social security costs[1] | **6,702** | 10,603 |
| Other pension costs[2] | **2,050** | 1,620 |
| Share-based payment | **5,853** | 6,527 |
| | **109,755** | 105,021 |

1 Social security costs in FY22 includes a credit of $(1,642) thousand (FY21 charge of $3,485 thousand) in respect of share based payments as a result of the decrease in the share price.

2 This represents the Group's defined contribution schemes which are provided to its employees. This charge reflects the current year contributions made.

### Key Management Compensation

For FY22, key management consists of Executive Directors, further disclosure of Directors' emoluments is available in the Directors' Remuneration Report on page 136. FY21 contained five other Directors who are no longer deemed to be key management. The compensation paid or payable to key management for employee services and directors duties is shown below:

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| **Directors:** | | |
| Short-term employee benefits | **1,547** | 2,024 |
| Post-employment benefits | **27** | 25 |
| Share-based payment | **1,376** | 2,019 |
| **Total compensation of key management personnel** | **2,950** | 4,068 |

## 7. Operating loss

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| **Operating loss is stated after charging:** | | |
| Fees payable to the company's auditors and its associates for: | | |
| Audit of parent company and consolidated financial statements | **701** | 762 |
| Audit of financial statements of subsidiaries of the Group | **184** | 233 |
| Tax compliance and advisory service[1] | **—** | 492 |
| Other audit related assurance services[2] | **162** | 179 |
| Other assurance services[3] | **—** | 1,974 |
| Non-audit services[4] | **—** | 120 |
| Depreciation on property, plant and equipment[5] | **1,092** | 936 |
| Depreciation on right-of-use assets[5] | **3,649** | 4,855 |
| Amortisation on intangible assets[5,6] | **2,612** | 2,321 |
| Impairment loss on intangible assets[5,6] | **5** | 120 |

1 Prior to the IPO, tax compliance and advisory services consisted primarily of income tax preparation, reporting and filing for members of the Group. Tax compliance and advisory services also consisted of work undertaken to determine the IPO impacts to employee share schemes as well as the impacts from IPO restructuring.

2 Other audit related assurance services consists of fees associated with the review of interim financials.

3 Prior to the IPO, other assurance services consisted primarily of IPO related assurance services and other matters related to IFRS.

4 Prior to IPO, non-audit services consisted of consultancy provided related primarily to restructuring and transfer pricing.

5 Amortisation, depreciation and impairment losses are allocated in profit or loss as follows: Technology and Content: $2,637,000 (FY21: $2,655,000), General and administrative: $4,721,000 (FY21: $5,577,000).

6 Amortisation and impairment on intangible assets are included in the statement of profit or loss under the line item Technology and Content.

# **Notes forming part of the financial statements** continued

## 8. Share-based payment plans

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

For the financial year ended 31 December 2022, the Group has recognised the following share-based payment expense in the consolidated statement of profit or loss.

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| Warrants | **2,250** | 5,537 |
| Restricted Share Plan | **2,927** | 567 |
| Long Term Incentive Plan | **676** | 423 |
| | **5,853** | 6,527 |

### 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).

Prior to the admission of the Company's entire issued ordinary share capital to the premium listing segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities on 26 March 2021 ("**Admission**"), Trustpilot A/S (the former parent company of the corporate group) operated a long-term incentive warrant program under which warrants in Trustpilot A/S were granted at market value, free of charge. Each warrant conferred a right to subscribe for 1 common share in Trustpilot A/S. The warrants were granted to two categories of recipients: (i) to employees of varying seniority throughout the Group; and (ii) to selected senior employees of the Group and certain board members of Trustpilot A/S.

In connection with the IPO, Trustpilot A/S restructured its warrant program. On 26 March 2021, all outstanding warrants in Trustpilot A/S (as of 26 March 2021: 818,784) were cancelled and replaced by new warrants in the Company in the proportion 1 to 78.

Movements in the number of share options outstanding and their related weighted average exercise prices in the financial year ended 31 December 2022 are as follow:

### Total movement in employee warrants

| | FY22 | | FY21 | |
|---|---|---|---|---|
| | Number of warrants No. '000 | Weighted avg exercise price $ '000 | Number of warrants No. '000 | Weighted avg exercise price $ '000 |
| Opening Balance | **35,041** | **0.78** | 60,013 | 0.49 |
| Granted | **—** | **—** | 6,603 | 1.81 |
| Exercised | **(2,202)** | **0.48** | (27,817) | 0.37 |
| Forfeited | **(2,249)** | **0.88** | (3,758) | 1.03 |
| **Closing Balance** | **30,590** | **0.68** | 35,041 | 0.78 |
| **Number of warrants exercisable at 31 December** | **17,264** | **—** | 13,319 | — |

As at 31 December 2022, employee warrants contributed $2,250 thousand to the share-based compensation expense (FY21: $5,537 thousand). Employee warrants had exercise prices ranging from $0.09 to $1.34 with a weighted average of $0.68 (2021: prices ranging from $0.13 to $1.81 with a weighted average of $0.78). The weighted average remaining contractual life of warrants outstanding as at 31 December 2022 was 6.01 years (2021: 7.05 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 FY22, conditional awards over 2,366,146 (FY21 1,215,246) 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 FY22 will ordinarily vest on 5 April 2025 (except from one grant which will vest on 20 June 2025), 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.

# **Notes forming part of the financial statements** continued

## 8. Share-based payment plans continued

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 each of the three performance measures are set with a lower bound and upper bound. If performance falls below the lower bound there will be no vesting. If performance meets or exceeds the upper bound it will result in 100% 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 55% (the "**TSR Part**") of the LTIP awards granted in FY22 is subject to the Group's TSR performance over a three year period that commenced on 5 April 2022 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 5 April 2022. 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.

### Annual recurring revenue ("ARR") performance measure

The vesting of 25% (the "**ARR Part**") of the LTIP awards granted in FY22 is subject to the compound annual growth rate ("**CAGR**") in the Group's ARR over the period 1 January 2022 to 31 December 2024. 25% of the ARR Part will vest for CAGR in ARR over the measurement period of 20%, rising on a straight-line basis up to 100% vesting of the ARR Part for CAGR in ARR over the measurement period of 30% (or better).

### Trust performance measure

The vesting of 20% (the "**Trust Measure Part**") of the LTIP awards granted in H1 FY22 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 2022, 2023 and 2024 respectively. The TrustScore Part target will be stepped between an average TrustScore of 3.5 and 3.75 (at which point 50% of the TrustScore Part will vest), rising on a straight-line basis up to 100% vesting for an average TrustScore of 4.2 (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 $676 thousand to the share-based compensation expense in the FY22 financials (FY21 $423 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 | 0.98 | Equal to Median | Upper Quartile or Greater |
| ARR | Black-Scholes | 1.65 | CAGR of 20% | CAGR of 30% or Greater |
| Trust | Black-Scholes | 1.68 | Average Trust Measure of 3.5 | Average Trust Measure of 4.2 or Greater |

| Fair Value Factors | Input April 22 grant | Additional Chaffe April 22 Input (Executive Director) | June 22 grant |
|---|---|---|---|
| Closing share price on date of grant (pence) | **148.30** | **N/A** | **99.40** |
| Price (pence) | **1.00** | **148.30** | **1.00** |
| Expected term | **3.00 yrs** | **+2.00 yrs holding period** | **3.00 yrs** |
| Risk-free interest rate | **1.56%** | **1.54%** | **2.45%** |
| Expected dividend yield | **—%** | **—%** | **—%** |
| Expected volatility | **34.53%** | **35.43%** | **35.09%** |

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

### Total movement in LTIP

| | FY22 No. '000 | FY21 No. '000 |
|---|---|---|
| Opening Balance | **1,101** | — |
| Granted | **2,366** | 1,215 |
| Exercised | **—** | — |
| Forfeited | **(129)** | (114) |
| Closing Balance | **3,338** | 1,101 |
| **Number of LTIPs exercisable at 31 December** | **—** | — |

# Notes forming part of the financial statements continued

## 8. Share-based payment plans continued

### 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 FY22, conditional awards over 5,764,926 (FY21 829,753) 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.

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 $2,927 thousand to the share-based compensation expense in the FY22 financials (FY21 $567 thousand).

| Fair Value Factors | April 2022 Grant | June 2022 Grant | October 2022 Grant |
|---|---|---|---|
| Closing share price on date of grant (pence) | 110.60 | 99.40 | 75.15 |
| Price (pence) | 1.00 | 1.00 | 1.00 |
| Weighted average contractual life | 1.98 | 2.19 | 1.91 |
| Risk-free interest rate | 1.56% | 2.45% | 3.74% |
| Expected dividend yield | —% | —% | —% |
| Expected volatility | 34.53% | 35.09% | 35.09% |

### Total movement in RSP

| | FY22 No ‘000 | FY21 No ‘000 |
|---|---|---|
| Opening Balance | 814 | 0 |
| Granted | 5,765 | 830 |
| Exercised | (292) | (1) |
| Forfeited | (479) | (15) |
| Closing Balance | 5,808 | 814 |
| **Number of RSPs exercisable at 31 December** | — | — |

## 9. Finance income and expenses

| | FY22 $ ‘000 | FY21 $ ‘000 |
|---|---|---|
| Foreign exchange rate gains* | 2,445 | — |
| Interest income | 14 | 10 |
| **Finance income*** | 2,459 | 10 |

| | FY22 $ ‘000 | FY21 $ ‘000 |
|---|---|---|
| Foreign exchange rate losses* | — | (66) |
| Financing costs | (19) | (61) |
| Interest expenses | (485) | (1,347) |
| Lease interest expense | (1,010) | (994) |
| **Finance expenses*** | (1,514) | (2,468) |

* See note 1.8 for details regarding the representation.

## 10. Income tax

| | FY22 $ ‘000 | FY21 $ ‘000 |
|---|---|---|
| **Current tax** | | |
| Current tax on UK profit for the year | (265) | (26) |
| Current tax credit on overseas profits for the year | 690 | 814 |
| Adjustments in respect of prior periods | 194 | (365) |
| **Total current tax credit** | 619 | 423 |
| **Deferred tax** | | |
| Origination and reversal of temporary differences | 29 | 259 |
| Derecognition of deductible temporary differences | — | 52 |
| Adjustments in respect of prior periods | (245) | — |
| Change in tax rate | (2) | (18) |
| **Total deferred tax (expense)/income** | (218) | 293 |
| **Total tax credit in the statement of profit or loss** | 401 | 716 |

# Notes forming part of the financial statements continued

## 10. Income tax continued

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| **Reconciliation of effective tax rate** | | |
| **Factors affecting the tax credit for the year:** | | |
| Loss before tax | **(15,045)** | (26,610) |
| Current tax credit using the Danish corporation tax rate of 22% (2021: 22%) | **3,310** | 5,853 |
| Effects of: | | |
| Items not deductible | **(884)** | (747) |
| IPO expenses | **—** | (2,197) |
| Share options | **(701)** | (1,897) |
| Research and development tax credit | **1,238** | 1,201 |
| Adjustments in respect of prior periods | **(51)** | (418) |
| Differences between overseas tax rates | **11** | (101) |
| Movements in temporary differences not recognised | **(2,704)** | (960) |
| Tax effect of utilisation of tax losses not recognised | **182** | — |
| Effect of deferred tax rate changes | **—** | (18) |
| **Total tax credit** | **401** | 716 |

The Danish corporate income tax rate of 22 per cent (FY21: 22 per cent) is used in the tax reconciliation for the Trustpilot Group as the majority of recognised tax arises in Denmark. Taxation for other jurisdictions is calculated at the rates prevailing in each jurisdiction.

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 is currently 19% and will increase to 25% 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.

Certain losses arising in the year have been sold to the Danish tax authorities allowing a realisation of an associated tax credit of $779 thousand (FY21: $875 thousand).

| Recognised directly in equity | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| **Current tax income** | | |
| Excess tax deductions related to share-based payments | **261** | — |
| **Total current tax income** | **261** | — |
| **Deferred tax** | | |
| Change in estimated excess tax deductions related to share-based payments | **—** | 15 |
| Adjustments in respect of prior periods | **(15)** | — |
| **Total deferred tax (expense)/income** | **(15)** | 15 |
| **Total tax income in equity** | **246** | 15 |

No amounts of current or deferred tax (2021: nil) are recognised in other comprehensive income.

## 11. Intangible assets

| | Development projects in progress $ '000 | Completed development projects $ '000 | Total $ '000 |
|---|---|---|---|
| ***Cost:*** | | | |
| At 1 January 2022 | **1,834** | **7,880** | **9,714** |
| Additions during the year | **3,696** | **—** | **3,696** |
| Transfers – In progress to placed in service | **(1,167)** | **1,167** | **—** |
| Exchange differences | **(77)** | **(445)** | **(522)** |
| **At 31 December 2022** | **4,286** | **8,602** | **12,888** |
| ***Accumulated amortisation and impairment:*** | | | |
| At 1 January 2022 | **(63)** | **(3,313)** | **(3,376)** |
| Amortisation for the year | **—** | **(2,612)** | **(2,612)** |
| Impairment for the year | **(5)** | **—** | **(5)** |
| Exchange differences | **7** | **153** | **160)** |
| **At 31 December 2022** | **(61)** | **(5,772)** | **(5,833)** |
| **Carrying amount as at 31 December 2022** | **4,225** | **2,830** | **7,055** |

# Notes forming part of the financial statements continued

## 11. Intangible assets continued

| | Development projects in progress $ '000 | Completed development projects $ '000 | Total $ '000 |
|---|---|---|---|
| ***Cost:*** | | | |
| At 1 January 2021 | 720 | 5,872 | 6,592 |
| Additions during the year | 3,790 | — | 3,790 |
| Transfers – In progress to placed in service | (2,621) | 2,621 | — |
| Exchange differences | (55) | (613) | (668) |
| **At 31 December 2021** | 1,834 | 7,880 | 9,714 |
| ***Accumulated amortisation and impairment:*** | | | |
| At 1 January 2021 | — | (1,114) | (1,114) |
| Amortisation for the year | — | (2,321) | (2,321) |
| Impairment for the year | (63) | (57) | (120) |
| Exchange differences | — | 179 | 179 |
| **At 31 December 2021** | (63) | (3,313) | (3,376) |
| **Carrying amount as at 31 December 2021** | 1,771 | 4,567 | 6,338 |

Intangible assets consist of capitalised salaries undertaken for software development which will provide future economic benefit. Salaries are capitalised then amortised to better align expenses incurred with benefits received to the organisation. Development projects in progress are tested for impairment annually.

Research and development costs of $38,707 thousand that are not eligible for capitalisation have been expensed within Technology and Content within the Consolidated statement of profit or loss, in addition to amortisation of $2,437 thousand and impairment loss of $5 thousand, totalling $41,149 thousand (2021: $33,700 thousand). Impairment expenses reflect software developments where the future return does not support the carrying value, for example due to a change in market or development strategy.

## 12. Property, plant and equipment

| | **Leasehold improvements $ '000** | **Other fixtures and fittings, tools and equipment $ '000** | **Total $ '000** |
|---|---|---|---|
| ***Cost:*** | | | |
| At 1 January 2022 | **1,700** | **1,483** | **3,183** |
| Additions during the year | **2,254** | **1,449** | **3,703** |
| Disposals | **(103)** | **(234)** | **(337)** |
| Exchange differences | **(143)** | **(134)** | **(277)** |
| **At 31 December 2022** | **3,708** | **2,564** | **6,272** |
| ***Accumulated depreciation and impairment:*** | | | |
| At 1 January 2022 | **(798)** | **(901)** | **(1,699)** |
| Depreciation for the year | **(693)** | **(399)** | **(1,092)** |
| Disposals | **96** | **233** | **329** |
| Exchange differences | **68** | **60** | **128** |
| **At 31 December 2022** | **(1,327)** | **(1,007)** | **(2,334)** |
| **Carrying amount as at 31 December 2022** | **2,381** | **1,557** | **3,938** |

# Notes forming part of the financial statements continued

## 12. Property, plant and equipment continued

| | Leasehold improvements $ '000 | Other fixtures and fittings, tools and equipment $ '000 | Total $ '000 |
|---|---|---|---|
| ***Cost:*** | | | |
| At 1 January 2021 | 1,883 | 1,351 | 3,234 |
| Additions during the year | 38 | 393 | 431 |
| Disposals | (191) | (188) | (379) |
| Exchange differences | (30) | (73) | (103) |
| **At 31 December 2021** | 1,700 | 1,483 | 3,183 |
| ***Accumulated depreciation and impairment:*** | | | |
| At 1 January 2021 | (445) | (768) | (1,213) |
| Depreciation for the year | (565) | (371) | (936) |
| Disposals | 191 | 176 | 367 |
| Exchange differences | 21 | 62 | 83 |
| **At 31 December 2021** | (798) | (901) | (1,699) |
| **Carrying amount as at 31 December 2021** | 902 | 582 | 1,484 |

## 13. Deferred tax

Deferred tax assets and liabilities are attributable to the following:

| | Assets | | Liabilities | | Net | |
|---|---|---|---|---|---|---|
| | **FY22 $ '000** | FY21 $ '000 | **FY22 $ '000** | FY21 $ '000 | **FY22 $ '000** | FY21 $ '000 |
| Intangible assets | **—** | — | **(1,476)** | (1,348) | **(1,476)** | (1,348) |
| Property, plant and equipment | **731** | 362 | **—** | — | **731** | 362 |
| Short-term temporary differences | **439** | 653 | **—** | — | **439** | 653 |
| Share-based payments | **—** | 381 | **—** | — | **—** | 381 |
| Tax losses | **385** | 263 | **—** | — | **385** | 263 |
| **Deferred tax assets/(liabilities)** | **1,555** | 1,659 | **(1,476)** | (1,348) | **79** | 311 |

Deferred income tax assets and liabilities disclosed in the balance sheet are offset when there is a legally enforceable right to set off assets against liabilities and when they relate to the same fiscal authority.

The $79 thousand (2021: $311 thousand) arises on short-term temporary differences and fixed assets in Australia and Lithuania and is recognised on the basis of expected future taxable profits.

Movement in deferred tax during the year:

| | **1 January 2022 $ '000** | **Recognised in income $ '000** | **Exchange differences $ '000** | **Recognised in equity $ '000** | **31 December 2022 $ '000** |
|---|---|---|---|---|---|
| Intangible assets | **(1,348)** | **(202)** | **74** | **—** | **(1,476)** |
| Property, plant and equipment | **362** | **400** | **(31)** | **—** | **731** |
| Short-term temporary differences | **653** | **(205)** | **(9)** | **—** | **439** |
| Share-based payments | **381** | **(369)** | **3** | **(15)** | **—** |
| Tax losses | **263** | **158** | **(36)** | **—** | **385** |
| **Deferred tax assets/(liabilities)** | **311** | **(218)** | **1** | **(15)** | **79** |

Movement in deferred tax during the prior year:

| | 1 January 2021 $ '000 | Recognised in income $ '000 | Exchange differences $ '000 | Recognised in equity $ '000 | 31 December 2021 $ '000 |
|---|---|---|---|---|---|
| Intangible assets | (1,128) | (320) | 100 | — | (1,348) |
| Property, plant and equipment | 1,022 | (606) | (54) | — | 362 |
| Short-term temporary differences | — | 682 | (29) | — | 653 |
| Share-based payments | — | 382 | (16) | 15 | 381 |
| Tax losses | 117 | 155 | (9) | — | 263 |
| **Deferred tax assets/(liabilities)** | 11 | 293 | (8) | 15 | 311 |

The deferred tax asset recoverable within 12 months and after 12 months is as follows:

| | **2022 $ '000** | 2021 $ '000 |
|---|---|---|
| Deferred tax: | | |
| Recoverable within 12 months | **39** | 140 |
| Recoverable after 12 months | **40** | 171 |
| | **79** | 311 |

# Notes forming part of the financial statements continued

## 13. Deferred tax continued

Out of the total deferred tax $79 thousand (FY21: $311 thousand), $39 thousand (FY21: $140 thousand) is expected to reverse within the next 12 months. $40 thousand (FY21: $171 thousand) is expected to reverse after 12 months.

Deferred tax not recognised is attributable to the following (presented net at the prevailing deferred tax rates in local jurisdictions):

| | 2022 $ '000 | 2021 $ '000 |
|---|---|---|
| Deferred Intangible assets | **—** | 236 |
| Property, plant and equipment | **511** | 43 |
| Short term temporary differences | **382** | 128 |
| Share based payments | **531** | — |
| Tax losses* | **38,551** | 32,113 |
| | **39,975** | 32,520 |

*This represents $177 million (FY21: $151 million) of gross tax losses carried forward due to uncertainties over recovery.

There is no expiration date on $136 million (FY21: $110 million) of the losses. The remaining losses of $41 million will begin to expire in 2033 ($1 million in 2033, $6 million in 2034, $12 million in 2035, $12 million in 2036 and $10 million in 2037).

No deferred tax liability is recognised on temporary differences of $nil (FY21: $nil) relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

## 14. Loss per share

| | FY22 | FY21 |
|---|---|---|
| *Weighted average number of shares (000s):* | | |
| **Ordinary shares** | **415,086** | 401,445 |

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 31 December 2022, total potential shares were 18,625,000 (2021: 29,719,000), of which 10,614,000 (2021: 27,804,000) relate to employee warrants and 8,011,000 (2021: 1,915,000) relate to restricted shares. As of 31 December 2022 vested potential shares amounted to 9,341,000 (2021: 11,981,000) employee warrants.

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| Loss for the year | **(14,644)** | (25,894) |
| **Loss per share (cents)**[1] | | |
| Basic | **(3.5)** | (6.5) |
| Diluted | **(3.5)** | (6.5) |

1 Given the Group incurred losses in FY22 and FY21, the impact of potentially dilutive ordinary shares has been excluded as they would otherwise be anti-dilutive in accordance with IAS 33.

## 15. Right-of-use-assets and leases

The Group solely leases properties, which are mostly made for fixed periods between 2-10 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

The Group bases the lease liability on the contractual end date of the lease or the first possible date to terminate a contract. For the leases located in Denmark, the Group has made a judgement of 12 months exceeding the termination terms of 6 months due to the current rolling lease terms.

The Group has recognised the following amounts relating to leases:

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| **Right-of-use assets** | | |
| Properties | **23,569** | 12,312 |

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| **Lease liabilities** | | |
| Current | **3,442** | 3,504 |
| Non-current | **21,243** | 9,552 |
| | **24,685** | 13,056 |
| Additions to the right-of-use assets[1] | **15,599** | 318 |

1 During the year the Group has signed three new leases for its offices in New York, Edinburgh and Melbourne.

# Notes forming part of the financial statements continued

The statement of profit or loss shows the following amounts relating to leases:

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| **Depreciation charge of right-of-use assets** | | |
| Properties (included in general and administrative costs) | **3,649** | 4,855 |
| Interest expense (included in finance expenses) | **1,010** | 994 |
| Expense relating to short-term leases (included in general and administrative costs)[1] | **400** | 105 |
| Total cash outflow for leases | **4,596** | 5,621 |

1 The Group classifies leases of 12 months or below as short-term leases. These are not treated under IFRS 16 but expensed to the statement of profit and loss account over the period of the lease on a straight-line basis. The Group has no lease contracts with variable payments.

## 16. Trade receivables

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| Trade receivables at 31 December | **9,058** | 8,348 |
| Less provision for impairment of trade receivables | **(783)** | (2,172) |
| Trade receivables net | **8,275** | 6,176 |

Trade receivables are amounts due from customers for subscriptions sold in the ordinary course of business. They are typically due for settlement within 8 – 90 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

Due to the short-term nature of the current receivables, their carrying amount is considered to approximate their fair value. This has been assessed based on future cash flows discounted at an appropriate rate for the risk of the debt.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Adoption of this approach means Significant Increase in Credit Risk and Date of Initial Recognition (DOIR) concepts are not applicable to the Group's ECL calculations. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. These receivables are credit impaired. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan. The Group considers a receivable written off when a debtor fails to make contractual payments more than 90 days past due. When receivables have been written off, the Group continue to engage in enforcement activity to attempt to recover the receivable due. When recoveries are made, these are recognised in profit or loss.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables, including macroeconomic information. The maximum exposure to credit risk for the Group at 31 December 2022 is the carrying value of the trade receivables.

| | Not due or 0-60 days past due $ '000 | More than 60 days past due $ '000 | More than 90 days past due $ '000 | Total $ '000 |
|---|---|---|---|---|
| **2022** | | | | |
| Expected loss rate coverage | **7%** | **36%** | **4%** | |
| Gross carrying amount, trade receivables | **6,740** | **646** | **1,672** | **9,058** |
| Loss allowance | **479** | **231** | **73** | **783** |

| | Not due or 0-60 days past due $ '000 | More than 60 days past due $ '000 | More than 90 days past due $ '000 | Total $ '000 |
|---|---|---|---|---|
| **2021** | | | | |
| Expected loss rate coverage | 8% | 64% | 51% | |
| Gross carrying amount, trade receivables | 5,104 | 829 | 2,415 | 8,348 |
| Loss allowance | 415 | 531 | 1,226 | 2,172 |

Given that credit losses are evaluated on both specific credit risk characteristics and days past due, some expected loss rates may appear higher than expected for certain days past due buckets. In 2022, the expected credit rate coverage for trade receivables, more than 90 days past due, has reduced from 51% to 4%. This is due to the provision being utilised against trade receivables, which are more than 75 days past due or with a debt collection agency or in bankruptcy, thus reducing both the gross carrying amount and the loss allowance.

# Notes forming part of the financial statements continued

## 16. Trade receivables continued

**Movement on the Group's provision for impairment of trade receivables**

| $ '000 | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| Opening balances | **2,172** | 1,980 |
| Net increase in loss allowance recognised in profit or loss during the year[1] | **1,397** | 783 |
| Receivables written off during the year as uncollectible[2] | **(2,786)** | (591) |
| Provision for impairment of trade receivables | **783** | 2,172 |

1 Net increase in loss allowance recognised in profit or loss during the year includes loss allowance on new assets originated/recovered and financial assets derecognised during the period.
2 This also materially represents the contractual amount outstanding on financial assets that were written off during the year and are still subject to enforcement activity. The Group has not purchased credit impaired assets.

## 17. Deposits and other receivables

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| **Non-current deposits** | | |
| Deposits | **2,158** | 2,383 |
| **Total non-current deposits** | **2,158** | 2,383 |
| **Current deposits and other receivables** | | |
| Other receivables | **1,677** | 2,251 |
| Deposits | **139** | 619 |
| **Total current deposits and other receivables** | **1,816** | 2,870 |

The ECL allowance against deposits and other receivables is immaterial in the current and prior year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of asset.

## 18. Cash and cash equivalents

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| **Cash at bank and in hand** | **73,459** | 93,177 |

## 19. Contract balances

The Group has recognised the following assets and liabilities related to contracts with customers:

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| Trade receivables[1] | **8,275** | 6,176 |
| Contract liabilities | **(32,210)** | (27,616) |

1 Trade receivables is a financial asset not a contract asset, further disclosure is available in note 16.

The movement in contract liabilities and trade receivables are in line with the increase in the Group's activities and the related sales.

All revenue from subscriptions are recognised monthly over time on a straight-line basis, unrelated to payment terms upon issuing of invoices. General payment terms are between 8 and 90 days. All subscriptions are prepaid, pro-rated to the billing terms, leading to the recognition of contract liabilities.

The unearned revenue from contracts in place at 31 December 2022 which will be earned in future periods is $83,368 thousand, with 95% expected to be recognised within one year.

The aggregated amount of the transaction price allocated to performance obligations that are satisfied or partially satisfied in FY22 from the prior year is $nil thousand (FY21: $521 thousand).

The aggregated amount of recognised revenue in FY22, which was included in the contract liabilities at 31 December 2021 was $27,216 thousand (FY21: $22,574 thousand).

Management expects that $30,662 thousand (95%) will be recognised as revenue during the next reporting period, $1,341 thousand (4%) in FY24 and $207 thousand (1%) in FY25 (2021 restated: $27,217 thousand (99%) in FY22, $381 thousand (1%) in FY23 and $18 thousand (< 1%) in FY24).

# Notes forming part of the financial statements continued

## 20. Share capital

| | 31 December 2022 | | 31 December 2021 | |
|---|---|---|---|---|
| Shares issued and fully paid: | Number of shares | Amount ($ '000) | Number of shares | Amount ($ '000) |
| Ordinary shares | **416,241,641** | **5,006** | 413,747,356 | 5,576 |
| **Total shares issued** | **416,241,641** | **5,006** | 413,747,356 | 5,576 |

The share capital of the Company as of 31 December 2022 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 | Share Capital Amount ($ '000) | Share Premium Amount ($ '000) |
|---|---|---|---|
| *Changes in share capital* | | | |
| Opening balance at 1 January 2022 | **413,747,356** | **5,576** | **70,994** |
| Employee share scheme issues[1] | **2,494,285** | **31** | **1,312** |
| Contribution of equity – Transaction cost | **—** | **—** | **(54)** |
| Exchange difference on items recognised directly in equity | **—** | **(601)** | **(7,715)** |
| **Ending Balance 31 December 2022** | **416,241,641** | **5,006** | **64,537** |

1 From 1 January 2022 to 31 December 2022 (inclusive), 2,494,285 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 $31 thousand and share premium increase of $1,258 thousand. Further detail related to these schemes is disclosed in note 8.

As further detailed below, completion of the IPO Restructuring on 26 March 2021 resulted in common and preference shares in Trustpilot A/S (each having a nominal value of DKK 1) being exchanged for ordinary shares in the Company (each having a nominal value of GBP 0.01). A multiplier was applied resulting in 78 ordinary shares in the Company being issued for each share held by existing shareholders in Trustpilot A/S (minus the 1 ordinary share already held by the incorporating shareholder of the Company).

The share capital of the Company as of 31 December 2022 and 31 December 2021 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 | Share capital Amount ($'000) | Share Premium Amount ($ '000) |
|---|---|---|---|
| *Changes in share capital* | | | |
| Opening balance at 1 January 2021 | 4,684,374 | 773 | 177,842 |
| Employee share scheme issues[1] | 27,623 | 4 | 238 |
| Lender warrants exercised[2] | 37,525 | 6 | 358 |
| Exchange difference on items recognised directly in equity prior to Group reconstruction | — | (23) | (6,977) |
| *Share Capital pre-public offering* | 4,749,522 | 760 | 171,461 |
| Share Capital post public offering | | | |
| Conversion of basic share[3] | 370,462,716 | 5,105 | — |
| Issue of share[4] | 17,620,906 | 244 | 64,102 |
| Exercise of share-based payments[5] | 25,663,734 | 353 | 9,424 |
| Contribution of equity – Transaction | — | — | (1,274) |
| Exchange difference on items recognised directly in equity post Group reconstruction | — | (126) | (1,258) |
| **Ending Balance 31 December 2021** | 413,747,356 | 5,576 | 70,994 |

1 On 3 March 2021, 20,780 warrants were exercised into 20,780 common shares in Trustpilot A/S, followed on 12 March 2021 by a further 6,843 warrants exercised into 6,843 common shares in Trustpilot A/S. The total of 27,623 new common shares with a nominal value of $4 thousand resulted in share capital increasing by $4 thousand and share premium by $238 thousand.

2 Shortly prior to Admission on 26 March 2021, three lender-related entities exercised a total of 37,525 warrants into 37,525 common shares, with a nominal value of $6 thousand resulting in share capital increasing by $6 thousand and share premium by $358 thousand.

3 As part of the IPO Restructuring, on 26 March 2021 all 4,749,522 outstanding common and preference shares in Trustpilot A/S were exchanged in the proportion 1 to 78 for 370,462,715 ordinary shares in the Company (the incorporating shareholder of the Company already held 1 ordinary share prior to the exchange). The result was 370,462,716 ordinary shares being held in the Company and increase of share capital by $5,105 thousand. Further, as part of the IPO Restructuring and basic share exchange, the difference between the share capital and share premium recognised in Trustpilot A/S and the new Trustpilot Group plc was taken to a merger reserve on consolidation.

4 On 26 March 2021, 17,620,906 ordinary shares in the Company were issued as a result of the Company's primary offering for a net consideration of $64,346 thousand, resulting in a share capital increase by $244 thousand and share premium increase by $64,102 thousand.

5 From 26 March 2021 to 31 December 2021 (inclusive), 25,663,734 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 $353 thousand and share premium increase of $9,424 thousand. Further detail related to these schemes is disclosed in note 8, share-based payment plans.

# Notes forming part of the financial statements continued

## 21. Financial risk management

Outlined below are the ways in which the Group addresses interest rate risk, foreign currency risk, credit risk, liquidity risk and capital risk.

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework and for establishing the Group's risk management policies. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's performance. The Group does not use derivative financial instruments to hedge any exposures.

Risk management is carried out by the Risk function under policies approved by the Board of Directors. The Board provides written principles for overall risk management.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in reference interest rates. Long-term borrowings with variable interest rates could therefore expose the Group to cash flow interest rate risk.

The Group repaid and refinanced a credit facility with Silicon Valley Bank in 2021; this revolving credit facility includes a variable interest rate that exposes the Group to interest rate risk. Credit facility funds are available in either USD, EUR or GBP with interest rates determined on a base plus margin basis with an interest rate floor. For the calculation of the interest base rate, USD borrowings will utilise a Wall Street Prime Rate, EUR borrowings will utilise a European Central Bank base rate and GBP borrowings will utilise a Bank of England base rate. In addition to this base rate, a margin will be applied based on the Group EBITDA* in the most recently completed relevant period. Interest rate risk is concentrated across three reference rates for USD, EUR and GBP borrowings.

Group EBITDA in this context is the same as Adjusted EBITDA illustrated in note 4 with the following additional adjustments where applicable:

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

Sensitivity from changes in interest rates, including the impact of interest rate benchmark reform, has been deemed immaterial given the group is debt free. The Group continues to monitor changes in interest rates and considers the associated cost of borrowing.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a balance sheet exposure will fluctuate because of changes in foreign exchange rates.

In general, purchases are made in the functional currencies of the individual group entity. The currency risk therefore primarily arises from sale in foreign currencies compared to the functional currency of each of the Group entities. Sales made in foreign currencies are primarily made by the Trustpilot A/S denominated in EUR and GBP.

In addition, the borrowings obtained by Trustpilot A/S (with DKK functional currency) in 2021 were denominated in USD and GBP. As the borrowings were denominated in foreign currencies, this also exposed the Company to currency risk during 2021.

The sensitivity analysis shows the gain/loss on net loss for the year and equity of a 10 per cent increase/decrease in the specified currencies towards their functional currencies (presented in US Dollars). The gain/loss is associated with the changing value of financial instruments on the balance sheet due to the underlying currency fluctuations for those instruments held in something other than the functional currency.

| | Impact on post tax loss and equity | |
|---|---|---|
| | **FY22 $ '000** | FY21 $ '000 |
| EUR/USD – increase 10% | **3,983** | 4,901 |
| EUR/USD – decrease 10% | **(3,983)** | (4,901) |
| GBP/USD – increase 10% | **3,227** | 3,872 |
| GBP/USD – decrease 10% | **(3,227)** | (3,872) |

Year end rates applied the above analysis are 1.0667 (2021: 1.1326) EUR/USD and 1.2026 (2021: 1.3479) GBP/USD. Positive figures represent an increase in profit/loss or equity.

# Notes forming part of the financial statements continued

## 21. Financial risk management continued

The sensitivity analysis is based on the assumption that all other variables and exposures remains constant on the financial instruments recognised at 31 December. The sensitivity rate of 10% assessment of a reasonably possible change, based on historical volatility. The carrying amounts of the Group foreign currency denominated financial assets and liabilities at the reporting date are as follows:

| FY22 | USD $ '000 | GBP $ '000 | EUR $ '000 | Other $ '000 | Total $ '000 |
|---|---|---|---|---|---|
| Cash and cash equivalents | **23,999** | **12,721** | **35,425** | **1,314** | **73,459** |
| Trade receivables | **1,385** | **2,691** | **1,861** | **2,338** | **8,275** |
| Deposits | **49** | **1,830** | **64** | **354** | **2,297** |
| Other receivables[1] | **—** | **377** | **—** | **308** | **685** |
| Trade payables | **398** | **245** | **1,244** | **877** | **2,764** |
| Accruals | **2,277** | **3,023** | **823** | **4,839** | **10,962** |
| Lease liabilities | **12,337** | **11,166** | **61** | **1,121** | **24,685** |
| Borrowings | **—** | **—** | **—** | **—** | **—** |

| FY21 | USD $ '000 | GBP $ '000 | EUR $ '000 | Other $ '000 | Total $ '000 |
|---|---|---|---|---|---|
| Cash and cash equivalents | 25,246 | 19,349 | 47,686 | 896 | 93,177 |
| Trade receivables | 1,135 | 2,068 | 1,027 | 1,946 | 6,176 |
| Deposits | 30 | 2,051 | — | 302 | 2,383 |
| Other receivables[1] | 24 | 842 | 42 | 537 | 1,445 |
| Trade payables | 278 | 785 | 40 | 733 | 1,836 |
| Accruals | 2,742 | 3,244 | 539 | 6,115 | 12,640 |
| Lease liabilities | 1,708 | 10,408 | 63 | 877 | 13,056 |
| Borrowings | — | — | — | — | — |

1 Other receivables consist of financial instruments and exclude prepayments and taxes.

The impact on post tax loss for the year includes financial instruments that are currency adjusted through the statement of profit and loss and is based on those financial instruments that were recognised at the respective balance sheet dates.

### Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. The Group has determined that all these financial instruments listed have low credit risk on initial recognition.

The Group's primary credit exposure is related to trade receivables and cash positions. The Group determines whether a financial asset is credit-impaired based on the asset's cash flow expectations. The Group has no major exposure relating to one single customer or business partner. The Group has no significant credit risk concentrations as the Group has many small customers, a total of 25 thousand paying customers at 31 December 2022 (2021: 23 thousand).

The Group's credit risk is monitored and managed by senior management based on analysis of actual loss, review of outstanding receivables and financial market conditions. Given the historical collection rate, the Group has determined that it will not forgo commercial agreements with customers due to their credit rating. The Group's outstanding receivables and impairment losses are detailed in note 16.

The most significant counterparty risk is related to deposit with banks, as the Group's balance at 31 December 2022 amounts to $73,459 thousand (2021: $93,177 thousand). To mitigate this risk, it is the Group's policy only to use banks of high quality and with low credit risk in the countries the Group operates in. Given the Group's treasury policy regarding deposits, the Group does not incorporate further forward-looking information into its understanding of credit risk and has an expected credit loss for cash deposits of $nil. Deposits are reviewed on a monthly basis and write-offs are considered if expectation of recovery falls meaningfully. There were no write-offs in FY22 and all deposits are considered to be a low credit risk, held in institutions with credit ratings of "A" or higher, in line with our treasury management policy approved by the board. The Group has not established a credit loss provision on cash deposits due to the low credit risk associated with institutions of an "A" rating or higher. Finally, in light of the recent closure of Silicon Valley Bank (SVB) on 10 March 2023, the Group intends to review our approach to treasury management, including diversifying our banking partners to mitigate future credit risks.

The carrying amounts of trade receivables in note 16 and cash and cash equivalents in note 18 represents the Group's maximum exposure to credit risk. The Group's credit risk has not increased significantly since initial recognition of any financial assets.

### Liquidity risk

Prudent liquidity risk management involves maintaining sufficient cash or access to credit to meet Group obligations.

Management monitors rolling forecasts of the Group's liquidity, which as of 31 December 2022 consists of $73 million cash and a $30 million revolving credit facility to ensure the Group has sufficient liquid resources to meet the operating needs of the business. The Group manages its cash and borrowing requirements centrally within risk parameters agreed by the Board. As of 31 December 2022 the revolving credit facility remains undrawn.

# Notes forming part of the financial statements continued

## 21. Financial risk management continued

### Capital management

The Group's key management personnel defines and monitors the net cash position, defined as the cash on the balance sheet less any outstanding debt.

The Group's objective when managing capital is to safeguard the ability to continue as a going concern, in a manner that optimises the capital structure.

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

### Maturity analysis

The amounts disclosed in the table are the maturity analysis for the contractual undiscounted cash flows (including interest payments). Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| | Less than 1 year $ '000 | Between 1 and 3 years $ '000 | More than 3 years $ '000 | Total $ '000 |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| **As at 31 December 2022** | | | | |
| Trade payables | **(2,764)** | **—** | **—** | **(2,764)** |
| Lease liabilities | **(4,949)** | **(12,605)** | **(13,939)** | **(31,493)** |
| Borrowings[1] | **(300)** | **(75)** | **—** | **(375)** |
| Accruals | **(10,962)** | **—** | **—** | **(10,962)** |
| | **(18,975)** | **(12,680)** | **(13,939)** | **(45,594)** |

| | Less than 1 year $ '000 | Between 1 and 3 years $ '000 | More than 3 years $ '000 | Total $ '000 |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| **As at 31 December 2021** | | | | |
| Trade payables | (1,836) | — | — | (1,836) |
| Lease liabilities | (4,104) | (4,192) | (7,364) | (15,660) |
| Accruals | (12,640) | — | — | (12,640) |
| | (18,580) | (4,192) | (7,364) | (30,136) |

1 Borrowings relate to the unused revolving credit facility fee

| Financial assets and liabilities per measurement category | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| **Financial assets** | | |
| *Financial assets at amortised cost:* | | |
| Trade receivables, current | **8,275** | 6,176 |
| Deposits | **2,297** | 2,383 |
| Other receivables | **1,677** | 1,445 |
| Cash and cash equivalents, current | **73,459** | 93,177 |
| | **85,708** | 103,181 |

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| **Financial liabilities** | | |
| *Financial liabilities at amortised cost:* | | |
| Trade payables, current | **(2,764)** | (1,836) |
| Accruals, current | **(10,962)** | (12,640) |
| Lease liabilities, non-current | **(21,243)** | (9,552) |
| Lease liabilities, current | **(3,442)** | (3,504) |
| | **(38,411)** | (27,532) |

Due to the short-term nature of the Group's financial instruments, the fair value approximates the carrying amount.

## 22. Commitments and contingent liabilities

### Pledges and security

| | 31 December 2022 $ '000 | 31 December 2021 $ '000 |
|---|---|---|
| The carrying amounts of the secured assets are as follows | | |
| Intangible assets | **7,055** | 6,338 |
| Trade receivables | **8,275** | 6,176 |
| | **15,330** | 12,514 |

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 in 2022.

# Notes forming part of the financial statements continued

### Capital commitments

As at 31 December 2022, the Group had contractual capital commitments of $13 thousand (FY21: $494 thousand) in relation to the acquisition of property, plant and equipment. The capital commitments relating to intangible assets are immaterial during FY22 (FY21: Immaterial).

### Contingent liabilities

Subsidiaries of Trustpilot Group plc are parties to various litigation claims from time to time. The outcome of claims pending is not expected to constitute risk for economic outflow of material importance to the Group's financial position. In the year ended 31 December 2021, two of the Group's subsidiaries were parties to a litigation claim in New York. However, the claim was successfully defended and the proceedings have now concluded. A summary of the history of the claim is set out below.

In January 2021, a complaint was filed in the United States District Court for the Southern District of New York against Trustpilot Inc. and Trustpilot A/S (the plaintiffs later dropped the claim against Trustpilot A/S). The plaintiffs alleged that Trustpilot designed its email systems so that a reminder email about renewal of Trustpilot subscriptions would be sent from a trustpilot.net email address and go directly to the recipient's junk email folder and that, as a result, Trustpilot customers paid for Trustpilot subscriptions that they would not have renewed had they received the reminder email.

The claim was dismissed in its entirety by the court on 29 June 2021. On 14 July, the plaintiffs filed a 'motion to reconsider' the dismissal of the case. Trustpilot filed its opposition to this 'motion to reconsider' on 28 July 2021. On 14 October 2021, the plaintiffs' 'motion to reconsider' was denied. The plaintiffs filed a notice of appeal on 15 November 2021 and the case was transmitted to the Second Circuit Court of Appeals. The appeal was heard in New York on 16 May 2022 and, on 13 June 2022, the court dismissed the appeal and released its ruling. The plaintiffs had 14 days to request an en banc review of the ruling, but declined to do so. Therefore, the proceedings have now concluded without any material adverse effect on Trustpilot's results of operations and cash flows.

## 23. Provisions

| | FY22 Dilapidation provision $ '000 | FY21 Dilapidation provision $ '000 |
|---|---|---|
| **Non-current** | | |
| At 1 January | **517** | — |
| Utilised in the year | **—** | — |
| Charged in the year | **206** | 517 |
| Exchange differences | **(95)** | — |
| **At 31 December** | **628** | 517 |
| **Current** | | |
| At 1 January | **670** | — |
| Utilised in the year | **(208)** | — |
| Charged in the year | **(12)** | 670 |
| Exchange differences | **3** | — |
| **At 31 December** | **453** | 670 |

The Group recognises dilapidation provisions for leases where Trustpilot will have an obligation to restore the leases according to the contractual requirements when the leases come to an end. The provisions are based on internal assessments, estimates from the landlords and on the lifetime of each lease. There will be uncertainty to the actual outflow for dilapidation until leases in question have concluded and the space is formally assessed. The group has dilapidation obligations in the UK entity and the Danish Entity where $453 thousand is due within 12 months (FY21: $670 thousand) from balance sheet date and $628 thousand is due after more than 5 years (FY21: $517 thousand).

# Notes forming part of the financial statements continued

## 24. Other payables

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| **Non-current** | | |
| Holiday – other liability | **2,858** | 2,962 |
| **Total non-current other payables** | **2,858** | 2,962 |
| **Current** | | |
| Other taxes and social security | **4,343** | 10,221 |
| Accruals | **10,962** | 12,640 |
| **Total current other payables** | **15,305** | 22,861 |

## 25. Changes in liabilities arising from financing activities

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

| | 1 January 2022 $ '000 | Cash flows $ '000 | Foreign exchange movement $ '000 | New leases* $ '000 | 31 December 2022 $ '000 |
|---|---|---|---|---|---|
| Borrowings | **—** | **—** | **—** | **—** | **—** |
| Lease liabilities | **13,056** | **(4,197)** | **1,517** | **14,309** | **24,685** |
| **Total liabilities from financing activities** | **13,056** | **(4,197)** | **1,517** | **14,309** | **24,685** |

| | 1 January 2021 $ '000 | Cash flows $ '000 | Foreign exchange movement $ '000 | New leases* $ '000 | 31 December 2021 $ '000 |
|---|---|---|---|---|---|
| Borrowings | 12,941 | (13,000) | 59 | — | — |
| Lease liabilities | 16,604 | (5,516) | (192) | 2,160 | 13,056 |
| **Total liabilities from financing activities** | 29,545 | (18,516) | (133) | 2,160 | 13,056 |

* Including lease modifications

## 26. Related parties

The key management compensation is disclosed in note 6.

During the FY22, there were no material transactions with related parties.

In the comparative period, FY21, there were the following transactions with related parties:

a) On 26 March 2021, in connection with the IPO, a restructuring of the corporate structure of the Group was completed immediately prior to Admission (the "IPO Restructuring"). The IPO Restructuring included: (i) a horizontal merger of Trustpilot A/S and Trustpilot Galaxy A/S (with Trustpilot A/S as the continuing company), (ii) a share for share exchange whereby each shareholder in Trustpilot A/S exchanged their shares for newly issued ordinary shares in the Company (resulting in Trustpilot A/S becoming wholly owned by the Company, and the Company becoming the parent company of the Group); and (iii) the replacement of warrants in Trustpilot A/S by warrants in the Company (and consequent cancellation of warrants in Trustpilot A/S).

b) 50,000 redeemable preference shares of £1 nominal value each in Trustpilot Group plc were issued to Peter Mühlmann Holding ApS (the incorporating shareholder of Trustpilot Group plc) on 16 Feb 2021 for the purposes of Trustpilot Group plc having sufficient capital to obtain a trading certificate. Pursuant to a resolution by the board of directors of Trustpilot Group plc on 22 March 2021, the shares were redeemed and cancelled on 14 April 2021 by the repayment to Peter Mühlmann Holding ApS of £50,000.

# Notes forming part of the financial statements continued

## 27. Reconciliation to operating cash flows

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| **Changes to net working capital** | | |
| Increase in trade receivables | **(2,412)** | (1,325) |
| Decrease/(Increase) in other assets | **899** | (1,260) |
| Increase in prepayments | **(711)** | (1,191) |
| Increase in trade payables | **930** | 595 |
| Decrease in provisions | **(14)** | – |
| (Decrease)/Increase in other liabilities | **(3,810)** | 2,805 |
| Increase in contract liabilities | **6,020** | 6,401 |
| | **902** | 6,025 |

| | FY22 $ '000 | FY21 $ '000 |
|---|---|---|
| **Adjustments to operating cash flows** | | |
| Income tax | **(401)** | (716) |
| Amortisation and impairment of intangible assets | **2,617** | 2,441 |
| Depreciation of tangible assets and right-of-use assets | **4,741** | 5,791 |
| Finance (income)/expense | **(945)** | 2,392 |
| Share-based compensation | **5,853** | 6,527 |
| | **11,865** | 16,435 |

## 28. List of Group companies

| | Legal entity registered office | Status | Type | Place of incorporation | Ownership interest |
|---|---|---|---|---|---|
| Trustpilot A/S | Pilestræde 58, 5, 1112 København K | Trading | Subsidiary | Denmark | 100% |
| Trustpilot, Inc. | c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA | Trading | Subsidiary | US | 100% |
| Trustpilot Ltd | 5th Floor, The Minster Building, 21 Mincing Lane, London EC3R 7AG, United Kingdom | Trading | Subsidiary | England & Wales | 100% |
| Trustpilot GmbH | c/o Dantax Steuerberatungs GmbH, Am Oxer 7, 24955 Harrislee, Germany | Trading | Subsidiary | Germany | 100% |
| Trpilot Pty Limited | Suite 3, 61 Porter Street, Prahran, 3181 VIC, Australia | Trading | Subsidiary | Australia | 100% |
| Trustpilot UAB | Vito Gerulaičio g. 1, 3rd floor, Vilnius, Lithuania | Trading | Subsidiary | Lithuania | 100% |
| Trustpilot S.r.l. | Corso Vercelli 40, Milan, CAP 20145, Italy | Trading | Subsidiary | Italy | 100% |
| Trustpilot B.V. | Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam, The Netherlands | Trading | Subsidiary | Netherlands | 100% |

## 29. Post balance sheet events

On 10 March 2023, Silicon Valley Bank (SVB) in the United States was closed by the California Department of Financial Protection and Innovation and the subsequent entry into receivership of its UK arm (SVB UK). SVB UK is the Group's principal banking partner, which was subsequently acquired by HSBC.

The Group has not experienced liquidity concerns as a result of this event. We have full access to our cash on deposit, and our revolving credit facility remains available, expiring in April 2024, and in the meantime we intend to review and diversify our banking arrangements to mitigate future risks. We benefit from having a diversified customer base with little concentration, and this limits our exposure to the events surrounding the bank's failure. We have not experienced any operational impact on our business and customer cash collections remain unaffected.

# Company balance sheet

| | Note | As at 31 December 2022 £ '000 | As at 31 December 2021 £ '000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Investments | 5 | **13,009** | 9,221 |
| **Total fixed assets** | | **13,009** | 9,221 |
| **Current assets** | | | |
| Trade and other receivables: amounts falling due after more than one year | 6 | **6,510** | 5,866 |
| Trade and other receivables: amounts falling due within one year | 6 | **203** | 874 |
| Cash and cash equivalents | | **42,310** | 39,879 |
| **Total current assets** | | **49,023** | 46,619 |
| Creditors: amounts falling due within one year | 7 | **(593)** | (2,432) |
| **Net current assets** | | **48,430** | 44,187 |
| **Total assets less current liabilities** | | **61,439** | 53,408 |
| **Net assets** | | **61,439** | 53,408 |
| **Capital and reserves** | | | |
| Called-up share capital | 8 | **4,162** | 4,137 |
| Share premium account | | **53,666** | 52,670 |
| Foreign currency translation reserve | | **–** | 73 |
| Other reserves | | **8,764** | 4,017 |
| Accumulated losses | | **(5,153)** | (7,489) |
| Retained earnings | | **3,611** | (3,399) |
| **Total equity** | | **61,439** | 53,408 |

As permitted by Section 408 of the Companies Act 2006, the Company's Statement of Profit or Loss has not been included in these financial statements.

The Company made a profit of £2,336 thousand for the year ended 31 December 2022 (FY21: loss of £7,489 thousand for the period covering 8 February 2021 to 31 December 2021).

At the balance sheet date the Company has unused tax losses of £590 thousand (2021: £1,060 thousand) available for offset against future profits. No deferred tax asset has been recognised as it is not considered probable that there will be future taxable profits available for the company. These losses may be carried forward indefinitely.

The notes on pages 190 to 193 are an integral part of these financial statements.

The financial statements on pages 189 to 190 were approved and authorised for issue by the Board of Directors on 20 March 2023 and signed on its behalf by:

**Hanno Damm**
**Chief Financial Officer**

# Company statement of changes in equity

| | Called up share capital £ '000 | Share premium account £ '000 | Retained earnings: Foreign currency translation reserve £ '000 | Retained earnings: Other reserves** £ '000 | Retained earnings: Accumulated losses £ '000 | Total £ '000 |
|---|---|---|---|---|---|---|
| **Equity at Opening balance as at 1 January 2022** | **4,137** | **52,670** | **73** | **4,017** | **(7,489)** | **53,408** |
| Profit for the year | **—** | **—** | **—** | **—** | **2,336** | **2,336** |
| Other comprehensive income | **—** | **—** | **(73)** | **—** | **—** | **(73)** |
| **Total comprehensive income for the year** | **—** | **—** | **(73)** | **—** | **2,336** | **2,263** |
| Employee share scheme issues | **25** | **1,037** | **—** | **—** | **—** | **1,062** |
| Transaction costs | **—** | **(41)** | **—** | **—** | **—** | **(41)** |
| Share-based payments | **—** | **—** | **—** | **4,747** | **—** | **4,747** |
| **Total transactions with owners** | **25** | **996** | **—** | **4,747** | **—** | **5,768** |
| **Equity at 31 December 2022** | **4,162** | **53,666** | **—** | **8,764** | **(5,153)** | **61,439** |

| | Called up share capital £ '000 | Share premium account £ '000 | Retained earnings: Foreign currency translation reserve £ '000 | Retained earnings: Other reserves** £ '000 | Retained earnings: Accumulated losses £ '000 | Total £ '000 |
|---|---|---|---|---|---|---|
| **Equity at Opening balance as at 8 February 2021*** | — | — | — | — | — | — |
| Loss for the period | — | — | — | — | (7,489) | (7,489) |
| Other comprehensive income | — | — | 73 | — | — | 73 |
| **Total comprehensive expense for the period** | — | — | 73 | — | (7,489) | (7,416) |
| Conversion of basic shares | 3,705 | — | — | — | — | 3,705 |
| Employee share scheme issues | 256 | 6,863 | — | — | — | 7,119 |
| Issue of shares | 176 | 46,519 | — | — | — | 46,695 |
| Transaction costs | — | (712) | — | — | — | (712) |
| Share-based payments | — | — | — | 4,017 | — | 4,017 |
| **Total transactions with owners** | 4,137 | 52,670 | — | 4,017 | — | 60,824 |
| **Equity at 31 December 2021** | 4,137 | 52,670 | 73 | 4,017 | (7,489) | 53,408 |

* Opening balance as at incorporation date of 8 February 2021.
** Other reserves relates to share-based payments.

# Notes to the Company Financial Statements

## 1. General information

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

The Company, together with its subsidiaries, comprise the "Group". The Company is the parent company of the Group and its principal activity is to act as the ultimate holding company of the Group. These financial statements are the separate financial statements for the Company covering the year ended to 31 December 2022.

The Company's financial statements are presented in British Pound Sterling ("GBP") being the Company's functional currency. All figures presented are rounded to the nearest thousand (£000), unless otherwise stated.

## 2. Company accounting policies

### Basis of preparation

These financial statements are prepared on a going concern basis under the historical cost convention and in compliance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

A summary of the principal accounting policies of the Company, which have been consistently applied, is set out below. These accounting policies have been consistently applied to the year ending 31 December 2022.

The Company is deemed a qualifying entity under FRS 102, and so may take advantage of the reduced disclosures permitted under the standard. As a result, the following disclosure exemptions have been taken:

- The Company has taken advantage of the exemption, under paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Trustpilot Group plc, includes the Company's cash flows in its consolidated financial statements;
- Disclosures about financial instruments under Section 11 Basic Financial Instruments and Section 12 Other Financial Instruments Issues paragraphs 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29(a), 12.29(b), and 12.29A; this exemption is permitted as equivalent disclosures are included in the consolidated financial statements of Trustpilot Group plc;

# Notes to the Company Financial Statements continued

## 2. Company accounting policies continued

- Disclosures about share-based payments under Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23; this exemption is permitted as the Company is an ultimate parent, the share-based payment arrangements concern its own equity instruments, its separate financial statements are presented alongside the consolidated financial statements of the Trustpilot Group plc. and equivalent disclosures are included in those consolidated financial statements;
- A reconciliation of the number of shares outstanding at the beginning and end of the year. 4.12(a)(iv);
- Disclosure of related party transactions between wholly owned subsidiaries and parents within a group under Section 33 Related Party Disclosures; and
- Disclosure of key management personnel compensation in total under Section 33 paragraph 7.

**Going concern**

A principal objective of the Group (of which the Company is the holding company), is to manage cash and debt to safeguard the Group's ability to continue as a going concern for the foreseeable future. The Group retains sufficient resources to remain in compliance with the financial covenants of its bank facilities. The Directors have also assessed the Group's prospects and viability over a three-year period. The Directors therefore consider it appropriate to adopt the going concern basis in preparing the financial statements. Refer to note 1 of the consolidated financial statements.

**Income statement**

The Company has taken advantage of the exemption offered by Section 408 of the Companies Act 2006 not to present its income statement. The profit for the year was £2,336, thousand (FY21: period covering 8 February 2021 to 31 December 2021, loss of £7,489 thousand).

**Principal accounting policies**

**Investment in subsidiaries**

The investment in subsidiaries is held at cost (being the nominal value of the shares issued, plus the value of the liability component) less accumulated impairment losses. Where share awards and associated social security costs relating to employee services in subsidiary companies are settled by the Company through issues of share or cash payments, the associated charge incurred is deemed to be a capital contribution and included in cost of investment.

**Dividends from subsidiaries**

Dividends on investments in subsidiaries are recognised in the income statement of the Company in the financial year in which the dividend is declared.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds net of tax.

**Intercompany**

Intercompany balances are shown gross unless a right of set off exists. Intercompany balances that are receivable and payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

**Financial instruments**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

**Financial assets**

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Financial assets are derecognised when: (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

# Notes to the Company Financial Statements continued

## 2. Company accounting policies continued

### Financial liabilities

Basic financial liabilities, including trade and other payables, accruals, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

### Significant accounting estimates and judgements

During the reporting period there were no significant accounting judgements or estimates. The Company is not materially impacted by interest rate benchmark reform.

## 3. Staff costs

The Company has no employees (FY21: nil). Full details of the Directors' remuneration and interests are set out in the Directors' remuneration report on pages 131 to 143.

### Directors' remuneration

The Directors' remuneration for the year was as follows:

| | FY22<br>£ '000 | FY21<br>£ '000 |
|---|---|---|
| Aggregate remuneration | **1,750** | 1,636 |
| Aggregate amounts receivables under long-term incentive schemes | **1,383** | 1,583 |

Aggregate remuneration does not include contributions to pensions or amounts receivable under long-term incentive schemes.

During the year 2 (2021: 2) Directors exercised warrants, no (2021: no) Directors exercised RSUs and no (2021: no) Directors exercised LTIPs.

During the year 2 directors (FY21: 2 directors) had qualifying services shares receivable under long term incentive scheme.

Contributions to the defined contribution pension scheme during the year were £19 thousand (2021: £20 thousand).

There are no employees paid by the company. The highest paid director of the Group is disclosed within the remuneration report on pages 131 to 143.

## 4. Auditors' remuneration

Fees paid to the auditors during the year for the audit of the Group and Company financial statements were £567 thousand (FY21: £553 thousand). Fees paid by the Company to the auditors for other audit-related assurance services was £131 thousand (FY21: £130 thousand). Further detail regarding the auditors' remuneration for controlled undertakings is available in note 7 of the consolidated financial statements.

## 5. Investments

| | FY22<br>£ '000 | FY21<br>£ '000 |
|---|---|---|
| At 1 January | **9,221** | – |
| Acquisitions at 26 March 2021 | **–** | 3,675 |
| Additions during the year | **3,788** | 5,546 |
| **At 31 December** | **13,009** | 9,221 |

On 26 March 2021, all 4,749,522 outstanding common and preference shares in Trustpilot A/S were exchanged in the proportion 1 to 78 for 370,462,715 ordinary shares in the Company (the incorporating shareholder of the Company already held 1 ordinary share prior to the exchange). Consequently, Trustpilot Group plc holds 100% of the shares in Trustpilot A/S.

Further details of the transaction can be found in note 20 of the Group's consolidated financial statements.

As the Company is reporting under FRS 102, under Section 615 of the Companies Act 2006, the Company opted to record its investment in the shares acquired at an amount equal to the aggregate share capital and share premium.

During the year capital contributions of £3,788 thousand (FY21: £5,546 thousand) were made to its subsidiaries in relation to share-based payments.

A list of the Company's investments in subsidiary undertakings can be found in note 28 of the consolidated financial statements.

# **Notes to the Company Financial Statements** continued

## 6. Trade and other receivables

| | FY22 £ '000 | FY21 £ '000 |
|---|---|---|
| **Trade and other receivables: amounts falling due after one year** | | |
| Amounts owed by Group undertakings | **6,510** | 5,866 |
| | **6,510** | 5,866 |

| | FY22 £ '000 | FY21 £ '000 |
|---|---|---|
| **Trade and other receivables: amounts falling due within one year** | | |
| Other debtors | **54** | 797 |
| Prepayments and accrued income | **149** | 77 |
| | **203** | 874 |

Amounts due from Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. The Company does not intend to realise the loans in its normal operating cycle, does not hold the loans primarily for the purpose of trading and does not expect to realise the loans within twelve months after the reporting period. Accordingly, the Company classifies the loans as non-current assets (FY21: non-current assets). The loans incur interest at 5% (FY21: 5%). The total value of trade and other receivables figures amounts to £6,713 thousand (FY21: £6,740 thousand).

## 7. Creditors: amounts falling due within one year

| | FY22 £ '000 | FY21 £ '000 |
|---|---|---|
| Trade creditors | **–** | 2 |
| Amounts owed to Group undertakings | **–** | 191 |
| Taxation and social security | **285** | 1,794 |
| Accruals and deferred income | **308** | 445 |
| **Creditors: amounts falling due within one year total** | **593** | 2,432 |

Amounts due to Group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

## 8. Called-up share capital

| | 31 December 2022 | | 31 December 2021 | |
|---|---|---|---|---|
| | Number of Shares | Amount (£ '000) | Number of Shares | Amount (£ '000) |
| *The share capital comprises:* Ordinary shares | **416,241,641** | **4,162** | 413,747,356 | 4,137 |
| **Share capital (authorised and fully paid)** | **416,241,641** | **4,162** | 413,747,356 | 4,137 |

All shares have nominal value of £0.01. During the year 2,494,285 ordinary shares were allotted (FY21: 413,747,356) at a nominal value of £0.01 which was duly received by the Company.

### Share premium

Share premium represents the amount over the par value which was received by the Company upon the sale of the ordinary shares. Share premium is stated net of direct costs relating to the issue of the shares.

### Accumulated losses

Accumulated losses represent cumulative profit or losses, net of other adjustments.

### Other reserves

Other reserves contain equity settled share-based employee remuneration.

## 9. Related parties

Details on related parties can be found in note 26 of the consolidated financial statements.

# Annual Report – important information

This Annual Report has been prepared by the Company for the purpose of providing certain required information about the Group to members of the Company only and should not be relied upon by any other person or for any other purpose. To the maximum extent permitted by law, no responsibility or liability is accepted or assumed to any other person to whom this Annual Report is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

The information in this Annual Report does not constitute an offer to sell or an invitation to buy shares in the Company or an invitation or inducement to engage in any other investment activities. You are recommended to seek independent advice from an appropriately authorised financial adviser before engaging in any investment activity. Any decision you make in reliance on this information is solely your responsibility.

Where this Annual Report contains forward-looking statements (including ‘forward-looking statements’ within the meaning of the United States Private Securities Litigation Reform Act of 1995), such statements are based on current expectations and assumptions, and speak only as of the date they are made. Forward-looking statements should be treated with caution due to the inherent risks, uncertainties and assumptions underlying them. The Group cautions investors that a number of factors, including matters referred to in this Annual Report, could cause actual results to differ materially from those expressed or implied in any forward-looking statement. Such factors include, but are not limited to, those factors discussed in the section of this Annual Report titled ‘Principal risks and uncertainties’ on pages 70 to 78.

Forward-looking statements can be identified by the use of relevant terminology including the words: ‘may’, ‘will’, ‘seek’, ‘aim’, ‘anticipate’, ‘target’, ‘projected’, ‘expect’, ‘estimate’, ‘intend’, ‘plan’, ‘goal’, ‘believe’ or other words of similar meaning and include all matters that are not historical facts. They appear in a number of places throughout this Annual Report and include statements regarding the intentions, beliefs or current expectations of our officers, directors and employees concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the business.

Neither the Group, nor any of its officers, directors or employees, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement in this Annual Report will actually occur. Undue reliance should not be placed on these forward-looking statements. Other than in accordance with our legal and regulatory obligations, the Group undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Past performance cannot be relied upon as a guide to future performance. Nothing in this Annual Report should be construed as a profit forecast.

Where this Annual Report contains statements referring to Trustpilot’s competitive position, such statements are based on the Group’s belief and, in some cases, rely on a range of sources, including investment analysts’ reports, independent market surveys, and the Group’s own internal assessments of market share.

Where this Annual Report contains references to the Group’s websites or separate reports not contained in this document, such references are included for convenience only. Information on, or accessible through, such websites or reports does not form part of, and is not incorporated into, this Annual Report. In addition, information on, or accessible through, any third party or external website does not form part of, and is not incorporated into, this Annual Report.

The Company is the parent company of the Group. The Company and each of its subsidiaries are separate legal entities. In this Annual Report, unless otherwise stated or the context requires otherwise, references to ‘the Company’ and ‘the Group’ have the meanings set out in the Glossary overleaf — and references to ‘Trustpilot’ and terms such as ‘we’, ‘us’ and ‘our’ are used for convenience to refer to one or more of the members of the Group instead of identifying a particular entity or entities.

# Glossary

| Term | Definition |
|---|---|
| Active consumer | A consumer that has visited Trustpilot's consumer site in a given month |
| Active domain | A domain that has received an invited review or is the subject of a TrustBox impression during a given month |
| ACV | Annual contract value |
| Adjusted EBITDA | EBITDA (earnings before interest, tax, depreciation and 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 |
| Admission | The admission of the Company's entire issued ordinary share capital to the premium listing segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities under the ticker "TRST" on 26 March 2021 |
| AGM | The annual general meeting of the Company to be held on Tuesday, 23 May 2023 at 2.00 p.m. from 5th Floor, The Minster Building, 21 Mincing Lane, London, EC3R 7AG |
| AI | Artificial intelligence |
| APM | Alternative performance measure |
| ARR | Annual recurring revenue, representing the annual value of subscription contracts measured on the final day of a reporting period |
| Board | The board of Directors |
| Bookings | The annual contract value of subscription contracts entered into by Trustpilot with customers in a given period. Nearly all of Trustpilot's subscription contracts are 12 months in duration — and, in the event a contract exceeds a 12 month term, the value is adjusted to the 12-month equivalent for the purpose of calculating bookings |
| Business transparency page | Part of a business's profile page, the business transparency page provides an overview of how businesses have used the Trustpilot platform during the preceding 12 months — including the sources of reviews, whether or not the business pays to access additional Trustpilot products and services, and star distribution by review source |
| CAC | Customer acquisition cost. Includes sales and marketing costs in a given period |
| CAGR | Compound annual growth rate |
| CEO | Chief Executive Officer |

| Term | Definition |
|---|---|
| CFO | Chief Financial Officer |
| Claimed domain | A domain whose business profile page on Trustpilot's platform has been claimed, enabling access to features like inviting customers to write reviews, replying to reviews, and being notified whenever someone writes a review |
| Code | The UK Corporate Governance Code published by the FRC in July 2018 |
| Company | Trustpilot Group plc, a company incorporated in England and Wales with registered number 13184807, whose registered office is at 5th Floor, The Minster Building, 21 Mincing Lane, London EC3R 7AG, United Kingdom |
| Constant currency | 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 transactional level, which provides a like-for-like comparison excluding the effect of exchange rate fluctuations. |
| COO | Chief Operating Officer |
| Covid-19 | Coronavirus disease 2019 – an infectious disease caused by a new strain of coronavirus identified in 2019 |
| Current serviceable addressable market / Current SAM | The realisable market opportunity for the Group existing within its core industries, products and geographies. Current SAM was estimated in a Trustpilot-commissioned study in Q4 2020 to be approximately USD 6.3 billion in the UK, the United States and rest of Europe, assuming maximum penetration rates of 48% and maximum conversion rates to paying customers of 38% |
| Directors | The directors of the Company |
| DKK or kr. | Danish kroner |
| e-NPS | Employer net promoter score methodology |
| ELT | Executive Leadership Team |
| ERG | Employee Resource Group |
| ESG | Environmental, Social & Governance |
| Executive Directors | Executive Directors of the Company, being Peter Holten Mühlmann and Hanno Damm – see page 74 |
| FCA | The UK Financial Conduct Authority |
| FRC | The Financial Reporting Council |
| FTSE | Financial Times Stock Exchange Group |

# **Glossary** continued

| Term | Definition |
|---|---|
| FY20, FY21, FY22 | The years ended or ending 31 December 2020, 31 December 2021 and 31 December 2022, respectively |
| GBP or £ | British pound sterling |
| GLG | Global Leadership Group |
| Gross churn | ACV lost in a renewal period as a result of customers that do not renew |
| Gross dollar retention rate | ACV of all subscription renewals in a given period divided by the ACV of subscriptions expiring in that period, based on USD amounts rather than customer count, and excluding any expansion of contract value of subscriptions with existing customers (such as up-selling and cross-selling). |
| Group | The Company and its subsidiaries or, where referring or relating to periods prior to the IPO Restructuring, Trustpilot A/S and its subsidiaries. |
| ICFR | Internal Control over Financial Reporting |
| IFRS | International Financial Reporting Standards |
| IPO | The initial public offering of the Company's ordinary shares |
| IPO Restructuring | The reorganisation of the corporate structure of the Group, completed immediately prior to Admission and involving: a horizontal merger of Trustpilot A/S and Trustpilot Galaxy A/S (with Trustpilot A/S as the continuing company); each shareholder in Trustpilot A/S exchanging their shares for newly-issued ordinary shares in the Company, resulting in the Company becoming the Parent Company; and (iii) the cancellation of warrants in Trustpilot A/S and replacement with warrants in the Company. |
| IT | Information Technology |
| KPI | Key performance indicator |
| Lifetime Value | Average new customer ACV multiplied by gross margin, divided by Gross churn. Excludes any expansion of contract value of subscriptions with existing customers (such as up-selling and cross-selling) |
| Listing Rules | The listing rules of the FCA made under section 73A(2) of the Financial Services and Markets Act 2000, as amended |
| LTIP | The Company's Long-Term Incentive Plan |
| LTM | Last twelve months |

| Term | Definition |
|---|---|
| LTM Net Dollar Retention Rate | Annual contract value of all subscription renewals in the last twelve months divided by the annual contract value of subscriptions expiring in the last twelve months. LTM Net dollar retention includes the total value of subscriptions with existing Subscribing Customers, and includes any expansion of contract value with existing Subscribing Customers through upsell, cross-sell, price expansion or winback. Twelve months of data is used as nearly all subscriptions are twelve months in duration, ensuring the appropriate alignment of renewal activities. |
| LTV/CAC | Lifetime Value divided by CAC. Excludes any expansion of contract value of subscriptions with existing customers (such as up-selling and cross-selling) |
| M&A | Mergers & acquisitions |
| Net dollar retention rate | ACV of all subscription renewals in a given period divided by the ACV of subscriptions expiring in that period, based on USD amounts rather than customer count, and includes any expansion of contract value of subscriptions with existing customers (such as up-selling and cross-selling). |
| Net expansion | Calculated as Net dollar retention rate minus Gross dollar retention rate |
| Parent Company | The ultimate holding company of the Group, being the Company |
| Prospectus | The prospectus relating to the Company's IPO, issued on 23 March 2021 |
| R&D | Research & development |
| Revenue | Recognised revenue. Software subscriptions are amortised over the term of the contract |
| Review invitations | A product feature that enables Trustpilot's customers to invite their own customers to write a review about them on Trustpilot's platform. |
| Reviewed domains | Domains reviewed on Trustpilot's platform (inclusive of domains subsequently removed from Trustpilot consumer site) |
| RoW | Rest of World |
| RSP | The Company's Restricted Share Plan |
| SaaS | Software-as-a-Service |
| SEM | Search engine marketing |
| SEO | Search engine optimisation |
| Subscribing Customers | Number of customers with a paid subscription for services on Trustpilot's platform |
| Sunley House Capital | Sunley House Capital Master Limited Partnership |
| TCFD | Task Force on Climate-Related Financial Disclosures |

# Glossary continued

| Term | Definition |
|---|---|
| Total addressable market / TAM | The total future long-term market opportunity that exists for the Group, including expansion into adjacent industries, products and geographies. Global TAM (excluding China) was estimated by a Trustpilot-commissioned study in Q4 2020 to be approximately USD 50 billion |
| Total cumulative reviews | All reviews submitted to Trustpilot's platform since its inception (including reviews subsequently removed or deleted) |
| TrustBox | Embedded widgets that allow Trustpilot's business users to display customer feedback, including reviews and TrustScore, on their website or within their marketing |
| TrustBox Impressions | The number of customer webpage loads with an embedded TrustBox, but the consumer does not necessarily see the TrustBox |
| Trusties | Trustpilot employees |
| TrustScore | Also known as Trustpilot's star rating — an overall measurement of reviewer satisfaction based on all consumer reviews a business receives on Trustpilot. The TrustScore is represented numerically from 1 to 5 |
| TSR | Total shareholder return |
| USD or $ | US dollars |
| Vitruvian Partners | Trafalgar Acquisition S.à r.l. |
| VP | Vice President |
| Warrant Program | Warrants to subscribe for ordinary shares in the capital of the Company |

# Shareholder information

## Registered office

Trustpilot Group plc
5th Floor
The Minster Building
21 Mincing Lane
London
EC3R 7AG

Trustpilot A/S
Pilestraede 58
5th Floor
1112 Copenhagen K
Denmark

Registered number: 13184807
Website: investors.trustpilot.com

### Shareholders as at 31 December 2022

| Number of ordinary shares held | Number of shareholder accounts | % of shareholders | Number of shares | % of total issued share capital |
|---|---|---|---|---|
| 1 – 1,000 | 23 | 8.04 | 10,270 | 0.00 |
| 1,001 – 5,000 | 32 | 11.19 | 82,102 | 0.02 |
| 5,001 – 50,000 | 67 | 23.43 | 1,302,356 | 0.31 |
| 50,001 – 100,000 | 28 | 9.79 | 2,171,529 | 0.52 |
| 100,001 – 500,000 | 61 | 21.33 | 14,383,545 | 3.46 |
| More than 500,000 | 75 | 26.22 | 398,291,839 | 95.69 |

### Share price – during the year to 31 December 2022

| | |
|---|---|
| Share price as at 31 December 2022 | 96.5p |
| Lowest share price during the year | 54.4p |
| Highest share price during the year | 322.0p |

The share prices quoted above are closing prices from the Stock Exchange Daily Official List.

## Financial calendar 2023

Annual General Meeting – 23 May 2023
Trading update – July 2023
Announcement of 2023 half-year results – September 2023

## Directors

Tim Weller – Chair
Zillah Byng-Thorne – Chair Designate
Peter Holten Mühlmann – CEO and Founder
Hanno Damm – CFO
Angela Seymour-Jackson – Senior Independent Director
Mohammed Anjarwala – Non-Executive Director
Claire Davenport – Non-Executive Director
Joe Hurd – Non-Executive Director
Ben Johnson – Non-Executive Director
Rachel Kentleton – Non-Executive Director

## Company Secretary

Carolyn Jameson

# Shareholder information continued

**Independent auditor**
PricewaterhouseCoopers LLP
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

**Financial advisers**
J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London
W14 5JP

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London
E14 4QA

Joh. Berenberg, Gossler & Co. KG
London Branch
60 Threadneedle Street
London
EC2R 8HP

**Principal bankers**
Silicon Valley Bank
Danske Bank
J.P. Morgan Chase Bank

**Financial PR consultants**
Tulchan Communications
2nd Floor
85 Fleet Street
London
EC4Y 1AE

### Website
The Company's website, investors.trustpilot.com, provides information for shareholders including the 2022 half-year report, results announcements and share price information.

### Registrar and shareholder enquiries
Enquiries in relation to shareholdings in Trustpilot Group plc should be addressed to Trustpilot's registrar, Equiniti. Contact details for Equiniti are provided below:

- Online: www.shareview.co.uk
- By telephone: 0371 384 2063 (for UK calls) or +44 (0)121 415 0235 (for calls from outside the UK). Lines are open from 8.30 a.m. to 5.30 p.m. (UK time), Monday to Friday (excluding public holidays in England and Wales).
- By post: Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA

Equiniti's website provides information about how you can manage your shareholdings and answers to commonly asked shareholder questions.

### Annual General Meeting
Trustpilot Group plc's first Annual General Meeting ("AGM") will be held on Tuesday, 23 May 2023 at 2.00 p.m. at 5th Floor, The Minster Building, 21 Mincing Lane, London, EC3R 7AG. Further information on the AGM can be found in the notice of AGM which is available to download from our website, uk.trustpilot.com. If there are any changes to the Company's AGM arrangements from those set out in the notice of AGM, an update will be provided on our website, investors.trustpilot.com.

# Notes

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**investors.trustpilot.com**
Incorporated and registered in England and Wales
with registered number 13184807