

Annual report

for 1 January - 31 December 2018

Trustpilot A/S - CVR no. 30 27 65 82

Pilestræde 58, 5., DK-1112 København K

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 29/5/2019.

Kasper Asbjørn Heine
Chairman of the General Meeting

Date: 29/5-2019

Signature:

A handwritten signature in blue ink, appearing to be "K. Heine", written over a horizontal line.

Contents

| | <u>Page</u> |
|-------------------------------------------------------------|-------------|
| Management's Statement and Auditor's Report | |
| Management's Statement | 1 |
| Independent Auditor's Report | 2 |
| Management's Review | |
| Company Information | 5 |
| Financial Highlights | 6 |
| Management's Review | 7 |
| Consolidated and Parent Company Financial Statements | |
| Income Statement 1 January - 31 December | 15 |
| Balance Sheet 31 December | 16 |
| Statement of Changes in Equity | 18 |
| Cash Flow Statement 1 January - 31 December | 19 |
| Notes to the Financial Statements | 20 |

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Trustpilot A/S for the financial year 1 January - 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

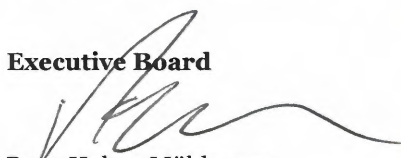
In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2018.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 9 May 2019

Executive Board

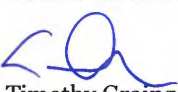


Peter Holten Mühlmann
CEO



Kasper Asbjørn Heine

Board of Directors



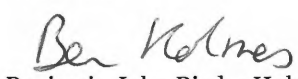
Timothy Grainger Weller
Chairman



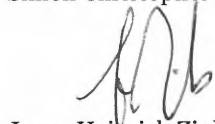
Simon Christopher Cook



Benjamin Clark Johnson



Benjamin John Bieder Holmes



Jeppe Heinrich Zink



Lars Andersen



Mohammed Ali Anjarwala

Independent Auditor's Report

To the Shareholders of Trustpilot A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Trustpilot A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines 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, Management is 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 in preparing the Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 9 May 2019

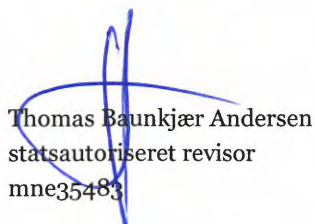
PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Ulrik Ræbild
statsautoriseret revisor
mne33262



Thomas Baunkjær Andersen
statsautoriseret revisor
mne35483

Company Information

The Company

Trustpilot A/S
Pilestræde 58, 5.
DK-1112 København K

Telephone: + 45 +45 88 77 76 00
Website: www.trustpilot.com

CVR No: 30 27 65 82
Financial period: 1 January - 31 December
Incorporated: 12 February 2007
Municipality of reg. office: Copenhagen

Board of Directors

Timothy Grainger Weller, Chairman
Simon Christopher Cook
Benjamin Clark Johnson
Benjamin John Bieder Holmes
Jeppe Heinrich Zink
Lars Andersen
Mohammed Ali Anjarwala

Executive Board

Peter Holten Mühlmann
Kasper Asbjørn Heine

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

| | Group | | | | |
|-------------------------------------------------------|----------|----------|----------|----------|----------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| | TDKK | TDKK | TDKK | TDKK | TDKK |
| Key figures | | | | | |
| Profit/loss | | | | | |
| Revenue | 408,377 | 317,266 | 241,624 | 180,224 | 118,473 |
| Operating profit/loss | -156,704 | -159,139 | -183,586 | -180,485 | -111,893 |
| Net financials | -7,187 | -15,111 | -1,265 | -5,437 | 13,519 |
| Net profit/loss for the year | -153,375 | -168,337 | -179,635 | -180,435 | -92,124 |
| Balance sheet | | | | | |
| Balance sheet total | 126,606 | 188,599 | 302,768 | 477,598 | 127,762 |
| Equity | -104,190 | 46,203 | 196,773 | 380,320 | 53,867 |
| Cash flows | | | | | |
| Cash flows from: | | | | | |
| - operating activities | -64,516 | -56,966 | -87,183 | -140,585 | -72,486 |
| - investing activities | -72,549 | -69,396 | -84,467 | -23,210 | -10,400 |
| including investment in property, plant and equipment | -1,711 | -2,484 | -4,282 | 0 | -4,261 |
| - financing activities | 52,954 | 13,650 | 0 | 499,036 | -1,356 |
| Change in cash and cash equivalents for the year | -84,111 | -112,712 | -171,650 | 335,241 | -84,242 |
| Number of employees | 643 | 509 | 483 | 404 | 230 |
| Ratios | | | | | |
| Solvency ratio | -82.3% | 24.5% | 65.0% | 79.6% | 42.2% |

Management's Review

Key activities

Trustpilot is an online review community that helps consumers make better purchasing decisions and businesses showcase and improve their service. Any consumer can write a review on trustpilot and any business can invite its customers to share reviews about their experiences - for free. This enables companies, in an increasingly crowded online world to have a better dialogue with customers and channel feedback to improve business operations and customer satisfaction.

The Group's Business Review

Trustpilot is a leading independent online review platform - free and open to all. With more than 60 million reviews of over 260,000 domains, Trustpilot gives people a place to share and discover reviews of businesses, and we give every company the tools to turn consumer feedback into business results. The company's mission is to bring people and businesses closer together to create ever-improving experiences for everyone. Trustpilot reviews are seen more than 2 billion times each month by consumers worldwide.

The Group is comprised of the Parent Company: Trustpilot A/S (Denmark) and the 100% owned subsidiaries: Trustpilot Inc. (US), Trustpilot Ltd. (UK), Trustpilot GmbH (Germany), Trpilot PTY Ltd. (Australia) and Trustpilot UAB (Lithuania).

2018 Highlights

2018 was a transformational year for Trustpilot. Record-breaking revenue and review numbers, a successful rebrand and a renewed focus on product development and technology are just a few of the highlights that made 2018 yet another year for the record books.

2018 saw Trustpilot reach and exceed the 50-million reviews mark, total bookings rose to USD \$74.9 million and more than 261,000 websites now have been reviewed on Trustpilot.com. Following a year of research, Trustpilot's new brand identity and narrative was revealed to the world in June 2018. The brand was very well received by both consumers and customers, and paved the way for Trustpilot's next decade.

Trustpilot.com also became one of the top 60 websites in the UK according to Alexa traffic rankings and one of the 700 most visited websites in the world.

A reorganization of Trustpilot's Technology department led to the appointment of a new Chief Product Officer and a new Chief Technology Officer in 2018. Ramin Vatanparast (CPO) and Stephen Garland (CTO) both bring years of experience scaling high-growth technology companies. Shortly after joining Trustpilot, they successfully implemented extensive updates to both our product and technology infrastructures.

Management's Review

In the second half of 2018, a heavy focus on automation and machine learning led to improvements in customer onboarding, support and the overall client experience, and the release of the Review Insights product, which helps businesses quickly understand what their customers are saying about them. These additions combined with other improvements will continue to help Trustpilot significantly accelerate and improve its product delivery, creating clear advantages for current and potential customers.

The company-wide bonus plan implemented in 2017 to give all employees the opportunity to share in Trustpilot's success also continued to pay dividends. In addition to specific goals for Reach, Revenue, Trust and Cost, a new bonus metric was added focusing on 'Activated NewBiz' (ANB). A new business booking is defined as 'activated' if the company has at least 10 invited reviews on Trustpilot or 10,000 TrustBox impressions.

The collective focus on these five measures led to record-breaking results. Trustpilot surpassed USD \$64 million in revenue and USD \$18 million in Activated NewBiz (ANB), reached over 75,000 domains with more than 10 reviews (Reach), maintained an average 4-star rating on Trustpilot (Trust), and stayed under the cost budget set for 2018 (Cost).

With customers in 70 countries, Trustpilot continues to focus on its operations in Europe, the US and Australia. Total Revenue grew by DKK 91.1 Million in 2018 compared to a growth of DKK 75.6 Million in 2017.

The revenue and result for 2018 are in line with the expectations outlined in the financial statement from 2017. In the financial year 2018, Trustpilot saw a 29% increase in revenue, with revenue totaling DKK 408,377 thousand, compared to a total revenue of DKK 317,266 thousand last year. The income statement for 2018 shows a loss of DKK 153,375 thousand compared to a loss of DKK 168,337 in 2017. The balance sheet on 31 December 2018 shows equity of DKK -104,190 thousand versus equity of DKK 46,203 thousand on 31 December 2017.

These results are in line with the growth plan that has been approved by Trustpilot's Board of Directors.

Special risks - operating risks and financial risks

Management has concluded that Trustpilot has been assessed not to be subject to any special risks, including operating and financial risks, apart from the usual risks in the line of business.

Management's Review

Gender composition of management

Trustpilot's board of directors has agreed upon the following policies and objectives for the under-represented gender in management positions.

At all levels of the organization, there is a continued focus on ensuring gender diversity in addition to an overall culturally diverse workplace. However, we balance this with the need to select the best candidates in specific geographies with specific niche skills to help us achieve our strategic goals.

Trustpilot's employees represent 45 nationalities and the global gender distribution is 40% female and 60% male. This is the result of a dedicated company strategy to ensure a diverse and inclusive work environment. Trustpilot's global Code of Ethics states that we're not influenced in our decisions, actions or recommendations by issues of gender, race, creed, color, age or personal disabilities, and our Non-Discrimination & Anti-Harassment Policy reinforces our stance as an equal opportunity employer who offers employment opportunities, assignments and promotions on the basis of merit rather than personal characteristics.

At the head office in Copenhagen, the overall gender distribution is 54% male and 46% female. There is a specific emphasis on ensuring more female representation in Trustpilot's senior level management positions. We're increasing our efforts to recruit and interview female candidates for as many management roles as possible. Trustpilot's efforts to ensure a diverse workplace are also reflected in initiatives such as our Women in Leadership initiative and hosting events like "Women in Tech." The gender distribution throughout the company has been stable at around 61% male and 39% female for the past four years.

Targets for the under-represented gender at the Board of Directors level

Regarding the underrepresented gender, the objective is to have at least one female member at top management level during the next four years (2019-2023). In early 2019 two women joined the top management team, thereby meeting and exceeding the objective.

The objective of having at least one female on the Board of Directors before the end of 2018 has not been achieved due to Trustpilot being a young company in a transition phase and the fact that no new board seats became available in 2018. However, it remains an objective to ensure that the number of female board members is at least one over the next four-year period. At present, there are eight members on the Board of Directors and no female members. In 2019 Trustpilot will appoint a woman to the board of directors.

Management's Review

Targets for the under-represented gender at other management levels

In the management layers below Board of Directors level, there are 128 managers, of which 52 are women. In 2018, women therefore made up 40.6% of management at Trustpilot and the number of women at other management levels increased by 79% from 2017. This is the result of our continued focus on ensuring gender diversity at Trustpilot as well as good staff retention leading to an increase in the number of women promoted to management positions in 2018 — thereby fulfilling the overall company ambition of a balanced composition of genders in leadership.

Corporate Social Responsibility (CSR)

Business model

With more than 60 million reviews of over 260,000 domains, Trustpilot gives people a place to share and discover reviews of businesses, and we give every company the tools to turn consumer feedback into business results.

More specifically, Trustpilot is a Software as a Service (“SaaS”) business that offers free and paid services to companies. This means that any company can use Trustpilot for free and invite their customers to review them. They can also reply to reviews, report reviews, and get basic review statistics, for free. Companies that choose to subscribe to Trustpilot's business services, on the other hand, get access to all of our free services as well as extra tools that make it quicker and easier to engage with customers and learn from reviews. For example, personalized customer support, analytics tools and widgets that showcase their customer reviews.

Trustpilot's mission is to bring people and companies together to create ever-improving experiences for everyone, and this mission lies at the heart of our business model.

Risks related to CSR

We fully acknowledge our responsibility to contribute to sustainable development and see a natural correlation between acting responsibly and increasing Trustpilot's profit and future growth. We have created policies to address risks related to employee matters, human rights, data, anti-corruption and anti-bribery. As a young online business experiencing rapid growth, we're still working to implement a dedicated environmental policy but many elements that would typically be included in such a policy are already an integral part of how we operate, as referred to in the subsection titled 'Environmental matters.' With the below initiatives and policies in place and the commitment to do more in years to come, Trustpilot is confident that we comply with regulations on human rights, environmental, social and employee matters.

Management's Review

Environmental matters

In line with our serverless-first approach, in 2018 we became a fully cloud-based company and continue to be at the forefront of the serverless movement. We also had a renewed focus on recycling, seeing our New York office create a Green Team that has decreased the use of plastic and sparked an increase in recycling overall. We also started 'Veggie Wednesdays,' a weekly, meat-free day in our Copenhagen office canteen. By taking meat off the menu once a week, we will save around 40,000 tons of CO₂e greenhouse gas emissions per year. That's the equivalent of driving over 300,000 kilometers in a car.

We are committed to limiting our carbon footprint as much as possible and Trustpilot products comply with all environmental regulations. We encourage organizing meetings via Google Meet or other electronic means, and continue to increase the number of meeting rooms that can facilitate virtual meetings. Our company Travel & Expense Policy states that employees may only travel from office to office when necessary and approved by a manager, and require staff to use public transport when travelling to and from airports, hotels and the like (unless travelling late at night).

Recycling is also encouraged in all of our offices. In our largest office, Copenhagen, we have movement-sensitive lighting and we continued to recycle cardboard, paper, batteries, broken glass, cans, plastic bottles, and Nespresso capsules in 2018. We've also continued to focus on eliminating food-waste, making sure that we don't order too much food and that any leftovers are available for employees to take home free of charge.

Employee matters

We work diligently to provide a safe, inclusive and supportive work environment for all of our employees. Our Non-Discrimination & Anti-Harassment Policy is included as part of all Trustpilot employment agreements and clearly states that discrimination against or harassment of other employees or applicants for employment is not tolerated.

In addition, our Code of Ethics openly shares our core values with our stakeholders and partners, and sets clear expectations for ourselves and others regarding the appropriate standards of business conduct. The Code of Ethics applies to all of Trustpilot's employees and the people who work for us – including our executives and directors. It also extends to our community of consumers, customers and businesses, and to anyone doing business with us, such as our partners and suppliers. In 2018 we also created a new Speaking Up Policy supported by an aligned reporting and investigation process, which was implemented in early 2019.

In 2018 Trustpilot implemented the use of Peakon to measure and improve employee engagement.

Our global office teams also continued to make improvements to our office environment, including refurbishing new office spaces to make room for our expanding workforce as well as working to improve ventilation, lighting and meeting room availability. In 2018 we also upgraded security measures in all locations and a pass is now required to access any Trustpilot office. Employee benefits such as local social clubs, company social events, flexible working times and access to healthy snacks also continued in 2018.

Management's Review

Social matters

In 2018, Trustpilot employees participated in our first global Giving Tree campaign, which resulted in gifts for 330 kids who otherwise wouldn't receive anything during the holidays. This was made possible through partnerships with local charities such as Børnehjælpsdagen in Copenhagen, Kids Out in London, New York Cares in New York, A Precious Child in Denver, Vaik? svajon?s in Vilnius and The Royal Children's Hospital in Melbourne. Trustpilot also supported a number of different events and causes in the cities it calls home in 2018. These include TechFest and Women in Tech in Copenhagen, Pens for Kids, American Foundation for Suicide Prevention Walk, and Rescuing Food Leftovers in New York.

Our refreshed brand and narrative, launched in 2018, reinforced our social purpose of encouraging companies to "Get Better" by using reviews to improve, and reaffirmed our commitment to trust and transparency for everyone using our platform. Further initiatives continue to build on this momentum in 2019.

Human rights

Trustpilot sees data protection as a human right. This is an area we take very seriously and we prioritise keeping people's personal data safe, whether it's that of our employees or those that use our platform. Naturally, inviting people to write reviews and share their experiences involves the exchange of information. Therefore, to make sure we meet the requirements of the European General Data Protection Regulation ("GDPR"), we have updated our policies and practices to give individuals a higher level of control over their personal data. Among other initiatives in 2018 we have:

- Built a scalable framework to handle data subjects' requests (data subjects' access requests and requests to be forgotten)
- A process in place to honour each data subject's right to object
- Implemented a data portability feature for data subjects
- Adopted a Data Incident Policy and created a Data Incident Register
- Appointed a Data Protection Officer

Additionally, before engaging a data processor, we carry out checks to make sure their level of security meets our high standards. In 2018 we also trained 596 employees (including specialised sessions for certain departments) in preparation for GDPR. Our GDPR-compliant Data Processing Agreement (DPA) regulates how we process data on behalf of companies, and ensures we do it in a compliant way. This is available on our website, together with an overview of the data sub-processors we use.

In our Code of Ethics we make it clear that we're committed to conducting our business with the highest ethical standards. A part of this means that we do not do business with companies who are a "bad-fit", and in 2018 we implemented a bad-fit policy to reflect that. A bad-fit company is a company that does not share Trustpilot's values and core beliefs. Examples of companies who are a bad-fit include those that sell illegal drugs, offer child labor, forced labor or human trafficking, or sell products with endangered animal parts.

Management's Review

In 2018 we also laid the groundwork for Trustpilot's Modern Slavery Code of Conduct (for customers, contractors and suppliers working with Trustpilot) and our Modern Slavery Statement, which are set to be implemented in 2019.

Anti-corruption & Anti-bribery

Our Global Anti-Bribery Policy applies to all Trustpilot employees as well as all of our business partners, including suppliers, distributors, consultants etc. In addition, employees working in our Accounting & Tax department continue to be bound by our Fraud Policy, which outlines what fraud is as well as how to react if they discover or suspect financial fraud has taken place. In 2018 we worked to make many of our policies more easily accessible and easier to read, including our Global Anti-Bribery Policy. Employees in our Accounting & Tax department also attended webinars about topics like fraud and hacking, helping them stay vigilant in their day-to-day activities.

Research and development activities

Trustpilot is determined to keep investing in the services it delivers by continuing to add additional functionality, but also by scaling its tech environment to enable further growth.

Capital resources

The share capital has been re-established in connection with the founding round in 2019. Reference is made to the description under the below topic 'Post balance sheet events'.

Uncertainty relating to recognition and measurement

No items have been subject to any significant estimates there's not considered as normal for the industry where Trustpilot operates. Therefore, there is no uncertainty relating to recognition and measurement.

Unusual events

The Group's assets, liabilities and financial position at 31 December 2018 and the result of the Group's activities and cash flows for 2018 are not affected by unusual circumstances.

Post balance sheet events

In March 2019 it was announced that Trustpilot had raised \$55 million in a funding round aimed at fueling growth. The investment was led by Sunley House, a subsidiary of buyout-focused private equity firm Advent International. Existing shareholders Vitruvian Partners, Draper Esprit, Index Ventures and Northzone also contributed.

Management's Review

Outlook

Trustpilot will continue to invest considerably in building the services and features necessary to support consumers in making more informed decisions when shopping online. Moreover, Trustpilot will continue to advocate for ecommerce businesses to actively engage in conversations with their customers and to use customer feedback to strengthen their services for mutual benefit.

The Board of Directors' expectation is to have sufficient equity and liquidity to cover the expansion.

On this basis, the financial result for 2019 is expected to show a loss in line with the result for 2018.

Income Statement 1 January - 31 December

| | Note | Group | | Parent company | |
|---------------------------------------------------------|------|-----------------|-----------------|-----------------|-----------------|
| | | 2018 TDKK | 2017 TDKK | 2018 TDKK | 2017 TDKK |
| Revenue | 1 | 408,377 | 317,266 | 307,836 | 234,903 |
| Production costs | 2 | -99,056 | -74,386 | -81,194 | -67,442 |
| Gross margin | | 309,321 | 242,880 | 226,642 | 167,461 |
| Distribution costs | 2 | -361,679 | -300,315 | -307,949 | -248,991 |
| Administrative costs | 2 | -104,346 | -101,704 | -59,609 | -58,303 |
| Operating profit/loss | | -156,704 | -159,139 | -140,916 | -139,833 |
| Other operating income | | 5,524 | 935 | 54,300 | 46,924 |
| Profit/loss before financial income and expenses | | -151,180 | -158,204 | -86,616 | -92,909 |
| Income from investments in subsidiaries | | 0 | 0 | -77,119 | -73,374 |
| Financial income | 3 | 18,812 | 5,549 | 28,072 | 11,012 |
| Financial expenses | 4 | -25,999 | -20,660 | -23,212 | -18,566 |
| Profit/loss before tax | | -158,367 | -173,315 | -158,875 | -173,837 |
| Tax on profit/loss for the year | 5 | 4,992 | 4,978 | 5,500 | 5,500 |
| Net profit/loss for the year | | -153,375 | -168,337 | -153,375 | -168,337 |

Balance Sheet 31 December

Assets

| | Note | Group | | Parent company | |
|--------------------------------------------------|----------|----------------|----------------|----------------|----------------|
| | | 2018 TDKK | 2017 TDKK | 2018 TDKK | 2017 TDKK |
| Completed development projects | | 0 | 0 | 0 | 0 |
| Acquired intangible assets | | 11,843 | 17,244 | 9,102 | 16,215 |
| Intangible assets | 6 | 11,843 | 17,244 | 9,102 | 16,215 |
| Other fixtures and fittings, tools and equipment | | 2,097 | 2,215 | 551 | 686 |
| Leasehold improvements | | 1,101 | 2,243 | 96 | 182 |
| Property, plant and equipment | 7 | 3,198 | 4,458 | 647 | 868 |
| Investments in subsidiaries | 8 | 0 | 0 | 3,681 | 2,096 |
| Deposits | 9 | 5,134 | 4,762 | 1,897 | 1,448 |
| Fixed asset investments | | 5,134 | 4,762 | 5,578 | 3,544 |
| Fixed assets | | 20,175 | 26,464 | 15,327 | 20,627 |
| Trade receivables | | 36,358 | 8,071 | 26,507 | 5,306 |
| Receivables from group enterprises | | 0 | 0 | 0 | 4,626 |
| Other receivables | | 5,113 | 2,140 | 3,677 | 695 |
| Corporation tax | | 5,500 | 5,500 | 5,500 | 5,500 |
| Prepayments | 10 | 5,130 | 7,983 | 2,237 | 4,730 |
| Receivables | | 52,101 | 23,694 | 37,921 | 20,857 |
| Cash at bank and in hand | | 54,330 | 138,441 | 35,200 | 118,798 |
| Currents assets | | 106,431 | 162,135 | 73,121 | 139,655 |
| Assets | | 126,606 | 188,599 | 88,448 | 160,282 |

Balance Sheet 31 December

Liabilities and equity

| | Note | Group | | Parent company | |
|----------------------------------------------------------------|------|-----------------|----------------|-----------------|----------------|
| | | 2018 TDKK | 2017 TDKK | 2018 TDKK | 2017 TDKK |
| Share capital | | 4,147 | 4,079 | 4,147 | 4,079 |
| Retained earnings | | -108,337 | 42,124 | -108,337 | 42,124 |
| Equity | 11 | -104,190 | 46,203 | -104,190 | 46,203 |
| Provision for deferred tax | 13 | 0 | 121 | 0 | 0 |
| Provisions relating to investments in group enterprises | | 0 | 0 | 8,113 | 5,008 |
| Provisions | | 0 | 121 | 8,113 | 5,008 |
| Credit institutions | | 48,422 | 0 | 48,422 | 0 |
| Other payables | | 0 | 2,653 | 0 | 2,343 |
| Long-term debt | 14 | 48,422 | 2,653 | 48,422 | 2,343 |
| Prepayments received from customers | | 114,318 | 69,102 | 84,763 | 51,451 |
| Trade payables | | 8,860 | 5,333 | 8,860 | 4,361 |
| Payables to group enterprises | | 0 | 0 | 609 | 0 |
| Corporation tax | | 143 | 234 | 0 | 0 |
| Other payables | 14 | 59,053 | 64,953 | 41,871 | 50,916 |
| Short-term debt | | 182,374 | 139,622 | 136,103 | 106,728 |
| Debt | | 230,796 | 142,275 | 184,525 | 109,071 |
| Liabilities and equity | | 126,606 | 188,599 | 88,448 | 160,282 |
| Distribution of profit | 12 | | | | |
| Contingent assets, liabilities and other financial obligations | 17 | | | | |
| Related parties | 18 | | | | |
| Fee to auditors appointed at the general meeting | 19 | | | | |
| Accounting Policies | 20 | | | | |

Statement of Changes in Equity

Group

| | Share capital | Share premium account | Retained earnings | Total |
|------------------------------------------------------|---------------|--------------------------|----------------------|-----------------|
| | TDKK | TDKK | TDKK | TDKK |
| Equity at 1 January | 4,079 | 0 | 42,124 | 46,203 |
| Cash capital increase | 68 | 4,464 | 0 | 4,532 |
| Exchange adjustments relating to foreign entities | 0 | 0 | -1,550 | -1,550 |
| Net profit/loss for the year | 0 | 0 | -153,375 | -153,375 |
| Transfer from share premium account | 0 | -4,464 | 4,464 | 0 |
| Equity at 31 December | 4,147 | 0 | -108,337 | -104,190 |

Parent company

| | | | | |
|------------------------------------------------------|--------------|----------|-----------------|-----------------|
| Equity at 1 January | 4,079 | 0 | 42,124 | 46,203 |
| Cash capital increase | 68 | 4,464 | 0 | 4,532 |
| Exchange adjustments relating to foreign entities | 0 | 0 | -1,550 | -1,550 |
| Net profit/loss for the year | 0 | 0 | -153,375 | -153,375 |
| Transfer from share premium account | 0 | -4,464 | 4,464 | 0 |
| Equity at 31 December | 4,147 | 0 | -108,337 | -104,190 |

Cash Flow Statement 1 January - 31 December

| | Note | Group | |
|----------------------------------------------------------------------------------|------|----------------|-----------------|
| | | 2018 TDKK | 2017 TDKK |
| Net profit/loss for the year | | -153,375 | -168,337 |
| Adjustments | 15 | 79,485 | 99,176 |
| Change in working capital | 16 | 13,645 | 20,201 |
| Cash flows from operating activities before financial income and expenses | | -60,245 | -48,960 |
| Financial income | | 18,812 | 5,549 |
| Financial expenses | | -27,863 | -18,592 |
| Cash flows from ordinary activities | | -69,296 | -62,003 |
| Corporation tax paid | | 4,780 | 5,037 |
| Cash flows from operating activities | | -64,516 | -56,966 |
| Sale(+)/Purchase(-) of intangible assets | | -70,466 | -66,714 |
| Sale(+)/Purchase(-) of property, plant and equipment | | -1,711 | -2,484 |
| Sale(+)/Purchase(-) of fixed asset investments etc. made | | -372 | -198 |
| Cash flows from investing activities | | -72,549 | -69,396 |
| Raising(+)/Repayment(-) of loans from credit institutions | | 48,422 | 0 |
| Cash capital increase | | 4,532 | 13,650 |
| Cash flows from financing activities | | 52,954 | 13,650 |
| Change in cash and cash equivalents | | -84,111 | -112,712 |
| Cash and cash equivalents at 1 January | | 138,441 | 251,153 |
| Cash and cash equivalents at 31 December | | 54,330 | 138,441 |
| Cash and cash equivalents are specified as follows: | | | |
| Cash at bank and in hand | | 54,330 | 138,441 |
| Cash and cash equivalents at 31 December | | 54,330 | 138,441 |

Notes to the Financial Statements

| | Group | | Parent company | |
|-----------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2018 TDKK | 2017 TDKK | 2018 TDKK | 2017 TDKK |
| 1 Revenue | | | | |
| Geographical segments | | | | |
| Europe | 262,302 | 197,499 | 261,908 | 197,238 |
| Rest of world | 146,075 | 119,767 | 45,928 | 37,665 |
| | 408,377 | 317,266 | 307,836 | 234,903 |
| 2 Staff | | | | |
| Wages and Salaries | 363,074 | 317,431 | 177,626 | 162,752 |
| Pensions | 3,726 | 1,120 | 0 | 604 |
| Other social security expenses | 26,082 | 18,924 | 2,047 | 1,055 |
| | 392,882 | 337,475 | 179,673 | 164,411 |
| Including remuneration to the Executive and Supervisory Boards of: | | | | |
| Executive Board | 4,346 | 4,040 | 4,346 | 4,040 |
| Supervisory Board | 333 | 331 | 333 | 331 |
| | 4,679 | 4,371 | 4,679 | 4,371 |
| Average number of employees | 643 | 509 | 310 | 266 |

The group has over the years introduced incentive plans aimed at key employees. Share options are vesting over time to insure the retention of such key employees. The total number of shares for which key employees may become eligible is 715.060 (2017: 519.438). The options are exercisable at an exercise price of DKK 67.00 - 201.57.

Bonusses from the Company Bonus Program amounts to a total of DKK 13,432 thousand for the Parent Company and amounts a total of DKK 12,181 thousand for the Group.

Notes to the Financial Statements

| | Group | | Parent company | |
|---------------------------------------------|---------------|---------------|----------------|---------------|
| | 2018 TDKK | 2017 TDKK | 2018 TDKK | 2017 TDKK |
| 3 Financial income | | | | |
| Interest received from group enterprises | 0 | 0 | 9,260 | 5,478 |
| Other financial income | 136 | 104 | 136 | 96 |
| Exchange adjustments | 18,676 | 5,445 | 18,676 | 5,438 |
| | 18,812 | 5,549 | 28,072 | 11,012 |
| 4 Financial expenses | | | | |
| Other financial expenses | 7,238 | 3,728 | 4,451 | 1,703 |
| Exchange adjustments, expenses | 18,761 | 16,932 | 18,761 | 16,863 |
| | 25,999 | 20,660 | 23,212 | 18,566 |
| 5 Tax on profit/loss for the year | | | | |
| Current tax for the year | -5,357 | -5,266 | -5,500 | -5,500 |
| Deferred tax for the year | -121 | 121 | 0 | 0 |
| Adjustment of tax concerning previous years | 486 | 167 | 0 | 0 |
| | -4,992 | -4,978 | -5,500 | -5,500 |

Notes to the Financial Statements

6 Intangible assets

Group

| | Completed development projects <u>TDKK</u> | Acquired intangible assets <u>TDKK</u> | Total <u>TDKK</u> |
|----------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|----------------------|
| Cost at 1 January | 94,664 | 49,197 | 143,861 |
| Additions for the year | 47,517 | 22,949 | 70,466 |
| Disposals for the year | 0 | -5,195 | -5,195 |
| Cost at 31 December | <u>142,181</u> | <u>66,951</u> | <u>209,132</u> |
| Impairment losses and amortisation at 1 January | 94,664 | 31,939 | 126,603 |
| Impairment losses for the year | 40,131 | 0 | 40,131 |
| Amortisation for the year | 7,386 | 28,364 | 35,750 |
| Reversal of amortisation of disposals for the year | 0 | -5,195 | -5,195 |
| Impairment losses and amortisation at 31 December | <u>142,181</u> | <u>55,108</u> | <u>197,289</u> |
| Carrying amount at 31 December | <u>0</u> | <u>11,843</u> | <u>11,843</u> |
| Amortised over | <u>3 years</u> | <u>1-3 years</u> | |

Notes to the Financial Statements

6 Intangible assets (continued)

Parent company

| | Completed development projects <u>TDKK</u> | Acquired intangible assets <u>TDKK</u> | Total <u>TDKK</u> |
|----------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|----------------------|
| Cost at 1 January | 94,664 | 47,367 | 142,031 |
| Additions for the year | 47,517 | 18,431 | 65,948 |
| Disposals for the year | 0 | -5,195 | -5,195 |
| Cost at 31 December | <u>142,181</u> | <u>60,603</u> | <u>202,784</u> |
| Impairment losses and amortisation at 1 January | 94,664 | 31,152 | 125,816 |
| Impairment losses for the year | 40,131 | 0 | 40,131 |
| Amortisation for the year | 7,386 | 25,544 | 32,930 |
| Reversal of amortisation of disposals for the year | 0 | -5,195 | -5,195 |
| Impairment losses and amortisation at 31 December | <u>142,181</u> | <u>51,501</u> | <u>193,682</u> |
| Carrying amount at 31 December | <u>0</u> | <u>9,102</u> | <u>9,102</u> |
| Amortised over | <u>3 years</u> | <u>1-3 years</u> | |

Notes to the Financial Statements

7 Property, plant and equipment

Group

| | Other fixtures and fittings, tools and equipment TDKK | Leasehold improvements TDKK | Total TDKK |
|---------------------------------------------------|-------------------------------------------------------------------|-----------------------------------|---------------------|
| Cost at 1 January | 7,619 | 5,886 | 13,505 |
| Additions for the year | 1,593 | 121 | 1,714 |
| Disposals for the year | 0 | -3 | -3 |
| Cost at 31 December | <u>9,212</u> | <u>6,004</u> | <u>15,216</u> |
| Impairment losses and depreciation at 1 January | 5,406 | 3,653 | 9,059 |
| Depreciation for the year | 1,709 | 1,250 | 2,959 |
| Impairment losses and depreciation at 31 December | <u>7,115</u> | <u>4,903</u> | <u>12,018</u> |
| Carrying amount at 31 December | <u>2,097</u> | <u>1,101</u> | <u>3,198</u> |
| Depreciated over | <u>3-5 years</u> | <u>3-5 years</u> | |

Parent company

| | Other fixtures and fittings, tools and equipment TDKK | Leasehold improvements TDKK | Total TDKK |
|---------------------------------------------------|-------------------------------------------------------------------|-----------------------------------|-------------------|
| Cost at 1 January | 3,428 | 1,525 | 4,953 |
| Additions for the year | 352 | 0 | 352 |
| Kostpris at 31 December | <u>3,780</u> | <u>1,525</u> | <u>5,305</u> |
| Impairment losses and depreciation at 1 January | 2,743 | 1,343 | 4,086 |
| Depreciation for the year | 486 | 86 | 572 |
| Impairment losses and depreciation at 31 December | <u>3,229</u> | <u>1,429</u> | <u>4,658</u> |
| Carrying amount at 31 December | <u>551</u> | <u>96</u> | <u>647</u> |
| Depreciated over | <u>3-5 years</u> | <u>3-5 years</u> | |

Notes to the Financial Statements

| | Parent company | |
|-----------------------------------------------------------------------------|----------------|--------------|
| | 2018 | 2017 |
| | TDKK | TDKK |
| 8 Investments in subsidiaries | | |
| Cost at 1 January | 123,725 | 123,725 |
| Cost at 31 December | 123,725 | 123,725 |
| Value adjustments at 1 January | -267,107 | -206,894 |
| Exchange adjustment | -1,550 | 13,161 |
| Net profit/loss for the year | -77,119 | -73,374 |
| Value adjustments at 31 December | -345,776 | -267,107 |
| Equity investments with negative net asset value amortised over receivables | 217,619 | 140,470 |
| Equity investments with negative net asset value transferred to provisions | 8,113 | 5,008 |
| Carrying amount at 31 December | 3,681 | 2,096 |

Investments in subsidiaries are specified as follows:

| Name | Place of registered office | Votes and ownership |
|---------------------|----------------------------|---------------------|
| Trustpilot Inc. | USA | 100% |
| Trustpilot Ltd. | UK | 100% |
| Trustpilot GmbH | DE | 100% |
| Trpilot PTY Limited | AU | 100% |
| Trustpilot AUB | LT | 100% |

Notes to the Financial Statements

9 Other fixed asset investments

| | <u>Group</u> | <u>Parent</u> |
|--------------------------------|-----------------|----------------|
| | <u>Deposits</u> | <u>company</u> |
| | TDKK | TDKK |
| Cost at 1 January | 4,762 | 1,448 |
| Additions for the year | 449 | 449 |
| Disposals for the year | -77 | 0 |
| Cost at 31 December | <u>5,134</u> | <u>1,897</u> |
| | | |
| Carrying amount at 31 December | <u>5,134</u> | <u>1,897</u> |

10 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

Notes to the Financial Statements

11 Equity

The share capital is broken down as follow:

| | Number | Nominal value TDKK |
|---------------|-----------|-----------------------|
| Common-shares | 787,381 | 788 |
| A-shares | 1,121,546 | 1,122 |
| B-shares | 670,752 | 671 |
| C-shares | 514,461 | 514 |
| D-shares | 1,052,307 | 1,052 |
| | | <u>4,147</u> |

Trustpilot A/S owns a portfolio of common shares at a nominal value of DKK 18 thousand and A shares at a nominal value of DKK 12 thousand. These shares have not been cancelled and are therefore held as treasury shares. Trustpilot A/S may choose to sell these shares at a later time. The shares have been acquired as part of the Company's strategy.

The share capital has developed as follows:

| | 2018 TDKK | 2017 TDKK | 2016 TDKK | 2015 TDKK | 2014 TDKK |
|-----------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Share capital at 1 January | 4,079 | 3,726 | 3,726 | 2,674 | 2,674 |
| Capital increase | 68 | 353 | 0 | 1,052 | 0 |
| Capital decrease | 0 | 0 | 0 | 0 | 0 |
| Share capital at 31 December | <u>4,147</u> | <u>4,079</u> | <u>3,726</u> | <u>3,726</u> | <u>2,674</u> |

12 Distribution of profit

| | Parent company | |
|-------------------|-----------------|-----------------|
| | 2018 TDKK | 2017 TDKK |
| Retained earnings | -153,375 | -168,337 |
| | <u>-153,375</u> | <u>-168,337</u> |

Notes to the Financial Statements

| | Group | | Parent company | |
|---------------------------------------------------------|--------------|--------------|----------------|--------------|
| | 2018 TDKK | 2017 TDKK | 2018 TDKK | 2017 TDKK |
| 13 Provision for deferred tax | | | | |
| Provision for deferred tax at 1 January | 121 | 0 | 0 | 0 |
| Amounts recognised in the income statement for the year | -121 | 121 | 0 | 0 |
| Provision for deferred tax at 31 December | 0 | 121 | 0 | 0 |

14 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

| | Group | | Parent company | |
|----------------------------|---------------|---------------|----------------|---------------|
| | 2018 TDKK | 2017 TDKK | 2018 TDKK | 2017 TDKK |
| Credit institutions | | | | |
| Between 1 and 5 years | 48,422 | 0 | 48,422 | 0 |
| Long-term part | 48,422 | 0 | 48,422 | 0 |
| Within 1 year | 0 | 0 | 0 | 0 |
| | 48,422 | 0 | 48,422 | 0 |
| Other payables | | | | |
| Between 1 and 5 years | 0 | 2,653 | 0 | 2,343 |
| Long-term part | 0 | 2,653 | 0 | 2,343 |
| Within 1 year | 5,572 | 11,981 | 4,958 | 11,981 |
| Other short-term payables | 53,481 | 52,972 | 36,913 | 38,935 |
| Short-term part | 59,053 | 64,953 | 41,871 | 50,916 |
| | 59,053 | 67,606 | 41,871 | 53,259 |

Notes to the Financial Statements

| | Group | |
|---------------------------------------------------------------------------------------|---------------|---------------|
| | 2018 | 2017 |
| | TDKK | TDKK |
| 15 Cash flow statement - adjustments | | |
| Financial income | -18,812 | -5,549 |
| Financial expenses | 25,999 | 20,660 |
| Depreciation, amortisation and impairment losses, including losses and gains on sales | 78,840 | 75,393 |
| Tax on profit/loss for the year | -4,992 | -4,978 |
| Exchange adjustment | -1,550 | 13,650 |
| | <u>79,485</u> | <u>99,176</u> |
| 16 Cash flow statement - change in working capital | | |
| Change in receivables | -28,415 | -5,073 |
| Change in trade payables, etc. | 42,060 | 25,274 |
| | <u>13,645</u> | <u>20,201</u> |

Notes to the Financial Statements

| 17 | Group | | Parent company | |
|-----------------------------------------------------------------------|-------|------|----------------|------|
| | 2018 | 2017 | 2018 | 2017 |
| | TDKK | TDKK | TDKK | TDKK |
| Contingent assets, liabilities and other financial obligations | | | | |

Charges and security

As security for Credit institutions the Group has pledged a floating charge amounting to USD 22.000.000 secured in intangible- and tangible assets, inventory and receivables.

For the Group's leaseholds, an account amounting to DKK 5,2 million (2017: DKK 5,1 million) has been provided for security.

Contingent assets

The group has significant tax loss carry-forwards. There has not been recognised any amount in the balance due to uncertainty as to application of the tax losses.

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

| | | | | |
|-----------------------|---------------|---------------|--------------|--------------|
| Within 1 year | 21,073 | 20,536 | 3,371 | 3,371 |
| Between 1 and 5 years | 14,436 | 32,383 | 1,490 | 2,645 |
| | 35,509 | 52,919 | 4,861 | 6,016 |

Remuneration to Management including incentive plans

Information about remuneration to Management including incentive plans appears from note 2.

18 Related parties

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Notes to the Financial Statements

| | Group | | Parent company | |
|------------------------------------------------------------|--------------|--------------|----------------|--------------|
| | 2018 TDKK | 2017 TDKK | 2018 TDKK | 2017 TDKK |
| 19 Fee to auditors appointed at the general meeting | | | | |
| PwC | | | | |
| Audit fee | 245 | 0 | 123 | 0 |
| Tax advisory services | 35 | 0 | 18 | 0 |
| Other services | 40 | 0 | 30 | 0 |
| | 320 | 0 | 171 | 0 |
| EY | | | | |
| Audit fee | 0 | 330 | 0 | 165 |
| Tax advisory services | 0 | 35 | 0 | 18 |
| Other services | 0 | 277 | 0 | 30 |
| | 0 | 642 | 0 | 213 |
| | 320 | 642 | 171 | 213 |

Notes to the Financial Statements

20 Accounting Policies

The Annual Report of Trustpilot A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

With reference to a true and fair view, reclassification have been made in the income statement for the Parent Company and the Group. Compares figures have been restated in connection hereof.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2018 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Trustpilot A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

20 Accounting Policies (continued)

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Segment information on revenue

The allocation of revenue of revenue and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an out-flow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Income Statement

Revenue

Revenue from sale of subscriptions is recognised in the income statement over the period of subscription provided the the income can be reliably measured.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Notes to the Financial Statements

20 Accounting Policies (continued)

Production costs

Production costs comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Distribution costs

Distribution costs comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

Administrative costs

Administrative costs comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

20 Accounting Policies (continued)

Balance Sheet

Intangible assets

Intangible assets includes development projects and acquired intangible assets, including software licences.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities. Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Developments costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses. Following the completion of the development phase, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 3 years.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised over the right of use or the useful life. The amortisation period is 3 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

| | |
|--------------------------------------------------|-----------|
| Other fixtures and fittings, tools and equipment | 3-5 years |
| Leasehold improvements | 3-5 years |

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

20 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes to the Financial Statements

20 Accounting Policies (continued)

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by 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

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 depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Notes to the Financial Statements

20 Accounting Policies (continued)

Cash flows from investing activities

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.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$$